

Haitong Securities Co. Ltd. reports interim 2020 results

The ultimate shareholder of Haitong Bank remained highly profitable despite the Covid-19 pandemic in the first half of 2020. The net profit of EUR 690mn was in line with the historical high of 1H19.

2020 1H Performance Highlights

- **Total revenue: RMB 25.9bn(EUR 3.3bn); -0.37% YoY**
- **Profit before income tax: RMB 7.8bn (EUR 0.98bn); -2.30% YoY**
- **Net profit: RMB 5.48bn (EUR 690mn) vs. RMB 5.53bn (EUR 707mn) in 1H19; -0.78% YoY**
- **Total assets: RMB 581bn (EUR 85.8bn); +7.03% YoY**

Nota: Exchange rate of EUR/RMB 7.95 as of June 30th, 2020.

Financials

The ultimate shareholder of Haitong Bank – Haitong Securities Co. Ltd. (“Haitong Securities”) – reported a first-half 2020 Net Income of RMB 5.48bn (EUR 690mn) vs. RMB 5.53bn (EUR 707mn) in the first half of 2019. Profit before income tax was RMB 7.8bn, the second best compared to the historical high of 1H19. Total revenue of RMB 25.9bn (-0.37% YoY) was particularly favored by the strong growth of 18.4% in commissions and fees income.

During the first half of 2020, the wealth management customer base increased by 8.5% YoY to 12.46 million customers with 11.6% growth in assets’ balance to RMB 2.05 trillion. Stocks and funds trading activities in Chinese exchanges advanced 28.3% YoY and contributed with 26.4% YoY growth in Haitong Securities trading volume in 1H20.

Capital markets’ activities advanced despite challenging pandemic conditions and Haitong Securities was ranked third in equity financing business in China. Debt capital markets activity was particularly strong in mainland China and Haitong Securities had the best historical performance with 26% growth in debt underwriting activity. In Asian G3 High-yield Corporate

Bond Issuance Market (excluding Japan), Haitong International was the first in underwriting deals and third in underwriting volume.

As one of the strongest Chinese player in international markets, Haitong Securities' overseas business income increased 0.9% YoY to RMB 8.4bn (32% of total income).

In the first half of 2020, under the guidance of the overall strategy, the Company adhered to prudent operations, focused on main development line, enhanced business collaboration and reinforced Group management and control, upheld the customer-centric concept in the context of complex domestic and overseas macro environments.

Capital

On August 6th, 2020 Haitong Securities has completed a RMB 20bn (EUR 2.4bn) share capital increase following a private placement of shares.

Haitong Bank's parent company has issued 1,562,500,000 A Shares to be listed in the Shanghai Stock Exchange.

The EUR 2.4bn additional capital will allow Haitong Securities to continue growing as one of the leading investment banks and securities firms in China and a first-mover Chinese securities firm providing a wide range of services in global markets.

Haitong Securities is a listed company in the Shanghai and Hong Kong Stock Exchanges, with a total market cap of RMB 165.45bn, equivalent to EUR 20.45bn.

About Haitong Securities

Haitong Securities has an outstanding comprehensive financial platform ranking at the top 3 brokerage and financial companies in China. The Group's branch network covers six international financial centres in New York, London, Tokyo, Shanghai, Singapore, and Hong Kong. As at the end of the Reporting Period, the Group had 344 securities and futures branches (including 304 securities branches and 40 futures branches) spanning across 30 provinces, municipalities, and autonomous regions in the PRC. The Company also established branches and subsidiaries in 14 countries and regions in five continents (Asia, Europe, North America, South America, and Oceania). With a nationwide branch network and a strategic international presence, the Group has built a large and stable customer base. As at the end of the Reporting Period, the Group had approximately 17 million domestic and overseas customers.

By acquisition and consolidation of Haitong International and Haitong Bank, and establishment of a branch in Shanghai Free Trade Zone ("FTZ"), the Group has established an industry-leading international business platform and hence acquired the first-mover advantages in the Asian-Pacific region, as well as the forward-looking strategic reserve in Europe and the United States.

For further information please contact AMP

Associates:

João Costa Pereira

+ 351 211 921 396 / +351 927 489 394

jcp@ampassociates.pt

www.ampassociates.pt