



PRESS RELEASE

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**Haitong International Announces Interim Results for 2021,
Net Profit Surged More Than Double YoY**

Business Transformation Starts to Yield Results as Fee Income Hits Five-year High

Financial Highlights

(Six months ended 30 June 2021)

- Revenue reached HK\$3.835 billion, up 9% yoy; Net profit more than doubled yoy to HK\$1.081 billion, reached five-year high
- Fee income also broke the five-year record and reached HK\$1.658 billion, up 39% yoy
- Total assets: HK\$135.471 billion; Net assets: HK\$28.79 billion
- Total cost down 9% yoy, with proportion of finance cost decreased from 48% to 28%
- Gearing ratio decreased from 4.45 times to 3.75 times
- Basic EPS: 18.38 Hong Kong cents
- Proposed an interim cash dividend of 9 Hong Kong cents per share, annualized dividend yield ratio increased to 7.76% from 4.28% in the same period last year

Business Segments Highlights

- Corporate Finance segment's fee income reached HK\$798 million, nearly 50% yoy growth; Among which the underwriting and placing commission income amounted to HK\$688 million, up 48% yoy
- Continued leading the IPO market: Ranked No.1 in Hong Kong IPO market by both deal count and total deal volume
- Breakthrough in green bond business: Completed 27 green and sustainable bond issuances during the period, more than doubled in both deal count and total underwritten amount compared to 2020 annual record
- Institutional Clients segment's revenue grew 11% yoy to HK\$943 million, among which the fee income increased by more than 50% yoy
- Wealth Management segment further developed its private wealth management (PWM) business targeted at entrepreneurial clientele, revenue generated from PWM business demonstrated stable growth
- Asset Management segment recorded steady revenue growth with asset management and performance fee income up 76% yoy; "Haitong Global Diversification Fund" maintained No.1 ranking in the market

Hong Kong, 25 August 2021 – Haitong International Securities Group Limited ("Haitong International" or "The Group"; Stock Code: 665.HK) today announced its interim results for the six



months ended 30 June 2021. In the first half of the year, Haitong International recorded revenue of HK\$3.835 billion, up 9% yoy; Net profit more than doubled to HK\$1.081 billion, hitting a five-year high. Haitong International also saw significant growth in its fee-based business. Total fee income increased 39% yoy and reached HK\$1.658 billion, also hitting a five-year high, and its share of total income increased to 43% compared to 34% in the same period last year. The cost structure also continued to improve, with the proportion of finance cost decreasing to 28% from 48% compared to the same period last year. The basic EPS was 18.38 Hong Kong cents. The Board of Directors of the Company proposed an interim cash dividend per share of 9 Hong Kong cents, with the dividend ratio around 50%. Annualized dividend yield ratio increased to 7.76% from 4.28% in the same period last year. As of 30 June 2021, Haitong International's total assets amounted to HK\$135.471 billion, and net assets totaled HK\$28.79 billion.

Dr. Lin Yong, JP, Deputy Chairman and CEO of Haitong International, said, "With the global rollout of Covid-19 vaccines, numerous markets are seeing a gradual economic recovery. Nonetheless, the market remained volatile in the first half of 2021 due to rising inflation and other uncertainties. Haitong International stayed composed amid the market fluctuations and demonstrated strong resilience and sustainable profitability. During the period, the Group has seen stable growth in total revenue with net profit grew by more than a double. The proportion of fee income further increased and became the growth engine for revenue. Looking ahead, Haitong International will continue to diversify income streams, diffuse asset risks, build a professional team and diversify product structures, and further develop the Group's capabilities to serve its information, transaction and capital intermediary functions to achieve the aim of connecting China with overseas capital markets."

Corporate Finance: Fee Income Up Nearly 50 % YoY, Ranked No.1 in Hong Kong IPO Market

Haitong International's Corporate Finance team was able to capture the opportunity brought about by "homecoming listings", and has accumulated rich deals experience in new economy sectors, including healthcare and TMT. Combining its in-depth understanding in the sectors with a well-established global sales network, Haitong International further strengthened its leadership in the Hong Kong capital market. In 1H 2021, the Corporate Finance segment realized a total of HK\$798 million in fee income, up 49% yoy, with the underwriting and placing commission income amounting to HK\$688 million, up 48% yoy. During the period, Haitong International completed a total of 22 IPO deals in Hong Kong. According to Bloomberg, Haitong International ranked no.1 on the Hong Kong IPO league table by both deal count and total deal volume. The market share (by deal count) exceeded 48%.

On the DCM front, Haitong International completed a total of 136 bond issuance projects. According to Bloomberg, Haitong International ranked no. 3 in the China Risk G3+CNY bond markets and no. 2 in Asia (ex-Japan) G3 high yield corporate bond markets in terms of number of issuance. The



Group also achieved a breakthrough in the China offshore green bond issuance market. Haitong International completed 27 green and sustainable bond issuances during the period, with total deal volume amounting to US\$7.97 billion. Both the deal count and total deal volume soared by more than double compared to the 2020 total annual figures. According to Bloomberg, Haitong International ranked No.2 on the Global Green Bond issuance (China and Hong Kong) league table among all global financial institutions by deal count, signifying Haitong International's growing status as the pioneer of green finance among Chinese financial institutions.

Institutional Clients: Fee Income Up More Than 50 % YoY, No.2 in Hong Kong Warrants/CBBCs Market by Turnover

In 1H 2021, the Institutional Clients segment recorded HK\$943 million in revenue, up 11% yoy, among which the fee income increased by more than 50% yoy. The Cash Equities business saw growth in multiple markets, with aggregated turnover exceeded HK\$300 billion, a 40% yoy growth. Haitong International's warrants and CBBCs business recorded total turnover of more than HK\$380 billion, almost doubling and ranked no.2 in the Hong Kong market. In recognition of this outstanding performance, Haitong International was granted the Financial Institution Awards 2021 – Securities Sector "Derivatives Provider of the Year – Excellence" by Bloomberg Businessweek.

On the Equity Research front, Haitong International has achieved complete access with the parent company, Haitong Securities' equity research team. The combined team covers over a thousand equities in multiple markets including Greater China, Japan, the U.S., India and South Korea, providing professional, in-depth, timely and international research and advisory services for institutional clients.

Wealth Management: Further Enhanced Private Wealth Management Targeted at Entrepreneurial Clientele

The Wealth Management business continued to upgrade its PWM arm targeted at entrepreneurial clientele with a variety and high quantity of products on its investment product platform and a wide array of offerings including wealth planning and family office services. The PWM business has achieved stable revenue growth and continues to enhance synergy with other business segments including corporate finance, asset management and research, in addition to team expansion with the aim of providing one-stop bespoke solutions serving both the family and corporate needs of high-net-worth entrepreneurial clients.

Haitong International PWM strives to provide its clients with a one-stop private wealth management offering that meets leading global standards and the high quality of service has been well recognized in the industry. In 1H 2021, Haitong International was granted the Financial Institution Awards 2021 – Securities Sector "High Net Worth Service – Excellence" by "Bloomberg Businessweek".



Asset Management: Stayed Ahead of the Market with Outstanding Fund Performance

Haitong International Asset Management continued to provide quality products and services while achieving stable business growth. During 1H 2021, the average asset under management exceeded HK\$61 billion. Asset management and performance fee income amounted to HK\$271 million in 1H 2021, representing 76% yoy growth.

Several funds under Haitong International Asset Management have been delivering stable and outstanding long-term returns. According to Lipper Fund rankings, as of 30 June 2021, the Haitong Global Diversification Fund under the Haitong MPF Scheme has delivered an accumulated return of 99% over the past five years, ranking no. 1 among similar funds. The Haitong Hong Kong SAR Fund under the same scheme has delivered an accumulated return of 114% over the past five years, ranking no. 2 among similar funds.

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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), 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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