



Press Release

For Immediate Release

Haitong International Announces the Annual Results for 2019

Net profit increases 52% against market, total dividend for 2019 is HK13.3 cents per share

Financial Highlights

(12 months ended 31 Dec 2019)

- **Revenue reached HK\$8.24 billion; net profit attributable to shareholders reached HK\$1.55 billion**
- **Basic EPS: HK26.85 cents**
- **Total assets: HK\$156.3 billion; shareholders' funds: HK\$ 27.0 billion**
- **The second interim dividend: HK4.3 cents per share, total dividend for 2019 is HK13.3 cents per share**

Hong Kong, 24 March 2020 –Haitong International Securities Group Limited (“Haitong International”; Stock code: 665.HK) announced today its annual results for the 12 months ended on 31 December 2019. In 2019, Haitong International achieved revenue of HK\$ 8.24 billion and net profit of HK\$1.55 billion, representing a year-on-year increase of 30% and 52% respectively. As of 31 December 2019, total assets of Haitong International mounted to HK\$156.3 billion, and shareholders’ funds totaled HK\$27 billion. In 2019, commission and fee income grew to HK\$2.29 billion, manifesting Haitong International’s leading position in the Hong Kong Capital Market. In 2019, Haitong International has proactively expanded its business in major financial markets across the globe, achieving a sharp year-on-year growth and enhanced risk-resistance ability.

Dr. Lin Yong, the Deputy Chairman and CEO of Haitong International commented, "2019 was a year glutted with opportunities and challenges. In 2019, Haitong International proactively braved the challenges from the external environment, kicked off the Haitong International Plan 3.0 (“Plan 3.0”), and carried out strategic transformation. Focusing on New York, London, Singapore and Hong Kong markets, Haitong International has been expanding its presence to other major Asia-Pacific capital markets including Tokyo, Sydney and Mumbai. In the future, Haitong International will adhere to its core values – “Sincere, Courageous and Innovative” with operations in Hong Kong and presence in the world by relying on intelligence technologies, sticking to risk management and compliance, capturing market opportunities and practicing sustainable finance. Haitong International is brave and determined to set sail with the Plan 3.0 without fear for difficulties or challenges ahead.”

Primary Market - For ECM, Haitong International completed 49 IPOs and 58 ECM projects in total globally, representing an increase of 23% and 32% over 2018 respectively; among which, the

Company completed 44 IPOs and 48 ECM projects in Hong Kong, ranking No. 1 in these aspects among its local peers; 2 refinancing projects were completed in Singapore; 5 IPOs and 3 US stock refinancing projects were completed in the U.S. during the year thanks to the Company's full set of licenses and its capability to become the first Chinese market maker in the U.S.

For global DCM business, Haitong International completed a total of 247 bond issuance projects, 1.4 times as that in 2018. The Company topped the list of Asia USD High Yield Bond (ex-Japan) Leagues Table among the financial institutions in the world (commercial firms and investment banks) in terms of underwriting amount and number, maintaining its leadership in the HY bond market. The Company also completed 4 bond issuance projects in Singapore and completed 2 bond issuance

Secondary Market - The assets under management (AUM) of Haitong International reached HKD53.5 billion as at the end of 2019, representing a year-on-year increase of 15%. In 7 years, the AUM achieved an eightfold growth. As a typical business of fee-based business, the Company's asset management achieved an income of HKD309 million during the year, representing a record high year-on-year increase of 11%, or a nine-fold growth in 7 years.

In 2019, Haitong International further expanded its trading coverage and focused on fee-based businesses. For market making business, Haitong International, as the first Chinese market maker in Nasdaq, set up a cross-country, cross-market and cross-department trading settlement system with 32 underlying US stocks covered. With the launch of our prime brokerage and bond swap businesses, the Company is able to provide clients with cross-asset investment solutions. The Company covered 78 underlying stocks in its market making services for exchange-traded options, ranking No.5 in the market. Taking advantage of its ever-improving e-trading execution capability, Haitong International won nearly 100 institutional clients to use its algo-trading for transaction execution. Meanwhile, Haitong International proactively collaborates with its parent company Haitong Securities to consolidate A-share research resources and establish an integrated Haitong research platform, providing comprehensive A-share research, trading (Mainland-HK Stock Connect) and prime brokerage services to institutional investors around the world.

For FICC, the Company's interest rate and credit product trading business provided quotes in bilateral liquidity for almost 1,000 institutional clients around the world daily. Our New York and London trading desks achieved a steady growth in business income, which are expected to be the new profit drivers outside the Asia-Pacific region.

For derivatives, Haitong International firmly maintained its leadership in the Hong Kong market. During the year, a total of 2,975 warrants and CBBCs were issued with the turnover reaching



HKD345.2billion, representing a 5 times increase over 2018, ranking No. 2 in the Hong Kong market. Haitong International is the first Chinese financial services provider qualified for the issuance of inline warrants on the Stock Exchange, providing more diversified listed structured products for investors. During the year, the Company issued 146 listed structured products, ranking No. 1 in terms of cash flow.

For Wealth Management, business income grew sharply during the year, client structure was further optimized, and the upgraded Haitong International trading platform APP saw a 240% increase in terms of number of trading clients over last year. In 2019, Haitong International further performed an internal integration to augment synergies among its business lines and strived to provide diversified one stop global financial services for clients to become the prime broker for institutional investors and private wealth manager for entrepreneurs.

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Haitong International Securities Group Limited (Incorporated in Bermuda with limited liability)

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 corporate, institutional, as well as retail and high-net worth clients worldwide. Its well-established financial services 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 has 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, Sydney and Mumbai, thereby making it to be a world-class Chinese financial institution with international competitiveness, systematic importance and brand influence.

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