

Haitong International Profit Surges 80% to All-Time High of HK\$3.03 Bln

Financial Highlights

(12 months ended 31 Dec 2017)

- Revenue reached HK\$7.2 billion, Net profit attributable to shareholders reached HK\$3.03 billion
- Basic EPS: 56.53 Hong Kong cents
- Total assets: HK\$130.2 billion ; Shareholders' funds: HK\$25.4 billion
- Proposed a second interim dividend of 18 Hong Kong cents per share; yoy up 125%

Hong Kong, 14 March 2018 – Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK) today announced its annual results for the 12 months ended 31 December 2017. In 2017, Haitong International achieved revenue of HK\$7.2 billion, and net profit attributable to shareholders totalled HK\$3.03 billion. As of 31 December 2017, total assets of the Haitong International amounted to HK\$130.2 billion and shareholders’ funds totalled HK\$25.4 billion. The Board of Directors of the company is pleased to declare a second interim dividend of 18 Hong Kong cents per share.

Dr. Lin Yong, Deputy Chairman and CEO of Haitong International (665.HK) comments, “With the increasing maturity of the interconnection between financial markets between the Mainland and Hong Kong, it is anticipated more and more international investors will be attracted to Hong Kong markets. Seizing the opportunity in advance, Haitong International has already enhanced its services and products and pushed forward the application of the so-called AI and FinTech technologies. Meanwhile, Haitong International last month completed the acquisition of Haitong (UK) Limited and Haitong Securities USA LLC from Haitong Bank, and will continue to foster its internationalization in future, aiming to make itself a leading global financial institution with international competitiveness, systemic importance and brand influence.”

Corporate Finance – Haitong International remained a leading market player in corporate finance business in 2017. For ECM business, Haitong International ranked No.2 in terms of number of deals in Hong Kong’s IPO league table. For DCM business, Haitong International completed a total of 110 bond issuance projects, ranking No. 1 and No. 3 amongst global financial investment banking companies in terms of number of issuance and fund raised respectively in China’s offshore bond issuance market. Moreover, the company also ranked No.1 in Asia (ex-Japan) G3 high-yield bond underwriter league table among all financial institutions around the world by underwriting amount, as well as number of deals. On the M&A front, Haitong International completed a number of deals covering industries including medicine, energy, consumer and financial service, establishing a strong presence in global cross-border M&A.

Wealth Management – Haitong International has upgraded its original brokerage business to wealth management business with the main segments of retail and private wealth management with services including Ultra High Net Worth Wealth Management and Private Wealth Management. In terms of product offering, in addition to equities and bonds products, Haitong International has also offered OTC products and other third-parties products to fulfil different investment needs. Meanwhile, the iBest App, the brand new mobile online trading and wealth management platform specifically designed for retail clients was also launched in the second half of 2017. .

Asset Management – Haitong International’s assets under management rose about 18% in 2017 from the previous year. During the period under review, Haitong International has launched 11 new fund products. Meanwhile, four MPF products under management ranked No. 1 in Lipper’s same category of funds in terms of its 2017 accumulative performance. Of which, its Hong Kong equities and global equities MPF funds are named as “1 Year Consistent Performer – Equity Fund (China & HK) and “1 Year Consistent Performer – Equity Fund (International)” respectively by independent pension researcher MPF Ratings.

Institutional Clients

Fixed Income, Currency and Commodities (FICC) – Haitong International’s market making business has covered a majority of Asian off-shore USD bond markets and provided bilateral quotation for 1,300 bonds, with active institutional accounts spreading across the world, including more than 460 Chinese and foreign institutions including top 25 global private banks. Meanwhile, the company also achieved breakthrough in its currency and commodities business, Haitong International is the first market maker in HKEX for on-market RMB-dominated Futures, and is one of the first batch of market makers in the HKEX for Offshore Renminbi (CNH) and US dollar (US\$) Gold Futures. It is the only Chinese broker with market making qualification for USD/CNH Currency Futures in BOTH HKEX and SGX

Institutional equities – In the area of derivatives business, Haitong International is one of the financial institutions in Hong Kong with the most comprehensive product range covering all derivatives products for open markets and OTC markets. Key businesses include synthetic prime brokerage services, ETF and leverage and inverse products, warrants, CBBCs and all are in leading market positions. In 2017, Haitong International launched 808 warrants and 327 CBBCs. Moreover, it also conducted market-making for 63 ETFs. As for the institutional equities business, Haitong International has established a research network covering 450 and more stocks in the Greater China region, Japan, India and South Korea through which securities research, institutional sales and trading services can be obtained by over 1,000 institutional investors. Moreover, in order to address the demand for low-touch DMA and algorithmic trading, Haitong International launched “New Algorithm Execution Services” last year, making it the first Hong-Kong based Chinese financial services provider with its proprietary electronic trading platform to better serve its global institutional clients.

Investments – Haitong International comprehensively expanded and deepened its equity investment business last year, performing well in the private equity market and the open market. In 2017, Haitong International invested in three education projects in China, including Puxin Education & Technology Group Co Ltd.

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Haitong International Securities Group Limited

Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK) is an international financial institution with established presence in Hong Kong and a rapidly expanding network across the globe. It strives to serve as a bridge linking up the Chinese and overseas capital markets. The parent company of Haitong International is Haitong Securities Co. Ltd (“Haitong Securities”, Stock Code: 600837.SH; 6837.HK).

To date, Haitong International has well positioned to serve about 200,000 corporate, institutional, as well as retail and high-net worth clients worldwide. Its well established investment banking business platform provides corporate finance, wealth management, asset management, institutional clients (key businesses include fixed income, currency and commodities (FICC), derivatives, institutional equities) and investments business, and a full spectrum of financial products and services. Haitong International possesses a sound risk management system that is in line with international standards. The company have been assigned a “Baa2” long-term issuer rating by Moody’s and a “BBB” long-term credit rating by Standard and Poor’s. Haitong International has a global financial servicing network covering the world’s major capital markets including Hong Kong, Singapore, New York, London, Tokyo, Mumbai and Sydney, thereby making us to be a leading global financial institution with international competitiveness, systematic importance and brand influence.

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