

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this prospectus and the accompanying PAL (as defined) and EAF (as defined) to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of this prospectus, together with copies of the PAL and the EAF, and (where applicable) the document specified in the paragraph headed "Documents Delivered to the Registrar of Companies" in Appendix III to this prospectus have been registered by the Registrar of Companies in Hong Kong as required under Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as defined). The Registrar of Companies in Hong Kong, the SFC (as defined) and the Registrar of Companies in Bermuda take no responsibility as to the contents of any of these documents.

Subject to the granting of the listing of and permission to deal in the Nil-paid Rights (as defined) and the Rights Shares (as defined) on the Stock Exchange (as defined) as well as compliance with the stock admission requirements of HKSCC (as defined), the Nil-paid Rights and the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS (as defined) with effect from the respective commencement dates of dealings in the Nil-paid Rights and the Rights Shares or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealing in securities of the Company, the Nil-paid Rights and the Rights Shares may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of such settlement arrangements and how such arrangements may affect your rights and interests.

The attention of Shareholders (as defined) with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding shares on behalf of Beneficial Owners (as defined) with such addresses is drawn to the paragraph headed "Non-Qualifying Shareholders" in the "Letter from the Board" in this prospectus.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this prospectus, the PAL and the EAF, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of any of these documents.

The securities described in this prospectus have not been registered under the US Securities Act (as defined) or the laws of any state in the United States (as defined), and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described in this prospectus in the United States or to conduct a public offering of securities in the United States.

Distribution of this prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this prospectus comes should inform themselves of and observe any such restrictions. This prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil-paid Rights or Rights Shares or to take up any entitlements to the Nil-paid Rights or Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.



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)

RIGHTS ISSUE AT THE RIGHTS ISSUE PRICE OF HK\$3.50 EACH ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE

Joint Global Coordinators of the Rights Issue



Joint Bookrunners of the Rights Issue



Joint Underwriters of the Rights Issue



The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 15 May 2015. The procedures for application of Rights Shares are set out in the paragraph headed "Procedures for acceptance and payment or transfer" in the "Letter from the Board" on pages 13 to 42 of this prospectus.

It should be noted that the Joint Underwriters may, upon giving notice in writing to the Company, terminate the Underwriting Agreement (as defined) with immediate effect at any time prior to the Latest Time for Termination, upon the occurrence of certain events, including force majeure events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 10 to 12 of this prospectus. If the Joint Underwriters exercise such right, the Rights Issue will not proceed. Upon the giving of written notice of termination, all the obligations of the Joint Underwriters and the Company under the Underwriting Agreement shall cease and no party shall have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach).

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from Thursday, 23 April 2015. The Nil-paid Rights will be dealt in from Tuesday, 5 May 2015 to Tuesday, 12 May 2015 (both days inclusive). If, prior to the Latest Time for Termination, the Joint Underwriters terminate the Underwriting Agreement or if the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" in the "Letter from the Board" on pages 13 to 42 in this prospectus are otherwise not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this prospectus up to the date on which the conditions of the Rights Issue are fulfilled, which is currently expected to be 4:00 p.m. on Monday, 18 May 2015, and any dealings in the Nil-paid Rights from Tuesday, 5 May 2015 to Tuesday, 12 May 2015 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Nil-paid Rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

30 April 2015

NOTICES

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed, in which case, a further announcement will be made by the Company at the relevant time. It should be noted that the existing Shares have been dealt in on an ex-rights basis from Thursday, 23 April 2015, and the Nil-paid Rights will be dealt in from Tuesday, 5 May 2015 to Tuesday, 12 May 2015 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled and any person dealing in the Nil-paid Rights from Tuesday, 5 May 2015 to Tuesday, 12 May 2015 (being the first and last day of dealings in the Nil-paid Rights, respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Nil-paid Rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF RIGHTS SHARES AND NIL PAID RIGHTS INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil-paid Rights or fully-paid Rights Shares or to take up any entitlements to the Nil-paid Rights or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the Nil-paid Rights, the fully-paid Rights Shares, this prospectus, the PAL and the EAF will be registered under the securities laws of any of the jurisdictions other than in Hong Kong and none of the Nil-paid Rights, the fully-paid Rights Shares, this prospectus, the PAL and the EAF will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the Nil-paid Rights and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses should refer to the paragraph headed “Non-Qualifying Shareholders” under the section headed “Letter from the Board” of this prospectus.

NOTICES

Each person acquiring the Nil-paid Rights and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his acquisition of the Nil-paid Rights and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the Nil-paid Rights and/or Rights Shares described in this prospectus.

For a description of certain restrictions regarding the taking up of the Nil-paid Rights for, and the offering and sale of, the Rights Shares, see the notices below.

FORWARD-LOOKING STATEMENTS

All statements in this prospectus other than statements of historical fact are forward looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

CONTENTS

	<i>Page</i>
Definitions	1
Expected Timetable	7
Summary of the Rights Issue	9
Termination of the Underwriting Agreement	10
Letter from the Board	13
Appendix I — Financial Information of the Group	43
Appendix II — Unaudited Pro Forma Financial Information of the Group	46
Appendix III — General Information	51

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“2013 CBs”	the HK\$776,000,000 1.25% convertible bonds due 2018 issued on 18 July 2013 and the HK\$232,000,000 1.25% convertible bonds due 2018 issued on 10 October 2013 which are listed on the Singapore Stock Exchange
“2014 CBs”	the HK\$1,164,000,000 1.25% convertible bonds due 2019 issued on 4 November 2014 which are listed on the Singapore Stock Exchange
“Announcement”	the announcement of the Company dated 18 March 2015 in relation to, among other things, the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered as shown in the register of members of the Company in the name of a Registered Shareholder
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, a Sunday or a day on which typhoon signal no. 8 or a “black” rainstorm warning is hoisted in Hong Kong) on which banks generally are open for business in Hong Kong
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 31 March 2015 in relation to, among other things, the Rights Issue, the Increase of Authorised Share Capital and the Specific Mandates
“Closing Date”	the date on which the obligations of the Joint Underwriters under the Underwriting Agreement become unconditional, which is expected to be Monday, 18 May 2015 or such later date as the Company and the Joint Underwriters may agree in writing
“Committed Shares”	the 1,453,087,080 Rights Shares which HTIH has undertaken to take up pursuant to the Underwriting Agreement

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Haitong International Securities Group Limited (stock code: 665), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Conditional Listing Approval”	the conditional grant of the approval of the listing of, and permission to deal in, the Nil-paid Rights and the Rights Shares on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Conversion Shares”	the Shares issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the 2013 CBs and the 2014 CBs
“CSCI”	China Securities (International) Corporate Finance Company Limited, a licensed corporation under the SFO, to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
“Despatch Date”	Thursday, 30 April 2015 or such later date as may be agreed between the Company and the Joint Underwriters for the despatch of the Prospectus Documents
“Director(s)”	director(s) of the Company
“EAF(s)”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Joint Underwriters
“Final Acceptance Date”	4:00 p.m. on Friday, 15 May 2015 (or such other date as the Joint Underwriters may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HTIH”	Haitong International Holdings Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company, holding approximately 57.36% of the issued share capital of the Company as at the Latest Practicable Date
“HTISCL”	Haitong International Securities Company Limited, a corporation licensed to carry out type 1 (dealing in securities), type 3 (leveraged foreign exchange trading) and type 4 (advising on securities) regulated activities within the meaning of the SFO
“Increase of Authorised Share Capital”	the increase of the authorised share capital of the Company from HK\$450,000,000 (divided into 4,500,000,000 Shares) to HK\$1,000,000,000 (divided into 10,000,000,000 Shares) by the creation of an additional 5,500,000,000 Shares
“Independent Shareholders”	means Shareholders other than HTIH and its associates
“independent third party(ies)”	any person or company and their respective ultimate beneficial owner(s), which to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the Beneficial Owner’s Shares with a CCASS participant
“Joint Underwriters”	HTIH, CSCI and Qilu International Securities
“Last Trading Day”	Wednesday, 18 March 2015, being the date of the Underwriting Agreement
“Latest Practicable Date”	24 April 2015, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information referred to in this prospectus
“Latest Time for Termination”	5:00 p.m. on the Business Day following the Final Acceptance Date, or such later date as the Company and the Joint Underwriters may agree in writing

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nil-paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Rights Issue Price is paid
“Non-Qualifying Shareholders”	those Overseas Shareholders or such other persons whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with their assured entitlements under the Rights Issue
“PRC”	the People’s Republic of China
“Prospectus Documents”	this prospectus, the PAL(s) and the EAF(s) proposed to be despatched to the Qualifying Shareholders on the Despatch Date and any such supplementary prospectus to be despatched to the Qualifying Shareholders (if required)
“Qilu International Securities”	Qilu International Securities Limited, a licensed corporation under the SFO, to conduct type 1 (dealing in securities) and type 4 (advising on securities) regulated activities
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the Record Date, other than the Non-Qualifying Shareholders (if any)
“Record Date”	Wednesday, 29 April 2015, the record date to determine entitlements to the Rights Issue (or such other date as may be agreed between the Company and the Joint Underwriters)
“Registered Shareholder”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorized custodian or third party which is the registered shareholder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested

DEFINITIONS

“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Remaining Shares”	the number of Underwritten Shares not taken up
“Rights Issue”	the proposed issue of Rights Shares at the Rights Issue Price on the basis of one (1) Rights Share for every one (1) existing Share in issue and held on the Record Date by the Qualifying Shareholders on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents, payable in full upon acceptance
“Rights Issue Price”	HK\$3.50 per Rights Share
“Rights Share(s)”	the new Share(s) to be issued and allotted under the Rights Issue, being 2,533,453,008 Shares
“S\$”	Singapore dollar, the lawful currency of Singapore
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company held at 10:30 a.m. on Tuesday, 21 April 2015 at Multi-function Room, 19th Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong for the Shareholders to consider and approve, among other things, the Increase of Authorised Share Capital, the Specific Mandates, the Rights Issue and the respective transactions contemplated thereunder
“Share Option Scheme”	the share option scheme adopted by the Company on Friday, 23 August 2002 for the benefit of certain eligible participants which expired on 22 August 2012
“Share Option(s)”	the option(s) which were validly vested and exercisable by the holders entitling them to subscribe for a total of 9,742,610 Shares as at the Latest Practicable Date
“Shareholder(s)”	the holder(s) of issued Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Singapore Stock Exchange”	the Singapore Exchange Securities Trading Limited

DEFINITIONS

“Specific Mandates”	the specific mandates granted to the Board by the Shareholders at the SGM to allot and issue any and all conversion shares upon conversion of the outstanding 2013 CBs and the outstanding 2014 CBs
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“taken up/take up”	the taking up of those Rights Shares and/or the Underwritten Shares in respect of which the relevant PALs and/or EAFs have been lodged, accompanied by cheques or other remittances, for the full amount payable in respect thereof
“Underwriting Agreement”	the underwriting agreement dated 18 March 2015 entered into among the Company, the Joint Underwriters and HTISCL in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	the 1,080,365,928 Rights Share, being all the Rights Shares other than the Committed Shares, severally underwritten by the Joint Underwriters pursuant to the terms of the Underwriting Agreement
“United States” or “US” or “U.S.” or “U.S.A.”	the United States of America (including its territories and possessions, any state in the US and the district of Columbia
“US\$”	US dollar, the lawful currency of the United States
“US Securities Act”	the US Securities Act of 1933, as amended
“%” or “per cent.”	percentage or per centum

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2015

First day of dealing in the Nil-paid Rights	9:00 a.m. on Tuesday, 5 May
Latest time for splitting the Nil-paid Rights	4:30 p.m. on Thursday, 7 May
Last day of dealing in the Nil-paid Rights	4:00 p.m. on Tuesday, 12 May
Latest time for acceptance of and payment for Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Friday, 15 May
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Monday, 18 May
Announcement of the results of the Rights Issue to be posted on the Stock Exchange's website and the Company's website on or before	Friday, 22 May
Refund cheques for wholly and partially unsuccessful excess applications to be posted on or around	Tuesday, 26 May
Share certificates for fully-paid Rights Shares to be posted	Tuesday, 26 May
Dealing of Rights Shares in fully-paid form commences	9:00 a.m. on Wednesday, 27 May

All times and dates in this prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this prospectus are indicative only and may be extended or varied by agreement between the Company and the Joint Underwriters. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or

EXPECTED TIMETABLE

2. a “black” rainstorm warning

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Final Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Final Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Final Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with and, subject to, the full text of this prospectus.

RIGHTS ISSUE

A summary of the Rights Issue is set out below:

Basis of the Rights Issue	: One (1) Rights Share for every one (1) existing Shares held by the Qualifying Shareholders on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date	: 2,533,453,008 Shares
Number of Rights Shares	: 2,533,453,008 Rights Shares
Rights Issue Price	: HK\$3.50 per Rights Share
Joint Underwriters	: HTIH, CSCI and Qilu International Securities
Joint Global Coordinators	: HTISCL, CSCI and Qilu International Capital Limited
Joint Bookrunners [#]	: HTISCL, CSCI, Qilu International Capital Limited, GF Securities (Hong Kong) Brokerage Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Changjiang Securities Brokerage (HK) Limited and CMB International Capital Limited
Enlarged issued share capital upon completion of the Rights Issue	: 5,066,906,016 Shares
Excess applications	: Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

[#] *The Joint Bookrunners (other than CSCI) have no underwriting commitment and are not acting as underwriter or otherwise involved in the distribution of the securities of the Company to investors in any way.*

TERMINATION OF THE UNDERWRITING AGREEMENT

Termination of the Underwriting Agreement

The Joint Underwriters shall have the right to rescind or terminate the Underwriting Agreement by notice in writing given by CSCI and Qilu International Securities jointly (on behalf of the Joint Underwriters) to the Company at any time prior to the Latest Time for Termination, if:

- (a) any matter or circumstance arises as a result of which any of the conditions set out in the Underwriting Agreement has become incapable of satisfaction as at the required time;
- (b) any breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Joint Underwriters, or there has been a breach on the part of the Company, HTIH or HTISCL of any other provisions of the Underwriting Agreement, or the Joint Underwriters have cause to believe that any such breach has occurred;
- (c) any statement contained in the Circular and/or this prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any material respect;
- (d) any matter arises or is discovered which would, if this prospectus was to be issued at the time, constitute material omission therefrom;
- (e) there is any event or change or any other reason (whether or not permanent) which would or may result in that a supplemental prospectus or any document of a similar nature is or will be or is required to be issued in circumstances where the matter to be disclosed, in the absolute opinion of the Joint Underwriters, prejudicially and materially affects or may prejudicially and materially affect the success of the Rights Issue, or makes or may make it inadvisable or inexpedient to proceed with the Rights Issue;
- (f) there is any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the sole opinion of the Joint Underwriters acting in good faith is material in the context of the Rights Issue; or
- (g) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (i) any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, legal, fiscal, regulatory, currency or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the European Union, or the PRC;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (ii) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders, judgements, decrees or rulings of any governmental authority (the “**Laws**”) or changes in existing Laws or any development including a prospective change in existing Laws in Hong Kong or any other place in which any member of the Group conducts or carries on business;
- (iii) any event of force majeure affecting Hong Kong, the United States, the European Union, or the PRC including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism, or declaration of a national or international emergency or war, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, outbreak of an infectious disease, calamity, crisis, strike or lock-out (whether or not covered by insurance);
- (iv) the declaration of a banking moratorium by PRC, Hong Kong, European Union or United States authorities;
- (v) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or NASDAQ or any major disruption of any securities settlement or clearing services in Hong Kong; or
- (vi) any suspension of dealings in the Shares for a period of more than two Business Days (other than any announcement regarding the Rights Issue),

which, in the sole opinion of the Joint Underwriters: (1) has or will have, or is likely to have, a material adverse effect on the financial condition, prospects, assets, business, results of operations or liabilities of the Group, taken as a whole, whether or not arising in the ordinary course of business or is or will be, or is likely to be, materially adverse to any present or prospective Shareholder in its capacity as such; (2) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or (3) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in the Announcement and the Prospectus Documents.

In the event CSCI and Qilu International Securities jointly (on behalf of the Joint Underwriters) exercise the right to terminate the Underwriting Agreement upon the giving of written notice of termination prior to the Latest Time for Termination, all the obligations of the parties under the Underwriting Agreement shall cease and terminate immediately and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach).

TERMINATION OF THE UNDERWRITING AGREEMENT

If CSCI and Qilu International Securities jointly (on behalf of the Joint Underwriters) exercise such right, the Rights Issue will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Joint Underwriters.

LETTER FROM THE BOARD



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)

Board of Directors:

Executive Directors

Mr. LI Jianguo (*Deputy Chairman*)
Mr. LIN Yong (*Deputy Chairman and
Managing Director*)
Mr. POON Mo Yiu
Mr. HUI Yee Wilson

Non-executive Directors

Mr. JI Yuguang (*Chairman*)
Mr. CHENG Chi Ming Brian
Ms. WANG Meijuan
Mr. William CHAN

Independent Non-executive Directors

Mr. TSUI Hing Chuen William JP
Mr. LAU Wai Piu
Mr. LIN Ching Yee Daniel
Mr. WEI Kuo-chiang

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business in Hong Kong:

22nd Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

30 April 2015

*To the Qualifying Shareholders and, for information purposes only,
the holders of the Share Options and the trustee and agent
of the holders of the Convertible Bonds*

Dear Sirs/Madams,

**RIGHTS ISSUE AT THE RIGHTS ISSUE PRICE OF
HK\$3.50 EACH ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement and the Circular in relation to, among other things, the Rights Issue, and the announcement of poll results of the SGM of the Company dated 21 April 2015.

LETTER FROM THE BOARD

The Company proposes to raise approximately HK\$8,867,086,000 before expenses by way of a rights issue of Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date at the Rights Issue Price of HK\$3.50 per Rights Share.

At the SGM held on 21 April 2015, the relevant resolutions approving, among other things, the Increase of Authorised Share Capital, the Specific Mandates, the Rights Issue and the respective transactions contemplated thereunder, were duly passed by the Shareholders or the Independent Shareholders by way of poll.

HTIH had abstained from voting on the resolution relating to the Rights Issue at the SGM. As at the Latest Practicable Date, HTIH controlled or was entitled to exercise control over the voting rights in respect of 1,453,087,080 Shares, representing approximately 57.36% of the issued share capital of the Company.

The purpose of this prospectus is to provide you with further information about the Rights Issue, including information on dealings, transfers and acceptance of the Rights Shares, and financial information and other information of the Group.

RIGHTS ISSUE

Rights Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date:	2,533,453,008 Shares
Number of Rights Shares:	2,533,453,008 Rights Shares
Rights Issue Price:	HK\$3.50 per Rights Share
Joint Underwriters:	HTIH, CSCI and Qilu International Securities
Joint Global Coordinators:	HTISCL, CSCI and Qilu International Capital Limited

LETTER FROM THE BOARD

Joint Bookrunners: HTISCL, CSCI, Qilu International Capital Limited, GF Securities (Hong Kong) Brokerage Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Changjiang Securities Brokerage (HK) Limited and CMB International Capital Limited

HTIH is the controlling shareholder of the Company (as defined under the Listing Rules) and HTISCL is an indirect wholly-owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, each of CSCI and Qilu International Securities is an independent third party. The Joint Bookrunners (other than CSCI) have no underwriting commitment and are not acting as underwriters or otherwise involved in the distribution of the securities of the Company to investors in any way.

Enlarged issued share capital upon completion of the Rights Issue: 5,066,906,016 Shares

As at the Latest Practicable Date, there were 9,742,610 Share Options outstanding with the rights to subscribe for 9,742,610 Shares.

As at the Latest Practicable Date, there were outstanding (i) 2013 CBs in the principal amount of HK\$65,000,000 convertible into 20,766,773 Shares at the prevailing conversion price of HK\$3.13 per Share (subject to adjustment) and (ii) 2014 CBs in the principal amount of HK\$195,000,000 convertible into 37,428,023 Shares at the prevailing conversion price of HK\$5.21 per Share (subject to adjustment).

As at the Latest Practicable Date, save for the outstanding Share Options and Convertible Bonds as detailed above, the Company had no other outstanding derivatives, options, warrants, conversion rights or other similar rights which were convertible or exchangeable into or confer any right to subscribe for Shares.

The aggregate number of Nil-paid Rights proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 100% of the Company's issued share capital as at the Record Date and approximately 50% of the Company's issued share capital as enlarged by the Rights Issue.

Rights Issue Price

The Rights Issue Price for the Rights Shares is HK\$3.50 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a renouncee of any provisional allotment of the Rights Shares or a transferee of Nil-paid Rights applies for the Rights Shares.

LETTER FROM THE BOARD

The Rights Issue Price represents:

- (a) a discount of approximately 33.71% to the closing price of HK\$5.28 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 29.6% to the average closing price of HK\$4.972 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day;
- (c) a discount of approximately 28.1% to the average closing price of HK\$4.871 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the Last Trading Day;
- (d) a discount of approximately 20.27% to the theoretical ex-right price of approximately HK\$4.39 per Share based on the closing price of HK\$5.28 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (e) a discount of approximately 11.1% to the audited consolidated net asset value attributable to equity holders of the Company per Share as at 31 December 2014 of approximately HK\$3.935; and
- (f) a discount of approximately 52.2% to the closing price of HK\$7.32 per Share, the dealings of which are on ex-rights basis, as quoted on the Stock Exchange on the Latest Practicable Date.

Each Rights Share will have a par value of HK\$0.10.

The Rights Issue Price was determined by the Directors with reference to the market price of the Shares prior to and including the Last Trading Day, the financial conditions of the Company and the current market conditions. Each Qualifying Shareholder will be entitled to subscribe for Rights Shares at the Rights Issue Price in proportion to his/her/its shareholding on the Record Date.

The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Rights Issue Price (and the discounts to the relative values indicated above) to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every one (1) existing Share in issue and held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares with the Registrar on or before the Final Acceptance Date.

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

Dividend

Reference is made to the announcement of the Company dated 11 March 2015 in relation to the annual results for the year ended 31 December 2014. Pursuant to the completion of the Rights Issue, the final dividend for the year ended 31 December 2014 will be adjusted from HK\$0.155 per Share to HK\$0.0668 per Share.

Fractions of the Rights Shares

The Company will not provisionally allot and will not accept applications for any fraction of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number). All Nil-paid Rights arising from such aggregation will be provisionally allotted (in nil-paid form) to HTISCL, and will be sold in the market by HTISCL as an agent and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of Nil-paid Rights will be made available for excess application by the Qualifying Shareholders. No odd lot matching services will be provided.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company on the Record Date; and
2. not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, the Shareholders must have already lodged any transfer documents of the Shares (together with the relevant share certificates) with the Registrar, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Friday, 24 April 2015.

Holders of outstanding Share Options who wished to participate in the Rights Issue should have already exercised their Share Options in accordance with the terms and conditions of the Share Option Scheme so as to enable them to be registered as members of the Company before Friday, 24 April 2015.

LETTER FROM THE BOARD

Holders of outstanding Convertible Bonds who wished to participate in the Rights Issue should have already exercised the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds so as to enable them to be registered as members of the Company on or before Friday, 24 April 2015.

Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of this prospectus to the Non-Qualifying Shareholders, and will send this prospectus to the holders of the Share Options and the trustee and agent of the holders of the Convertible Bonds for their information only but will not send any PAL or EAF to them.

Qualifying Shareholders who take up their pro rata entitlement in full under the Rights Issue will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Non-Qualifying Shareholders

The Prospectus Documents have not been and will not be registered under the applicable securities legislation of any jurisdictions other than Hong Kong.

According to the register of members of the Company as at the Record Date, all the Shareholders have registered addresses in Hong Kong. Based on these records, all the Shareholders as at the Record Date were Qualifying Shareholders and there was no Non-Qualifying Shareholder for the purpose of the Rights Issue. Shareholders or investors are advised to consider the matters set out under the paragraph headed "Procedures for Acceptance and Payment or Transfer" in this section before applying for the Rights Shares.

No person receiving a PAL or an EAF in any territory or jurisdiction other than Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof or where the offer is made in reliance on any exemption or where compliance with the relevant legal or regulatory requirement will not, in the Board's judgment, be unduly burdensome.

Notwithstanding any other provision in the Prospectus Documents, the Company reserves the right to permit any Shareholder or investor (whether as a direct holder or Beneficial Owner) whose registered address is in, or who is otherwise residing in, a jurisdiction other than Hong Kong to take up his/her/its Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction.

Receipt of this prospectus and/or a PAL and/or an EAF or the crediting of Nil-paid Rights to any stock account (including in CCASS) does not and will not constitute an offer in any jurisdictions in which it would be illegal to make an offer and, in those circumstances, this prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents,

LETTER FROM THE BOARD

custodians, nominees and trustees) who receive a copy of this prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with Nil-paid Rights should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer Nil-paid Rights to any person in, into or from, any jurisdiction outside Hong Kong, unless an offer of Rights Shares and Nil-paid Rights into such jurisdiction could lawfully be made without compliance with any registration or other legal or regulatory requirements or where the offer is made in reliance on any exemption or where compliance with the relevant legal or regulatory requirements will not, in the Board's judgement, be unduly burdensome. If a PAL or an EAF or the crediting of Nil-paid Rights in CCASS is received by any person in any such territory, or by his/her/its agents, custodian, nominee or trustee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the Nil-paid Rights in CCASS unless the Company, in its absolute discretion, determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who forwards this prospectus and/or a PAL and/or an EAF in, into or from, any jurisdiction outside Hong Kong (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

It is the responsibility of anyone wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to treat as invalid any acceptances of or applications for, or purported acceptances of or applications for, the Rights Shares where it believes that such acceptance or application, or purported acceptance or application, would violate the applicable securities or other laws or regulations of any territory or jurisdiction or if in respect thereof the Shareholder or its agent has not given the declaration set out in the PAL and/or EAF in respect of such matters.

The Company will not make any arrangement for the Nil-paid Rights of Beneficial Owners who are located or residing in jurisdictions outside of Hong Kong ("**Overseas Beneficial Owners**"). All Overseas Beneficial Owners should seek their own legal advice as to whether or not they may under the laws and regulations of the relevant jurisdiction in which they are residing, acquire and sell Nil-paid Rights in the market, and any other requirements and restrictions relating thereto. Overseas Beneficial Owners who hold interests in Shares through CCASS, their nominees, custodians or other intermediaries may sell on their behalf, their entitlements to the Nil-paid Rights in compliance with applicable securities laws and distribute the proceeds thereof as appropriate. Any such Nil-paid Rights which are not sold in the market by such Overseas Beneficial Owners will be made available for excess applications on EAFs by Qualifying Shareholders.

LETTER FROM THE BOARD

Procedures for acceptance and payment or transfer

General

Any person (including, without limitation, agents, custodians, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders with registered addresses in, and Beneficial Owners or persons who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses or residence is drawn to the sections above headed “Non-Qualifying Shareholders”.

Each purchaser of Nil-paid Rights or subscriber of Rights Shares being offered and sold outside the United States in reliance on Regulation S under the US Securities Act will be deemed (by accepting delivery of this prospectus) to have agreed and given each of the following representations and warranties to the Company and the Joint Underwriters and to any person acting on their behalf, unless in their sole discretion the Company and the Joint Underwriters waive such requirement expressly in writing:

- he/she/it was a Shareholder on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil-paid Rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil-paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not residing or located in, or a citizen of, the United States;
- he/she/it is not accepting an offer to acquire or take up the Nil-paid Rights and/or Rights Shares on a non-discretionary basis for a person who is residing or located in, or a citizen of, the United States at the time the instruction to accept was given;
- he/she/it is not taking up for the account of any person who is located in the United States, unless:
 - (a) the instruction to purchase or take up the Nil-paid Rights or to subscribe for or accept Rights Shares was received from a person outside the United States, and
 - (b) the person giving such instruction has confirmed that it (x) has the authority to give such instruction, and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that it is acquiring the Nil-paid Rights and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S under the US Securities Act;
- he/she/it is acquiring the Nil-paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act;

LETTER FROM THE BOARD

- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- he/she/it is not acquiring Nil-paid Rights or Rights Shares with a view to the offer, sale, allotment, taking up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil-paid Rights or Rights Shares into the United States; and
- he/she/it understands that neither the Nil-paid Rights nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the US and the Nil-paid Rights and Rights Shares are being distributed and offered only outside the US in reliance on Regulation S under the US Securities Act. Consequently he/she/it understands the Nil-paid Rights or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the US, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any of the jurisdictions outside Hong Kong and which may involve a breach of the laws of the relevant jurisdictions or any instruction which otherwise appears to the Company that may involve a breach of the laws of any jurisdiction; or if the Company or its agent(s) believe(s) the same may violate any applicable legal or regulatory requirement; or which purports to exclude the representations and/or warranties required by the paragraph immediately above.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to take up his/her/its right to subscribe for any or all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar, by not later than 4:00 p.m. on Friday, 15 May 2015. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to “**Haitong International Securities Group Limited — PAL**” and crossed “**Account Payee Only**”. Qualifying Shareholders should note that they may apply for a number of Rights Shares equal to or less than the number set out in the PAL (by following the instructions in the section headed “Transfer and “Splitting” of Nil-paid Rights” below).

LETTER FROM THE BOARD

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Friday, 15 May 2015, whether by the original allottee or any person in whose favour the rights have been validly renounced or transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedures to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements. If the conditions of the Rights Issue (as set out in the paragraph headed "Conditions of the Rights Issue" in this section) are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the Nil-paid Rights have been validly transferred) without interest, by means of cheques to be despatched by ordinary post to their registered addresses, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members or the transfer form, at their own risk on or around Tuesday, 26 May 2015.

Transfer and "Splitting" of Nil-paid Rights

The Nil-paid Rights can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation not later than 4:30 p.m. on Thursday, 7 May 2015 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the Nil-paid Rights.

LETTER FROM THE BOARD

Having “split” the Nil-paid Rights, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its Nil-paid Rights under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the registration information in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its Nil-paid Rights. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar by not later than 4:00 p.m. on Friday, 15 May 2015.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than through CCASS)

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder in respect of your Shares, or sell the respective Nil-paid Rights or “split” those Nil-paid Rights and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or “splitting” of the Nil-paid Rights.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this prospectus and otherwise in accordance with the requirements of the Registered Shareholder in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective Nil-paid Rights or “split” those Nil-paid Rights and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the Nil-paid Rights.

LETTER FROM THE BOARD

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this prospectus and otherwise in accordance with the requirements of your Intermediary in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Nil-paid Rights should be dealt with.

Effect of bad weather on the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Final Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Final Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Final Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

Application for Excess Rights Shares

Qualifying Shareholders shall be entitled to apply, by way of excess applications, for (i) any unsold Rights Shares which would have been provisionally allotted to the Non-Qualifying Shareholders (if any) had they been the Qualifying Shareholders; (ii) any Rights

LETTER FROM THE BOARD

Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renouncees or transferees of Nil-paid Rights; and (iii) any unsold aggregated fractions of Nil-paid Rights.

Action to be taken by Qualifying Shareholders who wish to apply for excess Rights Shares

Applications for excess Rights Shares may be made only by the Qualifying Shareholders (including HTIH) and only by completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by a time which is currently expected to be 4:00 p.m. on Friday, 15 May 2015 or such later time as may be agreed between the Company and the Joint Underwriters.

All remittances must be made in Hong Kong dollars and cheques or cashier's orders must be drawn on a bank account in Hong Kong and made payable to "**Haitong International Securities Group Limited — EAF**" and crossed "**Account Payee Only**".

The Directors will, upon consultation with the Joint Underwriters, allocate the excess Rights Shares at their discretion on a fair and reasonable basis and as far as practicable:

1. preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
2. after applying the principle in 1. above, the remaining excess Rights Shares, if any (if preference will be given) or all excess Rights Shares (if no preference will be given) will be allocated to the Qualifying Shareholders who have applied for excess Rights Shares on a pro rata basis with reference to their number of excess Rights Shares applied for, with the flexibility to round up to whole board lots at the discretion of the Directors.

In applying principles 1. and 2. above, reference will only be made to the number of excess Rights Shares applied for. No reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by the Qualifying Shareholders.

Notwithstanding the provisions in the Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or Beneficial Owner) whose registered address is in, or who is otherwise residing in, a jurisdiction other than Hong Kong to take up excess Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction.

Important notice to Beneficial Owners: Beneficial Owners whose Shares are held by a Registered Shareholder (or which are deposited in CCASS) should note that the Board will regard the Registered Shareholder (including HKSCC Nominees Limited) as a single Shareholder on the register of members of the Company. Accordingly, Beneficial Owners

LETTER FROM THE BOARD

whose Shares are registered in the name of a Registered Shareholder (or which are deposited in CCASS) should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to them individually save for such Beneficial Owner(s) the Company shall permit in its absolute discretion.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and lodgment of an EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation. An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If no excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder on or around Tuesday, 26 May 2015. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to that Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder on or around Tuesday, 26 May 2015.

If the conditions of the Rights Issue (as set out in the paragraph headed "Conditions of the Rights Issue" in this section) are not fulfilled, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post to their registered address, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members, at their own risk on or around Tuesday, 26 May 2015.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to apply for excess Rights Shares, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed "Expected Timetable" of this prospectus and otherwise in accordance with the requirements of the Registered Shareholder, in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

LETTER FROM THE BOARD

Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for excess Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to this application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed “Expected Timetable” of this prospectus as the latest time for application and payment for excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect.

The procedures for application for excess Rights Shares by CCASS Participants shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS participants pro rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue set out below, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or around Tuesday, 26 May 2015. Each applicant will receive one Share certificate for all the Rights Shares allotted and issued to him/her/it.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted to the applicants on or around Tuesday, 26 May 2015 by ordinary post to the applicants at their own risk.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on Wednesday, 27 May 2015.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Rights Shares in both their nil-paid and fully-paid forms will be traded in board lots of 2,000 Shares.

LETTER FROM THE BOARD

Save for (i) the Convertible Bonds which are listed on the Singapore Stock Exchange and (ii) the RMB200,000,000 4.50% notes due 26 February 2018 to be issued under the Company's US\$1,000,000,000 medium term note programme which are listed on the Stock Exchange, no part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealing and settlement arrangements for the Convertible Bonds on the Singapore Stock Exchange

The Convertible Bonds are traded on the Singapore Stock Exchange in minimum board lots of S\$200,000 or its equivalent in foreign currencies for so long as the Convertible Bonds are listed on the Singapore Stock Exchange. For so long as the Convertible Bonds are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, the Company will appoint and maintain a paying agent in Singapore, where the Convertible Bonds may be presented or surrendered for payment or redemption, in the event that the global certificates of the Convertible Bonds are exchanged for individual certificates of the Convertible Bonds. In addition, in the event that the global certificates of the Convertible Bonds are exchanged for individual certificates of the Convertible Bonds, an announcement of such exchange shall be made by or on behalf of the Company through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the individual certificates of the Convertible Bonds, including details of the paying agent in Singapore.

The Convertible Bonds represented by beneficial interests in the global certificates are registered in the name of a nominee of, and deposited with a common depositary for, Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”). Beneficial interests in the global certificates of the Convertible Bonds will be shown on, and transfers thereof will be effected only through records maintained by, Euroclear and Clearstream, Luxembourg in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants.

LETTER FROM THE BOARD

Procedures for conversion of the 2013 CBs

To exercise its conversion right, a holder of the 2013 CBs shall complete, execute and deposit at its own expense, a notice of conversion together with the relevant bond certificate and confirmation that amounts payable by the holder of the 2013 CBs pursuant to the terms and conditions of the 2013 CBs have been paid.

Regarding the exercise of the conversion rights attaching to the 2013 CBs in respect of which a duly completed notice of conversion and the relevant bond certificate have been delivered and any amounts payable by the holder of the 2013 CBs have been paid in accordance with the terms and conditions of the 2013 CBs, the Company will as soon as practicable, and in any event not later than five Stock Exchange business days after the conversion date, register the person or persons designated for the purpose in the notice of conversion as holder(s) of the relevant number of Shares in the Company's share register.

The Company will, if the holders of the 2013 CBs so request and to the extent permitted under applicable law and rules and procedures of CCASS, take all necessary action to procure that Shares are delivered through CCASS for so long as the Shares are listed on the Stock Exchange, or make such certificate(s) available for collection at the Company's share registrar in Hong Kong whose address is specified in the terms and conditions of the 2013 CBs, or cause its share registrar to mail (at the risk, and if sent at the request of such person otherwise than by ordinary mail, at the expense of, the person to whom such share certificate(s) are sent) such share certificate(s) to the person and at the place specified in the notice of conversion.

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and any other applicable fees and charges in Hong Kong.

UNDERWRITING ARRANGEMENT

On Wednesday, 18 March 2015, the Company and the Joint Underwriters entered into the Underwriting Agreement in respect of the proposed Rights Issue.

The Underwriting Agreement

Date:	Wednesday, 18 March 2015
Joint Underwriters:	HTIH, CSCI and Qilu International Securities
Joint Global Coordinators:	HTISCL, CSCI and Qilu International Capital Limited

LETTER FROM THE BOARD

Joint Bookrunners: HTISCL, CSCI, Qilu International Capital Limited, GF Securities (Hong Kong) Brokerage Limited, China Galaxy International Securities (Hong Kong) Co., Limited and Changjiang Securities Brokerage (HK) Limited

HTIH is the controlling shareholder of the Company (as defined under the Listing Rules) and HTISCL is an indirect wholly-owned subsidiary of the Company. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, each of CSCI and Qilu International Securities is an independent third party. The Joint Bookrunners (other than CSCI) have no underwriting commitment and are not acting as underwriters or otherwise involved in the distribution of the securities of the Company to investors in any way.

Total number of Rights Shares being underwritten by the Joint Underwriters: The Joint Underwriters have conditionally agreed pursuant to the Underwriting Agreement to severally underwrite the Underwritten Shares on a fully underwritten basis being a total of 1,080,365,928 Rights Shares, subject to the terms and conditions of the Underwriting Agreement in the following manner:

- (a) first, HTIH shall subscribe, on the terms of the Prospectus Documents (so far as the same are applicable), for the lesser of (i) 100% of the Remaining Shares, and (ii) such number of Remaining Shares to the effect that (A) the Shares legally and/or beneficially held by HTIH, inclusive of such number of Rights Shares which HTIH has undertaken to accept pursuant to the Underwriting Agreement and any excess Rights Shares it has applied for under the EAFs and been allocated with, shall not exceed 75% of the entire issued share capital of the Company as enlarged by the Rights Shares to be issued under the Rights Issue; and (B) the minimum public float requirement under the Listing Rules is satisfied by the Company, and by no later than the end of the fifth Business Day after the Final Acceptance Date, HTIH shall pay or procure payment to the Company of the aggregate Rights Issue Price for such Shares taken up pursuant to the Underwriting Agreement. Following payment by or on behalf of HTIH pursuant to the Underwriting Agreement, all obligations and liabilities of HTIH as a Joint Underwriter under the Underwriting Agreement shall cease; and

LETTER FROM THE BOARD

- (b) thereafter, CSCI and Qilu International Securities shall subscribe or procure subscribers on the terms of the Prospectus Documents (so far as the same are applicable) for any balance of the Remaining Shares (the “**Balance Remaining Shares**”) on a several basis in the manner set out below (together with HTIH’s commitment in paragraph (a) above, the “**Respective Commitment**”) after HTIH has performed its obligations under paragraph (a) above:

Joint Underwriter:	Respective Commitment:
CSCI	50% of the Balance Remaining Shares
Qilu International Securities	50% of the Balance Remaining Shares

For the avoidance of doubt, any Nil-paid Rights not so sold in accordance with the Underwriting Agreement shall be underwritten by the Joint Underwriters in proportion with their Respective Commitment set out above; and

- (c) by no later than 3:00 p.m. on the fifth Business Day after the Final Acceptance Date, each of CSCI and Qilu International Securities shall pay or procure payment to the Company of the aggregate Rights Issue Price for its Respective Commitment taken up pursuant to paragraph (b) above, subject to such deductions as it is permitted to make pursuant to the Underwritten Agreement. Following payment by or on behalf of CSCI and Qilu International Securities under this paragraph, all obligations and liabilities of CSCI and Qilu International Securities (as the case may be) under the Underwriting Agreement shall cease.

The obligations of each Joint Underwriter under the Underwriting Agreement shall be limited to and shall not exceed its Respective Commitment of the Remaining Shares and no Joint Underwriter shall have any liability or obligation in respect of any default by any other Joint Underwriter.

The Board considers the terms of the Underwriting Agreement to be on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned.

HTIH is a connected person of the Company as defined under the Listing Rules. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction of the Company. Pursuant to Rule 14A.92 of the Listing Rules, as arrangements have been made in relation to excess applications in compliance with Rule 7.21 of the Listing Rules, the Underwriting Agreement is exempted from all reporting, announcement and independent shareholders’ approval requirements under the Listing Rules. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, CSCI and Qilu International Securities and their respective ultimate holding company are independent third parties.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following being fulfilled:

- (a) publication of the Announcement pursuant to the Listing Rules by no later than 8:30 a.m. on the Business Day following the date of the Underwriting Agreement;
- (b) the passing of the necessary resolution(s) by the Independent Shareholders at the SGM to approve the Increase of Authorised Share Capital, the Specific Mandates, the Rights Issue (including the allotment and issue of the Rights Shares) and the respective transactions contemplated thereunder;
- (c) (i) the Nil-paid Rights of all Qualifying Shareholders and (ii) the Nil-paid Rights representing the aggregate of fractional entitlements and the entitlements of the Non-Qualifying Shareholders which would otherwise have to be allotted to HTISCL or its nominee/agent to be dealt with in accordance with the terms of the Underwriting Agreement having been provisionally allotted by a resolution of the Board on the terms set out in the Prospectus Documents;
- (d) Conditional Listing Approval having been obtained by no later than the Business Day prior to the first day of dealings in the Nil-paid Rights as set out in this prospectus, and such permission not being withdrawn prior to the Latest Time for Termination;
- (e) each condition to enable the Nil-paid Rights and the Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the Conditional Listing Approval) having been satisfied not later than the Business Day prior to the first day of dealings in the Nil-paid Rights as set out in this prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;
- (f) the Stock Exchange issuing a certificate authorising registration of this prospectus with the Hong Kong Companies Registry under section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Despatch Date (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (g) a duly certified copy of this prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than the Despatch Date, and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than the Despatch Date;
- (h) posting of the Prospectus Documents to the Qualifying Shareholders not later than the Despatch Date;
- (i) the representations and warranties of the Company, HTIH and HTISCL contained in the Underwriting Agreement remaining true and accurate in all material respects and none of the undertakings of the Company, HTIH and HTISCL contained in the Underwriting Agreement having been breached;

LETTER FROM THE BOARD

- (j) compliance by the Company with all of its obligations under the Underwriting Agreement or in relation to the publication of the Announcement;
- (k) compliance by HTIH with all of its obligations under the Underwriting Agreement (save for its obligations regarding its role as an underwriter to the Rights Issue); and
- (l) receipt by the Joint Underwriters (in the form and substance to the satisfaction of the Joint Underwriters) of all relevant documents to be provided by the Company by the times specified in the Underwriting Agreement.

The Company shall use its best endeavours to procure the fulfilment of each of the conditions set out above (except paragraph (k) above), and HTIH shall use its best endeavours to procure the fulfilment of the conditions set out in paragraph (i) above (in respect of the representations, warranties and undertakings given by HTIH) and paragraph (k) above and HTISCL shall use its best endeavours to procure the fulfilment of each of the conditions set out in paragraph (i) above (in respect of the representations, warranties and undertakings given by HTISCL) and in particular the Company and the HTIH shall furnish such information, supply such documents, pay (in the case of the Company) such fees, give such undertakings and do all such acts and things as may reasonably be required by the Joint Underwriters and the Stock Exchange in connection with the listing of the Rights Shares.

The Joint Underwriters may at any time in writing waive any of the conditions set out above (except paragraphs (b), (d), (e), (f) and (g)) or extend the time or date for fulfilment of any such condition (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its fulfilment by the time or date as so extended) and such waiver or extension may be made subject to such terms and conditions as are determined by the Joint Underwriters. As at the Latest Practicable Date, none of the Joint Underwriters intended to waive any of the conditions stated above.

If any of the conditions set out above (which has not previously been waived by the Joint Underwriters if capable of being waived under the Underwriting Agreement) is not fulfilled, or becomes incapable of fulfilment, on or prior to the relevant date specified in the Underwriting Agreement for fulfilment of the relevant condition or, if no such date is so specified or referred to, are not fulfilled on or prior to the Latest Time for Termination (or, in any such case, such later date or dates as the Joint Underwriters may agree with the Company in writing), the Underwriting Agreement (save in respect of certain breach(es) of the specific clause(s) in the Underwriting Agreement, and save for certain relevant clauses of the Underwriting Agreement which shall remain in full force and effect and save further that the Company shall pay the fees and expenses specified in the Underwriting Agreement (subject as provided in the relevant clause of the Underwriting Agreement)) shall terminate and no party will have any claim against any other for costs, damages, compensation or otherwise, provided that such termination shall be without prejudice to the rights of the parties in respect of any breach of the Underwriting Agreement occurring prior to such termination.

As at the Latest Practicable Date, only the conditions set out in paragraphs (a) and (b) have been completely fulfilled.

LETTER FROM THE BOARD

Lock-up provisions of HTIH

HTIH has undertaken that it shall not, without first having obtained the prior written consent of CSCI and Qilu International Securities, transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share or any interest therein or any option, right or warrant in respect of any Share between the date of the Underwriting Agreement and the Record Date.

HTIH has also undertaken that it shall not, without the prior written consent of CSCI and Qilu International Securities, transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire (except by taking up Rights Shares provisionally allotted in respect of HTIH's beneficial shareholding interest in the Company pursuant to the Rights Issue or pursuant to the Underwriting Agreement or acquiring the Nil-paid Rights or submitting EAFs or as a Joint Underwriter in performance of its obligations under the Underwriting Agreement) any Share or any interest therein between the Record Date and the Final Acceptance Date.

HTIH has further undertaken to the Company and CSCI and Qilu International Securities that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the Closing Date, it shall not:

- (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Rights Shares) or any interests therein beneficially owned or held by HTIH or any of its controlled companies or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests;
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in paragraph (i) or (ii) is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (iii) announce any intention to enter into or effect any such transaction described in paragraph (i) or (ii) above,

unless with the prior written consent of CSCI and Qilu International Securities, provided that the lockup provisions of HTIH shall not apply (a) if the Underwriting Agreement does not become unconditional and is terminated pursuant to the Underwriting Agreement; or (b) the Underwriting Agreement is terminated by the Joint Underwriters pursuant to the Underwriting Agreement.

Lock-up provisions of the Company

The Company has undertaken to the Joint Underwriters, and HTIH has undertaken to CSCI and Qilu International Securities to procure, that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the Closing Date, the Company shall not (except for allotment or issue of Shares (i) pursuant to the Rights Issue; (ii) upon exercise of the outstanding Share Options; or (iii) upon conversion of the outstanding Convertible Bonds by the holders thereof):

LETTER FROM THE BOARD

- (a) allot or issue or offer to allot or issue or grant any option, right or warrant (save for the Share Options or share awards granted to the Company's employees) to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares;
- (b) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any Shares;
- (c) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in paragraphs (a) and (b) above; or
- (d) announce any intention to enter into or effect any such transaction described in paragraphs (a) to (c) above,

unless with the prior written consent of CSCI and Qilu International Securities.

Irrevocable Undertaking from HTIH

Pursuant to the Underwriting Agreement, HTIH has irrevocably undertaken to the Company, CSCI and Qilu International Securities to accept or procure the acceptance of the Committed Shares to be provisionally allotted to it in respect of the Shares set out in the Underwriting Agreement which are registered in its name on the date of the Underwriting Agreement and which HTIH undertakes to the Company, CSCI and Qilu International Securities will remain registered in its name on the Record Date. HTIH shall procure that the PALs in respect of the Rights Shares to be provisionally allotted to it shall be lodged with the Registrar with payment therefor in accordance with the terms of the Prospectus Documents by no later than 4:00 p.m. on the Final Acceptance Date and HTIH agrees to deliver or procure the delivery of a certified true copy of such PALs to each of CSCI and Qilu International Securities by no later than 4:00 p.m. on the Final Acceptance Date.

Termination of the Underwriting Agreement

The Joint Underwriters shall have the right to rescind or terminate the Underwriting Agreement by notice in writing given by CSCI and Qilu International Securities jointly (on behalf of the Joint Underwriters) to the Company at any time prior to the Latest Time for Termination, if:

- (a) any matter or circumstance arises as a result of which any of the conditions set out in the Underwriting Agreement has become incapable of satisfaction as at the required time;
- (b) any breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Joint Underwriters, or there has been a breach on the part of the Company, HTIH or HTISCL of any other provisions of the Underwriting Agreement, or the Joint Underwriters have cause to believe that any such breach has occurred;
- (c) any statement contained in the Circular and/or this prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any material respect;

LETTER FROM THE BOARD

- (d) any matter arises or is discovered which would, if this prospectus was to be issued at the time, constitute material omission therefrom;
- (e) there is any event or change or any other reason (whether or not permanent) which would or may result in that a supplemental prospectus or any document of a similar nature is or will be or is required to be issued in circumstances where the matter to be disclosed, in the absolute opinion of the Joint Underwriters, prejudicially and materially affects or may prejudicially and materially affect the success of the Rights Issue, or makes or may make it inadvisable or inexpedient to proceed with the Rights Issue;
- (f) there is any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the sole opinion of the Joint Underwriters acting in good faith is material in the context of the Rights Issue; or
- (g) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (i) any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, legal, fiscal, regulatory, currency or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the European Union, or the PRC;
 - (ii) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders, judgements, decrees or rulings of any governmental authority (the “**Laws**”) or changes in existing Laws or any development including a prospective change in existing Laws in Hong Kong or any other place in which any member of the Group conducts or carries on business;
 - (iii) any event of force majeure affecting Hong Kong, the United States, the European Union, or the PRC including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism, or declaration of a national or international emergency or war, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, outbreak of an infectious disease, calamity, crisis, strike or lock-out (whether or not covered by insurance);
 - (iv) the declaration of a banking moratorium by PRC, Hong Kong, European Union or United States authorities;
 - (v) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or NASDAQ or any major disruption of any securities settlement or clearing services in Hong Kong; or

LETTER FROM THE BOARD

- (vi) any suspension of dealings in the Shares for a period of more than two Business Days (other than any announcement regarding the Rights Issue),

which, in the sole opinion of the Joint Underwriters: (1) has or will have, or is likely to have, a material adverse effect on the financial condition, prospects, assets, business, results of operations or liabilities of the Group, taken as a whole, whether or not arising in the ordinary course of business or is or will be, or is likely to be, materially adverse to any present or prospective Shareholder in its capacity as such; (2) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or (3) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in the Announcement and the Prospectus Documents.

In the event CSCI and Qilu International Securities jointly (on behalf of the Joint Underwriters) exercise the right to terminate the Underwriting Agreement upon the giving of written notice of termination prior to the Latest Time for Termination, all the obligations of the parties under the Underwriting Agreement shall cease and terminate immediately and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach).

If CSCI and Qilu International Securities jointly (on behalf of the Joint Underwriters) exercise such right, the Rights Issue will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Joint Underwriters.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will be no change in the issued share capital of the Company and shareholding structure of the Company from the Latest Practicable Date until completion of the Rights Issue, the shareholdings in the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue were and will be as follows:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders and HTIH take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholder takes up any of the Rights Shares and HTIH takes up all the Committed Shares	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Joint Underwriters (Note 1)						
HTIH (Note 2)	1,453,087,080	57.36	2,906,174,160	57.36	3,797,113,280	74.94
CSCI	—	0	—	0	94,713,404	1.87
Qilu International Securities	—	0	—	0	94,713,404	1.87
Total Directors' interest (Note 3)	3,066,232	0.12	6,132,464	0.12	3,066,232	0.06
Other Shareholders	<u>1,077,299,696</u>	<u>42.52</u>	<u>2,154,599,392</u>	<u>42.52</u>	<u>1,077,299,696</u>	<u>21.26</u>
Total	<u>2,533,453,008</u>	<u>100</u>	<u>5,066,906,016</u>	<u>100</u>	<u>5,066,906,016</u>	<u>100</u>

Notes:

- (1) Pursuant to the Joint Underwriters' underwriting obligations under the Underwriting Agreement.
- (2) HTIH is also a controlling shareholder (as defined under the Listing Rules) of the Company and has irrevocably undertaken to take up 1,453,087,080 Rights Shares under the Rights Issue. HTIH may also apply for excess Rights Shares under the Rights Issue. Assuming none of the Rights Shares is taken up by the Qualifying Shareholders, the aggregate shareholding of HTIH immediately after completion of the Rights Issue, taking into account 1,453,087,080 Shares it has irrevocably undertaken to accept, such number of excess Rights Shares it has applied for and been allotted with (if any) and such number of Rights Shares it has to subscribe for pursuant to its underwriting obligations under the Underwriting Agreement, shall not exceed 75% of the enlarged issued share capital of the Company immediately after completion of the Rights Issue.
- (3) (i) 1,994,510 Shares are held by Mr. LIN Yong, (ii) 921,722 Shares are held by Mr. LI Jianguo and (iii) 150,000 Shares are held by Mr. TSUI Hing Chuen William as beneficial owner.
- (4) As at the Latest Practicable Date, there were 9,742,610 Share Options outstanding with the rights to subscribe for 9,742,610 Shares, and there were outstanding (i) 2013 CBs in the principal amount of HK\$650,000,000 convertible into 20,766,773 Shares at the prevailing conversion price of HK\$3.13 per Share (subject to adjustment) and (ii) 2014 CBs in the principal amount of HK\$195,000,000 convertible into 37,428,023 Shares at the prevailing conversion price of HK\$5.21 per Share (subject to adjustment).

LETTER FROM THE BOARD

- (5) The Company has implemented internal control measures to ensure that in the event that the public float requirements of the Company pursuant to Rule 8.08 of the Listing Rules cannot be met on or after the date of allotment and issue of the Right Shares, the Company will ensure that HTIH disposes of its Shares prior to the issuance and allotment of Shares to the relevant Share Option holders. Pursuant to Rule 8.08 of the Listing Rules, the Company will maintain a public float of 25% at all times.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS

The Underwriting Agreement contains provisions granting the Joint Underwriters a right to terminate their obligations under the Underwriting Agreement upon the occurrence of certain events. Please refer to the section headed “Underwriting Arrangement” for further details. The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If this condition is not fulfilled, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

The Shares have been dealt in on an ex-rights basis from Thursday, 23 April 2015. Dealings in the Nil-paid Rights are expected to take place from Tuesday, 5 May 2015 to Tuesday, 12 May 2015 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Nil-paid Rights is advised to exercise caution when dealing in the Shares and/or the Nil-paid Rights.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the Nil-paid Rights up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company through its subsidiaries, offers services in six business segments including corporate finance, brokerage and margin financing, investment management, fixed income, currency and commodities, leveraged and acquisition finance and equity derivatives.

The estimated net proceeds of the Rights Issue will be approximately HK\$8,832.61 million.

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$34.48 million.

The launch of the Shanghai-Hong Kong Stock Connect jointly developed by Hong Kong Exchanges and Clearing Limited and Shanghai Stock Exchange have driven up investment in A shares. This favourable stock connect initiative has given a boost to the Company’s overall trading volume and margin financing scale. With the upcoming Shenzhen-Hong Kong Connect, it is envisaged that the Company’s trading volume and margin financing scale will leap further. Hence, the Company intends to apply 60% of the net proceeds from the Rights Issue to support and develop its brokerage and margin financing business.

LETTER FROM THE BOARD

In an effort to continue to exploit its advantages in RMB product offerings and enhance the scale of its trading platform; and foster the development of RMB dim sum bonds and USD-denominated credit bonds trading and underwriting as well as ETF market making, the Company expects to apply 20% of the net proceeds from the Rights Issue to meet the funding requirements of the fixed income, currency and commodities and equity derivatives segments.

The leveraged and acquisition finance segment is mainly engaged in provision of comprehensive investment and financing solutions to listed corporate clients for their corporate actions and shareholder activities. This segment seeks to maximise returns to the Group while keeping business risk in check. The Company expects to apply 10% of the net proceeds from the Rights Issue to support and develop the business of this segment.

The remaining 10% of the net proceeds from the Rights Issue will be used for general working capital purposes.

The Board considers that it is prudent to finance the Group's long term growth by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position without increasing finance costs, but will also allow all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a price lower than the current market price of the Shares. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

TAXATION

The Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Nil-paid Rights or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the Nil-paid Rights on their behalf.

LETTER FROM THE BOARD

EQUITY FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The following sets out the equity fund raising activities of the Company during the past twelve months immediately preceding the date of the Announcement and the Latest Practicable Date:

Date of initial announcement	Equity fund-raising activity	Intended use of net proceeds	Actual use of net proceeds
22 April 2014	Rights issue of 697,979,812 rights shares at the rights issue price of HK\$3.80 each on the basis of one rights share for every two existing shares held on 8 May 2014, being the record date	The Group intended to apply 70%, 10% and 20% (or approximately HK\$1,850,000,000, HK\$260,000,000 and HK\$533,423,000) of the net proceeds from the rights issue for further development of the Group's business, refinancing and general corporate purpose respectively	The total net proceeds raised from the rights issue was approximately HK\$2,643.423 million. Approximately 44% and 33% of the raised proceeds have been used to support the Group's derivatives trading and fixed income, currency and commodity activities respectively and the remainder of approximately 23% of the raised proceeds has been used to support the Group's brokerage and margin financing activities.

LETTER FROM THE BOARD

Date of initial announcement	Equity fund-raising activity	Intended use of net proceeds	Actual use of net proceeds
24 October 2014	Issue of the 2014 CBs	To fund the expansion of business operations and for general corporate purposes	The total net proceeds raised from the issue of the 2014 CBs were approximately HK\$1,141.538 million. Approximately 64% of the raised proceeds has been used to support the Group's fixed income, currency and commodity activities and the remainder of 36% of the raised proceeds has been used to support the Group's brokerage and margin financing activities.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of the Announcement and the Latest Practicable Date.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this prospectus.

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

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2012, 31 December 2013 and 31 December 2014 is disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.htisec.com):

- (a) annual report of the Company for the year ended 31 December 2014 published on 27 March 2015 (pages 76 to 204);
- (b) annual report of the Company for the year ended 31 December 2013 published on 13 March 2014 (pages 110 to 255); and
- (c) annual report of the Company for the year ended 31 December 2012 published on 15 March 2013 (pages 92 to 207).

2. INDEBTEDNESS STATEMENT

At the close of business on 31 March 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the details of the Group's outstanding borrowings were set out as follows:

	<i>HK\$'000</i>
Non-current	
Convertible bonds — unsecured	1,599,595
Non-convertible bonds and notes — unsecured	<u>10,163,761</u>
	11,763,356
Current	
Bank loans — secured	4,278,330
Bank loans — unsecured	29,123,622
Other loans — unsecured	<u>836,480</u>
	34,238,432
Total	<u><u>46,001,788</u></u>

All the convertible bonds, non-convertible notes and other loans above are unguaranteed. The non-convertible bonds and certain bank loans are guaranteed by the Group's companies.

In addition, at 31 March 2015, the Group has outstanding authorised but unissued non-convertible notes of approximately US\$967,398,000.

Bank loans of HK\$4,278,330,000 are secured by the listed shares with the fair value of HK\$11,245,647,000 as at 31 March 2015 held by the Group as security for advances to customers in margin financing with the customers' consent.

Save as aforesaid or as otherwise disclosed herein, as at the close of business on 31 March 2015, the Group did not have any outstanding loan capital or debt securities or non-convertible notes issued or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, taking into account the financial resources available to the Group, including the internally generated funds, the available banking facilities and the estimated net proceeds of the Rights Issue, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS

Business Review

Over the past few years, the Group successfully built a fully optimised business structure with six business segments including corporate finance, brokerage and margin financing, investment management, fixed income, currency and commodities (“FICC”), structured financing and equity derivatives, which translated into better results performance throughout the years. Taking advantage by the launch of the Shanghai-Hong Kong Stock Connect jointly developed by the Stock Exchange and Shanghai Stock Exchange, the Company's brokerage and margin financing business has improved satisfactorily. With the Company's advantages in RMB product offerings, the trading and market making business, including FICC and Equity Derivatives segments has been well developed. Corporate finance and the leveraged and acquisition finance have posted outstanding results in 2014. These two segments continuously contribute stable revenue to the Company.

Prospects

Amid the intense competition in the ever-changing financial market, the Group 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, the Group 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.

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 31 December 2014. This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 31 December 2014 or at any future date.

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2014	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after completion of the Rights Issue	Consolidated net tangible assets per Share attributable to the owners of the Company as at 31 December 2014	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company after completion of the Rights Issue
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>	<i>HK\$</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>	<i>(Note 4)</i>
Rights Issue of 2,533,453,008 Rights Shares to be issued at subscription price of HK\$3.50 per Rights Share	8,580,039	8,832,608	17,412,647	3.93	3.69

Notes:

- (1) The consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2014 is based on the audited consolidated net assets of the Group attributable to the owners of the Company as at 31 December 2014 of HK\$8,596.502 million, with adjustments for goodwill of HK\$9.854 million and other intangible assets of HK\$6.609 million as extracted from the published annual report of the Group for the year ended 31 December 2014.
- (2) The estimated net proceeds from the Rights Issue are based on 2,533,453,008 Rights Shares to be issued as defined in this prospectus at the subscription price of HK\$3.5 per Rights Share, after deduction of the related expenses of approximately HK\$34.48 million.
- (3) The consolidated net tangible assets per Share attributable to the owners of the Company as at 31 December 2014 was HK\$3.93, which was based on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2014 of HK\$8,580.039 million and 2,184,397,016 Shares in issue as at 31 December 2014.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at on the basis that 4,717,850,024 Shares, which represents 2,184,397,016 Shares in issue as at 31 December 2014 and 2,533,453,008 Rights Shares to be issued, pursuant to the Right Issue, were in issue assuming that the Right Issue had been completed on 31

December 2014, but does not take into account of any Shares which may be issued upon the exercise of options granted under the Share Option Scheme, any Shares which may be issued upon the conversion of the outstanding Convertible Bonds or any Shares which may be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.

- (5) The unaudited pro forma adjusted consolidated net tangible assets of the Group does not take into account the (i) issue of 170,914,097 Shares at conversion price of HK\$3.61 and 160,833,311 Shares at conversion price of HK\$6 due to the conversion of the outstanding convertible bonds into Shares of the Company and (ii) issue of 9,688,642 Shares at exercise price of HK\$4.208 and 7,619,942 Shares at exercise price of HK\$5.098 due to exercise the outstanding share options for the Shares of the Company during the period from 1 January 2015 to the Latest Practicable Date (the “Conversion and Exercise of the Outstanding Convertible Bonds and Share Options”).

Had the Conversion and Exercise of the Outstanding Convertible Bonds and Share Options during the period from 1 January 2015 to the Latest Practical Date been completed on 31 December 2014, the consolidated net tangible assets of the Group attributable to owners of the Company would increase from HK\$8,580.039 million to HK\$10,241.655 million after adjusting for (i) decrease in convertible bonds of approximately HK\$1,582 million due to conversion of the outstanding convertible bonds and (ii) increase in bank balances approximately HK\$79.616 million due to exercise of outstanding share options.

The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after completion of the Rights Issue would be HK\$19,074.263 million after adjusting for estimated proceeds stated in note 2 under the Rights Shares to be issued. Consequently, the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company under the Rights Shares to be issued would be HK\$3.76 assuming the Rights Issue has been completed on 31 December 2014.

- (6) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2014.

The unaudited pro forma adjusted consolidated net tangible assets of the Group does not take into account the final dividend of HK\$338.582 million (or final dividend of HK15.5 cents per Share on the basis that 2,184,397,016 Shares were in issue as at 31 December 2014) proposed for the year ended 31 December 2014 as recommended by the Board on 11 March 2015, which is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting and will be paid on or about 7 July 2015.

Should the Rights Issue be completed on 31 December 2014, the final dividend per Share would have been HK 7.18 cents on the basis that 2,184,397,016 Shares were in issue as at 31 December 2014 and 2,533,453,008 Rights Shares were issued under the Rights Issue assuming the Rights Issue has been completed on 31 December 2014.

**2. REPORT FROM THE REPORTING ACCOUNTANT ON UNAUDITED PRO
FORMA FINANCIAL INFORMATION OF THE GROUP**

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF HAITONG INTERNATIONAL SECURITIES GROUP
LIMITED**

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Haitong International Securities Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2014 and related notes as set out on pages 46 to 47 of Appendix II to the prospectus issued by the Company dated 30 April 2015 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages 46 to 47 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Rights Issue as defined in the Prospectus on the Group's financial position as at 31 December 2014 as if the Rights Issue had taken place at 31 December 2014. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's audited financial statements for the year ended 31 December 2014, on which an audit report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of the unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2014 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Reporting Accountant's Responsibilities — continued

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 April 2015

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following the completion of the Rights Issue were and are expected to be as follows:

(a) As at the Latest Practicable Date:

HK\$

Authorised share capital

<u>10,000,000,000</u> Shares	<u>1,000,000,000</u>
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Issued share capital

<u>2,533,453,008</u> Shares	<u>253,345,300.8</u>
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(b) Upon completion of the Rights Issue:

HK\$

Authorised share capital

<u>10,000,000,000</u> Shares	<u>1,000,000,000</u>
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Rights Shares to be issued

<u>2,533,453,008</u> Shares	<u>253,345,300.8</u>
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HK\$

Shares in issue upon completion of the Rights Issue

5,066,906,016	Shares (assuming no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)	506,690,601.6

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank *pari passu* with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the Main Board of the Stock Exchange.

As at the Latest Practicable Date, save for the outstanding Share Options and Convertible Bonds disclosed in this prospectus, the Company had no outstanding convertible securities, options, or warrants in issue which conferred any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, save for the outstanding Share Options and Convertible Bonds disclosed in this prospectus, none of the capital of any member of the Group was under option or agreed conditionally or unconditionally to be put under option. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company or their respective associates in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

Name of Directors	Class of shares	Personal Interests	Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
JI Yuguang	Share options	—	576,077 (Note 1)	576,077	0.02
LI Jianguo	Ordinary shares	921,722 (Note 2)	—	921,722	0.04
LIN Yong	Ordinary shares	1,994,510 (Note 2)	—	1,994,510	0.08
POON Mo Yiu	Share options	—	1,382,583 (Note 1)	1,382,583	0.05
HUI Yee Wilson	Share options	—	2,346,610 (Note 3)	2,346,610	0.09
CHENG Chi Ming Brian	Share options	—	576,077 (Note 1)	576,077	0.02
TSUI Hing Chuen William	Ordinary shares/ Share options	150,000 (Note 2)	426,077 (Note 1)	576,077	0.02
LAU Wai Piu	Share options	—	576,077 (Note 1)	576,077	0.02

Notes:

- Those Shares would be allotted and issued to the relevant Director upon the exercise in full of the Share Options granted to the relevant Director under the Share Option Scheme. Those Share Options, all of which remained exercisable as at the Latest Practicable Date, were exercisable at the subscription price of HK\$4.208 per share during the period from 3 March 2011 to 2 March 2019.
- Those Shares are held by Messrs. LI Jianguo, LIN Yong and TSUI Hing Chuen William respectively as beneficial owner.
- Those Shares would be allotted and issued to Mr. HUI Yee Wilson (“**Mr. HUI**”) upon the exercise in full of the share options granted to Mr. HUI under the Share Option Scheme. Those Share Options, all of which remained exercisable as at the Latest Practicable Date, were exercisable as to (i) 1,194,457

Share Options at the subscription price of HK\$5.098 per share during the period from 1 June 2008 to 31 May 2016; and (ii) 1,152,153 Share Options at the subscription price of HK\$4.208 per share during the period from 3 March 2011 to 2 March 2019.

Save as disclosed above, as at the Latest Practicable Date, no options over Shares had been granted to the current Directors under the Share Option Scheme.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, Shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which could fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Name of substantial shareholders	Notes	Number of shares held and nature of interests		Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
		Direct	Deemed			
Haitong Securities Co., Ltd. ("HSCL")	1, 3	—	3,355,724,358	—	3,355,724,358	75.00
HTIH	1, 3	3,355,724,358	—	—	3,355,724,358	75.00
Cheng Yu Tung Family (Holdings) Limited ("CYTF")	2	—	144,480,897	—	144,480,897	6.61
Cheng Yu Tung Family (Holdings II) Limited ("CYTF II")	2	—	144,480,897	—	144,480,897	6.61
Chow Tai Fook Capital Limited ("CTFC")	2	—	144,480,897	—	144,480,897	6.61
Chow Tai Fook (Holding) Limited ("CTFH")	2	—	144,480,897	—	144,480,897	6.61
Chow Tai Fook Enterprises Limited ("CTFE")	2	—	144,480,897	—	144,480,897	6.61
New World Development Company Limited ("NWD")	2	—	144,480,897	—	144,480,897	6.61
NWS Holdings Limited ("NWS")	2	—	144,480,897	—	144,480,897	6.61

Name of substantial shareholders	Notes	Number of shares held and nature of interests		Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
		Direct	Deemed			
NWS Service Management Limited (incorporated in the Cayman Islands) ("NWSSM (Cayman)")	2	—	144,480,897	—	144,480,897	6.61
NWS Service Management Limited (incorporated in the British Virgin Islands) ("NWSSM (BVI)")	2	—	144,480,897	—	144,480,897	6.61
NWS Financial Management Services Limited ("NWSFM")	2	144,480,897	—	—	144,480,897	6.61

Notes:

1. HSCL held the entire issued share capital of HTIH. By virtue of the provisions of the SFO, HSCL is deemed to be interested in the Shares in which HTIH is interested.
2. CYTF and CYTF II held respectively an interest of 48.98% and 46.65% in CTFC, which in turn held an interest of approximately 78.58% in CTFH and CTFH in turn held the entire issued share capital of CTFE. CTFE and its subsidiaries held an interest of approximately 43.35% in NWD, which in turn and its subsidiaries held approximately 61.31% of the issued share capital of NWS. NWS, through its wholly-owned subsidiary, NWSSM (Cayman), held the entire issued share capital of NWSSM (BVI), which in turn held the entire issued share capital of NWSFM. By virtue of the provisions of the SFO, each of CYTF, CYTF II, CTFC, CTFH, CTFE, NWD, NWS, NWSSM (Cayman) and NWSSM (BVI) is deemed to be interested in the Shares in which NWSFM is interested.
3. The number of Shares included the maximum number of Rights Shares underwritten by HTIH pursuant to the Underwriting Agreement. The approximate percentage of the total issued Shares was calculated based on the number of Shares which were expected to be issued upon completion of the Rights Issue as at the date of the Underwriting Agreement, being 2,237,149,572 Shares (on the assumption that none of Rights Shares would be taken up by the Qualifying Shareholders and no new Shares (other than Rights Shares) would be issued and no repurchase of Shares on or before the completion of the Rights Issue).

As at the Latest Practicable Date, the Directors or chief executive of the Company were not aware of any other person (other than Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, there were no contracts or arrangements in which a Director was materially interested and significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors had, directly or indirectly, any interest in any assets which have since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this prospectus or has given opinions, letters or advice contained in this prospectus:

Name	Qualification
Deloitte Touche Tohmatsu ("Deloitte")	Certified Public Accountants

As at the Latest Practicable Date, Deloitte did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group, respectively, since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up.

Deloitte has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion herein of its letters or reports and references to its name in the form and context in which they appear.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had a service contract with the Company or any of its subsidiaries which is for a duration that may exceed three years or which requires the Company to, in order to terminate such contract, give a notice period of more than one year or pay compensation or make other payments equivalent to more than one year's emoluments.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

The following contracts were entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (1) the facility agreement dated 16 May 2013 entered into among (i) the Company; (ii) HTIH; (iii) The Hongkong Shanghai Banking Corporation Limited (“**HSBC**”) and Standard Chartered Bank (Hong Kong) Limited as mandated lead arrangers and bookrunners; (iv) Hang Seng Bank Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Dah Sing Bank, Limited, Industrial and Commercial Bank of China (Asia) Limited, Taipei Fubon Commercial Bank Co., Ltd., Fubon Bank (Hong Kong) Limited, First Commercial Bank, Ltd., Hong Kong Branch and Taishin International Bank as mandated lead arrangers; (v) China Construction Bank (Asia) Corporation Limited, The Bank of East Asia, Limited, China Everbright Bank Co., Limited, Hong Kong Branch, China Merchants Bank Co., Ltd., Hong Kong Branch, China Citic Bank International Limited, Malayan Banking Berhad, Hong Kong Branch and Wing Hang Bank, Limited as lead arrangers; (vi) Sumitomo Mitsui Banking Corporation, Chang Hwa Commercial Bank Ltd. Offshore Banking Branch, E.Sun Commercial Bank, Ltd., Hong Kong Branch, Mega International Commercial Bank Co., Ltd., Hong Kong Branch, Taiwan Business Bank Hong Kong Branch, Taiwan Cooperative Bank, Ltd., Hong Kong Branch and Taiwan Cooperative Bank, Offshore Banking Branch as arrangers; (vii) the financial institutions listed in part II of schedule 1 to the facility agreement as lenders; and (viii) HSBC as agent of the finance parties as mentioned in the facility agreement, in relation to a revolving loan facility in an aggregate amount of HK\$3,000,000,000 for a term of up to 3 years;
- (2) the subscription agreement dated 9 July 2013 entered into between the Company and HSBC as lead manager in relation to the HK\$776,000,000 1.25% convertible bonds due 2018;
- (3) the paying, conversion and transfer agency agreement dated 18 July 2013 entered into between the Company and HSBC as registrar, principal agent and trustee in relation to the paying, conversion and transfer of the HK\$776,000,000 1.25% convertible bonds due 2018;
- (4) the trust deed dated 18 July 2013 entered into between the Company and HSBC as trustee in relation to the HK\$776,000,000 1.25% convertible bonds due 2018;
- (5) the subscription agreement dated 17 September 2013 entered into between the Company and HSBC as lead manager in relation to the HK\$232,000,000 1.25% convertible bonds due 2018 to be consolidated and form a single series with the HK\$776,000,000 1.25% convertible bonds due 2018 issued on 18 July 2013;
- (6) the supplemental agency agreement dated 10 October 2013 entered into between the Company and HSBC as registrar, principal agent and trustee in relation to the HK\$232,000,000 1.25% convertible bonds due 2018 to be consolidated and form a single series with the HK\$776,000,000 1.25% convertible bonds due 2018;

- (7) the supplemental trust deed dated 10 October 2013 entered into between the Company and HSBC as trustee in relation to the HK\$232,000,000 1.25% convertible bonds due 2018 to be consolidated and form a single series with the HK\$776,000,000 1.25% convertible bonds due 2018;
- (8) the underwriting agreement dated 22 April 2014 entered into among the Company, HTIH, Qilu International Securities and HTISCL in relation to the underwriting arrangement in respect of the rights issue of the Company in 2014;
- (9) the facility agreement dated 23 May 2014 entered into among (i) the Company; (ii) HTIH; (iii) Bank of China (Hong Kong) Limited, HSBC, Hang Seng Bank Limited, China Construction Bank (Asia) Corporation Limited, Chong Hing Bank Limited and Shanghai Pudong Development Bank Co., Ltd. Hong Kong Branch as mandated lead arrangers and bookrunners; (iv) Fubon Bank (Hong Kong) Limited and Malayan Banking Berhad as mandated lead arrangers; (v) China CITIC Bank International Limited, First Commercial Bank, Ltd., Hong Kong Branch, Wing Hang Bank, Limited, The Bank of East Asia, Limited, Hua Nan Commercial Bank, Ltd., Hong Kong Branch and Taishin International Bank as arrangers; (vi) the financial institutions listed in part II of schedule 1 of the facility agreement as original lenders; and (vii) HSBC as agent whereby the Company obtained a term loan facility in an amount of HK\$1,336,000,000 and a revolving loan facility in an amount of HK\$2,004,000,000 for a term of up to 36 months;
- (10) the agency agreement dated 20 June 2014 entered into between the Company and HSBC as fiscal agent, transfer agent, calculation agent, paying agent, CMU lodging agent and registrar in relation to the medium term notes to be issued by the Company from time to time (the “**Notes**”) pursuant to its US\$1,000,000,000 medium term note programme;
- (11) the dealer agreement dated 20 June 2014 entered into between (i) the Company and (ii) HTISCL and HSBC each as arranger and dealer in relation to, among other things, the Notes;
- (12) the deed of covenant dated 20 June 2014 executed by the Company by way of deed poll in relation to, among other things, to make arrangements for the protection of the interests of the relevant account holders as mentioned in the deed of covenant to the Notes;
- (13) the agency agreement dated 22 August 2014 entered into among (i) Haitong International Products & Solutions Limited (“**HTIPS**”) as issuer; (ii) the Company as guarantor; (iii) Haitong International Financial Solutions Limited (“**HTIFS**”) and Haitong International Financial Products Limited as calculation agent; (iv) Citibank, N.A., London Branch as issuing and paying agent, transfer agent and registrar; and (v) Citicorp International Limited as fiscal agent, CMU lodging and paying agent, CMU transfer agent and CMU registrar in relation to the structured notes to be issued by HTIPS from time to time (the “**HTIPS Notes**”) pursuant to its US\$1,000,000,000 structured note programme;

- (14) the deed of covenant (the “**HTIPS Deed of Covenant**”) dated 22 August 2014 executed by HTIPS by way of deed poll for, among other things, the benefit of the relevant account holders as mentioned in the HTIPS Deed of Covenant from time to time in relation to the HTIPS Notes;
- (15) the deed of guarantee dated 22 August 2014 executed by the Company by way of deed poll in favour of the relevant account holders as mentioned in the HTIPS Deed of Covenant and the holders of the HTIPS Notes (each relevant account holder and each holder of a HTIPS Note is referred as a “**Holder**”), pursuant to which, among other things, the Company irrevocably and unconditionally guarantees the payment of amount payable by HTIPS to such Holder under the HTIPS Deed of Covenant;
- (16) the subscription agreement dated 29 August 2014 entered into between HTIPS as issuer and HTIFS as initial subscriber, pursuant to which, among other things, HTIFS agreed to subscribe for, or procure the subscription of, each series of the HTIPS Notes;
- (17) the dealer agreement dated 29 August 2014 entered into between HTIFS as initial subscriber and HTISCL as dealer, pursuant to which, among other things, HTIFS appointed HTISCL as its dealer for the purpose of the distribution of any particular series of the HTIPS Notes;
- (18) the subscription agreement dated 3 September 2014 entered into among (i) Haitong International Finance 2014 Limited (a wholly-owned subsidiary of the Company) as issuer, (ii) the Company as guarantor, (iii) Haitong Securities Co., Ltd. and (iv) HTISCL, Deutsche Bank AG, Singapore Branch and KGI Asia Limited as managers, in relation to the US\$600,000,000 3.99% guaranteed bonds due 2019;
- (19) the agency agreement dated 11 September 2014 entered into among Haitong International Finance 2014 Limited as issuer, the Company as guarantor and HSBC as trustee, principal paying agent and transfer agent and registrar in relation to the US\$600,000,000 3.99% guaranteed bonds due 2019;
- (20) the keepwell deed dated 11 September 2014 entered into among Haitong International Finance 2014 Limited as issuer, the Company as guarantor, Haitong Securities Co., Ltd. and HSBC as trustee in relation to the US\$600,000,000 3.99% guaranteed bonds due 2019;
- (21) the trust deed dated 11 September 2014 entered into among Haitong International Finance 2014 Limited as issuer, the Company as guarantor, Haitong Securities Co., Ltd. and HSBC as trustee in relation to the US\$600,000,000 3.99% guaranteed bonds due 2019;
- (22) the term loan agreement dated 19 September 2014 entered into between Hao Ding International Limited as borrower and Haitong International Finance Company Limited (an indirect wholly-owned subsidiary of the Company) as lender in relation to a loan facility of up to US\$60,000,000;

- (23) the placing agreement dated 24 October 2014 entered into between the Company and HTISCL as the placing agent in connection with the issue and offering of HK\$776,000,000 1.25% convertible bonds due 2019 and the granting of an option to the placing agent to place all or some of the additional HK\$388,000,000 1.25% convertible bonds due 2019;
- (24) the trust deed dated 4 November 2014 entered into between the Company and the Bank of New York Mellon, London Branch as trustee in connection with the issue and offering of HK\$776,000,000 1.25% convertible bonds due 2019 and additional HK\$388,000,000 1.25% convertible bonds due 2019;
- (25) the paying, conversation and transfer agency agreement dated 4 November 2014 entered into among (i) the Company; (ii) the Bank of New York Mellon, London Branch as trustee and principal paying and conversion agent; and (iii) the Bank of New York Mellon (Luxembourg) S.A. as registrar and transfer agent in connection with the issue and offering of HK\$776,000,000 1.25% convertible bonds due 2019 and additional HK\$388,000,000 1.25% convertible bonds due 2019;
- (26) the amended and restated exempted limited partnership agreement dated 28 November 2014 entered into between, inter alia, Haitong International New Energy II Limited (an indirect wholly-owned subsidiary of the Company) and China Auto Caymans GenPar I, Inc. as general partner, pursuant to which Haitong International New Energy II Limited agreed to make an investment of HK\$2.1 billion in Newbridge China Auto Caymans L.P. for a 38.87% interest as a limited partner;
- (27) the Confirmation of Total Return Swap dated 28 November 2014 issued by Haitong International New Energy II Limited to Huge Group Holdings Limited in relation to the total return swap transaction relating to the interest of Haitong International New Energy II Limited in Newbridge China Auto Caymans L.P.;
- (28) the trust deed dated 19 December 2014 entered into between the Company and Teeroy Limited as trustee in respect of the share award scheme of the Company;
- (29) the subscription agreement dated 22 January 2015 entered into among (i) Haitong International Finance 2015 Limited (an indirect wholly-owned subsidiary of the Company) as issuer, (ii) the Company as guarantor and (iii) Deutsche Bank AG, Singapore Branch, HTISCL, HSBC and Huatai Financial Holdings (Hong Kong) Limited as managers in relation to the US\$700,000,000 4.2% guaranteed bonds due 2020;
- (30) the trust deed dated 29 January 2015 entered into among (i) Haitong International Finance 2015 Limited as issuer, (ii) the Company as guarantor and (iii) HSBC as trustee in relation to the US\$700,000,000 4.2% guaranteed bonds due 2020;
- (31) the agency agreement dated 29 January 2015 entered into among (i) Haitong International Finance 2015 Limited as issuer, (ii) the Company as guarantor; (iii) HSBC as trustee and principal paying and transfer agent and registrar in relation to the US\$700,000,000 4.2% guaranteed bonds due 2020;

- (32) the amended and restated trust deed dated 6 March 2015 entered into between the Company and Teeroy Limited as trustee in respect of the share award scheme of the Company;
- (33) the Underwriting Agreement; and
- (34) the facility agreement dated 10 April 2015 entered into among (i) the Company; (ii) HTIH; (iii) Bank of China (Hong Kong) Limited, Bank of Communications Co., Ltd. Hong Kong Branch, HSBC, Industrial and Commercial Bank of China (Asia) Limited, Chong Hing Bank Limited, The Bank of East Asia, Limited, OCBC Wing Hang Bank Limited, Bank of Communications Co., Ltd. Macau Branch, Bank of Communications Co., Ltd. Offshore Banking Unit, China Everbright Bank Co., Ltd., Hong Kong Branch, Hang Seng Bank Limited and Industrial and Commercial Bank of China (Macau) Limited as mandated lead arrangers and bookrunners; (iv) KDB Asia Limited and The Korea Development Bank as mandated lead arrangers; (v) Bank Sinopac, Hong Kong Branch, Bank of Taiwan, Hong Kong Branch and First Commercial Bank, Ltd., Hong Kong Branch as lead arrangers; (vi) Mega International Commercial Bank Co., Ltd., Central Branch, Bank of Shanghai (Hong Kong) Limited, Hua Nan Commercial Bank, Ltd., Hong Kong Branch, Land Bank of Taiwan Co., Ltd. Hong Kong Branch, Taipei Fubon Commercial Bank Co., Ltd., Offshore Banking Branch, Taiwan Business Bank Hong Kong Branch, Taiwan Cooperative Bank, Offshore Banking Branch, Woori Global Markets Asia Limited and Public Bank (Hong Kong) Limited as arrangers, (vii) the financial institutions listed in part II of schedule 1 to the facility agreement as lenders; and (viii) HSBC as agent of the finance parties as mentioned in the facility agreement whereby the Company obtained a term loan facility in an amount of HK\$2,400,000,000 and a revolving loan facility in an amount of HK\$3,600,000,000 for a term of up to 3 years.

10. CORPORATE INFORMATION

Registered office of the Company	Clarendon House 2 Church Street, Hamilton HM 11 Bermuda
Principal place of business in Hong Kong	22nd Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Authorised representatives	LAU Yik Chi 22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong POON Mo Yiu 22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong

Company secretary	LAU Yik Chi, qualified solicitor in Hong Kong, England & Wales
Legal advisers to the Company as to Bermuda laws	Conyers Dill & Pearman 2901, One Exchange Square 8 Connaught Place Central Hong Kong
Legal advisers to the Company in relation to the Rights Issue	Paul Hastings 22/F, Bank of China Tower 1 Garden Road Hong Kong
Legal advisers to the Joint Underwriters in relation to the Rights Issue	Clifford Chance 27th Floor, Jardine House 1 Connaught Place Central Hong Kong
Auditor	Deloitte Touche Tohmatsu Certified Public Accountants 35/F, One Pacific Place 88 Queensway Hong Kong
Reporting accountant	Deloitte Touche Tohmatsu Certified Public Accountants 35/F, One Pacific Place 88 Queensway Hong Kong
Share registrar and transfer office of the Company in Hong Kong	Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	Standard Chartered Bank (Hong Kong) Limited 13/F., Standard Chartered Bank Building 4-4A Des Voeux Road Central Hong Kong The Hongkong and Shanghai Banking Corporation Limited 23/F., HSBC Main Building 1 Queen's Road Central Hong Kong

Bank of China (Hong Kong) Limited
33/F., Bank of China Tower
1 Garden Road
Hong Kong

Hang Seng Bank Limited
11/F., 83 Des Voeux Road Central
Hong Kong

The Bank of East Asia, Limited
18/F., 10 Des Voeux Road Central
Hong Kong

China Construction Bank (Asia) Corporation Limited
28/F., CCB Tower
3 Connaught Road Central
Central, Hong Kong

Industrial and Commercial Bank of China
(Asia) Limited
33/F., ICBC Tower
3 Garden Road, Central
Hong Kong

China CITIC Bank International Limited
80/F., International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Chong Hing Bank Limited
6/F., Chong Hing Bank Centre
24 Des Voeux Road Central
Hong Kong

Fubon Bank (Hong Kong) Limited
3/F., Fubon Bank Building
38 Des Voeux Road Central
Hong Kong

Public Bank (Hong Kong) Limited
1/F., Public Bank Centre
120 Des Voeux Road Central
Hong Kong

Oversea-Chinese Banking Corporation Limited
9/F., Nine Queen's Road Central
Hong Kong

Wing Hang Bank, Limited
161 Queen's Road Central
Hong Kong

DBS Bank (Hong Kong) Limited
18/F., The Centre
99 Queen's Road Central
Hong Kong

Dah Sing Bank, Limited
35/F., Dah Sing Financial Centre
108 Gloucester Road
Hong Kong

Bank of Communications Co., Ltd.
Hong Kong Branch
20 Pedder Street, Central
Hong Kong

11. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

(a) Name and address of our Directors and senior management

Name	Address
<i>Executive Directors</i>	
Mr. LI Jianguo	22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Mr. LIN Yong	22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Mr. POON Mo Yiu	22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Mr. HUI Yee Wilson	35/F., Infinitus Plaza 199 Des Voeux Road Central Hong Kong
<i>Non-executive Directors</i>	
Mr. JI Yuguang	12/F., Haitong Securities Tower 689 Guangdong Road Shanghai China

Name	Address
Mr. CHENG Chi Ming Brian	28/F., New World Tower 18 Queen's Road Central Hong Kong
Ms. WANG Meijuan	Unit 2606, Haitong Securities Tower 689 Guangdong Road Shanghai PRC
Mr. William CHAN	#15-02 GB Building 143 Cecil Street Singapore 069542
<i>Independent Non-executive Directors</i>	
Mr. TSUI Hing Chuen William	Suites 1706-1708, 17th Floor China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong
Mr. LAU Wai Piu	c/o Maximus Consulting (Hong Kong) Ltd. Room 708, 7/F., Kornhill Plaza-Office Tower No. 1 Kornhill Road Quarry Bay Hong Kong
Mr. LIN Ching Yee Daniel	c/o Grant Thornton Hong Kong Limited Level 12 28 Hennessy Road Wanchai Hong Kong
Mr. WEI Kuo-chiang	c/o Department of Finance School of Business and Management The Hong Kong University of Science and Technology Clear Water Bay Kowloon Hong Kong

Name	Address
<i>Senior Management</i>	
Mr. ZHANG Xinjun	22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Mr. SUN Jianfeng	22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Mr. SUN Tong	22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Mr. LO Wai Ho	22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Mr. ZHANG Yibin	22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Mr. SHI Ping	22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Mr. KONG Weipeng	22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong

(b) Profiles of Directors and senior management

Executive Directors

Mr. LI Jianguo, aged 52, was appointed as an Executive Director of the Company on 13 January 2010 and a Deputy Chairman of the Board on 10 March 2010. He is also a member of the Strategic Development Committee of the Company. He has worked at the Group for over five years. Mr. Li holds a Doctorate Degree in Economics from Xi'an Jiaotong University. He has 23 years of experience in the securities industry. Mr. Li was a general manager of Henan Securities Co., Ltd. from 1992 to 1998. He joined Haitong Securities Co., Ltd. ("HSCL") in 1998 and served as the deputy general manager of HSCL from 1998 to 1999. Mr. Li was the vice president and the general manager of Fullgoal Fund Management Co., Ltd. from 1999 to 2008. Mr. Li has been the assistant to the general manager of HSCL and the

chairman of the board of directors of HTIH (formerly known as “Hai Tong (HK) Financial Holdings Limited”) since 2008 and the deputy chairman of the board of directors of HTIH since 9 August 2010.

Mr. LIN Yong, aged 45, was appointed as an Executive Director of the Company on 23 December 2009 and the Joint Managing Director of the Company on 10 March 2010. He has been a Deputy Chairman of the Board and the Managing Director of the Company as well as the Chief Executive Officer of the Group since 29 April 2011. He is also the Chairman of the Executive Committee as well as a member of the Strategic Development Committee of the Company. In addition, Mr. Lin is the chairman of the board of directors or a director of various subsidiaries of the Company and a responsible officer of Hai Tong Capital (HK) Limited and Haitong International Capital Limited under the SFO. He has worked at the Group for over five years. Mr. Lin holds a Doctorate Degree in Economics from Xi'an Jiaotong University and has over 20 years of experience in the investment banking industry. Mr. Lin joined HSCL in 1996 and was a general manager of the Investment Banking Department of HSCL from 2001 to 2007. He has been appointed as an assistant to general manager of HSCL with effect from 30 December 2014 and the chief executive officer of HTIH since 2007. He is responsible for the overall operation of HTIH and the business development of the Group. Mr. Lin also concurrently serves as a member of the advisory committee of the SFC. In 2006, Mr. Lin was named “2006 Top Ten Outstanding Young Person in Financial Sector in Shanghai” (2006年上海首屆十大金融傑出青年) and was honoured as the “2014 Shanghai Financial Industry Leader” (2014滬上金融行業領袖) in 2014. He acts as an adjunct professor in Management College of Xiamen University since 12 May 2010. Mr. Lin has been appointed as an independent non-executive director of Zhongsheng Group Holdings Limited (“Zhongsheng Group”) with effect from 31 March 2014, the shares of Zhongsheng Group are listed on the Stock Exchange.

Mr. POON Mo Yiu, aged 50, joined the Group in August 2008 and was appointed as an Executive Director of the Company on 1 July 2009. He is the Chief Operating Officer of the Group as well as a member of the Executive Committee of the Company. He is also a director of various subsidiaries of the Company. He has worked at the Group for over six years. Mr. Poon holds a Master of Business Administration Degree from The Chinese University of Hong Kong. He is a fellow of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and a member of the Institute of Chartered Accountants in England & Wales. Mr. Poon has extensive experience in financial management, management of information systems, accounting projects as well as various aspects of mergers and acquisitions. Prior to joining the Group, Mr. Poon worked for Sun Hung Kai & Co. Limited as the Group Chief Operating Officer and the Group Chief Financial Officer. He was also previously the Vice President in Finance of JPMorgan Chase Bank and the Group Financial Controller of Jardine Fleming Group in Asia before its merger with JPMorgan Chase Bank.

Mr. HUI Yee Wilson, aged 56, joined the Group in 1995 and was appointed as an Executive Director of the Company on 29 April 2011. He is the Director of Sales and Marketing for the Group as well as a member of the Executive Committee of the Company. In addition, Mr. Hui is the Managing Director of Haitong International Futures Limited and HTISCL. He is also a director of various subsidiaries of the Company and a responsible officer of Haitong International Futures Limited, HTISCL and Haitong International Consultants Limited under the SFO. Mr. Hui is responsible for the development and management of the Group's retail brokerage business. He has worked at the Group for over 19 years. Mr. Hui holds a Bachelor Degree in Economics and Management Studies from The University of Hong Kong. Before joining the Group, Mr. Hui possessed 14 years of experience in the banking and securities industries. He is currently a member of The Hong Kong Institute of Directors and the Hong Kong Securities Institute as well as a director of The Hong Kong Association of Online Brokers Limited.

Non-executive Directors

Mr. JI Yuguang, aged 57, was appointed as a Non-executive Director of the Company on 13 January 2010 and the Chairman of the Board on 29 April 2011. He is also the Chairman of the Nomination Committee and the Strategic Development Committee and a member of the Remuneration Committee of the Company. He has worked at the Group for over five years. Mr. Ji obtained a bachelor's degree in economics from Beijing Finance and Commerce College in July 1983 and graduated with a major in economy management as a postgraduate from Party School of Central Committee of CPC in June 1999. He has 32 years of experience in the finance and commerce industry. Mr. Ji had worked for Beijing Municipal Planning Economy Committee (currently known as "Beijing Municipal Commission of Development and Reform") for 6 years and Bank of Communications Beijing Branch for 8 years. Mr. Ji joined HSCL in 1995 and was the general manager of HSCL Beijing Langjiayuan Branch from 1995 to 1997. Mr. Ji has been the deputy general manager of HSCL since 1997 and a director of the Overseas Business Committee of HSCL since February 2011. In addition, Mr. Ji has been a director of HTIH since 9 August 2010 and the chairman of the board of directors of HTIH since 17 March 2011.

Mr. CHENG Chi Ming Brian, aged 32, joined the Group in June 2009 and was appointed as an Executive Director of the Company on 1 July 2009. He was re-designated as a Non-executive Director of the Company on 13 January 2010. Mr. Cheng is also a member of the Remuneration Committee and the Strategic Development Committee of the Company. He has worked at the Group for over five years. Mr. Cheng holds a Bachelor of Science Degree from Babson College in Massachusetts in the United States. Mr. Cheng is currently an executive director of NWS Holdings Limited, chairman and a non-executive director of Integrated Waste Solutions Group Holdings Limited, non-executive director of Newton Resources Ltd., Wai Kee Holdings Limited and Beijing Capital International Airport Company Limited. The shares of all these companies are listed on the Stock Exchange. Mr. Cheng is also a director of certain subsidiaries of NWS Holdings Limited. He is

mainly responsible for overseeing the infrastructure business and the merger and acquisition affairs of NWS Holdings Limited and its subsidiaries. In addition, Mr. Cheng is a director of Sino-French Holdings (Hong Kong) Limited, Sino-French Energy Development Company Limited, The Macao Water Supply Company Limited as well as a director of a number of companies in Mainland China. Mr. Cheng has previously worked as a research analyst in the Infrastructure and Conglomerates sector for CLSA Asia-Pacific Markets.

Ms. WANG Meijuan, aged 50, was appointed as a Non-executive Director of the Company on 1 September 2012 and is a member of the Audit Committee of the Company. She has worked at the Group for over two years. She holds a Bachelor Degree and a Master Degree from the Shanghai University of Finance and Economics. Ms. Wang is a senior accountant in the PRC and possesses the qualification of securities practitioner in the PRC. She has worked as a lecturer for the department of management engineering of the Shanghai Institute of Building Materials and the senior manager of Da Hua Certified Public Accountants Co. Ltd. Ms. Wang has over 14 years of experience in the securities industry. From May 2001 to June 2003, she worked respectively as the assistant to the general manager and the deputy general manager of the audit department of Haitong Securities Company Limited. After joining HSCL in July 2003, Ms. Wang has worked as the deputy general manager of the monitoring and audit department, the deputy general manager of the risk control headquarters and the chief inspector and the deputy general manager for risk control. Currently, Ms. Wang is respectively a director and the chief supervisor of Haitong Capital Investment Co., Ltd. and Haitong Futures Co., Ltd., the group companies of HSCL, and a member of the Brokerage Business Committee of HSCL and the general manager of the audit department of HSCL.

Mr. William CHAN, aged 49, was appointed as a Non-executive Director and a member of the Strategic Development Committee of the Company on 2 January 2015. He is also the Chief Executive Officer and Chief Investment Officer of Harveston Asset Management Pte. Ltd., a joint venture company of Haitong International Investment (Singapore) Pte. Ltd., an indirect wholly-owned subsidiary of the Company. He has worked at the Group for over three months. Mr. Chan was awarded a Master of Business Administration Degree from National University of Singapore and a Bachelor Degree in Shipbuilding from Dalian University of Technology in China. He is currently the investment director of Tze San Investment Pte Ltd and has extensive experience in equity and bond analysis, trading and portfolio construction, currency trading, distress investment, quantitative research and derivative trading. Mr. Chan previously worked for China Aviation Oil (Singapore) Pte Ltd as Head of Strategic Investment. He was also previously the Credit and Finance Manager of treasury department and financial risk unit for Asia Pacific of Dow Chemical Singapore.

Independent Non-executive Directors

Mr. TSUI Hing Chuen William JP, aged 63, was appointed as an Independent Non-executive Director of the Company on 1 July 2004 and is the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company. He has worked at the Group for over ten years. Mr. Tsui is the founder partner of Messrs. Lo, Wong & Tsui, Solicitors & Notaries since 1980. He has been a solicitor of the High Court of Hong Kong since 1977, a solicitor of the Supreme Court of England & Wales since 1980 as well as a barrister and solicitor of the Supreme Court of Victoria, Australia since 1983. He has also been an advocate and solicitor of the Supreme Court of Republic of Singapore since 1985 and a notary public appointed by the Archbishop of Canterbury, England since 1988. Mr. Tsui was appointed as a Justice of Peace by the Government of Hong Kong in 1997. He was admitted to the Roll of Honour of the Law Society of Hong Kong in 2013. Mr. Tsui is currently an independent non-executive director of International Entertainment Corporation, Mongolia Energy Corporation Limited and Vision Values Holdings Limited (formerly known as “New World Mobile Holdings Limited”). The shares of all these companies are listed on the Stock Exchange.

Mr. LAU Wai Piu, aged 51, was appointed as an Independent Non-executive Director of the Company on 1 December 2006 and is a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company. He has worked at the Group for over eight years. Mr. Lau is a member of the HKICPA and a fellow of the Association of Chartered Certified Accountants. He possesses over 20 years of extensive experience in accounting and financial management. Mr. Lau is currently an independent non-executive director of International Entertainment Corporation, Mongolia Energy Corporation Limited and Vision Values Holdings Limited (formerly known as “New World Mobile Holdings Limited”). The shares of all these companies are listed on the Stock Exchange.

Mr. LIN Ching Yee Daniel, aged 52, was appointed as an Independent Non-executive Director of the Company on 31 December 2012 and is the Chairman of the Audit Committee of the Company. He has worked at the Group for over two years. Mr. Lin graduated from the University of Oxford and obtained a Master of Arts in Engineering Science. He is a Certified Public Accountant (Practising) in Hong Kong and a member of the HKICPA and the Institute of Chartered Accountants in England and Wales. Mr. Lin is currently the managing partner of Grant Thornton Hong Kong Limited, a member firm of Grant Thornton International Ltd. During working in London of the United Kingdom and Hong Kong, he has gained over 29 years of experience in auditing, initial public offering, financial consulting and management and has been a partner in various large international accounting firms in Hong Kong. Mr. Lin is currently a member of the Professional Conduct Committee, the Audit Profession Reform Working Group, the Mainland Development Strategies Advisory Panel and the Convenor of the Editorial Advisory Group of the HKICPA.

Mr. WEI Kuo-chiang, aged 64, was appointed as an Independent Non-executive Director of the Company on 31 December 2012 and is a member of the Remuneration Committee of the Company. He has worked at the Group for over two years. He was awarded a Doctor of Philosophy Degree in Finance from the University of Illinois at Urbana-Champaign in the United States, a Master of Business Administration Degree in Finance from the National Chengchi University in Taiwan, and a Bachelor of Engineering Degree in Industrial Management from the National Taiwan University of Science and Technology. Mr. Wei is currently the Chair Professor of Finance and Director of Value Partners Center for Investing at the Department of Finance at The Hong Kong University of Science and Technology (“HKUST”). He previously acted as professor, associate professor and assistant professor of finance at a number of prestigious universities, including the University of Mississippi, the University of Miami and the Indiana University at Bloomington/Indianapolis in the United States as well as the HKUST, and also served as Director of the Center for Asian Financial Markets and Director of Master of Science (Financial Analysis)/(Investment Management) Programs at the HKUST for many years. Mr. Wei has written a number of research papers on issues such as the United States and Global Capital Markets and Pricing of Assets and he was also a column writer on Hong Kong stock market and warrant trading for Hong Kong Economic Journal for many years. Moreover, he assisted to develop wealth management and investment models for, among others, Hang Seng Bank Limited and The Hongkong and Shanghai Banking Corporation Limited and also organized and conducted a consultancy project for the Government of Hong Kong and Asia-Pacific Economic Cooperation. Mr. Wei has been a council member of the Chinese Finance Annual Meeting and the Global Chinese Real Estate Congress since 2004 and 2008 respectively.

Senior Management

Mr. ZHANG Xinjun, aged 39, joined the Group in April 2010 and was appointed as the Chief Financial Officer of the Group in September 2010. He is also a member of the Executive Committee of the Company as well as a director of various subsidiaries of the Company. He has worked at the Group for over five years. Mr. Zhang holds a postgraduate Master Degree in Management from the Department of Accounting of Nankai University. He is a Chinese Middle Grade Accountant and has extensive experience in financial accounting, finance management and merger and acquisition. Prior to joining the Group, Mr. Zhang worked at the Finance and Accounting Department of HSCL and has been the chief financial officer of HTIH since January 2008.

Mr. SUN Jianfeng, aged 38, joined the Group in 2010 and is responsible for the development and management of the Group’s corporate finance division and leveraged and acquisition finance division. He is also a member of the Executive Committee of the Company. In addition, Mr. Sun is a director of various subsidiaries of the Company as well as a responsible officer of Hai Tong Capital (HK) Limited and Haitong International Capital Limited under the SFO. He has worked at the Group for over four years. Mr. Sun holds a Master of Economics from Xi’an

Jiaotong University and is a chartered sponsor representative in the PRC equity market. He possesses extensive experience in the corporate finance industry. He participated and completed a number of IPOs in Hong Kong and China.

Mr. SUN Tong, aged 38, joined the Group in June 2010 and is a member of the Executive Committee of the Company, the head of the global market operations division of the Group, the Managing Director of HTISCL as well as a responsible officer of HTISCL and Haitong International Investment Services Limited under the SFO. He is currently mainly responsible for managing the equity derivatives and institutional sales businesses, and for assisting the Chief Executive Officer of the Group in promoting the concerted development of the fixed income, currency and commodity businesses along with other relevant departments of the Group. He has worked at the Group for over four years. Mr. Sun graduated with a Bachelor Degree in Computer Science from Nanjing Normal University and finished a Postgraduate Program of Finance at Shanghai Fudan University. He has 14 years of experience in the securities industry. Mr. Sun joined HSCL in 2000. He was the senior manager of the president office and the secretary to the president of HSCL from 2007 to April 2010. Mr. Sun has been the assistant general manager of HTIH since 2010 and is responsible for frontline business.

Mr. LO Wai Ho, aged 52, joined the Group in April 2004 and is the Finance Director of the Group, a member of the Executive Committee of the Company and a director of various subsidiaries of the Company. He is responsible for the financial management and accounting function of the Group. He has worked at the Group for over 11 years. From July 2012 to April 2014, Mr. Lo worked as the Company Secretary of the Company and the Group. He holds a Master of Business Administration Degree from Columbia Southern University in the United States and a Professional Diploma in Accountancy from The Hong Kong Polytechnic University. Mr. Lo has over 25 years of experience in the securities and futures industry. Prior to joining the Group, he has held senior positions in regional financial institutions in Hong Kong. Mr. Lo is a member of the Institute of Chartered Accountants in England and Wales and a member of the HKICPA.

Mr. ZHANG Yibin, aged 43, joined the Group in 2010 and is currently mainly responsible for the Group's asset management, private wealth management, research sales and overseas business development. He was appointed as the Managing Director of Hai Tong Asset Management (HK) Limited, Haitong International Asset Management Limited and Haitong International Investment Managers Limited in 2012. He is also a member of the Executive Committee of the Company and a responsible officer of Hai Tong Asset Management (HK) Limited, Haitong International Asset Management Limited and Haitong International Investment Managers Limited under the SFO. He has worked at the Group for over four years. Prior to joining the Group, Mr. Zhang worked at China Merchants Fund in Shenzhen, China as Head of International Business in 2009 and 2010. Mr. Zhang holds a Doctor of Philosophy Degree in Financial Economics from Duke University in the United States. Before relocating back to China, he worked at various financial services companies in New York, including Moody's KMV, UBS and Fitch Ratings.

Mr. SHI Ping, aged 45, joined the Group on 3 October 2012 and is responsible for the Group's corporate finance and related businesses. Mr. Shi has been appointed as a member of the Executive Committee of the Company since 11 November 2014. He is also a director of Hai Tong Capital (HK) Limited and a director as well as a responsible officer of Haitong International Capital Limited, both being subsidiaries of the Group. He has worked at the Group for over two years. Mr. Shi has over 22 years of experience in the investment banking industry. Prior to joining the Group, Mr. Shi had held senior positions at Standard Chartered Asia Limited, Cazenove Asia Limited and Standard Chartered Bank since 1992 and took a leading role in a dozen of overseas listings and merger and acquisition transactions for mainland enterprises, with a number of them being elected by authoritative journals as the Deal of The Year. Mr. Shi holds a Bachelor Degree in Economics from China Institute of Finance and a Master of Business Administration from Fudan University. Mr. Shi has chartered lawyer and CPA qualifications in the PRC.

Dr. KONG Weipeng, aged 39, joined the Group in July 2010. Dr. Kong currently serves as the Head of the Fixed Income, Currency and Commodities (FICC) Department of the Group. He has been appointed as a member of the Executive Committee of the Company since 11 November 2014. He has over 10 years of market experience in trading and investing of fixed income, currency and commodities. Before serving his current position, Dr. Kong was the Deputy Chief Investment Officer and responsible officer of Haitong International Asset Management Limited. He is currently a responsible officer of HTISCL and a director of various subsidiaries of the Company. Dr. Kong was among the key responsible persons of Haitong International Asset Management Limited for the first tranche of offshore Renminbi bond funds approved by the Hong Kong SFC. He has worked at the Group for over four years. Before joining the Group, Dr. Kong had worked as a proprietary trader at the New York headquarters of Bear Stearns and the chief fixed income strategist at Penghua Fund Management Co., Ltd. Dr. Kong holds a Doctorate Degree in Finance from The Pennsylvania State University in the United States and a Bachelor Degree in International Economics from Beijing University.

12. MISCELLANEOUS

This prospectus has been prepared in both English and Chinese. In the case of any discrepancies, the English texts shall prevail over their respective Chinese texts.

13. EXPENSES

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$34.48 million and will be payable by the Company.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto, among others, the written consent referred in the paragraph headed “Expert and Consent” in this appendix, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during business hours on any weekday (except Saturdays, Sunday and public holidays) at the principal place of business in Hong Kong of the Company at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong from the date of this prospectus until 15 May 2015:

- (a) the memorandum of association of the Company and the Bye-laws;
- (b) the annual reports of the Company for the three years ended 31 December 2012, 2013 and 2014, respectively;
- (c) the report on the unaudited pro forma financial information of the Group issued by Deloitte set out in Appendix II to this prospectus;
- (d) the material contracts disclosed in the section headed “Material Contracts” in this appendix;
- (e) the written consent from the expert as referred to in the section headed “Expert and Consent” in this appendix; and
- (f) this prospectus.