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HAITONG INTERNATIONAL SECURITIES GROUP LIMITED

海通國際證券集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 665)

ISSUANCE OF US\$700,000,000 4.2% GUARANTEED BONDS DUE 2020

The Board is pleased to announce that on 22 January 2015, the Issuer, the Company and the Managers entered into the Subscription Agreement in connection with the Bonds in the aggregate principal amount of US\$700,000,000.

The Issuer (an indirect wholly-owned subsidiary of the Company) will conduct an international offering of the Bonds to professional investors only. The Bonds will only be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. None of the Bonds and the Guarantee will be offered to the public in Hong Kong.

The proceeds from the Bonds are intended to be used primarily for general corporate purposes of the Group. The Company may adjust the foregoing plan in response to changing market conditions and thus, reallocate the use of proceeds.

A confirmation of the eligibility for the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company or the Bonds.

As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, prospective investors and Shareholders are advised to exercise caution when dealing in the securities of the Company.

SUBSCRIPTION AGREEMENT

Date: 22 January 2015

Parties:

- (1) the Issuer;
- (2) the Company; and
- (3) the Managers.

The Bonds and the Guarantee have not been and will not be registered under the Securities Act and shall not be offered or sold within the United States subject to certain exceptions. The Bonds will only be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. None of the Bonds and the Guarantee will be offered to the public in Hong Kong.

PRINCIPAL TERMS AND CONDITIONS

Bonds offered

Subject to satisfaction of conditions precedent to closing, the Issuer will issue the Bonds in the aggregate principal amount of US\$700,000,000. The Bonds will mature on 29 July 2020, unless previously redeemed, purchased or cancelled in accordance with the Terms and Conditions and the Trust Deed. At maturity, the Bonds will be redeemed at their principal amount.

Issue Price

The issue price of the Bonds will be 98.593 per cent of the principal amount.

Interest

The Bonds will bear interest from and including 29 January 2015 at the rate of 4.2 per cent. per annum, payable semi-annually in arrear on 29 July and 29 January in each year.

Ranking of the Bonds

The Bonds will constitute direct, unsubordinated, unconditional and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations. The obligations of the Company under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Redemption

Unless previously redeemed, purchased or cancelled, the Bonds will be redeemed at their principal amount on 29 July 2020. The Bonds may not be redeemed at the option of the Issuer other than in accordance with Condition 6.

In accordance with the Terms and Conditions, the Bonds may be redeemed in any of the following circumstances:

- (1) the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to the date fixed for redemption) in the event of certain changes or amendments affecting taxes of the British Virgin Islands, Bermuda or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations of such jurisdictions, which change or amendment becomes effective on or after 22 January 2015; and
- (2) at any time following the occurrence of a Change of Control (as defined in the Terms and Conditions), the holder of each Bond will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Bonds on the Put Settlement Date (as defined in the Terms and Conditions) at 101 per cent. of their principal amount, together with accrued interest up to but excluding such Put Settlement Date.

GUARANTEE

The Company will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed, as further described in Condition 3(b). The Company's obligations in respect of the Bonds and the Trust Deed will be contained in the Trust Deed (and any supplement thereto).

PROPOSED USE OF PROCEEDS

The proceeds from the Bonds are intended to be used primarily for general corporate purposes of the Group. The Company may adjust the foregoing plan in response to changing market conditions and thus, reallocate the use of proceeds.

LISTING AND RATING

A confirmation of the eligibility for the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company or the Bonds.

The Bonds are expected to be rated "BBB" by S&P. The Company has been assigned a corporate rating of "BBB" by S&P. These ratings reflect S&P's assessment of the likelihood of timely payment of the principal of and interest on the Bonds. The rating does not address the payment of any additional amounts and does not constitute a recommendation to buy, sell or hold the Bonds inasmuch as such rating does not comment as to market price or suitability for a particular investor.

There can be no assurance that the rating will remain in effect for any period or that the rating will not be suspended, upgraded, reduced or withdrawn by S&P in the future if, in their judgment, circumstances so warrant. Such rating should be evaluated independently of any other rating on the Bonds, on any other securities of the Issuer or the Company or on the Issuer or the Company.

GENERAL

As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, prospective investors and Shareholders are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors
“Bondholder”	holder of the Bonds
“Bonds”	US\$700,000,000 in aggregate principal amount of 4.2 per cent. guaranteed bonds due 2020 proposed to be issued by the Issuer
“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
“Condition”	the condition stipulated in the Terms and Conditions
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by the Company in relation to the Bonds
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	Haitong International Finance 2015 Limited, a BVI business company incorporated with limited liability in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Managers”	the managers in respect of the offer and sale of the Bonds, namely, Deutsche Bank AG, Singapore Branch, Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited and Huatai Financial Holdings (Hong Kong) Limited
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan area

“Securities Act”	the United States Securities Act of 1933, as amended
“S&P”	Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc.
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	a subscription agreement entered into amongst the Issuer, the Company and the Managers on 22 January 2015
“Terms and Conditions”	the terms and conditions of the Bonds, which are appended to the Trust Deed
“Trust Deed”	the trust deed proposed to be entered into amongst the Issuer, the Company and the Trustee in relation to the Bonds as amended or supplemented from time to time
“Trustee”	The Hongkong and Shanghai Banking Corporation Limited
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States

By order of the Board
Haitong International Securities Group Limited
LAU Yik Chi
Company Secretary

Hong Kong, 23 January 2015

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

* *Non-executive Directors*

** *Independent Non-executive Directors*