

Announcement on Valuation of Residual Value

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Non-Collateralised Structured Products



Notice of Valuation of Residual Value of European Style (Cash Settled) Category R Callable Bull/Bear Contracts (the CBBCs)

issued by

Haitong International Securities Company Limited

(incorporated with limited liability in Hong Kong)

Terms not defined in this notice have the same meaning as defined in the general conditions and the product conditions of the CBBCs (together, the Conditions).

Haitong International Securities Company Limited (the Issuer) announces that under the Conditions, following the occurrence of a mandatory call event (MCE) in respect of the CBBCs described in the table below in the pre-opening session, the continuous trading session or the closing auction session (as the case may be) of the Stock Exchange at the time (MCE time) and on the date (MCE date) specified in the table below, the Residual Value in respect of the CBBCs has been determined as follows:

Stock Code	Type	MCE Date	MCE Time	Underlying	Issue Size (CBBCs)	Divisor	Index Currency Amount (HK\$)	Board Lot (CBBCs)	Strike Level	Maximum/Minimum Index Level	Residual Value per Board Lot (HK\$)
64337	Bear	11 Aug 2020	13:10:10	Hang Seng Index	300,000,000	10,000	1	10,000.00	25,100.00	25,031.57	68.430

In respect of each board lot of CBBCs, the residual value is an amount in Hong Kong dollars calculated by the Issuer in accordance with the following formula:

For Bull CBBCs

$$\text{Residual Value per Board Lot} = \frac{(\text{Minimum Index Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

For Bear CBBCs

$$\text{Residual Value per Board Lot} = \frac{(\text{Strike Level} - \text{Maximum Index Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

Subject to the occurrence of a settlement disruption event, all holders will receive the residual value (net of any exercise expenses) (if any) no later than 17 August 2020, which is three CCASS settlement days following the end of the MCE valuation period.

Haitong International Securities Company Limited

12 August 2020