

Haitong International Annual Investor Conference 2021 Draw to Successful Close

Hong Kong, 17 June, 2021 – Haitong International Securities Group Limited (“Haitong International”; Stock Code: 665.HK) today announced a successful completion of its Haitong International Annual Investor Conference 2021 (“the Conference”) at The Ritz-Carlton Shanghai, Pudong. Nearly a thousand of industry experts, thought leaders and corporate representatives had spoken on hot topics including ESG and Carbon Neutrality, Innovative Medicine, and Consumption and Internet with in-depth discussion.

Hundreds of Trillion Investment Opportunities for ESG and Carbon Neutrality

The first day of the Conference focused on carbon neutrality and ESG. Experts in the ESG field as well as listed companies’ representatives from the energy and rare metal sectors discussed topics including carbon neutrality and sustainable development, green finance, industrial innovation etc. from the perspectives of policy, research and industry applications.

Weihua MA, Member of the UNDP SDG Impact Steering Group, President of Council, National Fund for Technology Transfer and Commercialization, Chairman of the Board of Directors of China Global Philanthropy Institute (CGPI) and CEO of SusallWave, highlighted in his keynote speech that to achieve Carbon Neutrality, it is essential to incorporate the “Inclusivity and Fairness” concepts, part of the United Nations’ Sustainable Development Goals, into the carbon neutrality goal. This requires national governments to design reasonable public policies, strengthen policy guidelines, and allocate necessary financial resources. At the same time, we must give full play to the power of digital technology to help Carbon Auditing, Carbon Reduction and Carbon Tracking etc., as well as the development and application of carbon-related products.

Jun MA, Chairman of Green Finance Committee of China Society for Finance and Banking, Co-chair of G20 Green Finance Study Group, President of Beijing Institute of Finance and Sustainability, pointed out that not participating in Carbon Neutrality means missing out on huge investment opportunities. Ma estimated that the scale of green and low-carbon investment needed for China to achieve Carbon Neutrality runs to several hundred trillion yuan over the next 30 years.

For other insightful speeches on the first day of the Conference, please refer to the [Day 1 press release](#).

Global Macroeconomic Situation and Investment Ideas under Inflation – Finding the Balance between Economic Recovery and Inflation

Dr. SUN Mingchun, Chief Economist of Haitong International, has shared his latest views on the topic of “Global Macroeconomic Situation and Investment Ideas under Inflation”. With the U.S. Consumer Price Index (CPI) hitting a 12-year high and the Core Consumer Price Index (core CPI) reaching its highest level over the past two decades, Sun predicts that both the U.S. core CPI and Core Personal Consumption Expenditure Price Index (core PCEPI) will fluctuate at a high level of around 3% by at least May 2022. Nevertheless, the

high inflation is unlikely to persist in the U.S. unless the labor market overheats for a long period of time. Sun also estimates that the U.S. real GDP growth rate will gradually decline, and it may return to the pre-pandemic level of about 2.5% in Q4 2021 (SAAR). He further elaborated that the investment ideas in the context of inflation should target at finding a balance between economic recovery and inflation. In the short-term, investors should select structural opportunities, differentiated stock portfolio and long-short hedging. They should also pay attention to the Fed's policy trends, and beware of the "crowded trading".

Core Technology Determines the Future Setting -- the Burst of China's Innovative Pharmaceutical Market

The second day of the Conference focused on innovative medicine. Representatives from over 30 leading medicine companies including Jiangsu Hengrui Medicine, Kintor Pharma-B and Alphamab Oncology etc. participated with several hundred investors joining both physically and virtually.

Wenxin YU, Chief Healthcare Analyst of Haitong International, presented on the topic "Can China Bring Up World-Class Innovative Medical, Machinery, Vaccine and CRO Enterprises? A Prospect on Business Models in the Decade Ahead." She believes a new batch of a number of China-headquartered major players will grow into transnational giants in the various medicine sub-sectors in the future. In response to the R&D on the COVID-19 vaccine, which has been catching the market interest, Yu believes that COVID-19 vaccines are expected to become the largest vaccine product by revenue in the world. The COVID pandemic may become a turning point for the China adult vaccine market. The post-COVID China vaccine market is anticipated to continue growing, as Chinese pharmaceutical companies have demonstrated mature and comprehensive R&D strength under the pandemic and have tapped into a huge, unmet adult vaccine market. This lays the foundation for the internationalization of China's vaccine R&D.

At the Conference, representatives from companies shared their R&D progress and innovation journey, together with a well-received roundtable discussion on the topic of overseas expansion breakthroughs by Chinese pharmaceutical companies. Participants generally agreed that "going abroad" is the inevitable choice for Chinese pharmaceutical companies. As the innovation capabilities and speed of Chinese pharmaceutical companies continue to increase, the R&D gap with leading international pharmaceutical companies has narrowed. The overseas markets are market-driven and highly profitable. The trend will be that Chinese pharmaceutical companies choose their own signature innovative products with international market potential to take overseas.

Enormous Potential Underlying – Opportunities in China Consumption and Internet Sectors

Representatives from listed companies including Zhihu and Waterdrop joined the Consumption and Internet forum on day 3, and shared insights on the latest industry development and disruptive trends in sub-sectors including warehousing and retail, community group buying, internet insurance, and the new Bridget Jones, or "please myself", economy.

Liting WANG, Chief Consumer Analyst of Haitong International, delivered his speech on the opportunities

brought by new channels and new consumption. He predicts that community e-commerce will become China's most efficient near-field e-commerce to connect B2B, with the estimated long-term market size to exceed 3 trillion Yuan. Of which, 3/4 will be the consumer market (to-C) and the remaining quarter being the business market (to-B). The medical aesthetics sector, which is a trending sector in recent years, is riding on the waves of the "beauty economy(顏值經濟)". The sector has high growth certainty, and China is estimated to surpass the U.S. in 2021 to become the world's largest medical aesthetics market.

Natalie WU, Managing Director of Global Markets of Haitong International, delivered her speech titled "A Second Look on All Industries". As the infrastructure including network, devices, POI connectivity and utility APPs are becoming mature, Wu believes new opportunities are now open for sectors. As supply creates demand, new technology and sectors surfacing will also give rise to new demands. In the process of reshaping industries, digitalization is an inevitable trend which implies promising outlook for the SaaS sector. Wu predicts that although TMT sector is recently affected by deflation in downstream and inflation in upstream, putting pressure on the stock prices, consumption and internet sectors will still be on a rising trend in the next 3-5 years. She remains optimistic in the TMT sector in a long-term.

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