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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)

VOLUNTARY ANNOUNCEMENT — PROPOSED ACQUISITION OF JAPANINVEST

PROPOSED ACQUISITION OF JAPANINVEST

The Board is pleased to announce that, following an approach from the Company to Japaninvest, the Company is engaged in discussions with Japaninvest in relation to a possible acquisition by the Company of the whole of the issued and to be issued ordinary share capital of Japaninvest.

The Company has proposed a final price of ¥18,000 per Japaninvest share to be paid in cash, representing a premium of 77.34% to the closing price of Japaninvest's shares of ¥10,150 on 29 October 2014. The Board is encouraged by the progress made to date in its initial discussions with Japaninvest.

To the best knowledge of the Board, Japaninvest is a leading independent research broker on Asia equities. It was founded in 2002 and is headquartered in London. Trading under the Ji ASIA brand, Japaninvest provides pan-Asia equity research, analysis and sales advice for the benefit of its global institutional client base through regulated subsidiaries in London, New York, San Francisco, Tokyo and Hong Kong. The shares of Japaninvest are listed on the Tokyo Stock Exchange.

The Board believes that the Offer has the potential to enhance the Group's brand recognition, enlarge its equities research and global sales platform, broaden its Greater China and global institutional investor client base and create synergies and commercial opportunities among different businesses within the combined platform. The Company is working with the management of Japaninvest to develop the strategy and outline business plan for Japaninvest should the Offer proceed.

Japaninvest management have indicated that they see significant potential in continuing to expand their Asia research product, particularly with respect to Chinese stocks, for the benefit of their global institutional client base.

Any decision of the Board to announce a firm intention to make the Offer will be conditional, inter alia, upon (i) agreement on the structure of the Offer; (ii) the unanimous recommendation of the Offer by the board of directors of Japaninvest to its shareholders; (iii) completion of satisfactory due diligence; (iv) no action or omission by or on behalf of Japaninvest that would or could lead to the loss of any of the regulatory licences granted to the subsidiaries of Japaninvest; and (v) agreement on arrangements to help retain and incentivise the executive directors of Japaninvest.

The Board reserves the right to waive any of these pre-conditions.

As required by Rule 2.6(a) of the Code, the Company is required, by not later than 5:00 p.m. on 26 November 2014, either to announce a firm intention to undertake a transaction in accordance with Rule 2.7 of the Code or announce that it does not intend to undertake a transaction, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline may only be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

As of the date of this announcement, no binding agreement has been entered into in respect of the Offer.

As the Company may or may not proceed to make the Offer, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Further announcement will be made by the Company in compliance with the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Code”	the UK’s City Code on Takeovers and Mergers
“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 of Hong Kong Limited
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Japaninvest”	Japaninvest Group plc, a company incorporated in England and Wales and the shares of which are listed on the Tokyo Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Offer”	a possible offer by the Company for the whole of the issued and to be issued ordinary share capital of Japaninvest
“Shareholders”	the holder(s) of ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Takeover Panel”	the UK’s Panel on Takeovers and Mergers
“UK”	United Kingdom of Great Britain and Northern Ireland
“¥”	Japanese Yen, the lawful currency of Japan

On Behalf of the Board
Haitong International Securities Group Limited
LAU Yik Chi
Company Secretary

Hong Kong, 29 October 2014

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. 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*