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Non-collateralised Structured Products
Launch Announcement for Warrants over Single Equities
to be issued by



Haitong International Securities Company Limited
海通國際證券有限公司
(incorporated with limited liability in Hong Kong)

Particulars of Warrants

We intend to issue the following Warrants:

Warrants Stock code	14033	14034	14036
Liquidity Provider broker ID	9732	9732	9732
Issue size	70,000,000 Warrants	70,000,000 Warrants	50,000,000 Warrants
Style	European style cash settled	European style cash settled	European style cash settled
Type	Call	Call	Call
Company	Kingsoft Corporation Ltd.	BYD Co. Ltd.	China Shenhua Energy Co. Ltd.
Shares	Existing issued ordinary shares of the Company	Existing issued ordinary H shares of the Company	Existing issued ordinary H shares of the Company
Board Lot	10,000 Warrants	5,000 Warrants	5,000 Warrants
Issue Price per Warrant	HK\$0.15	HK\$0.15	HK\$0.22
Exercise Price	HK\$22.38	HK\$46.05	HK\$18.18
Launch Date (for all series)	27 October 2016		
Issue Date (for all series)	2 November 2016		
Listing Date (for all series)	3 November 2016		
Expiry Date ¹	30 March 2017	26 February 2018	22 September 2017
Entitlement	1 Share(s)	1 Share(s)	1 Share(s)
Number of Warrant(s) per Entitlement	10 Warrant(s)	100 Warrant(s)	10 Warrant(s)
Implied Volatility*	63%	55%	55%
Effective Gearing*	4.38x	2.36x	3.32x
Gearing*	11.84x	3.43x	7.37x
Premium*	34.46%	18.77%	25.65%

* This data may fluctuate during the life of the Warrants and may not be comparable to similar information provided by other issuers of derivative warrants. Each issuer may use different pricing models.

¹ If such day is a Saturday, Sunday or public holiday in Hong Kong, the immediately succeeding day which is not a Saturday, Sunday or public holiday in Hong Kong.

How much will you receive at expiry?

You are not required to deliver any exercise notice and the Warrants will be automatically exercised on the Expiry Date if the Cash Settlement Amount is greater than zero. You will receive a Cash Settlement Amount per Board Lot in Hong Kong dollars calculated as follows (if positive):

For a series of call Warrants:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement} \times (\text{Average Price} - \text{Exercise Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

For a series of put Warrants:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement} \times (\text{Exercise Price} - \text{Average Price}) \times \text{one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

“**Average Price**” means the arithmetic mean of the closing prices of one Share (as derived from the daily quotation sheet of the Stock Exchange, subject to any adjustments to such closing prices as may be necessary to reflect any event as contemplated in Product Condition 3 such as capitalisation, rights issue, distribution or the like) in respect of each of the five Business Days immediately preceding the Expiry Date.

Listing of the Warrants

We will make an application to the Stock Exchange for listing of, and permission to deal in, the Warrants on the Stock Exchange.

Where do you obtain quotes?

You may request to obtain a quote for your Warrants by calling the following telephone number:

Liquidity Provider: Haitong International Securities Company Limited
Address: 22/F Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong
Telephone number: +852 2213 8088

Where can you inspect the relevant documents?

The following documents (“**Listing Documents**”), each in English and Chinese versions, are available for inspection until the Expiry Date at 22/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong:

- 1 our base listing document dated 27 April 2016 (as supplemented by an addendum dated 27 September 2016);
- 2 the supplemental listing document to be dated on or about 2 November 2016.

IMPORTANT INFORMATION

Unsecured nature of the Warrants

The Warrants constitute our general unsecured contractual obligations and of no other person. You are relying upon our creditworthiness and have no rights under the Warrants against the Company. If we become insolvent or default on our obligations under the Warrants, you may not be able to recover all or even part of the amount due under the Warrants (if any).

Issuer

We are licensed for types 1, 3 and 4 regulated activities by the Securities and Futures Commission.

We have not been assigned any ratings by any credit rating agencies.

Investment risk

The price of the Warrants may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. If the Cash Settlement Amount is less than or equal to zero, the Warrants will expire worthless on the Expiry Date.

We or the Liquidity Provider may be the only market participant for the Warrants. The secondary market for the Warrants may be limited.

You must:

- carefully study the risk factors set out in the relevant Listing Documents;
- fully understand the potential risks and rewards and independently determine whether the Warrants are appropriate for you given your objectives, experience, financial and operational resources, and other relevant circumstances; and
- consult with such advisers as you deem necessary to assist yourself in making these determinations.

Hong Kong, 27 October 2016