

PRESS RELEASE

FOR IMMEDIATE RELEASE

**Haitong International Accredited as Qualified Intermediary by US Revenue Agency**

**Hong Kong, 12 December 2017** – Haitong International Securities Group Limited ("Haitong International"; stock code: 665.HK) has recently obtained the Qualified Intermediary (QI) qualification from the Internal Revenue Service (IRS) of the United States. The QI qualification will be effective on January 1, 2018.

"QIs" refers to the non-U.S. financial institutions accredited by the IRS which are permitted to withhold the tiered withholding taxes on rights and profits received by their clients. There are two basic conditions that must be fulfilled before a financial institution is qualified as QI in the U.S. Firstly, it must be a financial institution regulated by the local authorities, and secondly, its "Know Your Client" policy must be endorsed by the IRS in compliance with relevant requirements.

Obtaining the QI qualification will be beneficial to Haitong International's U.S. stock clients. Prior to the grant of QI, any U.S. derived income received by clients through Haitong International is subject to as much as 30% withholding tax. With the QI qualification, instead of withholding up to 30% of clients' income as taxes, Haitong International will be able to withhold taxes on their income at different tax rates according to the tax treaty between their resident country and the U.S.

The approval of QI heralds Haitong International's expansion of sales and trading in the U.S. stock market. It is of great significance to Haitong International to further attract U.S. stocks clients and promote sales of the U.S. stocks. With the recent- launched Algorithm Execution Services in New York, it is believed that Haitong International is equipped to provide more efficient and sound solutions to its clients.

These years, Haitong International has been making efforts on expanding its equity sales and trading. Thanks to the foresight of the global market operation teams of its own, Haitong International completed the QI application and obtained the approval in time, serving as an efficient and strong driving force to support its businesses. With the QI granted, Haitong International hopes to provide its clients with the service regarding U.S. equities in an efficient manner.

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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, fixed income, currency and commodities (FICC), institutional equities 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 boutique financial services provider in Asia-Pacific region with international competitiveness, systematic importance and brand influence.

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