

**Haitong International Announces Q1-3 Results for 2021**

*Business Transformation Starts to Yield Results as Fee Income Contributes to Nearly Half of Total Revenue*

**Financial Highlights**

(Nine months ended 30 September 2021)

- Q1-3 Revenue reached HK\$4.962 billion; Net profit at HK\$1.15 billion
- Fee income up 24% yoy to HK\$2.358 billion, proportion to revenue increased to nearly 50%
- Total assets: HK\$116.228 billion; Net assets: HK\$28.344 billion
- Total cost down 18% yoy to HK\$3.193 billion
- Total liabilities down 26% compared to beginning of 2021, gearing ratio further decreased to 3.57 times

**Business Segments Highlights**

- Corporate Finance segment realized a total of HK\$1.224 billion in fee income, up 46% yoy, with the underwriting and placing commission income up 45% yoy and financial advisory and consultancy fee income up 55% yoy
- Completed a total of 31 IPO deals in Hong Kong during the period and ranked no.1 on the Hong Kong IPO league table by deal count (No. 2 by total deal volume)
- Completed a total of 38 green and sustainable development bond issuances in 2021, with total deal volume amounting to US\$10.9 billion. Both the deal count and total deal volume soared by more than triple compared to the 2020 total annual figures
- The Cash Equities business recorded over HK\$480 billion in aggregated turnover, up 37% yoy. The commission income on securities trading rose 47% yoy to HK\$244 million
- Issued more than 3,600 warrants and CBBCs during the first three quarters of 2021 and recorded total turnover of more than HK\$530 billion, which ranked no.2 in the Hong Kong market
- Private Wealth Management (PWM) launched its Global Family Office business in Q3, which is the first of its kind among the Hong Kong-based Chinese IBs, also established servicing network in Hong Kong, Macau and Singapore
- Asset Management launched the “Tabula Haitong Asia ex-Japan HY Corp USD Bond ESG UCITS ETF” jointly with Tabula Investment Management Limited, a UK-based asset manager and ETF provider. The ETF is the world’s first Asia ex Japan high yield corporate USD bond ETF and also Haitong International’s first listed fund in Europe

**Hong Kong, 27 October 2021** – Haitong International Securities Group Limited ("Haitong International" or "The Group"; Stock Code: 665.HK) today announced its quarterly results for the nine months ended 30 September 2021. Haitong International recorded revenue of HK\$4.962 billion

and net profit of HK\$1.15 billion. Total fee income increased 24% yoy and reached HK\$2.358 billion, and its share of total income further increased to 47%. The Group's effort in optimizing the business structure is also starting to bear fruit, with total cost down 18% yoy to HK\$3.193 billion, and finance cost down 50% yoy. As of 30 September 2021, Haitong International's total liabilities has decreased by 26% compared to beginning of 2021, and the gearing ratio further decreased to 3.57 times. With stronger resilience, Haitong International has been able to boost the quality and efficiency of its business.

### **Corporate Finance: Fee Income Up Nearly 50 % YoY, Stable No.1 Ranking in Hong Kong IPO Market**

In the first three quarters of 2021, the Corporate Finance segment realized a total of HK\$1.224 billion in fee income, up 46% yoy, with the underwriting and placing commission income up 45% yoy and financial advisory and consultancy fee income up 55% yoy. Haitong International completed a total of 31 IPO deals in Hong Kong during the period, and ranked no.1 on Bloomberg's Hong Kong IPO league table by deal count (no. 2 by total deal volume). According to market data published by HKEX, Haitong International participated in more than half of the top 10 IPO deals in Hong Kong in the first three quarters of 2021 (ranked by funds raised), showcasing Haitong International's strengthened leadership in the market. With its leading position in the cross border equity financing space, Haitong International was once again named "Best for Cross Border Equity Capital Markets" at the Asiamoney China Corporate and Investment Banking Awards 2021.

On the DCM front, Haitong International completed a total of 187 bond issuances during the first three quarters of 2021. According to Bloomberg, Haitong International ranked no. 2 in Asia (ex-Japan) G3 high yield corporate bond markets in terms of number of issuances. As of 30 September 2021, Haitong International had completed a total of 38 green and sustainable development bond issuances in 2021, with total deal volume amounting to US\$10.9 billion. Both the deal count and total deal volume soared by more than triple compared to the 2020 total annual figures, which establishes Haitong International's leading status in the Chinese corporate offshore green bond issuance market.

### **Institutional Clients: Steady Growth in Turnover, No.2 in Hong Kong Warrants/CBBCs Market by Turnover**

Haitong International continues to enhance its comprehensive research and trading platform which aims to fulfill institutional clients' needs. In the first three quarters of 2021, the Institutional Clients segment recorded HK\$1.298 billion in revenue. The Cash Equities business recorded over HK\$480 billion in aggregated turnover, up 37% yoy. The securities trading commission income rose 47% yoy to HK\$244 million. In the warrants and CBBCs space, Haitong International issued more than 3,600 warrants and CBBCs during the first three quarters of 2021, and recorded total turnover of more than HK\$530 billion, ranking it no.2 in Hong Kong.

### **Wealth Management: Established Servicing Network in Hong Kong, Macau and Singapore to Strengthen Positioning as the Professional Wealth Manager for Entrepreneurs**

In the first three quarters of 2021, the Wealth Management segment recorded HK\$1.205 billion in revenue and sought to position its Private Wealth Management (PWM) arm as “the Private Wealth Manager for Entrepreneurs”. It also launched its Global Family Office business in Q3, which is the first of its kind among Hong Kong-based Chinese IBs. The PWM business has established servicing network in Hong Kong, Macau and Singapore markets, and will further collaborate with the other business units of the Group to provide comprehensive bespoke solutions for ultra-high net worth entrepreneurs and family office clients.

### **Asset Management: Delivering ESG Investment Milestones and Market-leading Fund Performance**

Taking market and client demands into account, Haitong International Asset Management continued to provide one-stop professional investment management services to corporate, institutional and individual clients. During the first three quarters of 2021, the average monthly assets under management exceeded HK\$58 billion. Asset management and performance fee income amounted to HK\$327 million during the period, representing 36% yoy growth.

Haitong International Asset Management also continued to introduce innovative ESG products to the market and contributed to the growth of sustainable finance. In Q3 2021, Haitong International launched the “Tabula Haitong Asia ex-Japan HY Corp USD Bond ESG UCITS ETF” jointly with Tabula Investment Management Limited, a UK-based asset manager and ETF provider. The ETF is the world’s first Asia ex-Japan high yield corporate USD bond ETF, and also Haitong International’s first listed fund in Europe. The introduction of this ETF marked another milestone for Haitong International on the global stage and showcased the Group’s concrete commitment to and breakthrough in ESG investment space.

Several funds under Haitong International Asset Management have been delivering stable and outstanding long-term returns. According to Lipper Fund rankings, as of 30 September 2021, the Haitong Global Diversification Fund and The Haitong Hong Kong SAR Fund under the Haitong MPF Scheme have delivered an accumulated return of 98.4% and 81.8% over the past five years respectively. Both funds ranked no.1 among the 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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