



2020 Annual Results Presentation

March 2021



*(A joint stock company incorporated in the PRC with limited liability
under the Chinese corporate name 华泰证券股份有限公司 and
carrying on business in Hong Kong as HTSC)*

Agenda

1

Company overview

2

Financial overview

3

Business overview

4

Development strategy

Agenda



Company overview

Financial overview

Business overview

Development strategy

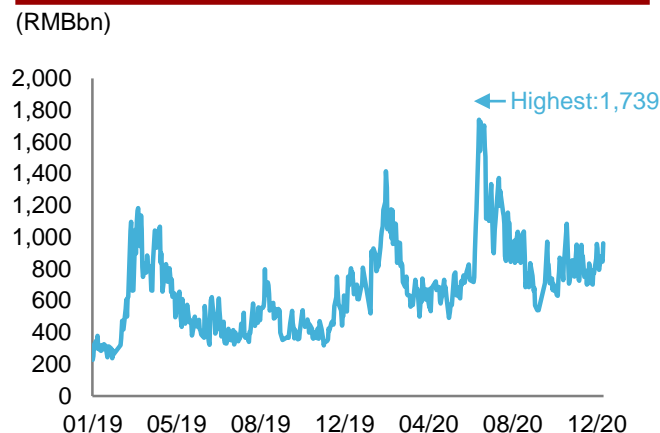
Market Environment

Despite global COVID-19 outbreak, reform and opening up of China capital market accelerated in 2020. Trading was active in A-share market with rapid growth in MFSL balance and surging mutual funds issuance size. The steady implementation of registration-based reform propelled direct financing growth and the expansion of stock connect schemes led to higher level of internationalization

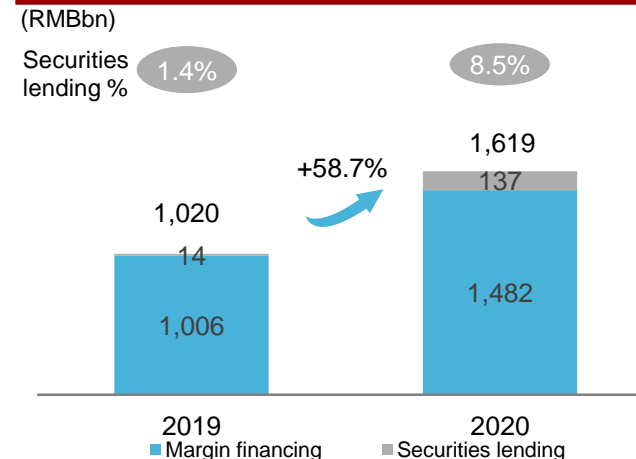
Indices performance in key markets¹



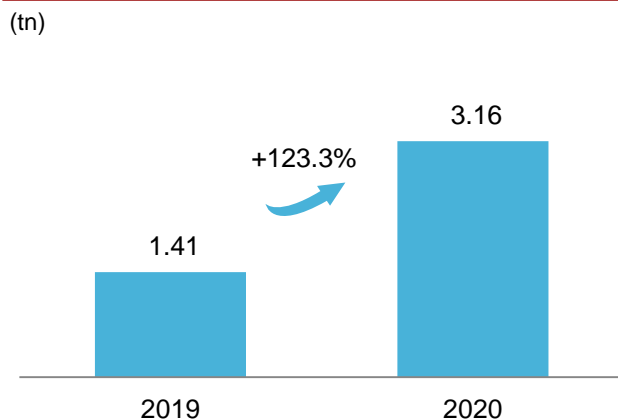
Stock trading volume



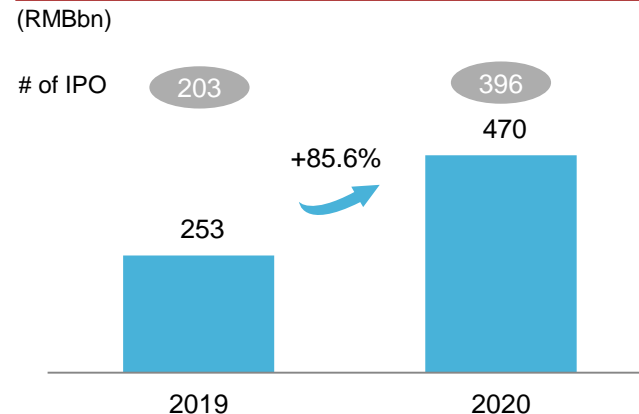
Margin financing and securities lending (MFSL) balance



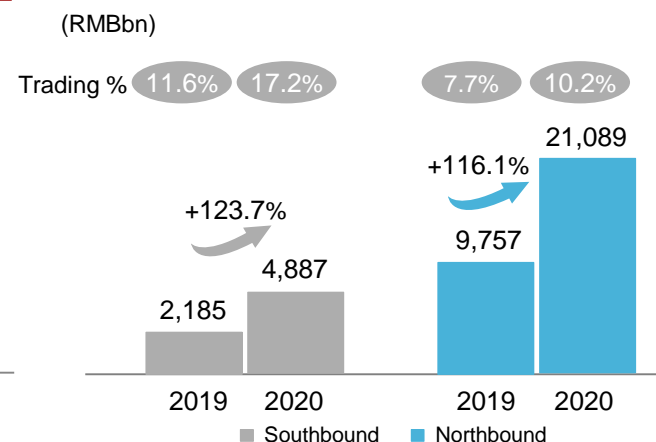
Mutual funds issuance size



Number and size of IPOs



Southbound and Northbound trading volume and proportion



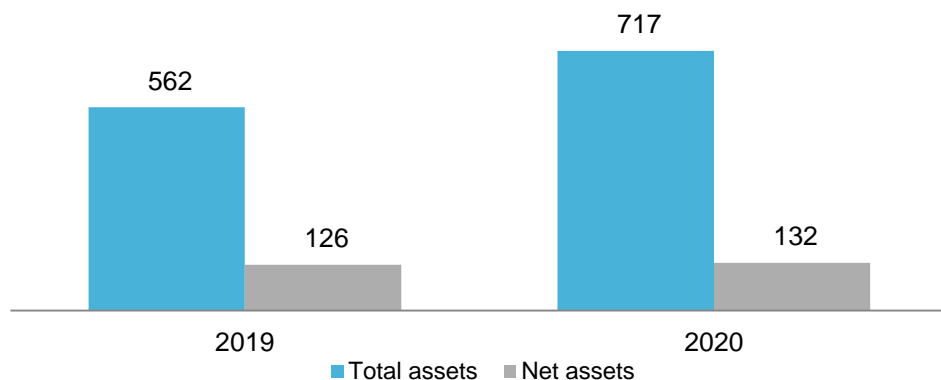
Source: Securities Association of China, Wind, Asset Management Association of China
Note: 1. All indices are rebased to the beginning level of Shanghai Composite Index

Performance Overview

Significant improvement in profitability, expansion of total assets, and optimization of revenue structure

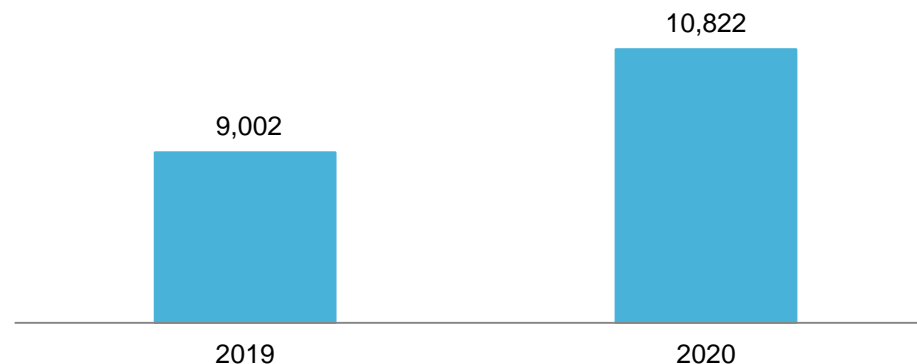
Total assets and Net assets

(RMBbn)

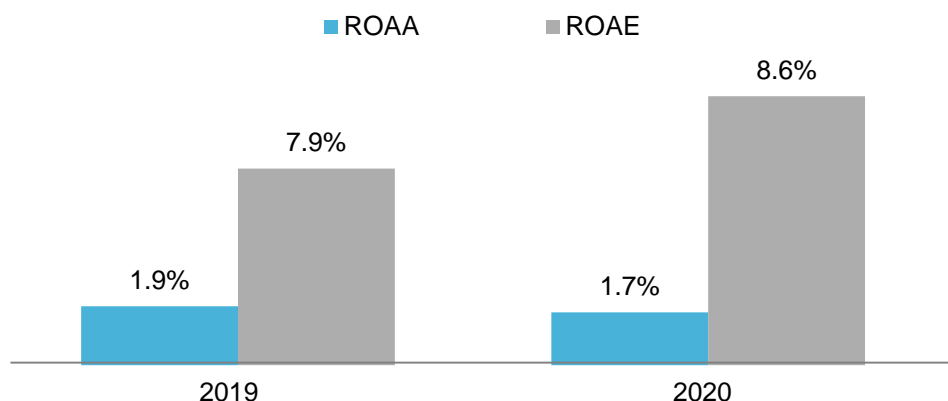


Net profit

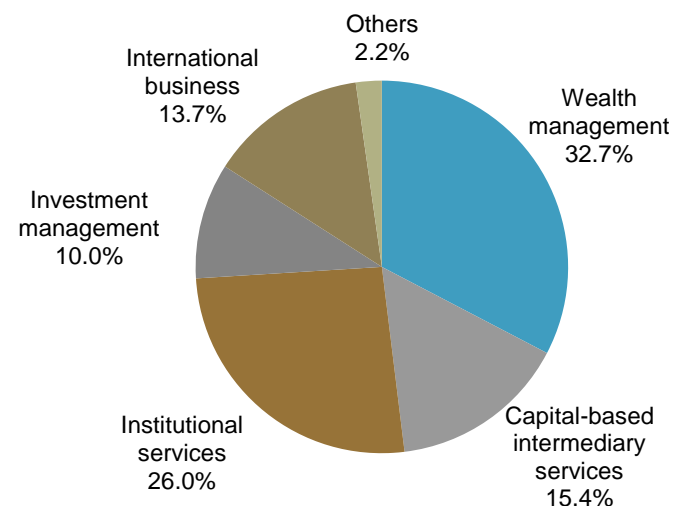
(RMBmm)



ROAA and ROAE ¹



2020 revenue breakdown







Source: Company data






Note: 1. ROAA = Net profit / average total assets, ROAE = Net profit / average net assets

Business Highlights

Strengthening leadership

-  Brokerage trading volume of stocks and funds **>RMB34tn**
-  **Ranked #1** by ZhangLe Fortune Path in terms of MAU among PRC securities firms' apps, MAU exceeded **9.11mm**
-  Balance of margin financing and securities lending **>RMB124.1bn**
-  **44** cumulatively accepted STAR Market IPO applications sponsored by Huatai, **ranked #2** in the industry²
-  **Ranked #2** in terms of the value and number of CSRC-approved M&A transactions³

Pursuing breakthrough

-  Number of clients **>17mm**
-  Total client assets **>RMB4.7tn**
-  Sales of financial products¹ **>RMB700bn**
-  AssetMark's platform assets reached **USD74.5bn**, with steady growth from 2019
-  Among the first to obtain **pilot qualifications** for fund investment advisory services and to be regulated on consolidated basis

Source: Company data, Analysys Qianfan, The Shanghai Stock Exchange, Wind

Note: 1. The value of financial products sold is based on internal statistics, excluding the value of financial products sold through Tiantianfa; 2. Cumulative number of sponsored STAR Market IPOs which are accepted by SSE is based on SSE statistics; 3. The value and number of M&A transactions data is for full year of 2020

Agenda

Company overview



Financial overview

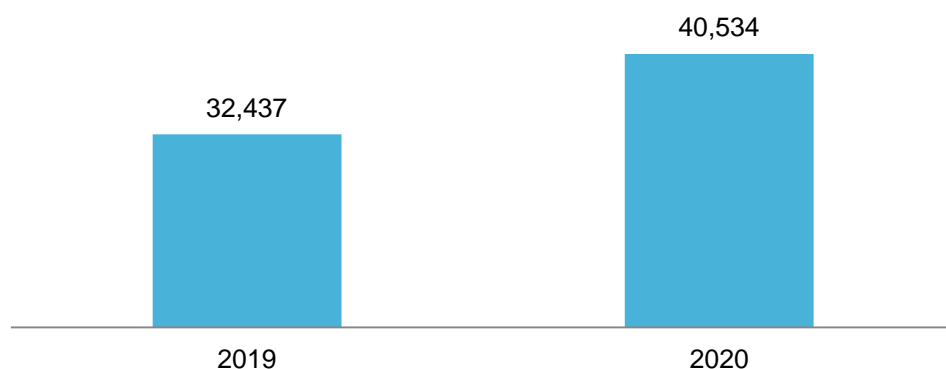
Business overview

Development strategy

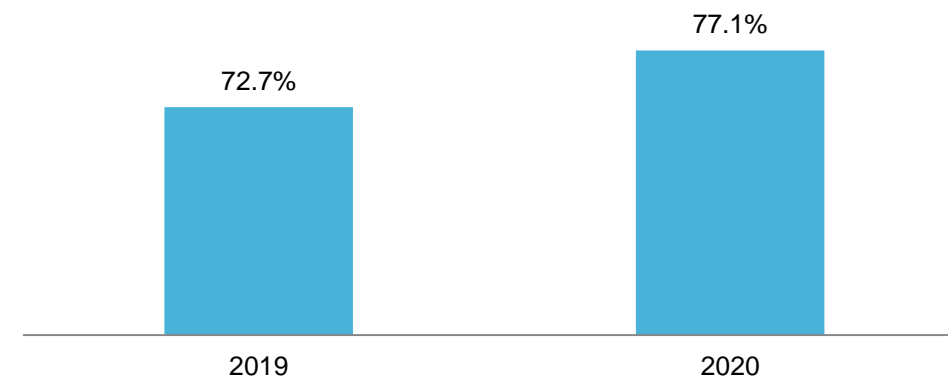
Profitability Continues to Improve

Total revenue

(RMBmm)

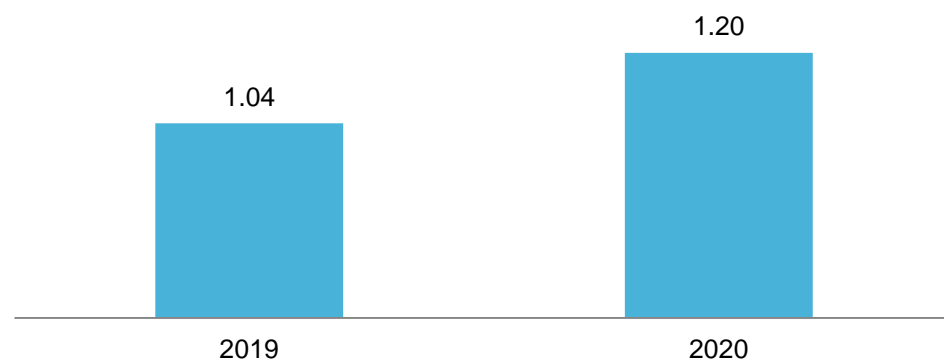


Cost-to-income ratio



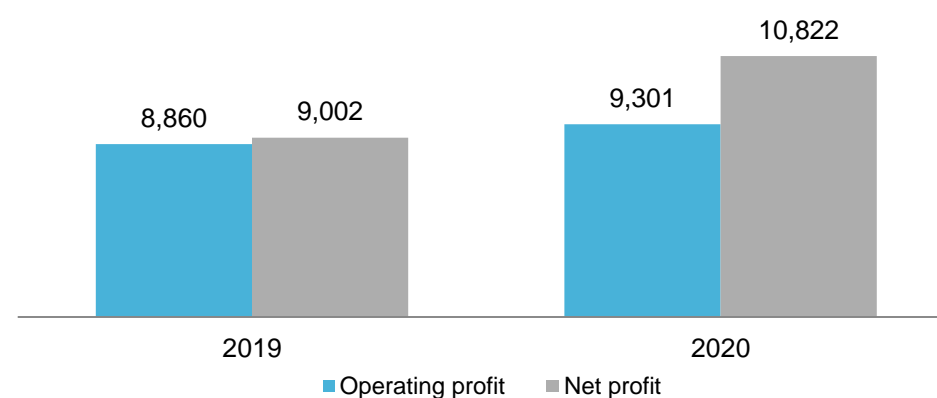
Earnings per share

(RMB)



Operating profit and net profit

(RMBmm)

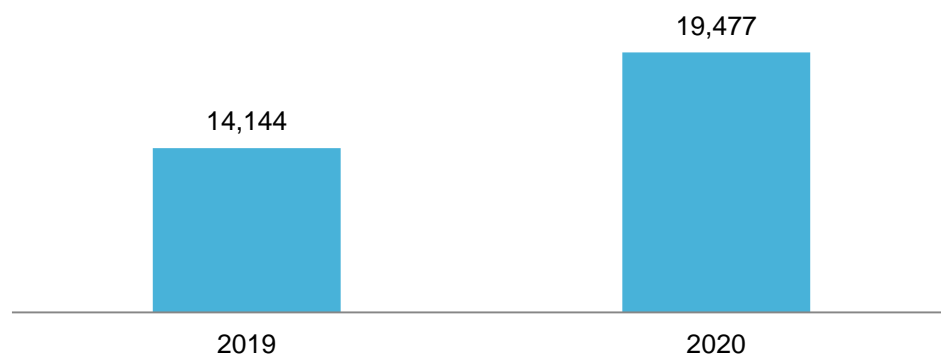


Source: Company data, financial report (IFRS)

Robust Growth across Business Lines

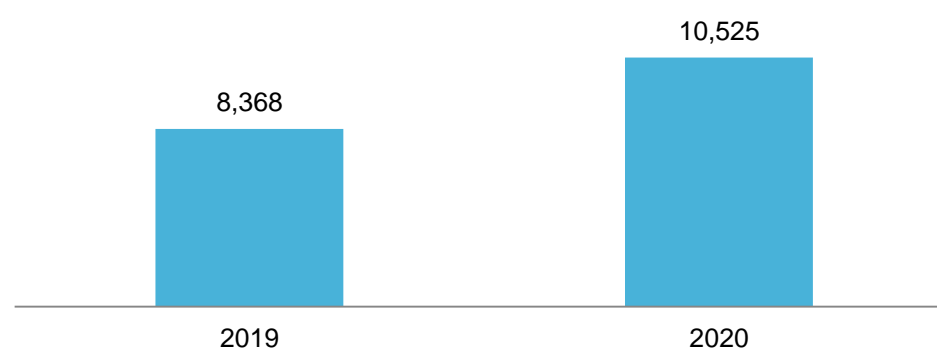
Wealth management revenue

(RMBmm)



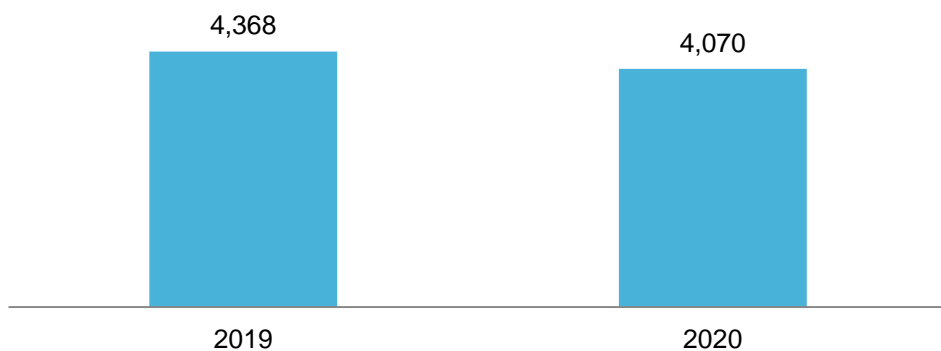
Institutional services revenue

(RMBmm)



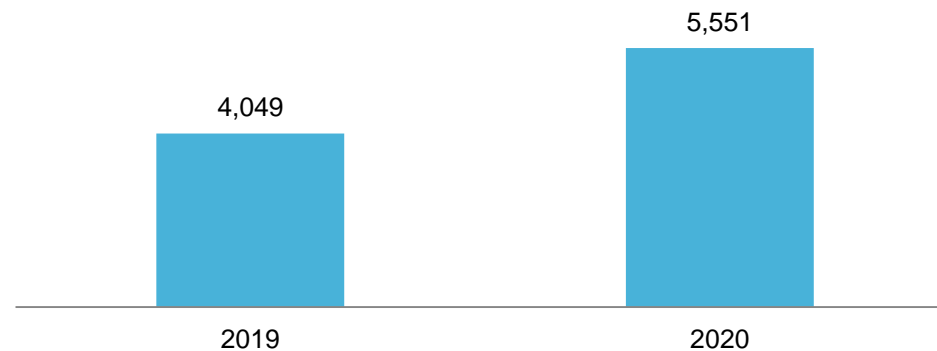
Investment management revenue

(RMBmm)



International business revenue

(RMBmm)

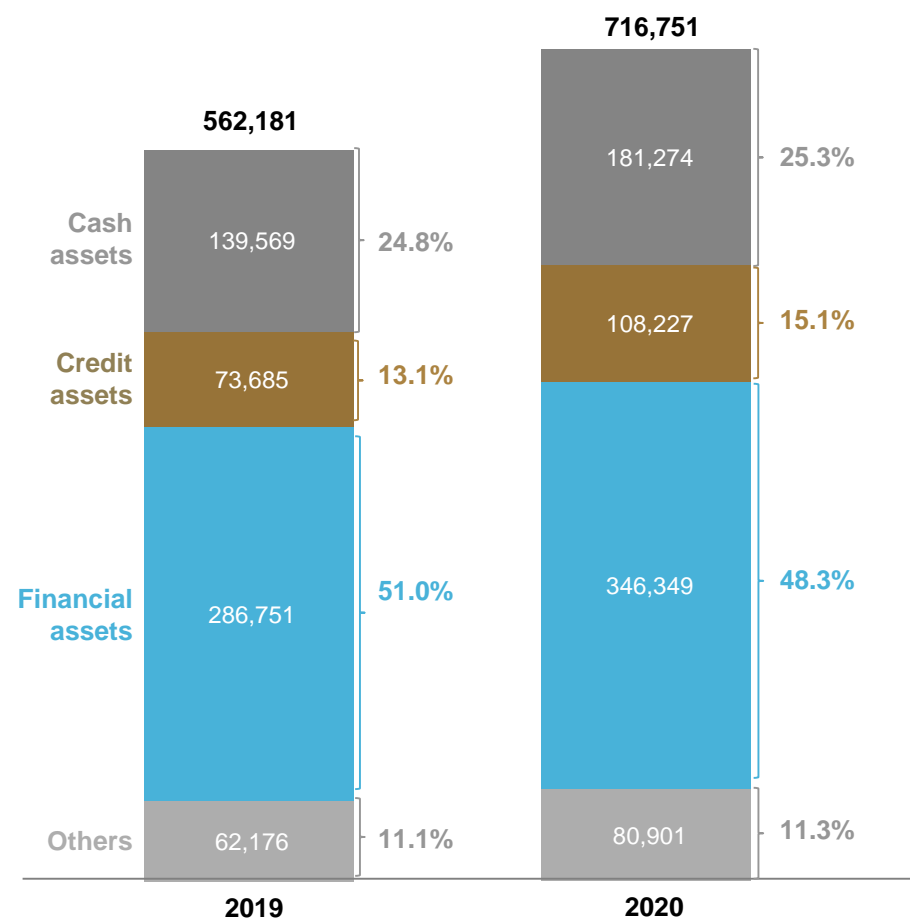


Source: Company data, financial report (IFRS)

Steady Assets Growth and Continuous Optimization of Assets Structure

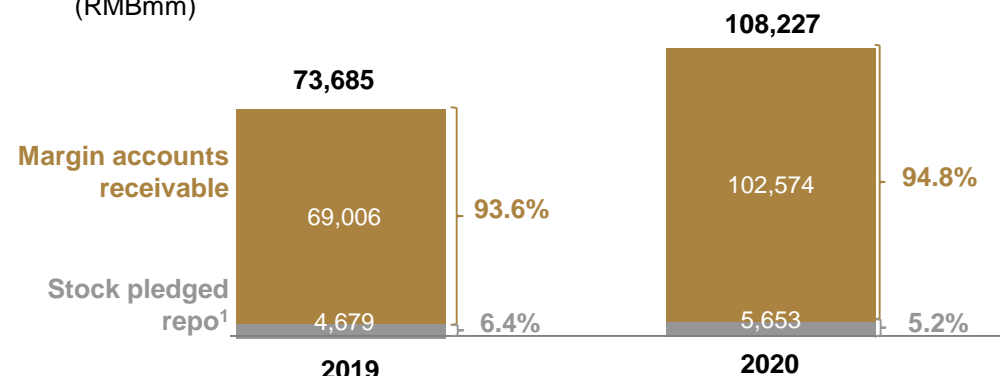
Asset size continues to grow

(RMBmm)



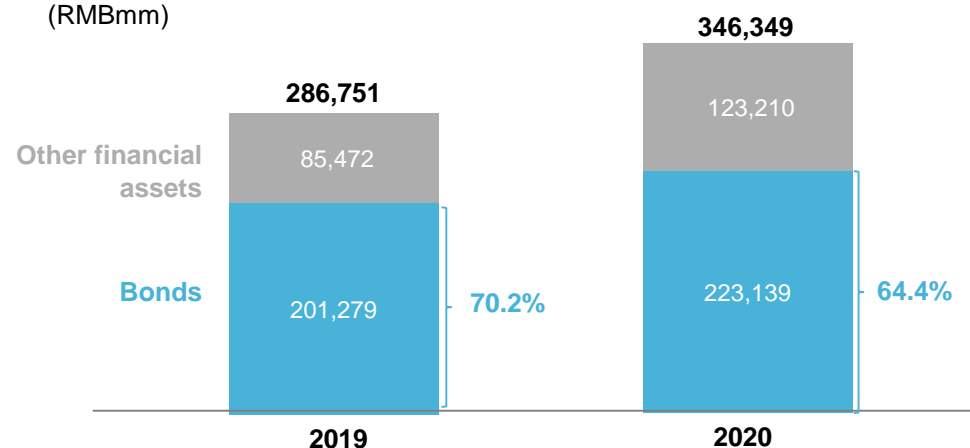
Significant growth in margin accounts receivable while stock pledged repurchase balance remained low

(RMBmm)



Increase in size of financial assets with a modest decline in proportion of bonds

(RMBmm)



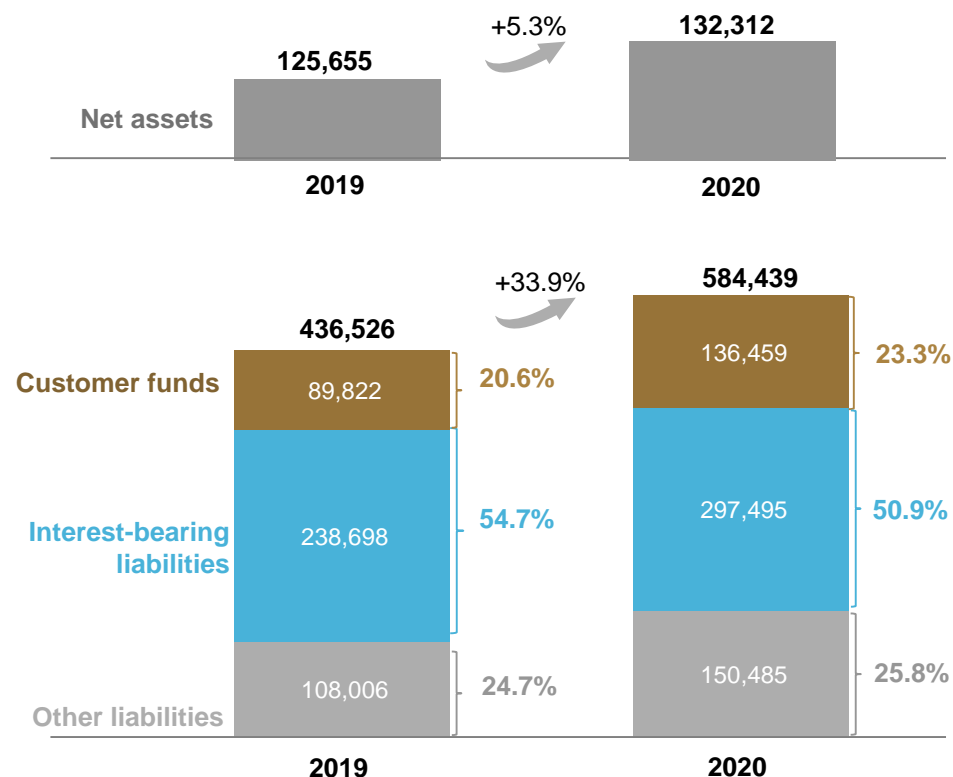
Source: Company data, financial report (IFRS)

Note: 1. Net of provision for impairment

Increased Financial Leverage and Strong Liquidity

Increase in customer funds and interest-bearing liabilities

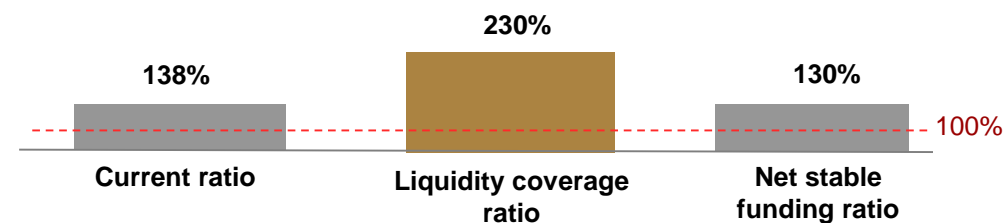
(RMBmm)



Bond issuance

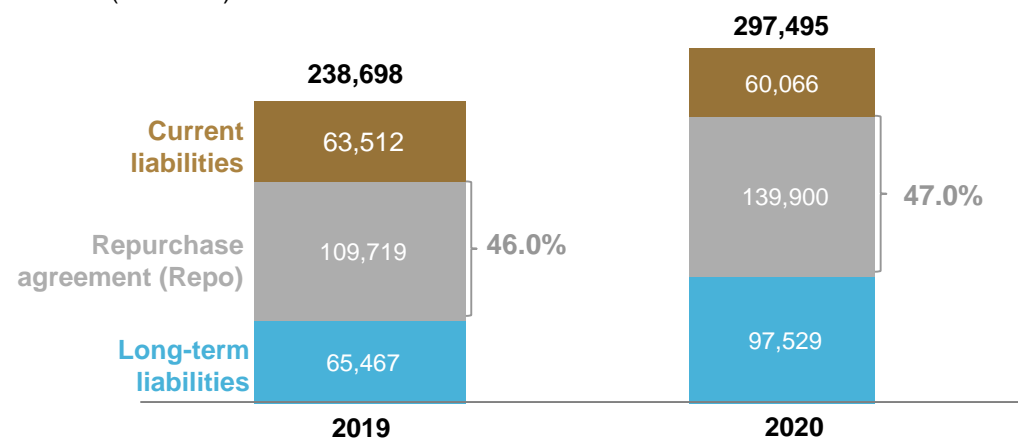
- On February 12, 2020, issued one tranche of USD Bond, with total amounts of USD400mm and floating rate
- On March 26, 2020, issued one tranche of Corporate Bond, with total amounts of RMB8bn and coupon rate of 2.99%
- On April 29, 2020, issued one tranche of Corporate Bond, with total amounts of RMB3.5bn and coupon rate of 2.90%
- On May 21, 2020, issued one tranche of Corporate Bond, with total amounts of RMB3.0bn and coupon rate of 3.20%
- On June 18, 2020, issued one tranche of Corporate Bond, with total amounts of RMB2.3bn and coupon rate of 2.58%
- On June 18, 2020, issued one tranche of Corporate Bond, with total amounts of RMB3.2bn and coupon rate of 3.10%

Strong liquidity



Optimizing structure of interest-bearing liabilities

(RMBmm)



- On November 13, 2020, issued one tranche of Subordinated Bond, with total amounts of RMB5bn and coupon rate of 4.48%
- On November 24, 2020, issued one tranche of Corporate Bond, with total amounts of RMB3.5bn and coupon rate of 3.90%
- On November 27, 2020, issued one tranche of USD Medium-term Note, with total amounts of USD50mm and coupon rate of 0.5%
- On December 9, 2020, issued one tranche of Corporate Bond, with total amounts of RMB4bn and coupon rate of 3.67%
- On December 9, 2020, issued one tranche of Corporate Bond, with total amounts of RMB4bn and coupon rate of 3.79%

Agenda

Company overview

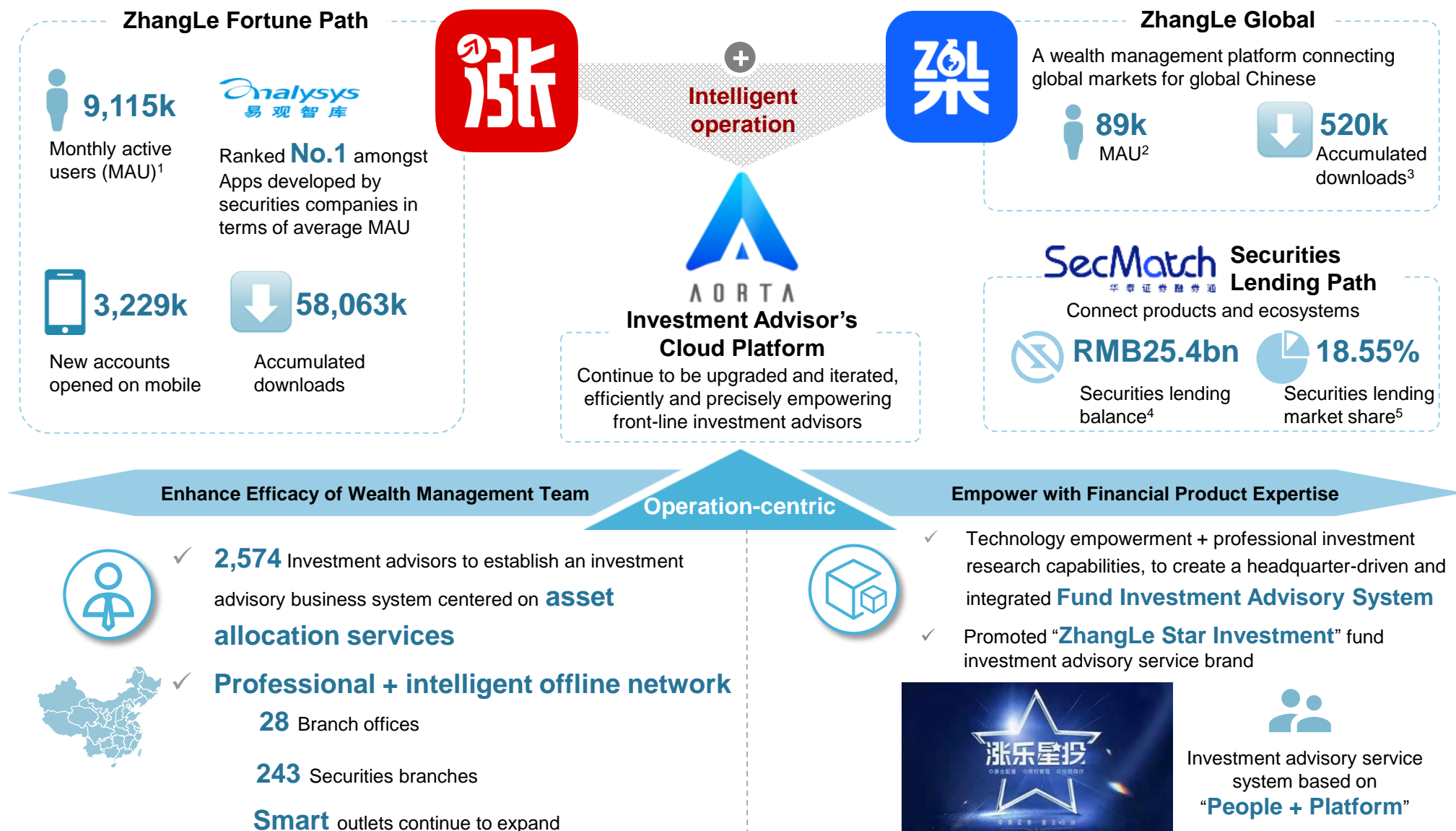
Financial overview



Business overview

Development strategy

Headquarter-driven, Integrated Cross-border Platform Reshaping Wealth Management Services in Ways like Never Before



Source: Company data, SAC, Analysys

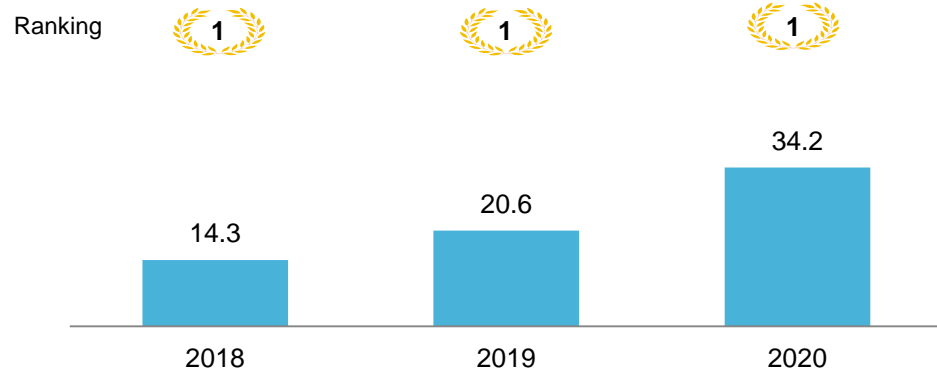
Note: 1. MAU as of December 2020; 2. MAU as of December 2020; 3. Accumulated downloads as of December 2020; 4. Securities lending balance as of December 2020; 5. Securities lending market share as of December 2020

Headquarter-driven, Integrated Cross-border Platform Reshaping Wealth Management Services in Ways like Never Before (Cont'd)

Driven by advanced platform and integrated operation, brokerage trading volume of stocks and funds remained No.1 in the industry with significant expansion in customer base and customer assets. Financial products sales volume and MFSL balance surged on the back of differentiated competitive strengths and superior services, leading to systematic development

Brokerage trading volume of stocks and funds

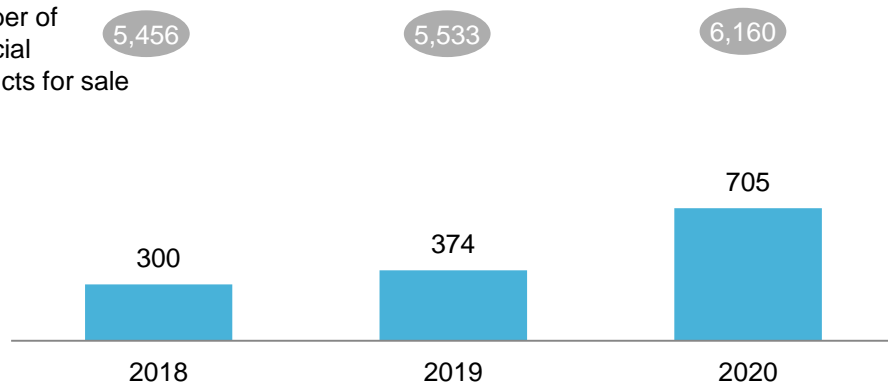
(RMBtn)



Financial products sales volume¹

(RMBbn)

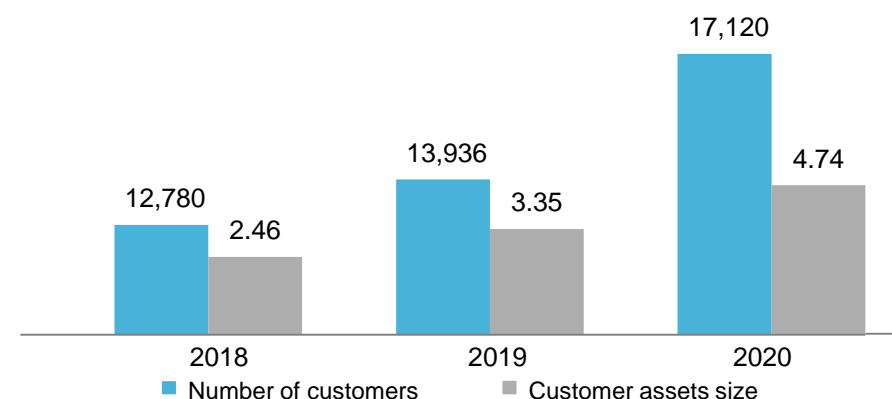
Number of financial products for sale



Number of wealth management customers and size of customer assets

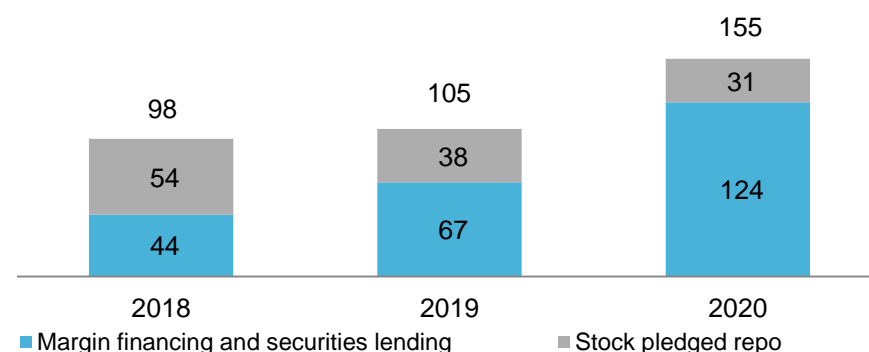
(Thousands)

(RMBtn)



Capital-based intermediary business size

(RMBbn)



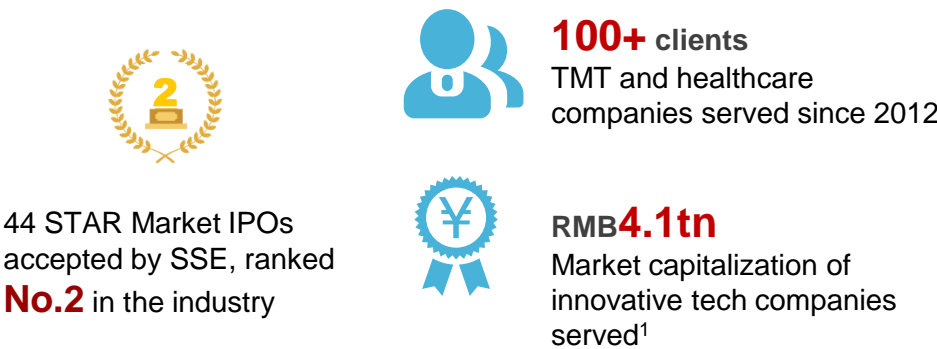
Source: Company data

Note: 1. Tiantianfa is not included in the value of financial products distributed and the number of financial products for sale

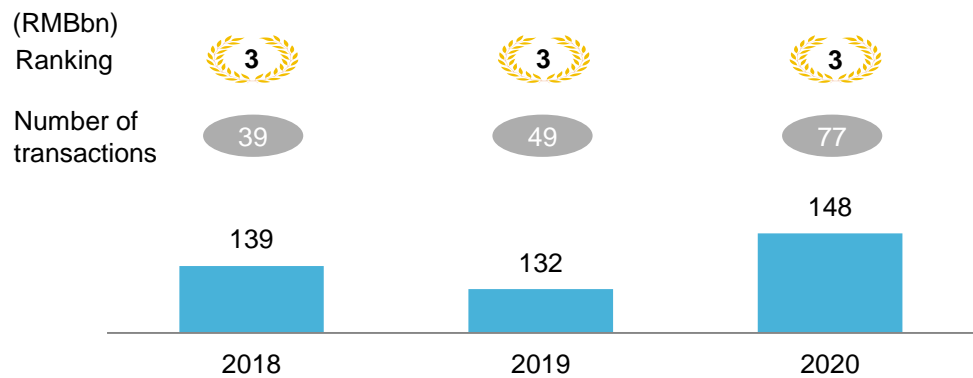
Best-in-class Investment Banking Service Ecosystem

Continued to seize opportunities from deepening capital market reforms with strong commitment to serving the real economy, achieved record business results and maintained industry leadership across business lines despite significant changes in economic landscape onshore and overseas and growing market uncertainties brought by the COVID-19 outbreak

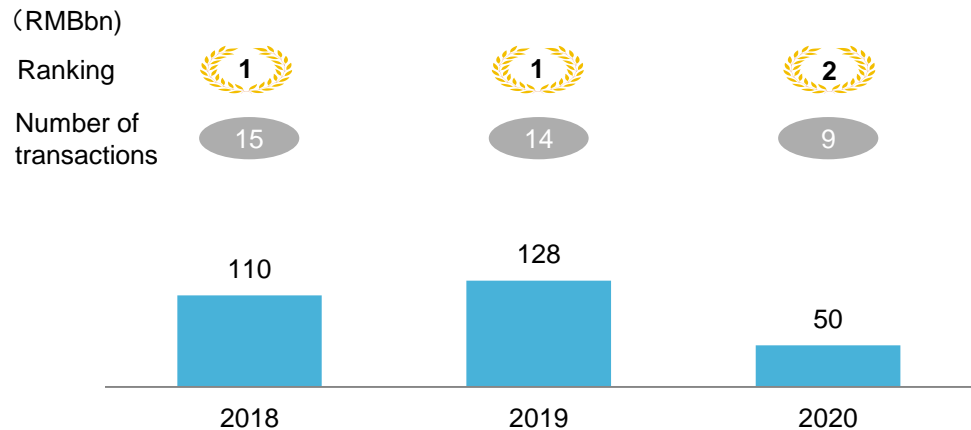
Leading position in number of accepted IPOs on STAR Market, supporting growth of innovative tech companies



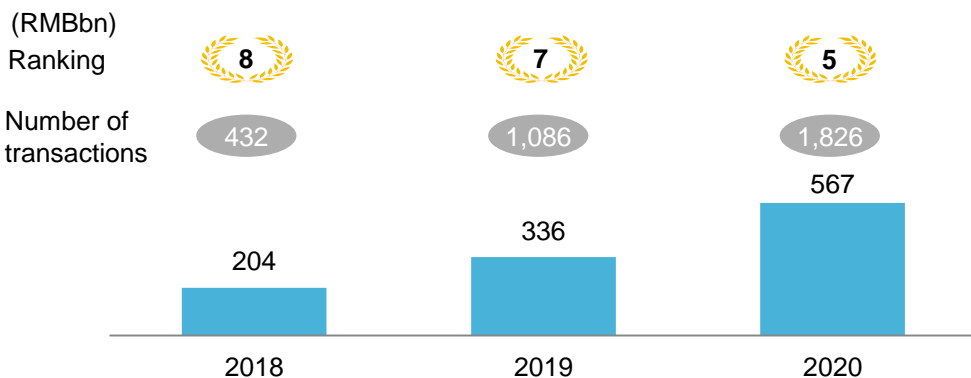
Ranked No.3 in terms of equity underwriting volume³



Industry-leading M&A transaction value²



Debt underwriting volume and ranking⁴



Source: Company information, Wind

Note: 1.Market capitalization of all TMT and healthcare companies served since 2012

2.Value and number of M&A transactions approved and registered by CSRC

3.Equity underwriting includes IPO, follow-on offering, rights issue, preferred shares, convertible bond and exchangeable bond

4.Debt underwriting includes local government bond, policy financial bond, non-policy financial bond, enterprise bond, corporate bond, medium term notes, commercial paper, private placement notes (PPN) foreign issuer bond, government-backed bond, asset-backed securities, convertible bond, exchangeable bond and bonds of other types

Best-in-class Investment Banking Service Ecosystem (Cont'd)

Seized opportunities from economic transformation and upgrade and capital market reforms led by the registration-based reform, continued to deepen industry coverage, executed innovative landmark transactions, and provided full-lifecycle services to clients

IPO

Embrace capital market reforms and support technology innovation

GEELY

The **first** OEM stock on the STAR Market

南京大学环境规划设计研究院
NANJING UNIVERSITY ENVIRONMENTAL PLANNING & DESIGN INSTITUTE

Among the first to be listed under registration base on ChiNext board

三生国健
sanjin pharmaceutical

First spin-off IPO on STAR Market by HK-listed pharmaceutical company

Trinasolar
天合光能

A **globally leading** integrated smart PV solution provider

FARASIS

The **first** power battery stock on the STAR Market

Snibe
新产业生物

The **most profitable biopharma IPO** on SZSE since 2019

Refinancing

Support clients to become better and stronger

江苏银行
BANK OF JIANGSU

The **first rights issue** by A-share listed bank in the past 7 years

双汇发展
SHUANGHUI DEVELOPMENT

RMB7bn **private** placement, largest among listed consumer companies

药明康德
WuXi AppTec

A+H offering size >RMB10bn
Continued services to global leading pharma companies

南京银行
BANK OF NANJING

Raised RMB11,619mm
The **largest equity** financing in Jiangsu in 2020

华菱钢铁
VALIN STEEL

The **first exchangeable** bond offering in 2020

M&A

Support clients' growth and innovation

HYC 华兴源创
HYC TECHNOLOGY

The **first acquisition** by **share offer** registered on the STAR Market

WINGTEC
PROFESSIONAL SOLUTIONS
闻泰科技股份有限公司

RMB100bn+ chip company with only 7 working days from acceptance to approval

EYE 爱尔眼科
AIER EYE HOSPITAL

M&A by EYE Hospital
Continued services to leading private hospitals

天山铝业股份有限公司
TIANSHAN ALUMINUM CO., LTD.

Deal size RMB17,028mm
The **largest approved** reorganization and listing in 2020

华友钴业
HUAYOU COBALT

The **first** debt-to-equity swap through share issuance by a privately controlled listed company

Debt financing

Lead by example: support the real economy

首钢基金
SHOUGANG FUND

The **first** corporate bond with a **fund as the issuer**

国家能源集团
CHN ENERGY

The **first ABN offering** under TDFI program: "2020 IFF Global Green Finance Innovation Award"

曹操出行
CAO CAO

The **first** COVID-19 relief ABN by a private company

浙商资产
ZHESHANG ASSET

Huatai-Zheshang Phase 1 ABS Specialized Plan
The **first special** situation ABS by local AMCs in China

江北公用
NJPAID

The **first** onshore non-FI climate bond

Source: Company information

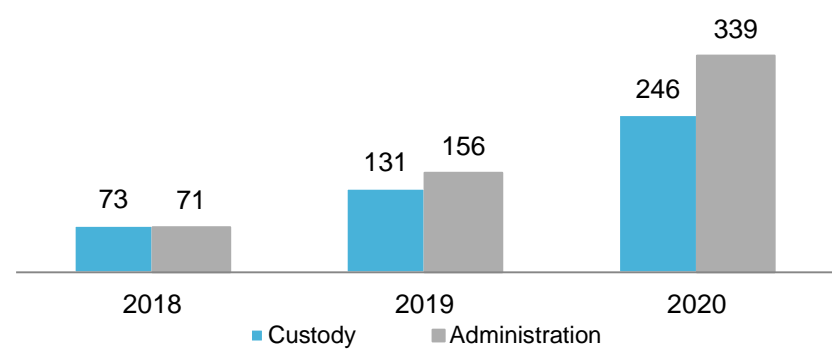
Platform-based Systematic Capabilities for Institutional Services

Scale of fund custody and administration business continued to improve and sub-position transactions for the public fund significantly increased, with accelerated development of research platform. The investment and trading business built on its scale to improve asset pricing power and upgrade trading capabilities in order to create core competitive strengths for the future

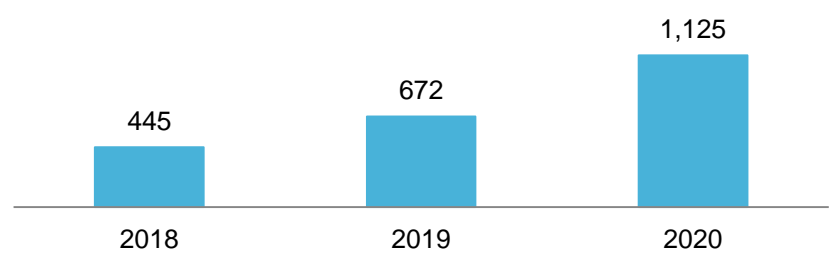


Institutional Investor Services

Scale of fund under custody and administration¹
(RMBbn)



Sub-position transactions for the public fund
(RMBbn)



Note: 1. The size of fund administration services excludes that of AM subsidiaries



Investment and Trading Business



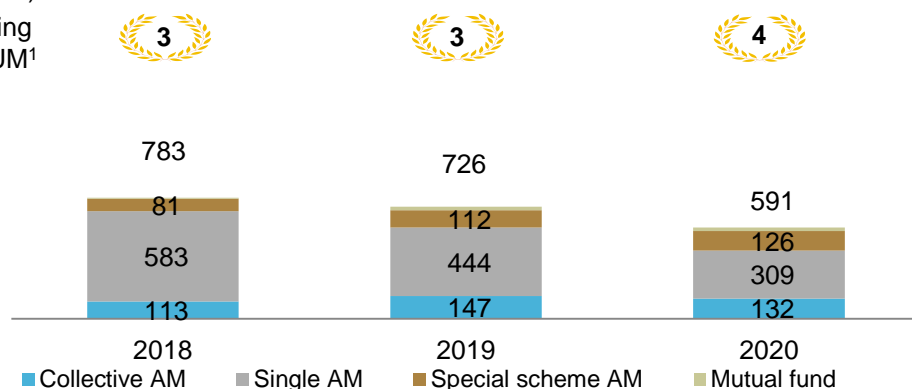
Differentiated Core Competitive Strengths in Investment Management Business

Benefiting from business collaboration and integration, AM business continued to improve investment management, asset allocation and product design capabilities, build professional asset management platform, and maintain industry-leading AUM with increased proportion of actively managed assets. Private equity fund management capabilities continued to improve

AUM of securities firm asset management

(RMBbn)

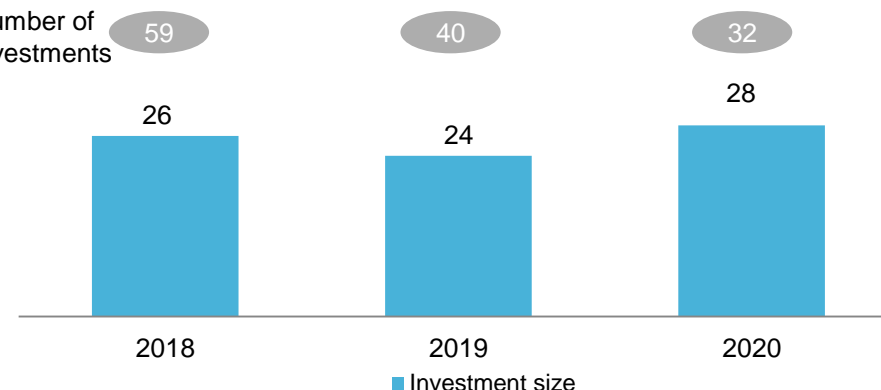
Ranking
by AUM¹



Number and value of private equity investments

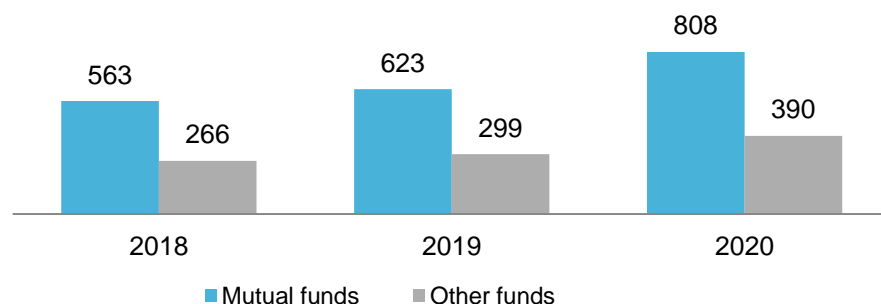
(RMB100mm)

Number of
investments

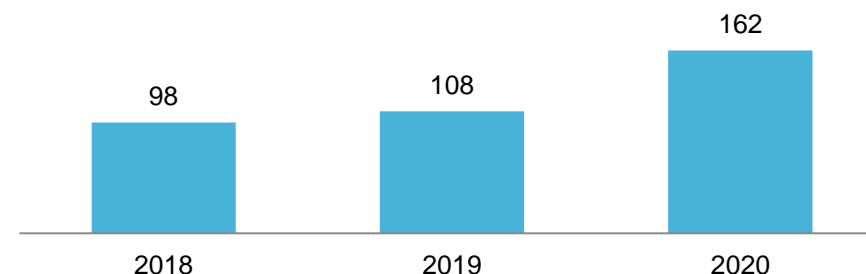


AUM of affiliated mutual funds

(RMBbn)



(RMBbn)



Source: Company information, Wind

Note: 1. 2020 ranking based on Asset Management Association of China's 4Q20 ranking on monthly average AUM of private funds

Rising Competitiveness and Influence in International Business

Huatai Int'l, as Group's international platform based in HK and radiating globally, is fully integrated into the Group's business network. Committed to its securities core business, Huatai Financial achieved quality growth by leveraging cross-border operations and built a "4+1" business platform system, rising to a top-tier HK-based Chinese securities firm with total assets of more than HK\$100bn by 2020

"4+1" business platform with progress

Equities platform	Fixed income platform	Personal finance platform	Fund platform
<ul style="list-style-type: none">Cross-border derivative business ~9x growth in southbound scale 3x growth in northbound scaleBecame the first Asian market maker registered on the London Stock ExchangeOne of the first securities firms to participate in full QFII/RQFII trading products, with complete coverage of institutional equity sales operationsSignificant growth in new institutional accounts	<p>Comprehensive business system</p>  <ul style="list-style-type: none">No risk events during the global market volatility at the beginning of 2020Committed to core business and control risk exposures; promote two-way cross-border transactions and one-stop customer services	<p>Retail & internet finance</p>  <ul style="list-style-type: none">6x growth in customer base within six months after launch, fastest among major HK securities firmsA global wealth management platform for worldwide Chinese with OMO and tailor-made services <p>Private wealth management</p> <ul style="list-style-type: none">Leveraged Group's customer base and improved cross-border and omni-channel service capabilities, with differentiated product system	<p>Established Greater Bay Area Fund and China Concept Stock Return Fund respectively in response to national policies and market trends under the coordinated investment approach</p>  <ul style="list-style-type: none">Greater Bay Area Fund focused on industry upgrade opportunities in the Greater Bay Area  <ul style="list-style-type: none">Leveraged professional capabilities to establish China Concept Stock Return Fund
<ul style="list-style-type: none">Participated in 23 IPOs, ranking No. 4¹ among Chinese sponsors in HK in terms of size and number of sponsored IPOs 	<p>Investment banking platform</p> <p>Cross-border business integration</p>	<ul style="list-style-type: none">Maintained leadership in GDR listings: led GDR offerings for CYPC and CPICExecuted A/H-share secondary listings for overseas-listed Chinese clients by 网易 NETEASE 京东 	

Note: 1. HKEx, Dealogic; only including IPOs above US\$50 million

Rising Competitiveness and Influence in International Business (Cont'd)

AssetMark continued to expand its platform asset and customer base; Huatai Securities (USA) further optimized its system and platform, broadened international institutional client base and service scope, and succeeded in business development



AUM (USDmm)

Ranking by
market share

3

Market share

11.0%¹

21.0%

61,608

2019

74,520

2020

3

11.0%²



8,454

Financial advisors

6.2%³



187,000

Investor households

15.0%⁴

Adhere to core strategy and key highlights



Fully-integrated
technology platform



Personalized and scalable
adviser services



Curated investment
solutions



HUATAI
SECURITIES (USA)

Huatai Securities (USA) improved its platform construction and actively advanced its business

Investment
banking



Advancing investment banking business

- Leveraged cross-border collaboration and sales network to strengthen product and service coverage

Institutional
sales &
trading



Fully launched institutional sales and trading businesses

- Actively engaged US institutional investors and launched cross-border equity trading platform
- Obtained proprietary trading license and further expanded business qualifications

Cross-
border
collabo-
ration



Continue to optimize cross-border collaboration mechanism

- Focused on advisory, securities distribution and trading businesses
- Strengthened collaboration with onshore and HK teams to facilitate business expansion

Note: 1. As of the end of 3Q2019; 2. As of the end of 3Q2020; 3. Growth compared with the end of 2019; 4. Growth compared with the end of 2019

Digital Transformation Focused on Core Financial Services Capabilities

Returning to financial services origin enabled by technology and based on financial use cases and business insights, Huatai further promoted digital and intelligent operations to realize a self-reinforcing virtuous cycle of financial technology and business development

Business innovation

Business innovations based on intelligent business, technology export and platform-based ecosystem



FICC trading platform

An open platform centered on trading + risk control + quantitative analytics

SecMatch Securities Lending Path
华泰证券融资融券

An integrated lending pool of listed and OTC securities in both domestic and overseas markets



Ultra low latency trading system

Support ultra low-latency high-frequency and quantitative trading

Enable customers

Deeply understand customer needs, optimize interactive customer experience, and provide end-to-end and customized services



ZhangLe Fortune Path & ZhangLe Global

Customized wealth management service provider for global Chinese



Intelligent marketing platform

Online-merge-offline marketing platform



Xing Zhi

One-stop service platform for institutional clients

Optimized operation

Improve operational efficacy through process standardization and digitalization



IB Cloud

Standardized, automated and cloud-native work flow



Asset management platform

Visualized risk management throughout the entire asset management operations



Risk perception and control platform

Identify and aggregate risks comprehensively, quantify and analyze risks accurately, monitor and alert risks timely, and prevent risks effectively

Empower employees

Strengthen core capabilities with intelligent tools



AORTA

Process management platform driving business development for institutional sales



Data middle platform

Omni-channel, automated and intelligent data management service system

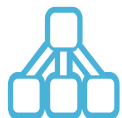


Digital employees

Cross-system process solutions at low costs

Integrated and Digitalized Risk Management System

Adhere to the risk management concept of full staff, coverage and penetration, committed to building a technology-empowered onshore and offshore integrated risk management system featuring centralization, professionalism and integration. As one of the pilot securities companies being regulated on consolidated basis, Huatai enhanced risk management and international development



Risk prevention

Strengthened ex-ante risk assessment and real-time risk monitoring, monitored and alerted risks timely and intervened rapidly to contain risks throughout the business process, and effectively controlled substantive business risks



Digitalization

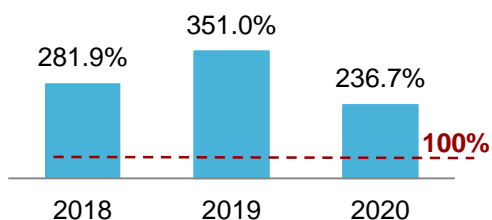
Continued to build a centralized, timely, quantitative, and penetrating group comprehensive risk management system, embedded digital risk management process into the entire business chain, established a risk management platform based on data analytics, empowered risk management transformation and efficiency with technology



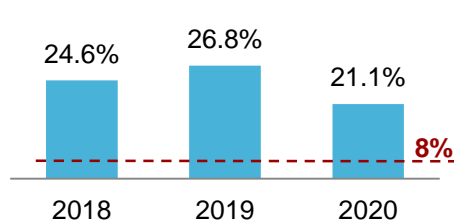
System development

Continued to build comprehensive risk management system by benchmarking top-class risk management practices and complying with higher standard to support international development, and achieved full coverage and centralized management of risks

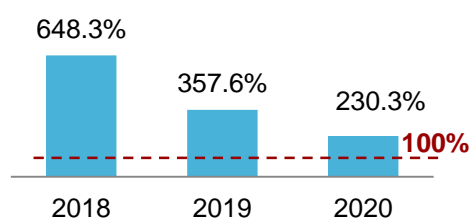
Risk coverage ratio



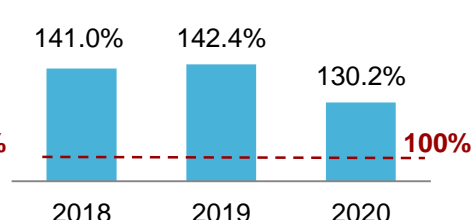
Capital leverage ratio



Liquidity coverage ratio



Net stable funding ratio



Source: Company data

Note: 1. Red dotted lines represent regulatory requirement

2. Risk control indicators of 2019 was recalculated based on "Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies" ((No.10 [2020])) issued by CSRC

Agenda

Company overview

Financial overview

Business overview



Development strategy

Development Strategy for 2021

Further promote the technology-empowered “two-pronged” development strategy of wealth management and institutional services



Further breakthrough in wealth management business

Fully transform to customer operation and asset allocation
Further expand customer base and asset size



Further upgrade in institutional service business

Focus on top clients and upgrade core business capabilities
such as investment banking and sales & trading

Committed to technology and business innovation

Create a new operational model that evolves from platform-based to
product-based and ecosystem-based

Customer-oriented
Build an integrated service system

Platform-based operation
Maximize value from technology empowerment

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