

Haitong International Plans to Acquire UK & US Assets from Haitong Bank

Hong Kong, 15 December 2017 – Haitong International Securities Group Limited ("Haitong International"; stock code: 665.HK) plans to acquire Haitong (UK) Limited ("Haitong UK") and Haitong Securities USA LLC ("Haitong Securities USA"), which are principally engaged in stocks trading, fixed income, currencies and commodities (FICC) as well as corporate finance business, from Haitong Bank S.A. at a total consideration of USD29.31 million. It is expected that the unified branding and new clients will be brought to the Haitong International via the license and business integration, an important strategic step for the company to become a leading global financial institution.

Haitong International has become full-fledged and achieved leading positions in terms of its businesses in Hong Kong after years of dedication. Being as international financial centers, the UK and U.S. are two markets providing huge potential for the growth of the company. Therefore, with existing operations in London and New York, the planned acquisition is expected to equip Haitong International with business licenses in the UK and U.S. Upon completion of this acquisition, the company will be able to serve as a broker for USA government securities, trade securities for own account, serve as a financial advisor for mergers and acquisitions transactions and other corporate transactions, and act as an arranger in structured finance transactions in the U.S. In addition, the company is also able to serve as a member of the London Stock Exchange, act as a custodian of assets, act as an agent for trading, and trade securities for own account in the UK.

Dr. Lin Yong, Deputy Chairman and CEO of Haitong International, said "USA and UK are among the most important capital markets in the world, accounting for 59.03% and 6.60% of the MSCI World Index. Our board of directors believes the planned acquisition will bring synergies to the company by helping the company reach out to new business opportunities in cross-border mergers and acquisitions and equity capital markets origination, better serving our global clients with more comprehensive financial products and services. It is also expected the move will help attract more potential clients seeking global asset allocation."

Haitong International last year completed the acquisition of Haitong India, which is mainly engaged in cash equities and investment banking businesses, from Haitong Bank. Since the completion of the acquisition, Haitong India has achieved outstanding performance in equities research and corporate finance and has made promising contribution to the company. In the past year, Haitong International participated in two IPOs for India's Central Depository Services (India) Ltd. and HDFC Life. It also acted as the advisor for True North Managers LLP in relation to the proposed acquisition of stake of Religare Health Insurance Company Ltd. (RHI), as well as acting as the exclusive financial advisor for the Carlyle Group in relation to the proposed acquisition of 26% stake held by State Bank of India's credit card joint ventures (SBI Card) with GE Capital. Meanwhile, its India research analyst Santosh Singh was named as "Best Insurance analyst in India" in Asiamoney Brokers' Poll 2016.

Upon completion of the acquisition, each of Haitong UK and Haitong Securities USA will become an indirect wholly-owned subsidiary of Haitong International. The consideration was determined based on factors including the valuation of more than 10 local comparable companies by independent third parties. The acquisition is subject to the approval of the relevant U.S. and UK regulators.

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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 global financial institution with international competitiveness, systematic importance and brand influence.

Haitong Bank

In September 2015, Haitong International Holdings Limited, a subsidiary of Haitong Securities Co., Ltd., acquired Portuguese investment bank Banco Espirito Santo de Investimento S.A. (BESI), and renamed it as Haitong Bank.

Haitong Bank is a corporation organized under the laws of Portugal. Haitong Bank is an international investment bank which provides a wide range of investment banking services for corporate and institutional clients in Europe, the Americas, Asia and Africa. The Bank’s main operations are located in Iberia, Brazil, the United Kingdom, the United States and Poland. Haitong Bank combines an expertise in securities, research, capital markets, mergers and acquisitions, advisory and project finance.

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