

**Haitong International Announces 2013 Annual Results
 Profits Surged by 80.3% to HK\$529 Million**

Financial Highlights

	12 months Ended 31 December 2013	12 months Ended 31 December 2012	Percentage Change Increase/ (Decrease)
Revenue (HK\$'000)	1,646,814	1,177,055	39.9%
Net Profit Attributable to Shareholders (HK\$'000)	529,152	293,450	80.3%
Basic Earnings Per Share (HK Cents)	41.24	27.99	47.3%
Dividend Per Share (HK Cents)	19.0	15.50	22.6%

Hong Kong, 4 March 2014 – Haitong International Securities Group Limited (“Haitong International” or the “Company”; together with its subsidiaries, the “Group”; Stock Code: 665.HK) today announced its annual results for the year ended 31 December 2013. In 2013, Haitong International achieved a record high in earning. Revenue for the year came in 39.9% higher than that of 2012 at HK\$1.65 billion. Net profit attributable to shareholders totalled HK\$529 million, representing a significant year-on-year growth of 80.3% and HK\$236 million. The Board of Directors of the Company is pleased to recommend a final dividend of HK11 cents per share, together with the interim dividend of HK8 cents per share, the annual dividend for 2013 amounted to HK19 cents per share.

The Group’s return on equity (“ROE”) continued to rise steadily, rising from 9.3% in 2012 to 12.95% in 2013. As of the end of 2013, total assets of the Group amounted to HK\$29.438 billion and net assets totalled HK\$4.92 billion, increasing significantly by 101.2% and 51.2% respectively over the figures as of the end of 2012.

Dr. Lin Yong, Deputy Chairman and Chief Executive Officer of Haitong International stated, “Over the years, Haitong International upheld the ‘large investment banking’ strategy. By utilising its capital resources and customer resources, the Group has completed the transformation from a traditional brokerage firm to a modern fully-integrated financial institution, enabling it to offer a full range of financing, investment, wealth management, mergers & acquisitions and takeovers, business development and other various consulting services to the corporate, institutional and private clients. Meanwhile, the Group has achieved effective concerted development among all business units via close collaboration, cross-selling and sharing of clients’ resources between different business segments.”

In support of the development of the Group’s various business segments, the Group carried out a series of large financing projects in 2013, including the rights issue in April 2013 which raised approximately HK\$1.167 billion, the syndicated loan agreement entered with several banks in May 2013 regarding a revolving loan facility with an aggregate amount of HK\$3 billion, as well as the successful issue of HK\$776 million and HK\$232 million convertible bonds in July and October 2013 respectively. Over HK\$5 billion of funds were raised altogether throughout the year, vastly equipping the Group with capital strength and capital deployment ability and serving as the key driving factor behind the tremendous growth in the Group’s businesses and financial performance during the period.

The six key businesses of the Group consists of Corporate Finance, Investment Management, Brokerage and Margin Financing, Fixed Income, Currency and Commodities (“FICC”), Structured Finance and Equity Derivatives.

Corporate Finance – During the period, the Group completed 14 initial public offerings (“IPO”), 1 placement and 8 bond issuances, raising over US\$10 billion in total. The Group continued to uplift its capability to undertake large offering equity transactions and served as joint bookrunner or senior roles for a number of remarkable deals in the market, including the H-share IPO of China Everbright Bank, SINOPEC Engineering, Huishang Bank and China Galaxy Securities. The IPO projects that the Group participated not only stimulated a high oversubscription rate, but also played a key role in introducing cornerstone investors and anchor investors and in arranging institutional placements, etc. According to Bloomberg League Tables, the Group ranked the ninth in the Hong Kong IPO market in terms of underwriting amount recorded in 2013. The Group also made great strides in bond issuance market. During 2013, the Group successfully completed 8 bond issuances, raising an aggregate amount of more than US\$2 billion, of which, the issuance of the US\$900 million credit enhanced bond by Haitong Securities was the largest offshore bond issuance among all Chinese financial institutions in 2013.

Investment Management – As at the end of 2013, the Group was granted an aggregate RQFII quota of RMB5.7 billion via its parent company, Haitong International Holdings Limited, ranking the first among all non-asset-management-based financial institutions in Hong Kong (in accordance to the State Administration of Foreign Exchange’s website). The RQFII public fund managed by the Group, Haitong China RMB Income Fund, has become the largest among the same type of funds in terms of asset under management (“AUM”) in Hong Kong (according to the figures as of December 2013). On the wealth management front, the Group completed the acquisition of Haitong International Wealth Management Limited which was previously run on a joint-venture basis to facilitate the development in its private wealth management business.

Brokerage and Margin Financing – The Group provides innovative and comprehensive financial products and investment services to over 160,000 global institutional and individual investors. In 2013, the Group’s daily average turnover went up by more than 60%, outstripping the market average. Average monthly turnover of overseas stocks nearly doubled. Trading volume of overseas futures contracts jumped over 50%. Thanks to the blooming IPO market and the abundant capital held by the Group that underpinned its margin financing business, the Group’s margin financing business delivered an outstanding performance, driving the rise in the Group’s interest income.

Fixed Income, Currency and Commodities – In 2013, the Group injected new business scopes in currency and commodities to its fixed income segment, forming the new FICC business. The Group is exploiting the primary and secondary market transactions in developed and emerging markets with the Greater China Region being the focus to contribute continuous and steady income to the Group. Meanwhile, the Group has been proactively offering comprehensive FICC investment services to its institutional clients and professional investors. During the period, the bilateral quotation service for bond market making has covered a number of fixed income products denominated in USD, Renminbi and HKD.

Structured Finance – The Structured Finance Division was set up in 2013, in a bid to provide corporate clients with a sweeping package of investment and financing solutions and to realise the concerted development of a diversified range of financing businesses. The business was able to capitalise on the Group’s solid financial resources in meeting various financing needs of its clients, be it capital expenditure, corporate restructuring, mergers and acquisitions, bridging loans, etc. The Group did not only seek return on capital, but also took advantage of its role as a capital intermediary to promote cross-selling synergies within the Group’s different rapidly growing businesses.

Equity Derivatives – Subject to effective risk control, the Group undertakes market making, quantitative trading, alternative investments and product solutions businesses through flexible deployment of capital. The Group has concurrently tapped into both on-floor and over-the-counter (“OTC”) markets in developed markets and emerging markets to provide its clients with a more comprehensive range of trading services that are palatable to both institutional and professional investors. During the period, the Group became the only Mainland-funded automated market maker in the Hong Kong market. It offered market making service for several ETFs managed by companies including CSOP, iShares and E Fund.

After two years of meticulous development, the revenue contribution from the capital-based intermediary business has effectively broadened the revenue sources of the Group and reduced its reliance on commission income, therefore smoothing out the impact to the Group’s financial performance from cyclical movements in the market.

“Looking ahead to 2014, Haitong International will continue to bolster the services of all business units to cater to clients’ needs and further optimise its revenue structure in tandem with the ever-changing market conditions and continuously evolving competition landscape. The Group will stay cautious on the market movements, in an effort to promote the sustainable development of the Group’s businesses,” Dr. Lin concluded.

For more details of Haitong International 2013 annual results, please refer to the Group’s website:
<http://www.htisec.com/tc/aboutus/ann.jsp>.



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 in terms of total assets and net asset, 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 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 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. The Group has 2 representative offices in Beijing and Shanghai and an overseas company - Haitong International Securities Group (Singapore) Pte. Ltd. in Singapore.

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