

**Haitong International 2014 Annual Investment Strategy Seminar Highlights**  
**China Economic Growth to Reach 8% Again in Coming Year**  
**While Housing is Key to Global Economic Growth in 2014**

**Hong Kong, 12 December 2013** – Haitong International Securities Group Limited (“Haitong International” or the “Group”; Stock Code: 665.HK) held its 2014 Annual Investment Strategy Seminar today. The Group’s research team shared the outlook on the macro economy and various industries as well as investment opportunities of note to the participants. The Group forecast that China’s Gross Domestic Product (“GDP”) will achieve a year-on-year growth of 8%, and housing will be critical to China as well as global economic growth in 2014.

**China GDP YoY Growth Expected to Rise Back to 8% in 2014**

Dr Yifan Hu, Chief Economist and Head of Research of Haitong International stated at the seminar, “The Group is optimistic on the overall performance of the global investment market in 2014. Of which, we foresee that the reform blueprint in five fields including economics, politics, culture, environment and communist party announced in the 3rd plenary session will exert long-term positive influence on the economy and society, and hence we are expecting another golden decade ahead with annual growth at 5-8% YoY. Meanwhile, benefitting from the accelerating investment in infrastructure, 4G network, and environment related projects as well as the moderate growth in retail consumption, expected GDP growth in 2014 could reach 8%.”

The Group’s Macro Economy Forecasts in 2014								
	GDP growth (% YoY)				CPI Inflation (% YoY)			
	2011	2012	2013F	2014F	2011	2012	2013F	2014F
<b>United States</b>	1.8	2.8	1.7	2.4	3.2	2.1	1.6	1.8
<b>Euro Zone</b>	1.6	-0.6	-0.4	1.0	2.7	2.5	1.4	1.6
<b>China</b>	9.3	7.7	7.7	8	5.4	2.6	2.7	3.3

Source: Datastream, HTI

### **Housing Industry Becomes Focal Point of Global Economic Growth**

Dr Yifan Hu said, “We believe that the performance of the housing market is key to investment decisions and is a decisive factor in determining the success or failure of economic policies in 2014. In the coming year, many countries will continue to encounter uncertain situations, which include the pending QE tapering in the US, structural reforms in China, deflation fears in the Euro zone and difficulties in emerging economies. As housing often plays a pivotal role in economic recovery, these countries will have to handle their housing policies carefully to take control of overheating housing markets without endangering an essential lever of recovery and stability.”

In the recently published Macro Research Report, Haitong International indicated that the US QE tapering will be the most influential event in 2014 affecting global liquidity flow and economic recovery, and the US housing market will provide important signals to anticipate the timing of the QE tapering. While in China, as its housing is at the heart of its cyclical and structural policies, its housing market will be indicative of the government’s capacity to rein in over-capacity, adopt a sustainable growth model, regulate shadow banking and reduce inequalities. Meanwhile, the housing market in the Euro zone will be key to fighting deflation, as their asymmetries embodied by overheating Nordic countries and a depressed periphery means that global investors will probably be eager to know how the ECB’s monetary policy could rebalance the situation.

### **2014 Global Investment Strategy**

Regarding the investment strategy for next year, Dr. Yifan Hu concluded at the event, “In 2014, the global tightening on liquidity will trigger capital outflows from fragile emerging markets such as Indonesia, India and Turkey, while the US, China and Europe will remain relatively attractive. We believe USD and RMB will appreciate. What’s more, capital reallocation from bonds to equities will be another trend. Equities in the US and China are preferred and higher interest rates will be unfavorable to government and corporate bonds. In terms of alternative investment, exposure to real estate as an alternative investment could be a way to boost investors’ portfolio performance.”

The Investor Strategy Seminar is held twice a year, aimed at sharing with institutional investors the forecasts, economic views, and investment market trends with respect to professional analyses conducted by the Group’s Research Department. The Group hopes to establish long-term business partnership with institutional clients through aiding them in making appropriate deployments of investments. Haitong International’s research analysts also presented the analyses and outlook of various industries including consumer, real estate, non-banking financials, TMT, new energy, auto as well as gaming and hotel, providing participants with comprehensive professional market insights.

Industry	Highlights
Consumer	Recovery remains moderate, awaiting transformational changes
Real Estate	More market-oriented approach expected
Non-banking Financial	Continuous innovation brings fruitful results
TMT	Unleash the mobile beasts
New Energy	Clean energy to blue skies
Auto	SUVs and luxury cars will continue to lead growth
Gaming & Hotel	Room for more

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### Haitong International Securities Group Limited

Haitong International Securities Group Limited (“Haitong International”; together with its subsidiaries, the “Group”; Stock Code: 665.HK) is a subsidiary of Haitong International Holdings Limited (“Haitong International Holdings”), a company incorporated in Hong Kong and wholly-owned by Haitong Securities Co., Ltd. (“Haitong Securities”). Haitong Securities is listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong (Stock Code: 600837.SH; 6837.HK). Being one of the leading securities companies in China, Haitong Securities provides comprehensive financial services for over 4.6 million retail clients as well as over 12,000 institutional and high net worth clients with more than 240 sales offices spreading across nearly 30 provinces in the country.

Haitong International Securities Company Limited, a main operating subsidiary of Haitong International, was established in 1973.– Haitong International was formed in 1996 and was listed on the Stock Exchange of Hong Kong in August of the same year. The Group is well-established to provide comprehensive and quality brokerage and retail margin financing, corporate finance, investment management, fixed income, currency and commodities as well as structured financing products and services to institutional clients and individual investors domestically and around the globe. As the only overseas business platform of Haitong Securities, the Group strives to be a modern and comprehensive financial institution with leading position in the Greater China Region.

The Group has a robust retail client base and extensive distribution channels, with over 10 branches in Hong Kong and Macau. In China, the Group has 2 representative offices in Beijing and Shanghai. In 2013, the Group set up its first overseas wholly-owned subsidiary Haitong International Securities Group (Singapore) Pte. Ltd. in Singapore.

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