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HAITONG INTERNATIONAL SECURITIES GROUP LIMITED

海通國際證券集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 665)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

Financial Highlights			
Results	For the year ended 31 December		Percentage change
	2014	2013	Increase/ (Decrease)
Revenue (HK\$'000)	2,713,291	1,646,814	65
Net Profit Attributable to Shareholders (HK\$'000)	1,018,269	529,152	92
Return on Shareholders' Funds (%) (Note 1)	15.71	12.57	25
Per share			
Basic Earnings Per Share (HK Cents)	56.17	41.07	37
Diluted Earnings Per Share (HK Cents)	50.42	39.15	29
Share Price			
- Highest (HK\$)	5.85	4.21	39
- Lowest (HK\$)	3.74	2.99	25
Financial Position	31 December 2014	31 December 2013	Percentage change
			Increase/ (Decrease)
Shareholders' Funds (HK\$'000)	8,596,502	4,920,252	75
Total Assets (HK\$'000)	48,159,973	29,438,104	64
Leverage Ratio (Note 2)	3.96	3.37	18
Number of Shares in Issue (Note 3)	2,184,397,016	1,395,959,624	56
NAV Per Share (HK\$)	3.94	3.52	12

Notes:

1. Computation of return on shareholders' funds is based on net profit attributable to shareholders divided by the weighted average shareholders' funds.
2. Leverage ratio = Total assets excluding accounts payable to clients / Shareholders' funds. Accounts payable to client amounted to HK\$14,144.9 million as at 31 December 2014 (2013: HK\$12,846.3 million).
3. On 23 April 2014, the Company announced a rights issue on the basis of 1 rights share for every 2 existing shares ("Rights Issue") held by shareholders of the Company. The Rights Issue was completed on 30 May 2014 and 697,979,812 rights shares were issued on 3 June 2014. Moreover, certain equity rights conferred on convertible bond holders were exercised during the year. Hence, the total number of shares of the Company was increased to 2,184,397,016 as at 31 December 2014.

RESULTS

The board of directors (the “Board”) of Haitong International Securities Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “Group” or “Haitong International”) for the year ended 31 December 2014, with the comparative figures for the year ended 31 December 2013, as follows:

Consolidated Statement of Profit or Loss

	Note	2014 HK\$'000	2013 HK\$'000
Revenue	4	2,713,291	1,646,814
Other income and gains or losses	4	20,512	2,807
		<u>2,733,803</u>	<u>1,649,621</u>
Employee benefits costs:			
Salaries and allowances, bonuses and pension scheme contributions	5	(545,281)	(421,312)
Commission to accounts executives	5	(240,031)	(160,191)
Depreciation		(33,494)	(45,113)
Other operating expenses		(356,986)	(313,540)
		<u>(1,175,792)</u>	<u>(940,156)</u>
Finance costs	5	(375,475)	(126,146)
Share of profit of investments accounted for using the equity method		<u>33,212</u>	<u>15,157</u>
Profit before tax	5	1,215,748	598,476
Income tax expense	6	(197,479)	(68,311)
Profit for the year		<u>1,018,269</u>	<u>530,165</u>
Attributable to:			
Owners of the Company		1,018,269	529,152
Non-controlling interests		-	1,013
		<u>1,018,269</u>	<u>530,165</u>
Earnings per share attributable to owners of the Company			(restated)
- Basic (HK cents per share)	8	<u>56.17</u>	<u>41.07</u>
- Diluted (HK cents per share)		<u>50.42</u>	<u>39.15</u>

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2014 HK\$'000	2013 HK\$'000
Profit for the year	1,018,269	530,165
Other comprehensive income / (expense):		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Cash flow hedge	592	(4,953)
Changes in fair value of available-for-sale investments	(9,058)	55,694
Disposal of available-for-sale investments	(20,195)	-
Other comprehensive (expense) / income for the year	(28,661)	50,741
Total comprehensive income for the year	989,608	580,906
Total comprehensive income for the year attributable to:		
Owners of the Company	989,608	579,893
Non-controlling interests	-	1,013
	989,608	580,906

Consolidated Statement of Financial Position

	Note	2014 HK\$'000	2013 HK\$'000
ASSETS			
Non-current assets			
Investments accounted for using the equity method		2,585,166	178,181
Property and equipment		101,255	115,306
Goodwill		9,854	9,854
Other intangible assets		6,609	6,609
Other assets		57,458	41,184
Available-for-sale investments		471,083	728,418
Held-to-maturity investments		182,306	449,421
Other loans and advances	10	811,000	1,188,200
Deferred tax assets		6,030	5,726
		<u>4,230,761</u>	<u>2,722,899</u>
Current assets			
Advances to customers in margin financing	9	9,619,965	7,938,421
Other loans and advances	10	1,819,200	1,872,200
Accounts receivable	11	4,495,624	1,642,922
Prepayments, deposits and other receivables		277,293	331,685
Tax recoverable		72,317	19,383
Held-to-maturity investments		3,811	358,182
Derivative financial instruments		263,027	60,602
Financial assets at fair value through profit or loss		9,962,803	1,950,230
Financial assets designated at fair value through profit or loss		2,485,154	-
Financial assets held under resale agreements		24,765	-
Cash held on behalf of customers		11,668,936	12,053,559
Cash and cash equivalents		3,236,317	488,021
		<u>43,929,212</u>	<u>26,715,205</u>
Total assets		<u><u>48,159,973</u></u>	<u><u>29,438,104</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		218,440	139,596
Reserves		8,039,480	4,627,100
Proposed final dividend	7	338,582	153,556
Total equity		<u><u>8,596,502</u></u>	<u><u>4,920,252</u></u>

	Note	2014 HK\$'000	2013 HK\$'000
LIABILITIES			
Non-current liabilities			
Convertible bonds		1,781,445	966,273
Non-convertible bonds		4,580,804	-
Deferred tax liabilities		12,026	14,910
Financial liabilities designated at fair value through profit or loss		620,000	-
Loans and other borrowings		-	426,503
		<u>6,994,275</u>	<u>1,407,686</u>
Current liabilities			
Accounts payable	12	15,630,644	13,407,180
Other payables and accruals		489,396	289,903
Other liabilities		105,795	-
Tax payable		222,184	113,503
Financial liabilities at fair value through profit or loss		326,072	144,795
Financial liabilities designated at fair value through profit or loss		1,645,886	170,553
Derivative financial instruments		217,793	6,842
Loans and other borrowings		13,931,426	8,977,390
		<u>32,569,196</u>	<u>23,110,166</u>
Total liabilities		<u>39,563,471</u>	<u>24,517,852</u>
Total equity and liabilities		<u>48,159,973</u>	<u>29,438,104</u>
Net current assets		<u>11,360,016</u>	<u>3,605,039</u>
Total assets less current liabilities		<u>15,590,777</u>	<u>6,327,938</u>

Notes:

1. BASIS OF PERPARATION

The consolidated financial statements of Haitong International Securities Group Limited have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance which for the current year, continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangement for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 of the Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following amendments to HKFRSs and a new interpretation issued by the Hong Kong Institute of Certified Public Accountants for the first time.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) - Int 21	Levies

Impacts of the adoption of the new or amended HKFRSs are discussed below:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27, Investment entities

The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS - continued

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives which are currently designated as hedging instruments that are novated during the both prior and current year, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC) – Int 21 Levies

HK(IFRIC) – Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC) - Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ³
Amendments to HKAS 1	Disclosure Initiative ⁵
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operation ⁵
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ⁵
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ⁵
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ⁴
Amendments to HKAS 27	Equity Method in Separate Financial Statements ⁵
Amendments to HKAS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKAS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ⁵

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS - continued

Amendments to HKFRSs
Amendments to HKFRSs
Amendments to HKFRSs

Annual Improvements to HKFRSs 2010-2012 cycle⁶
Annual Improvements to HKFRSs 2011-2013 cycle⁴
Annual Improvements to HKFRSs 2012-2014 cycle⁵

- ¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
- ² Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
- ³ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
- ⁴ Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
- ⁵ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
- ⁶ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

3. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Executive Committee as its chief operating decision maker.

The Group's majority of revenue is related to activities conducted in Hong Kong. No single customer amounts to more than 10 percent of the Group's revenue.

During the year ended 31 December 2014, in order to more accurately reflect the activities of the "Structured financing" segment, this segment is now renamed as "Leveraged and acquisition finance". Moreover, owing to the rapid expansion of the "Equity derivatives" segment and its positive contribution to the Group's result, this segment is also separately reported. Furthermore, as the "Others" segment mainly comprises investment activities with remarkable performance, it is now properly named as "Investment holdings" segment. As a result, the Group has 7 reportable segments in the current year. Comparative figures in prior year have been restated to conform to the current year's presentation. The segments are managed separately as each segment engages in different activities. The Group's reportable segments are as follows:

- (a) the brokerage and margin financing segment engages in securities, futures, options and bullion contracts brokerage and dealing, provision of margin financing to customers, and provision of custodian and handling services;
- (b) the corporate finance segment engages in provision of corporate advisory, placing and underwriting services;
- (c) the investment management segment comprises provision of fund management and provision of wealth management services;
- (d) the leveraged and acquisition finance segment engages in the provision of financing solutions to corporate clients of the Company for their corporate actions and shareholder activities, including takeovers, mergers and acquisitions;
- (e) the fixed income, currency and commodities segment engages in trading and market making in debt securities, bullion contracts and leveraged foreign exchange trading;
- (f) the equity derivatives segment engages in trading and market making in equity securities and derivatives; and
- (g) the investment holdings segment comprises investment in funds and equity securities.

3. SEGMENT INFORMATION - continued

The following table presents revenue and profit/(loss) for the Group's business segments:

	Brokerage and margin financing		Corporate finance		Investment management		Leveraged and acquisition finance		Fixed income, currency and commodities		Equity derivatives		Investment holdings		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:																
Sales to external customers	<u>1,181,294</u>	<u>802,310</u>	<u>396,294</u>	<u>167,854</u>	<u>123,457</u>	<u>92,346</u>	<u>421,206</u>	<u>401,029</u>	<u>233,953</u>	<u>187,390</u>	<u>196,417</u>	<u>(8,156)</u>	<u>160,670</u>	<u>4,041</u>	<u>2,713,291</u>	<u>1,646,814</u>
Other income	<u>-</u>	<u>-</u>	<u>1,852</u>	<u>1,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,468</u>	<u>1,241</u>	<u>20,512</u>	<u>2,807</u>
Segment results	<u>307,960</u>	<u>203,907</u>	<u>303,163</u>	<u>99,847</u>	<u>25,614</u>	<u>6,820</u>	<u>246,700</u>	<u>207,142</u>	<u>112,223</u>	<u>86,582</u>	<u>104,034</u>	<u>(16,217)</u>	<u>82,842</u>	<u>(4,762)</u>	<u>1,182,536</u>	<u>583,319</u>
Share of profit of investments accounted for using the equity method															33,212	15,157
Income tax expense															(197,479)	(68,311)
Profit for the year															<u>1,018,269</u>	<u>530,165</u>
Depreciation	(26,318)	(38,772)	-	-	(256)	(932)	(2,827)	(3,687)	(1,679)	(1,722)	(1,318)	-	(1,096)	-	(33,494)	(45,113)
Finance costs	(168,004)	(55,431)	-	-	-	-	(93,327)	(40,218)	(30,954)	(20,203)	(35,397)	(1,627)	(47,793)	(8,667)	(375,475)	(126,146)

4. REVENUE AND OTHER INCOME AND GAINS OR LOSSES

An analysis of revenue (which is also the Group's turnover) and other income and gains or losses is as follows:

	2014 HK\$'000	2013 HK\$'000
Revenue		
Brokerage:		
Commission on securities brokerage	405,280	311,559
Commission on futures and options brokerage	123,021	126,687
Commission on bullion contracts brokerage	3,274	6,159
Custodian and handling service fees	24,943	16,811
Corporate finance:		
Commission on placing, underwriting and sub-underwriting	180,558	132,210
Consultancy and financial advisory fees	215,736	35,644
Investment management:		
Fund management and performance fees	76,476	38,492
Commission on wealth management	46,981	53,854
Loans and financing activities:		
Interest income from leveraged and acquisition finance activities	421,206	401,029
Interest income from margin financing and other activities	624,776	341,094
Trading and market making:		
Interest income from investment in debt securities	52,598	130,136
Net gain on financial assets/liabilities at fair value through profit or loss	536,313	28,977
Net loss from derivatives and bullion contracts trading	(34,718)	(6,498)
Net income from leveraged foreign exchange trading	12,050	19,487
Dividend income	24,797	11,173
	<u>2,713,291</u>	<u>1,646,814</u>
Other income and gains or losses		
Gain on disposals of available-for-sale investments	20,195	-
Others	317	2,807
	<u>20,512</u>	<u>2,807</u>

5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2014 HK\$'000	2013 HK\$'000
Minimum lease payments under operating leases:		
Land and buildings	72,682	77,214
Computer equipment	2,797	12,140
Auditor's remuneration	2,600	3,340
Foreign exchange differences, net	24,809	(1,213)
Loss on disposal of fixed assets	490	6,392
Repair and maintenance (including system maintenance)	58,056	33,367
Quotemeter services	3,964	3,515
Marketing, advertising and promotion expense	16,932	18,747
Equipment rental and servicing	44,801	39,350
Bad debts (recovery) / written off	(1,593)	3,823
	<u>785,312</u>	<u>581,503</u>
Employee benefits costs (including directors' remuneration and 5 highest paid employees):		
Salaries, bonuses and allowances	536,542	414,180
Commission to accounts executives	240,031	160,191
Net pension scheme contributions	8,739	7,132
	<u>785,312</u>	<u>581,503</u>
Impairment loss on held-to-maturity investments	<u>33,500</u>	<u>-</u>
Finance costs:		
- bank loans and overdrafts wholly repayable within 5 years	245,513	96,918
- convertible bonds wholly repayable within 5 years	50,642	18,917
- non-convertible bonds wholly repayable within 5 years	61,001	-
- others wholly repayable within 5 years	18,319	10,311
	<u>375,475</u>	<u>126,146</u>

6. INCOME TAX EXPENSE

	2014 HK\$'000	2013 HK\$'000
Current taxation		
- Hong Kong	201,614	83,253
- PRC and other jurisdictions	1,019	1,101
	<u>202,633</u>	<u>84,354</u>
Over provision in prior years		
- Hong Kong	(1,966)	(8,506)
Deferred tax		
- Current year	(3,188)	(7,537)
	<u>197,479</u>	<u>68,311</u>

6. INCOME TAX EXPENSE - continued

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits arising in Hong Kong for the current and prior year. Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax charge for the year can be reconciled to 'profit before tax' per the consolidated statement of profit or loss as follows:

	2014 HK\$'000	2013 HK\$'000
Profit before tax	1,215,748	598,476
Taxation at income tax rate of 16.5%	200,598	98,749
Overprovision in respect of prior years	(1,966)	(8,506)
Tax effect of expenses not deductible for tax purpose	13,136	10,131
Tax effect of income not taxable for tax purpose	(30,880)	(29,857)
Tax effect of utilisation of estimated tax losses previously not recognised	-	(10,796)
Tax effect of estimated tax losses not recognised	3,316	2,031
Effect of different tax rates of subsidiaries operating in other jurisdictions	905	(188)
Others	12,370	6,747
Income tax expense	197,479	68,311

The Group has estimated tax losses of approximately HK\$70 million and HK\$47 million as at 31 December 2014 and 31 December 2013, respectively, that can be carried forward indefinitely for offsetting against future taxable profits of the respective companies in which the losses arose.

Deferred tax assets have not been recognised in respect of the tax losses of HK\$27 million as at 31 December 2014 (31 December 2013: HK\$13 million) as it is not probable that sufficient future taxable profits will be available in the subsidiaries in which the losses arose against which the unused tax losses can be utilised in the near future.

7. DIVIDENDS

	2014 HK\$'000	2013 HK\$'000
Interim dividend paid		
- HK8 cents (2013: HK8 cents) per ordinary share	168,345	109,841
Proposed final dividend		
- HK15.5 cents (2013: HK11 cents) per ordinary share	338,582	153,556
	<u>506,927</u>	<u>263,397</u>

At a meeting of the Board of the Company held on 21 August 2013, the directors resolved to declare an interim dividend of HK8 cents per share in cash with a scrip option. The interim dividend was paid on 8 November 2013, with a total of HK\$25,264,000 cash dividend paid to the shareholders and 22,945,565 shares were issued in scrip form.

At a meeting of the Board of the Company held on 4 March 2014, the directors resolved to declare a final dividend of HK11 cents per share in cash for the year ended 31 December 2013. The final dividend of HK\$153,556,000 was paid on 20 May 2014.

At a meeting of the Board of the Company held on 7 August 2014, the directors resolved to declare an interim dividend of HK8 cents per share in cash for the 6 months ended 30 June 2014. The interim dividend of HK\$168,345,000 was paid on 11 September 2014.

At a meeting of the Board of the Company held on 11 March 2015, the directors recommended the payment of a final dividend in cash for the year ended 31 December 2014 in the total amount of HK\$338,582,000. The proposed final dividend for the year ended 31 December 2014 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2014	2013
Earnings		
Profit for the year attributable to owners of the Company (HK\$'000)	<u>1,018,269</u>	<u>529,152</u>
Number of shares		(restated)
Weighted average number of ordinary shares in issue (in thousands) (note (a))	<u>1,812,884</u>	<u>1,288,311</u>
Basic earnings per share (HK cents per share)	<u>56.17</u>	<u>41.07</u>

8. EARNINGS PER SHARE - continued

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares.

	2014	2013
Earnings		
Profit for the year attributable to owners of the Company (HK\$'000)	1,018,269	529,152
Effect of dilutive potential ordinary shares		
- Interest on convertible bonds (net of tax) (HK\$'000) (note (b))	42,286	15,796
Earnings for the purpose of diluted earnings per share (HK\$'000)	1,060,555	544,948
Number of shares		(restated)
Weighted average number of ordinary shares in issue (in thousands) (note (a))	1,812,884	1,288,311
Effect of dilutive potential ordinary shares:		
- Convertible bonds (in thousands) (note(b))	290,066	103,600
- Share options (in thousands) (note(c))	402	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share (in thousands)	2,103,352	1,391,911
Diluted earnings per share (HK cents per share)	50.42	39.15

Notes:

- (a) During both current and prior years, the Group raised approximately HK\$2,643 million and HK\$1,153 million by way of rights issue on the basis of one rights share for every two existing shares held by shareholders of the Company at the price of HK\$3.80 and HK\$2.55 respectively, which represent a discount to the prevailing fair value at the date of rights issue of the existing shares.

The effect of the bonus element resulting from the rights issue has been included in the calculation of basic and diluted earnings per share and prior year basic and diluted earnings per share is adjusted in order to provide a comparable basis for the rights issue in the current year.

- (b) On 18 July 2013 and 10 October 2013, the Company issued convertible bonds of HK\$776 million and HK\$232 million respectively, which have been combined legally and constitute a single series. On 4 November 2014, the Company further issued convertible bonds of HK\$1,164 million.

During the current year, parts of the convertible bonds issued by the Company in prior year have been converted into ordinary shares of the Company, which created a potential dilutive effect to the basic earnings per share before their conversion.

As at 31 December 2014, the convertible bonds issued in 2013 and in current year that remain outstanding are convertible into ordinary shares of the Company at a conversion price of HK\$3.91 to HK\$4 and HK\$6, respectively, at the option of the holders of the convertible bonds, which created a potential dilutive effect to the basic earnings per share.

8. EARNINGS PER SHARE - continued

Diluted earnings per share - continued

In the calculation of the diluted earnings per share, the convertible bonds are assumed to have been converted into ordinary shares. The weighted average number of ordinary shares outstanding is increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares from the date of the first issue with the adjustment if there is any conversion of the convertible bonds into ordinary shares during the year. The net profit is adjusted to eliminate the interest expense less the tax effect.

- (c) The computation of diluted earnings per share assumed the exercise of the Company's outstanding share options with the exercise price lower than the average market price during the year ended 31 December 2014 with the adjustment for the share options lapsed or exercised during the year.

As the exercise price of the Company's share options was above the average share price of the Company during the year ended 31 December 2013, the share options have no effect of dilutive potential ordinary shares for 2013.

9. ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	2014 HK\$'000	2013 HK\$'000
Loans to margin clients	9,627,076	7,945,532
Less: Impairment allowance	(7,111)	(7,111)
	<u>9,619,965</u>	<u>7,938,421</u>

The credit facility limits to margin clients are determined by the discounted market value of the collateral securities accepted by the Group.

The loans to margin clients are secured by the underlying pledged securities and interest bearing. The Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call which the customers have to make good the shortfall.

As at 31 December 2014, advances to customers in margin financing of HK\$9,620 million (31 December 2013: HK\$7,938 million) was secured by securities pledged by the customers to the Group as collateral with undiscounted market value of HK\$49,242 million (31 December 2013: HK\$36,088 million).

The advances to customers in margin financing have been reviewed by management to assess impairment allowances which are based on the evaluation of collectability, ageing analysis of accounts and on management's judgement, including the current creditworthiness and the past collection statistics of individual account. There was no impaired debt for the years ended 31 December 2014 and 2013.

No ageing analysis is disclosed as in the opinion of the directors, the ageing analysis is not meaningful in view of the revolving nature of the business of securities margin financing.

10. OTHER LOANS AND ADVANCES

	2014 HK\$'000	2013 HK\$'000
Other loans and advances	2,630,200	3,060,400
Less : Non-current portion	(811,000)	(1,188,200)
Current portion	<u>1,819,200</u>	<u>1,872,200</u>

There is neither impaired nor overdue other loans and advances as of reporting date.

Majority of these other loans and advances are secured and/or backed by guarantee with contractual maturity within 2 years from the reporting date. Credit limits are set for borrowers and regular reviews on these other loans and advances are conducted by the risk management department and the risk management committee of the Group based on the latest status of these other loans and advances, and the latest announced or available information about the borrowers and the underlying collateral held. Apart from collateral monitoring, the Group seeks to maintain tight control over its loans and advances in order to minimise credit risk by reviewing the borrowers' and/or guarantors' financial positions.

As at 31 December 2014, these loans bear interest at Hong Kong prime rate minus 1.5% to Hong Kong prime rate plus 7% per annum or at a fixed rate of 4% to 11% per annum (31 December 2013: Hong Kong prime rate minus 2% to Hong Kong prime rate plus 10% per annum or at a fixed rate of 2% to 13% per annum).

Interest income derived from other loans and advances was recognised as “interest income from leveraged and acquisition finance activities”. The carrying value of the other loans and advances is approximate to their fair value.

11. ACCOUNTS RECEIVABLE

	2014 HK\$'000	2013 HK\$'000
Accounts receivable from:		
- Clients	123,466	146,725
- Brokers, dealers and clearing house	3,446,165	1,456,466
- Clients for subscription of new shares in rights issue and IPO	872,798	228
- Others (note)	53,195	39,503
	<u>4,495,624</u>	<u>1,642,922</u>

Note: The amount represents the fees receivable from advisory and wealth management, asset and fund management business.

There is no impaired accounts receivable as of the reporting dates for current and prior year end. The following is an ageing analysis of the accounts receivable based on trade date at the reporting date:

	2014 HK\$'000	2013 HK\$'000
Between 0 and 3 months	4,453,312	1,616,085
Between 4 and 6 months	23,853	7,174
Between 7 and 12 months	6,728	12,910
Over 1 year	11,731	6,753
	<u>4,495,624</u>	<u>1,642,922</u>

11. ACCOUNTS RECEIVABLE - continued

Accounts receivable from clients, brokers, dealers and clearing house arising from the business of dealing in securities are repayable on demand subsequent to settlement date. The normal settlement terms of accounts receivable arising from the business of dealing in securities are two days after trade date and accounts receivable arising from the business of dealing in futures and options are one day after trade date.

Accounts receivable from clients arising from financing of rights issue and IPO subscriptions are required to settle their securities trading balances on the allotment date determined under the relevant market practices or exchange rules. As at 31 December 2014, the settlement date is 8 January 2015.

Normal settlement terms of accounts receivable from advisory and wealth management, asset and fund management are determined in accordance with the contract terms, usually within one year after the service provided.

Trading limits are set for customers. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise credit risk. As at 31 December 2014, overdue balances are approximately of HK\$2.1 million (31 December 2013: HK\$2.8 million) which are regularly monitored by management. The management ensures that the listed equity securities belonged to clients in which the Group holds as custodian are sufficient to cover the amounts due to the Group.

12. ACCOUNTS PAYABLE

	2014 HK\$'000	2013 HK\$'000
Accounts payable to:		
- Clients	14,144,852	12,846,277
- Brokers, dealers and clearing house	973,033	316,749
- Others	512,759	244,154
	<u>15,630,644</u>	<u>13,407,180</u>

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to clients represent margin deposits received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of these businesses.

The Group has a practice to satisfy all the requests for payments immediately within the credit period.

Except for the accounts payable to clients which bear interest at 0.001% as at 31 December 2014 (31 December 2013: 0.001%), all the accounts payable are non-interest bearing.

Accounts payable to clients also include those payables placed in trust accounts with authorized institutions of HK\$11,668,936,000 (31 December 2013: HK\$12,053,559,000), Hong Kong Futures Exchange Clearing Corporation Limited, Stock Exchange Options Clearing House and other futures dealers totalling HK\$824,204,000 (31 December 2013: HK\$860,264,000).

FINAL DIVIDEND

The Board of the Company has resolved to recommend a final dividend in cash for the year ended 31 December 2014 in the total amount of HK\$338,582,000 which shall be paid to shareholders whose names appear on the register of members of the Company on Tuesday, 16 June 2015. Based on the number of issued shares of 2,184,397,016 as of 31 December 2014, the final dividend for the year shall amount to HK15.5 cents per share.

The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. The final dividend will be paid on or about Tuesday, 7 July 2015.

The register of members of the Company will be closed from Friday, 12 June 2015 to Tuesday, 16 June 2015, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, unregistered holders of the shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 11 June 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2014, Haitong International set new records in both business expansion and revenue growth. Over the past 5 years, Haitong International kept consolidating its presence in Hong Kong while seeking to tap opportunities worldwide. The Group has identified its strategic positioning and cemented its core competitive edges, taking innovative, courageous and sincere as its core values. Seizing the opportunities from the opening-up of China's capital market and internationalisation of Renminbi ("RMB"), Haitong International has significantly boosted its capital scale and strengthened its capital deployment capability, providing strong underpinnings to the brisk and robust growth of its business segments.

In 2014, the most eye-catching event in the capital market should be the launch of the long-awaited Shanghai-Hong Kong Stock Connect jointly developed by Hong Kong Exchanges and Clearing Limited ("HKEx") and Shanghai Stock Exchange. The concerted efforts of the two exchanges across the border have driven overseas investors to scramble for A shares, lifting both the standing and influence of the two exchanges in the global arena. Benefiting directly from the favourable stock connect initiative given its status as an "RMB investment and financing expert", Haitong International has made preparation well in advance and has witnessed marked growth in its asset management scale, doubling turnover from equities and derivatives market making as well as increase in trading commission from retail customers. The flourishing development of all business segments has translated into new earnings records of the Group.

As of the end of 2014, Haitong International posted operating revenue of HK\$2.71 billion, representing a year-on-year increase of 65%. Net profit amounted to HK\$1.02 billion, growing by 92% over the corresponding period of last year. Weighted average net return on equity ("ROE") came in at 15.7%, gaining 3.1 percentage points when compared with the figure for 2013. Total assets amounted to HK\$48.2 billion, up 64% over the same period of 2013. For 3 years in a row, Haitong International has achieved net profit growth of over 80%. The Group has maintained its long-term stable dividend policy. In 2014, a final dividend of a total amount of HK\$339 million (based on the number of issued shares as of 31 December 2014, HK15.5 cents per share) was proposed to be paid to shareholders of the Company.

Ride the stock connect boom to create and cement core competitive edges

The stock connect programme has presented new opportunities to both Mainland and Hong Kong brokerage firms. However, the move has also brought immense competition to Hong Kong's financial industry. With years of exploration and development, Haitong International has established its core competitiveness through optimisation and deepening of its traditional fee-based business as well as development and expansion of new businesses, in turn boosting profit growth exponentially.

Business deepening and innovation capabilities

Haitong International completed the transformation from a traditional brokerage firm to a comprehensive financial institution 2 years ago, as a result of which its revenue structure and business mix has turned more diversified. On the basis of the existing 6 major business segments which have already taken shape, the Group encourages and supports each of the business segments to expand in breadth and depth through proactive innovation and to identify new growing points for further business development factoring in market conditions, customer needs and their respective competitive edges.

The Corporate Finance segment once again posted outstanding results thanks in large part to the new business growing points identified. For 3 straight years from 2012 to 2014, the segment ranked first in the Hong Kong market in terms of the total number of initial public offerings (“IPO”) participated, making Haitong International one of the few Chinese securities firms that are comparable to major international firms in the IPO underwriting market. In 2014, the number of IPOs increased noticeably compared with the figures in the previous 2 years given the primary market boom and the fillip provided by the stock connect. Market speculation over imminent rate hikes by the U.S. Fed and the bullish views of global investors towards China’s economic outlook also fuelled offshore bond issues by Chinese enterprises compared to the previous year. Against such favourable market conditions, the Corporate Finance Department completed a total of 15 IPO and 21 bond issuance and underwriting projects in the period under review. On top of this, the segment also posted brilliant results in areas such as secondary market placement, rights issue and convertible bond issuance.

The Investment Management segment has tapped the RMB internationalisation trend to consolidate and highlight Haitong International’s competitiveness as a leading RMB product player in the Hong Kong market. The segment has clung on to brand building and scale expansion through innovation and development of RMB products. As at the end of 2014, Haitong International was granted an RQFII quota of RMB10.7 billion, the highest among all Chinese securities firms, along with an additional QFII quota to the tune of US\$200 million. In March 2014, Haitong International launched an RQFII exchange traded fund (“ETF”) named Haitong CSI300 Index ETF, the first of its kind among the Chinese securities firms in Hong Kong. As regards MPF performance, the Haitong Global Diversification Fund outstripped all pension funds of the same class as at the end of 2014 according to Lipper’s information. All these “Number Ones” have driven forward the continuous deepening of the investment management business in turn giving a boost to its performance.

The Fixed Income, Currency and Commodities (“FICC”) segment has fully exploited its advantages in RMB product offerings. Taking dim sum bonds and USD-denominated Chinese credit bonds as the focus of market making transactions and bond underwriting, the segment has put in place a business operating mode featuring trading, sales and research analysis as its 3 pillars. At present, the FICC market making team provides its clients with bilateral quotation for over 350 bonds. The bond underwriting team has completed a number of sizable issuance and further issuance of bonds to cater for the Group’s business development, with its sales network expanded to cover over 300 institutional clients within and outside the Mainland. As for currency and commodity-related business, the sub-segment provides its clients with strategic analyses and derivative proposals. In December 2014, the sub-segment was designated by the HKEx as one of the market makers for the first batch of London Aluminium / Zinc / Copper Mini Futures Contracts.

The Equity Derivatives segment continued to promote product development and innovation in 2014, with product varieties extended from stocks to options and more. In 2014, the number of funds for which market making services were provided increased to 21, making the segment one of the largest RQFII ETF market makers in Hong Kong. The segment also stepped up diversification of its product lines, offering RQFII access products and solution products in an aggregate amount of nearly HK\$10 billion. Also, the quantitative trading platform has its scale gradually expanding over time, the annualised return rate of which far outpaced the annualised rate of 5.8% for the benchmark Hang Seng Index in 2014.

Besides expanding and deepening its existing businesses, Haitong International had set up the Internet Financing Department, which successfully launched Hong Kong’s first peer-to-peer online lending platform known as bestlend.com in early 2015 to create a win-win scenario for both borrowers and lenders on the platform, signalling a ground-breaking move of the Group in the course of business innovation.

Financing and capital deployment capabilities

In 2014, Haitong International continued to expand its financing channels in order to earmark ample funds for future business uses, altogether raising HK\$11.8 billion by way of syndicated loans, rights issue and issuance of convertible bonds and USD-denominated bonds, in turn lifting the leverage ratio from 3.37 times as at the end of 2013 to 3.96 times, a level which still remains healthy and sustainable.

In August 2014, Haitong International was assigned a BBB issuer credit rating by Standard & Poor's Ratings Services ("S&P"), making it the first non-banking Chinese institution in Hong Kong to have been assigned an independent credit rating. Haitong International is also the first Chinese securities firm to have issued USD-denominated bonds using its own independent credit rating. The issuance was well received by investors and was 7 times oversubscribed, contributing total proceeds of US\$600 million to the Group, together with HK\$1.16 billion raised from subsequent issue of convertible bonds.

Dovetailed with the Group's financing capability is its effective capital deployment ability. The Brokerage and Margin Financing segment has tapped opportunities arising from the launch of the stock connect to proactively expand its customer base. The efforts made to innovate business training and to upgrade and optimise online trading platform and system coupled with the marketing initiatives for new products and services through multi-channels have given a boost to overall trading volume and also to the rapid growth of the margin financing scale. For the time being, the Brokerage and Margin Financing segment is capable of providing customers with financial products and services covering the entire global market.

The Leveraged and Acquisition Finance segment (formerly the Structured Finance segment) is mainly engaged in provision of comprehensive investment and financing solutions to listed corporate clients for their corporate actions and shareholder activities. The segment mainly derives its revenue from interest income and arrangement, as well as advisory fee. During the period under review, the segment set up a "five-grade risk assessment system" to track the risk exposure of each particular project, with risk indicators set for such factors as collateral, industry breakdown, project duration and project size for the sake of keeping business risk in check while seeking to maximise returns to the Group.

Customer expansion and retention capabilities

Haitong International has adopted a servicing system geared towards the needs of customers. The Group is all along committed to earnestly creating value for its 3 main types of clients, namely institutional clients, corporate clients as well as retail and high net worth clients. Being the first Chinese securities firm to have taken over a local broker in Hong Kong, Haitong International has kept scaling up its sizable customer base over the last 5 years, steadily increasing the number of customers by over 50% from 110,000 to over 170,000. While the hard efforts made to expand its high net worth retail client base have paid off, significant increase in the number of both institutional and corporate clients is also achieved, optimising the customer structure of the Group.

Manpower training and risk management capabilities

Haitong International always regards manpower as the Group's core resources. With its manpower structure turning increasingly diversified, Haitong International has kept nurturing and training its existing staff while optimising their remuneration and welfare packages. Efforts have also been made to introduce financial talents with both international horizon and extensive experience to back the long-term development of all business segments.

Being a listed financial institution based in Hong Kong, Haitong International has strictly complied with all applicable global norms on legal and compliance fronts and in the areas of, among others, liquidity risk, credit risk, market risk and operational risk in the course of rapid business development, and has duly set up and implemented a comprehensive risk control mechanism. At present, Haitong International has established a sound risk control culture within the Group and has kept promoting risk awareness among its staff.

Ride the RMB internationalisation trend and speed up foray into the global market

In the context of the increasingly fierce homogeneous competition in the market, Haitong International enjoys unparalleled edges on the path of RMB internationalisation. Leveraging such unrivalled edges, the Group's business segments were developing shoulder-to-shoulder on the back of different RMB themes in 2014. In January 2014, the Group's Singapore branch was granted the Capital Markets Services License. With Singapore serving as its regional hub, the Group will continue to expand its business network from Hong Kong to Southeast

Asia and elsewhere in the world, striving to satisfy as far as possible the quests of overseas investors to take part in China's capital market boom.

In the second half of 2014, Haitong International sought to expand its presence in the world's markets by moves such as initiating and facilitating the acquisition of Japaninvest, an independent equity research broker listed on the Tokyo Stock Exchange. The move marks a key step for Haitong International's foray into the global market, enabling the Group to extend the reach of its business network to London, New York and Tokyo and to establish an extensive institutional client base through research report releases, in turn presenting new business opportunities for its corporate finance, research sales and asset management segments. As for the stock connect business, efforts have been made to refine both varieties and formats of trading products on this front, and the upcoming Shenzhen-Hong Kong Stock Connect will undoubtedly become the market's spotlight in the near future offering investors across the border and elsewhere with even more diversified opportunities. Meanwhile, as China's financial market reform has been speeding up, the pace of RMB internationalisation will quicken as well. In this context, Haitong International will seek to roll out a Pan Asia research platform focusing on Chinese companies, a move aimed at expanding its institutional client base in the world and expanding the depth and breadth of its cross border business. Striving to seize every opportunity in the capital market, Haitong International is keen to show the world's financial market both the strength and potential of Chinese brokerage firms while bolstering the reputation of Haitong brand in the long run.

Prospects

Amid the intense competition in the ever-changing financial market, Haitong International will continue to seek development geared towards customers' needs. Setting foot in Hong Kong and deeply rooted in China, the Group is committed to its strategic foray into the international market. To this end, Haitong International will make every effort to exploit its advantageous position of being a Chinese securities firm in Hong Kong. With its sound customer base, strong product innovation capability, reputable brand and its ever-growing sales network both at home and abroad, the Group will ride fully the trend of RMB internationalisation and financial innovation and to promote its capital deployment capability further, with an ultimate aim of providing customers with a comprehensive set of quality financial services and creating value for all shareholders, investors and customers.

CORPORATE GOVERNANCE

The Board is committed to maintaining a high standard of corporate governance practices within the Group. Throughout the year ended 31 December 2014, the Company has fully complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that 2 non-executive directors of the Company, were unable to attend the annual general meeting of the Company held on 15 April 2014 as stipulated for in code provisions A.6.7 of the CG Code as they had other important business engagements at that relevant time.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, all directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2014.

Throughout the year ended 31 December 2014, the Company has complied with the requirements of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the Board and at least one of which have appropriate professional qualifications or accounting or related financial management expertise.

The audit committee of the Company (the "Audit Committee") has reviewed the accounting principles and practices adopted by the Group and the consolidated results for the year ended 31 December 2014 of the Group. The Audit Committee currently comprises 4 non-executive directors of the Company and 3 of whom, including the chairman of the Audit Committee (the "Chairman"), are independent non-executive directors. The Chairman has the appropriate professional qualification and experience in financial matters.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2014 other than as an agent for clients of the Company or its subsidiaries and for the share award scheme of the Company.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014 ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

This announcement of the annual results for the year ended 31 December 2014 is published on the websites of The Stock Exchange of Hong Kong Limited and the Company at <http://www.htisec.com>. The annual report for the year ended 31 December 2014 of the Company containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the aforesaid websites in due course.

By order of the Board
Haitong International Securities Group Limited
LIN Yong
Deputy Chairman and Managing Director

Hong Kong, 11 March 2015

As at the date of this announcement, the Board comprises Mr. JI Yuguang (Chairman), Mr. LI Jianguo (Deputy Chairman), Mr. LIN Yong (Deputy Chairman and Managing Director), Mr. POON Mo Yiu, Mr. HUI Yee Wilson, Mr. CHENG Chi Ming Brian*, Ms. WANG Meijuan*, Mr. William CHAN*, Mr. TSUI Hing Chuen William**, Mr. LAU Wai Piu**, Mr. LIN Ching Yee Daniel ** and Mr. WEI Kuo-chiang**.*

* *Non-executive Directors*

** *Independent Non-executive Directors*