

Haitong International Announces Annual Results for 2020*Achieved Record-high Revenue in 5 Years, with 25% Growth in Net Profit***Financial Highlights**

(12 months ended 31 December 2020)

- **Revenue reached HK\$8.33 billion, net profit at HK\$1.93 billion**
- **Basic EPS: 32.97 HK cents**
- **Total assets: HK\$146.44 billion; net assets: HK\$28.32 billion**
- **Proposed the second interim cash dividend per share of 11.7 HK cents, total dividend for 2020 is 16.1 HK cents per share**

Hong Kong, 24 March 2021 – Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK) today announced its annual results for the 12 months ended 31 December 2020. In 2020, Haitong International recorded revenue of HK\$8.33 billion, which is the highest record since 2016. Fee-based businesses generated revenue of HK\$2.86 billion, representing a year-on-year (YoY) growth of 25%, and its share to the total revenue increased to 34%. Net profit reached HK\$1.93 billion, representing a YoY growth of 25%. The basic EPS was 32.97 HK cents. The Board of Directors of the company proposed a second interim dividend per share of 11.7 HK cents, in which the dividend ratio is around 50%. As of 31 December 2020, Haitong International’s total assets amounted to HK\$146.44 billion and net assets totaled HK\$28.32 billion.

Dr. LIN Yong, JP, Deputy Chairman and CEO of Haitong International, concludes, “In spite of the volatility in global financial markets in 2020, Haitong International stayed calm and maintained its determination in diversifying its income streams, asset risks and product offering with talented professionals invited on board to further the coordination and development of its information, trading and capital intermediary functions. Throughout the year, Haitong International actively sought to cut down on its leverage ratio and size of high-risk assets while setting aside additional provisions for contingency. Total income stability and significant growth in net profit were achieved as a result of the Company’s successful business transformation and focus on both quality and efficiency. Looking ahead, Haitong International will continue adhering to its core values of being ‘Courageous, Sincere and Innovative’, living up to its ESG philosophy and creating values for the society, employees, clients, shareholders and investors.”

A Quantum Leap in IB Business

In 2020, Haitong International’s corporate finance team seized the opportunities brought by “Homecoming listings” (US-listed Chinese companies conducting secondary listings in Hong Kong). The corporate finance business recorded HK\$1.32 billion for its fee-based income during the year, representing a growth of 35% YoY, with underwriting and placing commission income reaching HK\$1.11 billion, representing a growth of 43% YoY. According to Bloomberg, for the three consecutive years from 2018 to 2020, Haitong International

ranked No.1 on both Hong Kong IPO and Hong Kong Equity and Rights Offerings League Tables by the number of deals completed. Moreover, Haitong International sponsored 13 Hong Kong IPO deals (excluding listing by way of introduction), and its ranking on the Hong Kong IPO Sponsor League Table soared to No. 2 (by number of deals) among all financial institutions. 5 of the sponsored deals were among top 10 largest IPOs in Hong Kong for the year (by IPO funds raised, according to 2020 Annual Market Statistics published by HKEX), including the largest healthcare IPO in Asia so far, the largest property management IPO and the largest third party data center IPO in Hong Kong so far. Besides, Haitong International completed a total of 9 equity financing deals across the U.S, Singapore and India, where the Indian IPO represented the largest medical IPO in the country's history. The reputation of Haitong International's IB business in the South Asian market has been further enhanced.

On the DCM front, Haitong International completed a total of 216 bond issuances. In the China risk G3 + CNY bond market, Haitong International ranked No.2 in terms of number of deals underwritten. On the Asia (ex-Japan) G3 High Yield Bond League Table, Haitong International topped the chart among financial institutions worldwide by number of deals completed for 4 consecutive years since 2017. In addition, Haitong International actively sought to promote sustainable finance and lived up to its ESG philosophy by completing a total of 12 green bond issuances with a collective size of over US\$3 billion, representing a growth of 350% YoY, demonstrating its leadership in ESG investment and financing among all Chinese financial institutions.

All-round Trading Platform Serving Global Institutional Clients

Haitong International strives to develop an all-round global trading platform for institutional clients, while providing clients with highly efficient trading services through an integrated sales network and the provision of a large range of products and solutions.

During the year, Institutional Clients achieved an overall income of HK\$2.20 billion. In terms of Cash Equities, the business achieved coverage of the ten most active markets globally, including Hong Kong, Mainland of China, the U.S., India, Japan and Australia etc. As for derivatives, Haitong International issued a total of almost 3,000 warrants and CBBCs in 2020 with a turnover of over HK\$460 billion, ranking no.4 in the Hong Kong market. For Equity Research, the business covered nearly 2,000 equities from seven major sectors, including Healthcare, Internet and Software, Technology Hardware & Equipment, Intelligent Manufacturing & Machinery, Finance, Consumer Goods and Energy & Materials. The Equity Research team also ranked no.1 for 18 categories and ranked within top 3 in 47 categories in Asiamoney's annual Broker's Poll, attesting to its leading research capabilities.

Wealth Management: Doubled in AUM with Private Wealth Management as the Key Focus Area

Private Wealth Management is one of the key growth drivers for Haitong International. In 2020, Haitong International set out to build a team of veteran private wealth managers. Building on Haitong International's comprehensive strength in investment banking, trading, research and product solutions, the Company provides entrepreneur clients with a diversified and globalized one-stop financial services offering. As of end

of 2020, the AUM of wealth management business exceeded HK\$ 470 billion, which almost doubled in size compared to the figure in 2019. During the year of 2020, the brokerage commission income stood at HK\$582 million, representing a growth of 39% over 2019, among which securities trading commission income amounted to HK\$404 million, representing a growth of 74% YoY. Besides entrenching its fee-based business, Haitong International tapped into the demand for wealth planning solutions, by providing family trusts and wealth legacy consulting services. A comprehensive platform consisting of diversified products, services and solutions has been developed with a view to exclusively serving entrepreneur clients' needs.

Steady Increase in Asset Management's AUM with Outstanding Track Record in Products; Innovative ESG ETF Received Multiple Industry Recognitions

Taking market environment and client demands into account, Haitong International's Asset Management kept expanding its product structures and providing clients with global asset management solutions. During the year, the AUM increased by 14% YoY to HK\$60.8 billion. An income of HK\$370.65 million was recorded in 2020, representing a growth of 20% YoY.

Multiple funds under Haitong International Asset Management have demonstrated outstanding performance in 2020. "Haitong Asian High Yield Bond Fund", which was approved as a northbound mutual fund in the Mainland-Hong Kong Mutual Recognition Fund (MRF) scheme, saw solid demand from mainland investors since its launch with a growth in AUM by 17.6 times YoY. "Haitong Global Diversification Fund" under the Haitong International MPF Scheme recorded an aggregated return of 84.8% over the past 5 years, ranking no. 1 among the same fund category and received "Hong Kong Pension Funds Awards: Equity Global 3 Years" in the Lipper Fund Awards Hong Kong 2020. With outperforming products, Haitong International Asset Management team was named the "Best Fund House, China Offshore" by AsianInvestor in 2020.

In October 2020, Haitong International launched its "Haitong MSCI China A ESG ETF", the first broad-based ESG ETF listed on the Hong Kong stock exchange as well as the first ETF on the Hong Kong market offering broad ESG investment exposure on China A shares. Adhering to its "responsible investment" philosophy, Haitong International provides foreign investors with access to ESG investment opportunities in China market. This ETF was named "New Product of the Year" from the 2020 HKCAMA-Bloomberg Offshore China Fund Awards.

Embedded ESG Philosophy in Business Operations; MSCI ESG Rating Upgraded to "A"

In 2020, Haitong International set up an ESG committee and entrenched its ESG philosophy into each part of the Group's operations. In 2020, Haitong International issued its "Haitong International ESG Statement", pledging to achieve net zero carbon emissions by the end of 2025, becoming the first Chinese financial institution to commit to carbon neutrality within a time-bound period. Meanwhile, Haitong International has committed to deploying or providing USD20 billion in ESG and sustainable financing and investment by 2025 to put impact investing and responsible investing in action. In the latest ESG Rating by MSCI, Haitong



International was upgraded to “A” rating, the highest rating given to Chinese financial institutions.

Continued Strengthening Global Operation and Risk Control Systems

Haitong International’s ever-improving comprehensive global operating capabilities rely on a robust central database management system supported by its extensive application of fintech and robotic technologies in its operations. Besides its information management, Haitong International continues to strengthen its digital and smart operating capabilities, serving as a booster for its business transformation.

Taking a “stable to prudent” risk appetite, Haitong International set up a multi-layered risk management structure. Haitong International has long been a constituent of Hang Seng Composite LargeCap & MidCap Index, as well as an eligible stock for trading under Shanghai Connect and Shenzhen Connect. In 2020, Haitong International reaffirmed its BBB rating from Standard and Poor’s and reaffirmed Baa2 rating from Moody’s with a stable outlook.

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Haitong International Securities Group Limited

Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK), together with its subsidiaries, 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 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, Mumbai, and Sydney, thereby making it to be a leading global financial institution with international competitiveness, systematic importance and brand influence.

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