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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)

CONNECTED TRANSACTION

**COMPLETION OF ACQUISITION OF
HAITONG SECURITIES USA LLC AND HAITONG (UK) LIMITED**

Reference is made to the announcement of Haitong International Securities Group Limited (the "Company") dated 15 December 2017 (the "Announcement") in relation to the acquisition of Haitong USA Membership Interests and Haitong UK Sale Shares. Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that according to the Share Purchase Agreements, the parties completed settlement of the Sale Interests on 23 February 2018, and the acquisitions of Haitong USA and Haitong UK by the Company were completed on the same day. Following Completion, Haitong USA and Haitong UK have become indirect wholly-owned subsidiaries of the Company.

Further information on Haitong USA and Haitong UK

Haitong Bank has invested over USD13 million (equivalent to HKD101,660,000.00) and GBP131 million (equivalent to HKD1,423,970,000.00) in establishing and operating its USA and UK franchise, respectively, as follows:

- 1) the initial capital of Haitong USA at its incorporation on 30 September 2015 was USD300,000.00 (equivalent to HKD2,346,000.00). The initial capital was increased by Haitong Bank (formerly known as Banco Espirito Santo de Investimento S.A.) in 2016 amounting to an aggregate of USD13,438,443.20 (equivalent to HKD105,088,625.83) by way of cash of USD10,000,000.00 (equivalent to HKD78,200,000.00) and contribution in kind in the amount of USD3,438,443.20 (equivalent to HKD26,888,625.83); and
- 2) the capital of Haitong UK on the date of its acquisition by Haitong Bank on 30 November 2010 was GBP50,065,447.00 (equivalent to HKD544,211,409.00). Further, prior to Haitong UK was acquired by Haitong International Holdings on 7 September 2015, an aggregate of GBP51,533,595.00 (equivalent to HKD560,170,177.65) were made by

Haitong Bank.

On 7 September 2015, Haitong UK was acquired by Haitong International Holdings, as part of the acquisition of Haitong Bank from Novo Banco, S.A.. The book value of Haitong UK at that time was approximately GBP11,757,533.77 (equivalent to HKD127,804,392.08). Further investments by Haitong Bank have been made in 2015 (after 7 September 2015) and 2017 in aggregate of GBP29,980,000.00 (equivalent to HKD325,882,600.00).

For the purposes of this announcement, the exchange rates of USD1 = HKD7.82 and GBP1 = HKD10.87 have been used, where applicable, for purpose of illustration only and do not constitute a representation that any amounts have been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.

By order of the Board
Haitong International Securities Group Limited
LIN Yong
Deputy Chairman and Chief Executive Officer

Hong Kong, 23 February 2018

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. 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*