



PRESS RELEASE

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**Haitong International Announces Annual Results for 2018
Redefine with Flexibility, Establish Global Presence**

Financial Highlights

(12 months ended 31 Dec 2018)

- **Revenue reached HK\$6.329 billion, net profit attributable to shareholders reached HK\$1.023 billion**
- **Basic EPS:18.25 Hong Kong cents**
- **Total assets: HK\$151.2 billion; shareholders' equities: HK\$ 25.8 billion**

Hong Kong, 22 March 2019 - Haitong International Securities Group Limited ("Haitong International"; Stock Code: 665.HK) today announced its annual results for the 12 months ended 31 December 2018. In 2018, Haitong International achieved revenue of HK\$6.329 billion, and net profit attributable to shareholders totaled HK\$1.023 billion. As of 31 December 2018, total assets of the Haitong International amounted to HK\$151.2 billion and shareholders' equities totaled HK\$25.8 billion. Against the roller coaster-like financial market, Haitong International's core business remained steady on its growth track: commission and fee income grew to HK\$2.13 billion, among which, the underwriting and placing commission income saw a sharp year-on-year growth of 57%. Interest income reaches a year-on-year increase of 20%, manifesting its solid leadership in the Hong Kong capital market.

Dr. LIN Yong, Deputy Chairman and CEO of Haitong International, commented, "Despite the challenging market environment in 2018, the Company redefined itself with stability – it kept up the healthy trajectory track for its core businesses and successfully formed a financial services network that centers in New York, London, Singapore and Hong Kong and expands into major Asia-Pacific capital markets such as Tokyo, Sydney and Mumbai, heralding a new chapter for its global presence. Haitong International will adhere to its core values – "Courage, Sincerity and Innovation" to steadily develop its capital intermediary strength. Boasting intelligent information technology, Haitong International will endeavor to become a world-class financial services provider with international competitiveness, systemic importance and brand influence."

Corporate Finance – In 2018, Haitong International continued to take the lead in the corporate finance business. It completed a total of 37 IPO deals in Hong Kong during the year and ranked top among all financial services providers in terms of number of IPO project underwritten. While the Company achieved brilliant results in Singapore, it also completed its first 2 IPOs in the U.S. in 2018. For bond financing, the Company has completed a total of 180 bond issuance projects. In



Bloomberg Offshore China Bonds League Table, Haitong International ranked No. 3 and No. 4 in terms of underwriting amounts and number of deals in 2018. Haitong International also topped the list of the Bloomberg Asia (ex Japan) G3 Corporate High Yield Bonds League Table among the financial services providers in the world in terms of number of bond deals and underwriting amount. For global leverage and acquisition financing, the Company achieved a turnover of over HKD30 billion and expanded its footprint to Central Asia, Southeast Asia, Europe, North America, South America etc.

Wealth Management — In 2018, Haitong International continued to provide specific and refined wealth management services to high net worth and ultra-high net worth clients. The self-developed “Account Executive Operation Platform RM Portal” was put into full operation to keep account executives informed of the markets, recent status of companies and customers’ assets. The platform also features margin call function. Currently, the clients of wealth management comprises of a plethora of clients from Mainland China, Hong Kong SAR and other countries, with diversifying asset allocation ranging from equities, derivatives, bonds, financial products to cash.

Asset Management — In 2018, the Asset Management team issued US equity fund, Japanese equity fund and Chinese A share fund to enrich public fund products covering major capital markets in the world. During the year, Haitong International won the “Best RMB Manager” and “Best China Offshore Fund House” awards from Asia Asset Management and Asia Investor respectively.

Institutional Clients — As an active market maker for futures in RMB in SGX and HKEx, the Company achieved a turnover of RMB futures amounting to over USD 15 billion in 2018. At present, Haitong International possesses active institutional accounts spreading across the world, including more than 550 domestic and foreign institutions and top 25 international private banks.

Haitong International is one of the financial institutions in Hong Kong with the most comprehensive product range covering all derivatives products for open markets and OTC markets. Key businesses include prime brokerage services, ETF leverage and inverse products, OTC products, warrants, and CBBCs, and all are in leading market positions. By the end of 2018, the Company has issued 1,219 warrants and 965 CBBCs, and ranked third and fifth in the Hong Kong market in terms of number of underlying securities covered and transaction amount respectively, becoming a top-tier issuer, bucking the trend of longstanding dominance of foreign investment banks. Moreover, in June 2018, it also issued call/put warrants for Alibaba Group in the Hong Kong Stock Exchange, meeting investors’ demand for U.S. IT stock derivatives. In institutional equities, Haitong International’s coverage has extended to over 30 markets in different countries across the world, and equity research, institutional sales and trading services are provided to around 1,000 global



institutional investors. The self-developed “Algorithm trading execution services” contributed approximately 50% trading amount of institutional equities business. At the same time, the Company has been approved to trade according to Shanghai-London Stock Connect and became the first Chinese market maker in NASDAQ. In addition, the Company was for the first time approved as a stock futures liquidity provider and is now providing market making services of stock futures for new shares including unicorns.

Investment — Haitong International focuses on outstanding companies in high growth sectors. In 2018, Haitong International put an emphasis on “new economy business”, Fintech and bio healthcare, and completed 10 related projects at home and abroad.

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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 investment banking business 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 us to be a leading global financial institution with international competitiveness, systematic importance and brand influence.

Haitong International Securities Group Limited

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