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MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The communication of this announcement and any other document or materials relating to the issue of the Bonds offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "**FSMA**"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, the Bonds offered hereby are only available to, and any investment or investment activity to which this announcement relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this announcement or any of its contents.



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)

PROPOSED ISSUANCE OF BONDS

The Company proposes to conduct an international offering of the Bonds to professional investors only. The proposed Bonds will only be offered outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. None of the Bonds will be offered to the public in Hong Kong.

As at the date of this announcement, the amount, terms and conditions of the Proposed Bonds Issuance have yet to be determined. Further announcement in respect of the Proposed Bonds Issuance will be made by the Company should the subscription agreement in respect of the Proposed Bonds Issuance be signed.

THE PROPOSED BONDS ISSUANCE

The Company proposes to conduct an international offering of the Bonds to professional investors only.

Completion of the Proposed Bonds Issuance is subject to, among other things, market conditions and investor interest. As at the date of this announcement, the amount, terms and conditions of the Proposed Bonds Issuance have yet to be determined. Further announcement in respect of the Proposed Bonds Issuance will be made by the Company should the subscription agreement in respect of the Proposed Bonds Issuance be signed.

The proposed Bonds will only be offered outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. None of the Bonds will be offered to the public in Hong Kong.

PROPOSED USE OF NET PROCEEDS

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

LISTING

The Company will seek a listing of the Bonds on the Stock Exchange. 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 Company or the Bonds.

GENERAL

As no binding agreement in relation to the Proposed Bonds Issuance has been entered into as at the date of this announcement, the Proposed Bonds Issuance may or may not materialise. Investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Bonds Issuance will be made by the Company should the subscription agreement in respect of the Proposed Bonds Issuance be signed.

DEFINITIONS

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

Board	the board of Directors
Bonds	the US\$-denominated bonds proposed to be issued by the Company
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
Director(s)	Director(s) of the Company
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
Proposed Bonds Issuance	the proposed issuance of the Bonds by the Company

Securities Act	the United States Securities Act of 1933, as amended
Stock Exchange	The Stock Exchange of Hong Kong Limited
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
LO Wai Ho
Company Secretary

Hong Kong, 9 July 2019

As at the date of this announcement, the Board comprises Mr. QU Qiuping (Chairman), Mr. LIN Yong (Deputy Chairman and Chief Executive Officer), Mr. LI Jianguo (Deputy Chairman), Mr. POON Mo Yiu, Mr. SUN Jianfeng, Mr. SUN Tong, Mr. CHENG Chi Ming Brian*, Ms. WANG Meijuan*, Mr. ZHANG Xinjun*, Mr. William CHAN*, Mr. TSUI Hing Chuen William**, Mr. LAU Wai Piu**, Mr. WEI Kuo-chiang**, Mr. WAN Kam To** and Ms. LIU Yan**.*

* *Non-executive Directors*

** *Independent Non-executive Directors*