

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Haitong International Securities Group Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

A copy of each of the Prospectus Documents, together with the document specified in the paragraph headed “Documents delivered to the Registrar of Companies” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Stock Exchange, the Securities and Futures Commission of Hong Kong nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of these documents.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed “Warning of the Risks of Dealing in Shares and Nil-Paid Rights Shares” in the “Letter from the Board” in this Prospectus.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

**Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.**

**Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which Haitong International Securities Group Limited will not accept any liability.**

The attention of Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding Shares on behalf of beneficial owners of Shares with such addresses is drawn to the paragraph headed “Letter from the Board — Rights of the Overseas Shareholders” in this Prospectus.

**This Prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdictions in which such offer, solicitation or sale would be unlawful.**

The information provided in this Prospectus is purely for information purposes, and no information in this Prospectus should be considered to be business, financial, legal or tax advice regarding an investment in the Rights Shares (in both nil-paid and fully-paid forms) and/or the Shares.

Capitalised terms used herein shall have the same meanings as those defined in this Prospectus, unless otherwise stated.



**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)**

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TEN (10) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;  
AND  
(2) POSSIBLE ADJUSTMENTS TO OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME**

The Rights Issue will be made on a non-underwritten basis. Pursuant to the bye-laws of the Company, the Companies (WUMP) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue and there is no minimum amount to be raised under the Rights Issue. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced.

The Rights Issue is subject to fulfillment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board — Conditions of the Rights Issue” in this Prospectus. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in Shares and/or nil-paid Rights Shares up to the date on which the Rights Issue has become unconditional should be aware of the risk that the Rights Issue may not proceed and are advised to exercise caution.

Details on the expected timetable for the Rights Issue are set out in the section headed “Expected timetable” in this Prospectus. The procedures for acceptance and payment and/or transfer of the nil-paid Rights Shares are set out in the section headed “Letter from the Board — the Rights Issue — Procedure for acceptance, payment and transfer” in this Prospectus. Shareholders and potential investors are recommended to consult their professional advisers if in doubt.

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## NOTICES

### **NOTICE TO THE PRC SOUTHBOUND TRADING INVESTORS**

The PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through China Connect; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for Excess Rights Shares under the Rights Issue through China Connect.

In addition, the PRC Southbound Trading Investors (or the relevant China Clear participants, as the case may be) whose stock accounts in China Clear are credited with nil-paid Rights Shares can sell those nil-paid Rights Shares through China Connect only until after the Company completes its filing with the CSRC in accordance with the CSRC Notice but cannot purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors. For the avoidance of doubt, the Company will comply with the relevant filing requirements stipulated in the CSRC Notice.

### **NOTICE TO INVESTORS IN MACAU**

The nil-paid Rights Shares and the Rights Shares are not required to be registered with the Macau Monetary Authority or with any other authority under the laws and regulations of Macau and this Prospectus may be despatched to Overseas Shareholders with registered addresses in Macau without any restrictions.

### **NOTICE TO INVESTORS IN THE UNITED KINGDOM**

None of the PAL, EAF, the nil-paid rights, the fully-paid rights or the Rights Shares are being offered in the United Kingdom and may not be offered, sold, resold, taken up, exercise, renounced, transferred or delivered, directly or indirectly, in or into the United Kingdom.

Neither this Prospectus nor the PAL, EAF constitutes, or will constitute, or forms or will form, part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or acquire nil-paid rights, fully-paid rights or Rights Shares to any person with a registered address, or who is located in the United Kingdom.

No purported acceptance of the terms of the Rights Issue by a Shareholder with a registered address in the United Kingdom will be valid and the Company reserves the right (in its absolute discretion) to treat as invalid any application for Rights Shares under the Rights Issue if it appears to the Company or its agents that such application may violate applicable legal or regulatory requirements.

## EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

<b>Events</b>	<b>Hong Kong Date and Time 2023</b>
Record Date for determining entitlements under the Rights Issue .....	Thursday, 25 May
Despatch of the Prospectus Documents (including the PAL, EAF and Prospectus) (in case of the Non-Qualifying Shareholders, the Prospectus only) on the Prospectus Posting Date .....	Monday, 29 May
First day of dealings in nil-paid Rights Shares .....	Wednesday, 31 May
Latest time for splitting of nil-paid Rights Shares .....	4:30 p.m. on Friday, 2 June
Last day of dealings in nil-paid Rights Shares .....	Wednesday, 7 June
Latest Time for Acceptance of and payment for Rights Shares and application and payment for Excess Rights Shares.....	4:00 p.m. on Monday, 12 June
Announcement of the results of the Rights Issue .....	Wednesday, 21 June
Despatch of Share certificates for the fully-paid Rights Shares and/or refund cheques on or before.....	Friday, 23 June
First day of dealings in fully-paid Rights Shares .....	Monday, 26 June
Designated broker starts to stand in the market to provide matching services for odd lots of Shares .....	9:00 a.m. on Monday, 26 June
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares .....	4:00 p.m. on Friday, 14 July

All times as stated above refer to Hong Kong local times. Dates specified above are indicative only and may be varied by the Company. If there is any change to such indicative timings, an announcement will be made by the Company as and when appropriate.

<b>EXPECTED TIMETABLE</b>
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**EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES**

The latest time for acceptance of and payment for Rights Shares and application and payment for Excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, a “black” rainstorm warning signal and/or extreme conditions caused by a super typhoon is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 12 June 2023. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 12 June 2023. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares does not take place on Monday, 12 June 2023, the dates mentioned in the timetable section above may be affected. The Company will notify the Shareholders by way of announcement of any change to the timetable as soon as practicable.

## DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 28 March 2023 regarding, among other things, the Rights Issue
“Beneficial Owner(s)”	beneficial owner(s) whose Shares are registered in the name of a Registered Shareholder
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which “extreme conditions” caused by a super typhoon or a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“CCASS”	the Central Clearing and Settlement System operated by HKSCC
“China Clear”	China Securities Depository and Clearing Corporation Limited
“China Connect”	Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Haitong International Securities Group Limited (stock code: 665), an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“CSRC”	China Securities Regulatory Commission
“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No. 21)
“Director(s)”	the director(s) of the Company

## DEFINITIONS

“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders to apply for Excess Rights Shares
“Excess Rights Shares”	any Rights Shares provisionally allotted but not subscribed for prior to the Latest Time for Acceptance, any entitlements not provisionally allotted to any Non-Qualifying Shareholders, and any Rights Shares created from the aggregation of fractional entitlement of Rights Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSCL”	Haitong Securities Co., Ltd., a joint stock limited company incorporated in the PRC with limited liability whose overseas listed foreign invested shares are listed on the Main Board of the Stock Exchange (stock code: 6837) and its domestic listed shares are listed on the Shanghai Stock Exchange (stock code: 600837) and the holding company of HTIH
“HTIH”	Haitong International Holdings Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of HSCL and the controlling shareholder of the Company, holding approximately 67.92% of the issued share capital of the Company as at the Latest Practicable Date
“HTISCL”	Haitong International Securities Company Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities within the meaning of the SFO
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means a Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the Beneficial Owner’s Shares with a CCASS participant

## DEFINITIONS

“Irrevocable Undertaking”	the irrevocable undertaking executed by HTIH, the controlling shareholder of the Company, pursuant to which HTIH irrevocably undertook to the Company that its assured entitlements to Rights Shares will be taken up in full
“Last Trading Day”	Tuesday, 28 March 2023, being the date of the Announcement and the last full trading day of the Shares on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Practicable Date”	Monday, 22 May 2023, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 12 June 2023, or such other time and date as the Company may determine, being the latest time and date for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Macau”	the Macau Special Administration Region of the PRC
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making reasonable enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions or prohibitions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in such jurisdictions
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“PRC”	the People’s Republic of China
“PRC Southbound Trading Investor(s)”	the PRC investor(s) who hold Shares through China Clear as nominee under the China Connect



## DEFINITIONS

“Prospectus”	the prospectus to be issued by the Company in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF to be issued by the Company
“Prospectus Posting Date”	Monday, 29 May 2023, or such other date as the Company may determine, for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Thursday, 25 May 2023, or such other date as the Company may determine, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registered Shareholder”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of Shares in which the Beneficial Owner is beneficially interested
“Registrar”	Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, being the Company’s branch share registrar and transfer office in Hong Kong
“Rights Issue”	the issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of three (3) Rights Shares for every ten (10) existing Shares held on the Record Date at the Subscription Price
“Rights Share(s)”	the new Shares to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share Option(s)”	the total of 43,885,001 outstanding share options to subscribe for 43,885,001 Shares granted under the Share Option Scheme

## DEFINITIONS

“Share Option Scheme”	the share option scheme adopted by the Shareholders on 8 June 2015
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal par value of HK\$0.10
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.65 per Rights Share under the Rights Issue
“%”	per cent.



**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)**

**Board of Directors:**

***Executive Directors***

Mr. LIN Yong *JP* (Deputy Chairman and  
Chief Executive Officer)

Mr. LI Jianguo (*Deputy Chairman*)

Mr. POON Mo Yiu

Mr. SUN Jianfeng

Mr. SUN Tong

***Non-executive Directors***

Mr. LI Jun (*Chairman*)

Mr. CHENG Chi Ming Brian

Mr. ZHANG Xinjun

***Independent Non-executive Directors***

Mr. WAN Kam To *MH*

Mr. LIU Swee Long Michael

Mr. ZHANG Huaqiao

Ms. LEE Man Yuen Margaret

**Registered Office:**

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

**Principal Place of Business  
in Hong Kong:**

22nd Floor

Li Po Chun Chambers

189 Des Voeux Road Central

Hong Kong

29 May 2023

*To the Qualifying Shareholders,*

Dear Sir or Madam,

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS  
SHARES FOR EVERY TEN (10) EXISTING SHARES HELD ON THE  
RECORD DATE ON A NON-UNDERWRITTEN BASIS;**

**AND**

**(2) POSSIBLE ADJUSTMENTS TO OUTSTANDING SHARE OPTIONS  
UNDER THE SHARE OPTION SCHEME**

**INTRODUCTION**

Reference is made to the Announcement in relation to, among other things, the Rights Issue.

## LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with further information on the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, and certain financial and general information of the Group.

### THE RIGHTS ISSUE

Under the Rights Issue, the Company proposes to raise gross proceeds of up to (i) approximately HK\$1,295,104,900 before expenses by way of the issue of 1,992,469,077 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$1,303,662,475 by way of the issue of 2,005,634,577 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options), at the Subscription Price of HK\$0.65 per Rights Share on the basis of three (3) Rights Shares for every ten (10) existing Shares held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

The principal terms of the Rights Issue are as follows:

#### Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every ten (10) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.65 per Rights Share
Number of Shares in issue on the Record Date	:	6,641,563,594 Shares
Indicative maximum number of Rights Shares to be issued under the Rights Issue (assuming the Rights Issue is fully subscribed)	:	1,992,469,077 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) or 2,005,634,577 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options)
Indicative maximum number of total issued Shares as enlarged by the Rights Issue (assuming the Rights Issue is fully subscribed)	:	8,634,032,671 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) or 8,691,083,172 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)

## LETTER FROM THE BOARD

- Indicative maximum amount : Approximately HK\$1,295,104,900 (assuming no to be raised before change in the number of Shares in issue on or expenses (assuming the before the Record Date and that no new Shares Rights Issue is fully (other than the Rights Shares) will be allotted and subscribed) issued on or before completion of the Rights Issue) or approximately HK\$1,303,662,475 (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
- Right of excess applications : Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotments

The Rights Shares proposed to be issued pursuant to the Rights Issue represent approximately 30% of the issued share capital of the Company as at the Latest Practicable Date and will represent approximately 23.08% of the issued share capital of the Company as enlarged by the issue of the Rights Shares.

### **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders and aggregated fractions of Rights Shares will be made available for excess application under the EAFs. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

**Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the final size of the Rights Issue.**

### **The Subscription Price**

The Subscription Price of HK\$0.65 per Rights Share is payable in full upon the acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon an application of Excess Rights Shares.

## LETTER FROM THE BOARD

The Subscription Price represents:

- (i) no discount or premium to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 0.31% to the average closing price per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.652 per Share;
- (iii) a discount of approximately 2.11% to the average closing price per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.664 per Share;
- (iv) no discount or premium to the theoretical ex-rights price of approximately HK\$0.65 per Share based on the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 79.17% to the latest published audited consolidated net asset value per Share as at 31 December 2022 of approximately HK\$3.12 as disclosed in the annual report of the Company for the year ended 31 December 2022; and
- (vi) a nominal theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.0708%, represented by a nominal discount of the theoretical diluted price of approximately HK\$0.6515 per Share to the benchmarked price of approximately HK\$0.652 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.65 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days preceding the Last Trading Day of approximately HK\$0.652 per Share) assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue.

The Subscription Price was determined by the Company with reference to the recent market price of the Shares under the prevailing market conditions, the assets and financial positions of the Group and intended fund raising size for the exercise. The Subscription Price equals to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Trading Day and represents a discount of approximately 2.11% to the average closing price per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day. Notwithstanding that the Subscription Price represents a discount of approximately 79.17% to the latest published audited consolidated net asset value per Share as at 31 December 2022, the closing price of the Shares ranged between HK\$0.57 and HK\$1.36 per Share in the past 12 months prior to the Last Trading Day and the Shares have been consistently traded at a substantial discount of not less than 70% to the audited consolidated net asset value per Share for more than 12 months prior to the Last Trading Day. In determining the basis for the Rights Issue, the Board considered that the Subscription Price being set close to the

## LETTER FROM THE BOARD

prevailing market price for the Shares will help to minimize potential dilution to the Shareholders' interests by reducing the number of Rights Shares needed to be issued to achieve the same amount of capital raised at a lower subscription price. The theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of 0.0708% is nominal based on the terms of Rights Issue.

The Rights Issue will allow Qualifying Shareholders the opportunity to (i) support the Group and participate in its future development while maintaining their proportional shareholdings in the Company and/or (ii) apply by way of excess application for additional Rights Shares in excess of their assured entitlements, in addition to the flexibility to sell off some or all of their rights entitlements in the open market (subject to the market demand) and realise the cash value therefrom should they so choose.

Upon taking into account the factors above and the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue and the Use of Proceeds" below, the Directors believe that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Basis of provisional allotment**

The basis of provisional allotment of Rights Shares will be three (3) Rights Shares (in nil-paid form) for every ten (10) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL (in accordance with the instructions printed thereon) and lodging the same with a remittance for the Rights Shares being applied for with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Monday, 12 June 2023.

Qualifying Shareholders who take up their pro rata assured entitlement in full will not suffer any dilution to their interests in the Company apart from any nominal dilution resultant from the non-issuance of fractional Rights Shares.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company the record dates of which fall on or after the date of issue of the fully-paid Rights Shares.

## LETTER FROM THE BOARD

### **The Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. Shareholders, who are not Non-Qualifying Shareholders, having a registered address in Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will qualify for the Rights Issue.

Shareholders whose Shares are held by a nominee (or held through CCASS) should note that the Board will regard such nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee(s) (or held through CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to Thursday, 18 May 2023.

In order to be registered as a member of the Company by the Record Date, all transfer documents for Shares (together with the relevant share certificate(s)) must be lodged for registration with the Registrar by no later than 4:30 p.m. on Thursday, 18 May 2023. The last day for dealing in Shares on a cum-rights basis was Tuesday, 16 May 2023, and the Shares were dealt with on an ex-rights basis starting from Wednesday, 17 May 2023.

Holders of Share Options who wish to participate in the Rights Issue should exercise their Share Options in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares so allotted and issued to them pursuant to such exercise with the Company on or before Thursday, 18 May 2023.

### **The Non-Qualifying Shareholders**

The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. Accordingly, no provisional allotment of Rights Shares will be made to the Non-Qualifying Shareholders and Non-Qualifying Shareholders will not be entitled to apply for Rights Shares.

Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders will be made available for excess application by the Qualifying Shareholders under the EAFs.

The Company would, to the extent permitted under the relevant laws and regulations and reasonably practicable, send copies of this Prospectus to the Non-Qualifying Shareholders for their information only but would not send the PAL or EAF to them.

### **Rights of PRC Southbound Trading Investors**

The PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through China Connect; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance



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with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for Excess Rights Shares under the Rights Issue through China Connect.

In addition, the PRC Southbound Trading Investors (or the relevant China Clear participants, as the case may be) whose stock accounts in China Clear are credited with nil-paid Rights Shares can sell those nil-paid Rights Shares through China Connect only until after the Company completes its filing with the CSRC in accordance with the CSRC Notice but cannot purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors. For the avoidance of doubt, the Company will comply with the relevant filing requirements stipulated in the CSRC Notice.

The PRC Southbound Trading Investors should consult their intermediary (including brokers, custodians, nominees or China Clear participants) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions to such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.

The Board was advised that, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through China Connect, or such person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

### **Rights of the Overseas Shareholders**

Based on the register of members of the Company on the Record Date, there were 3 Shareholders with registered addresses situated in the United Kingdom and Macau.

If, at the close of business on the Record Date, a Shareholder’s address on the Company’s register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue as explained below. The Prospectus Documents will not be filed or registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Board notes the requirements specified in the notes to Rule 13.36(2)(a) of the Listing Rules, and has made reasonable enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders present on the Record Date. The Company has sought legal advice that under the applicable legislations of Macau, there is no legal or regulatory prohibition or restriction or requirement of any regulatory body or stock

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exchange with respect to extending the Rights Issue to the Overseas Shareholders in such jurisdiction. Accordingly, the Rights Issue will be extended to the Overseas Shareholders having registered addresses in Macau and such Overseas Shareholders are regarded as Qualifying Shareholders.

The Company has sought legal advice, given the practical difficulty in ascertaining the qualifications of the relevant Shareholders for the exemptions and the risks and consequences of violating the local securities regulations if such exemptions are unavailable when the Prospectus Documents is issued to the Shareholders with registered addresses in the United Kingdom and the impracticality of fully complying with the local approval requirements as a regulated securities offering in view of the time, costs and steps involved, the Board has decided that it would be necessary and expedient not to offer the Rights Shares (in their nil-paid and fully-paid forms) to Overseas Shareholders with registered addresses in the United Kingdom. Accordingly, any Shareholder(s) whose address(es) as shown on such register of members of the Company at the close of business on the Record Date is/are in the United Kingdom are regarded as Non-Qualifying Shareholders and excluded from the Rights Issue.

The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send copies of this Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the PAL or EAF to them.

**The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted. Accordingly, Overseas Shareholders and transferees of Shares who are residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.**

### **No fractional entitlement to the Rights Shares**

The Company will only allot Rights Shares for integral multiples of every 10 Shares held by Qualifying Shareholder on the Record Date and will not provisionally allot fractional entitlements of Rights Shares in nil-paid form. All fractional entitlements of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and made available for excess application by Qualifying Shareholders under the EAFs.

### **Odd lot arrangement**

In order to facilitate the trading of odd lots of the Rights Shares arising from the Rights Issue, the Company has appointed HTISCL (a wholly-owned subsidiary of the Company) as a designated broker to match the purchase and sale of odd lots of the Shares at the relevant market price per Share from 9:00 a.m. on Monday, 26 June 2023 to 4:00 p.m. on Friday, 14 July 2023 (both dates inclusive) on a best effort basis.

Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot, may directly or through their brokers,

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contact Mr. Andrew YEUNG of HTISCL at 22/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong (telephone number: (852) 2213 8617) during office hours (i.e. 9:30 a.m. to 4:00 p.m.) of such period. Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

### **Procedures for acceptance, payment and transfer**

#### *Action to be taken by Qualifying Shareholders*

##### *Subscription for all Rights Shares provisionally allotted*

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown thereon. If a Qualifying Shareholder(s) wish(es) to take up his/her/their right to subscribe for any or all the Rights Shares provisionally allotted to him/her/them as specified in the PAL, he/she/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Haitong International Securities Group Limited — PAL**" and crossed "**Account Payee Only**".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by Latest Time for Acceptance, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be made available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged but may, at its absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedures to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately upon receipt and any interests earned on such monies will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

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If the conditions of the Rights Issue are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the nil-paid Rights Shares have been validly transferred) without interest, by means of cheques to be despatched by ordinary post to their registered addresses, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members or the transfer form, at their own risk.

### *Transfer and “Splitting” of nil-paid Rights Shares*

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation no later than 4:30 p.m. on Friday, 2 June 2023 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as “splitting” the nil-paid Rights Shares.

Having “split” the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the registration information in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar by no later than the Latest Time for Acceptance.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

### **Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS)**

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder, or sell the respective nil-paid Rights Shares or

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“split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed “Expected Timetable” of this Prospectus in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

### **Action to be taken by Beneficial Owners holding interests in Shares through CCASS**

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in nil-paid Rights Shares should be dealt with.

### **Application for Excess Rights Shares**

All Qualifying Shareholders are entitled to apply by way of excess application under the EAFs for additional Rights Shares in excess of their assured entitlements.

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The pool of Excess Rights Shares will comprise:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders; and
- (iii) any Rights Shares resulted from (i) the aggregation of fractional entitlements of Rights Shares not provisionally allotted to the Qualifying Shareholders; and (ii) Rights Shares which would otherwise be allotted but for the scaling-down of EAFs (as described in the section headed “Scaling-down of EAFs” below).

### **Basis of allocation of Excess Rights Shares**

The Company will allocate the Excess Rights Shares at its discretion on a fair and equitable basis as far as practicable on the following principles (subject to the scaling-down of EAFs described in the section headed “Scaling-down of EAFs” below):

- (i) if there are insufficient Excess Rights Shares to satisfy all EAFs, Excess Rights Shares will be allocated on a pro rata basis by reference to the number of Excess Rights Shares applied for in the relevant EAFs;
- (ii) otherwise, Excess Rights Shares will be allocated in full in accordance with number of Excess Rights Shares applied for in the relevant EAFs.

For the avoidance of doubt, in applying the principles above, reference will only be made to the number of Excess Rights Shares being applied for in the relevant EAFs, and no reference will be made to the Rights Shares comprised in applications through PAL or the existing number of Shares held by the relevant Qualifying Shareholders; and no preference will be given to applications for topping up odd lots.

**Important notice to Beneficial Owners:** Shareholders whose Shares are held by a nominee (or held through CCASS) should note that the Board will regard such nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the aforesaid arrangement for allocation of Excess Rights Shares by the Company may not be extended to the Beneficial Owners individually. Beneficial Owners whose Shares are held by a nominee (or held through CCASS) are advised to consider whether they would like to arrange for the registration of their Shares in their own names on or prior to Thursday, 18 May 2023.

### **Scaling-down of EAFs**

To the extent any allocation of Excess Rights Shares applied for by a Qualifying Shareholder in accordance with the aforesaid principles will violate the public float requirement for the Company under Chapter 8 of the Listing Rules immediately upon completion of the Rights Issue, such allocation will be scaled-down accordingly to ensure

## LETTER FROM THE BOARD

compliance with the Listing Rules. Any subscription monies representing the portion of scaled-down EAFs will be refunded to the applicant, and the portion of scaled-down EAFs will be available for re-allocation to other EAFs that will not affect public float compliance in accordance with the principles for the allocation of Excess Rights Shares as detailed above.

As disclosed in the section headed “Effects of the Rights Issue on shareholdings in the Company” in this “Letter from the Board”, it is currently expected that only in the scenario where most Rights Shares under the EAFs are subscribed for by HTIH would the public float in Shares fall below the requirement under the Listing Rules immediately upon completion of the Rights Issue.

For the avoidance of doubt, there will be no scaling-down of PAL allotments as the full subscription by any Qualifying Shareholder under PAL is not expected to result in the public float in Shares falling below the requirement under the Listing Rules immediately upon completion of the Rights Issue.

### **Action to be taken by Qualifying Shareholders who wish to apply for Excess Rights Shares**

Application for Excess Rights Shares can be made only by Qualifying Shareholders duly completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Monday, 12 June 2023.

All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier’s orders must be issued by, a licensed bank in Hong Kong and made payable to “**Haitong International Securities Group Limited — EAF**” and crossed “**Account Payee Only**”.

Qualifying Shareholders who wish to apply for Excess Rights Shares in addition to their provisional allotments must complete both the PAL and the EAF.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for Excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown on the Record Date in the register of members of the Company.

All cheques or cashier’s orders will be presented for payment immediately upon receipt and all interests earned on such monies will be retained for the benefit of the Company. Completion and lodgement of an EAF together with a cheque or cashier’s order in payment for the Excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier’s order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier’s order is dishonoured on first presentation.

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The Company is not obliged but may, at its absolute discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If no Excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to that Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of that Shareholder.

If the conditions of the Rights Issue are not fulfilled, the monies received in respect of relevant applications for Excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by ordinary post to their registered address, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members, at their own risk.

### **Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS) who wish to apply for Excess Rights Shares**

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to apply for Excess Rights Shares, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to such application. Such instructions and/or arrangements should be given or made in advance and before the latest time for application and payment for Excess Rights Shares stated in the section headed “Expected Timetable” of this Prospectus, in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

### **Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for Excess Rights Shares**

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for Excess Rights Shares, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to such application. Such instructions and/or arrangements should be given or made in advance and before the latest time for application and payment for Excess Rights Shares stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary, in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect.

The procedures for application for Excess Rights Shares by CCASS participants shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other requirements of CCASS.



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Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for Excess Rights Shares. HKSCC Nominees Limited will allocate the Excess Rights Shares it receives to the relevant CCASS participants pro rata to the number of Excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures.

### **Share certificates and refund cheques for the Rights Issue**

Subject to fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Friday, 23 June 2023. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares, or for refunds if the Rights Issue does not proceed, are expected to be despatched on or before Friday, 23 June 2023 to the relevant applicants concerned.

### **Stamp duty and taxation**

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, and any other applicable fees and charges in Hong Kong.

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, holding, subscription, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares.

### **Application for listing**

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. No securities of the Company in issue or the Rights Shares for which listing or permission to deal is to be sought is listed or dealt in on any other stock exchange. Rights Shares in both their nil-paid and fully-paid forms will be traded in board lots of 1,000 Shares.

### **Admission of Rights Shares into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms are expected to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational

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Procedures in effect from time to time. Shareholders whose Shares are held through CCASS should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted to CCASS.

### CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

- (i) the execution and delivery of the Irrevocable Undertaking by HTIH to the Company;
- (ii) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong no later than the Prospectus Posting Date of the Prospectus Documents and other documents in compliance with the Companies (WUMP) Ordinance and otherwise complying with the requirements of the Listing Rules and the Companies (WUMP) Ordinance;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date; and
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) on or before Monday, 29 May 2023.

**If any of the above conditions is not fulfilled by Monday, 29 May 2023, the Rights Issue will not proceed.** All the above conditions cannot be waived. As at the Latest Practicable Date, condition (i) above has been fulfilled.

### THE IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, the Board has received the Irrevocable Undertaking given by HTIH, the controlling shareholder of the Company, who held 4,510,666,113 Shares, representing approximately 67.92% of all issued Shares as at the Latest Practicable Date.

Pursuant to the Irrevocable Undertaking, HTIH irrevocably undertook with the Company that (i) it will subscribe for the 1,353,199,833 Rights Shares to be provisionally allotted to it (at the aggregate subscription price of HK\$879,579,891); and (ii) it will not sell, dispose of or transfer, or agree to sell, dispose or transfer any of the Shares held by it from the date of the Irrevocable Undertaking to the date of completion of the Rights Issue or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier.

### EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustration purpose only, set out below are indicative shareholding structure scenarios of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders; (iii) immediately after

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completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders other than HTIH taking up its entitlement of Rights Shares in accordance with the terms of the Irrevocable Undertaking; and (iv) immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders other than HTIH taking up its entitlement of Rights Shares in accordance with the terms of the Irrevocable Undertaking and subscribing for additional Rights Shares under the EAFs to the fullest extent subject to scale-down:

- (a) assuming no outstanding Share Option being exercised on or before the Record Date and no change in the shareholding structure of the Company before completion of the Rights Issue:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming full acceptance by the Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming nil acceptance by the Qualifying Shareholders other than HTIH taking up its entitlement of Rights Shares in accordance with the terms of the Irrevocable Undertaking)		Immediately after completion of the Rights Issue (assuming nil acceptance by the Qualifying Shareholders other than HTIH taking up its entitlement of Rights Shares in accordance with the terms of the Irrevocable Undertaking and all Excess Rights Shares subject to scale-down)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
HTIH:	4,510,666,113	67.92	5,863,865,946	67.92	5,863,865,946	73.35	6,299,158,159	74.72
Directors:	23,383,571 <i>(Note 1)</i>	0.35	30,398,642	0.35	23,383,571	0.29	23,383,571	0.28
Public Shareholders:	<u>2,107,513,910</u>	<u>31.73</u>	<u>2,739,768,083</u>	<u>31.73</u>	<u>2,107,513,910</u>	<u>26.36</u>	<u>2,107,513,910</u>	<u>25.00</u>
<b>Total</b>	<b>6,641,563,594</b>	<b>100</b>	<b>8,634,032,671</b>	<b>100</b>	<b>7,994,763,427</b>	<b>100</b>	<b>8,430,055,640</b>	<b>100</b>
							<i>(Note 2)</i>	

*Notes:*

- The Shares comprise 23,383,571 Shares held by the Directors.
  - For illustration, in the scenario assuming nil acceptance by the Qualifying Shareholders other than HTIH taking up its entitlement of Rights Shares in accordance with the terms of the Irrevocable Undertaking and subscribing for additional Rights Shares under the EAFs to the fullest extent, HTIH's holdings will amount to 6,503,135,190 Shares, representing approximately 75.32% of the then enlarged issued share capital of the Company, which will be scaled-down to the level as indicated in the table above in accordance with the mechanism as described in the section headed "Scaling-down of EAFs" above.
  - Certain figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals or sub-totals may not represent precise arithmetic aggregations.
- (b) assuming all outstanding Share Options being exercised on or before the Record Date and no other change in the shareholding structure of the Company before completion of the Rights Issue:

## LETTER FROM THE BOARD

	As at the Latest Practicable Date		Assuming full exercise of the Share Options on or before the Record Date		Immediately after completion of the Rights Issue (assuming nil acceptance by the Qualifying Shareholders) and assuming full exercise of the Share Options on or before the Record Date		Immediately after completion of the Rights Issue (assuming nil acceptance by the Qualifying Shareholders) other than HTIH taking up its entitlement of Rights Shares in accordance with the terms of the Irrevocable Undertaking and assuming full exercise of the Share Options on or before the Record Date		Immediately after completion of the Rights Issue (assuming nil acceptance by the Qualifying Shareholders) other than HTIH taking up its entitlement of Rights Shares in accordance with the terms of the Irrevocable Undertaking and all Excess Rights Shares subject to scale-down) and assuming full exercise of the Share Options on or before the Record Date	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
HTIH:	4,510,666,113	67.92	4,510,666,113	67.47	5,863,865,946	67.47	5,863,865,946	72.95	6,345,755,338	74.48
Directors:	23,383,571 <i>(Note 1)</i>	0.35	44,648,027 <i>(Note 1)</i>	0.67	58,042,435	0.67	44,648,027	0.55	44,648,027 <i>(Note 2)</i>	0.52 <i>(Note 2)</i>
Public Shareholders:	2,107,513,910	31.73	2,107,513,910	31.52	2,739,768,083	31.52	2,107,513,910	26.22	2,107,513,910	24.73
Holder of Share Options other than Directors:	—	—	22,620,545	0.34	29,406,708	0.34	22,620,545	0.28	22,620,545	0.27
<b>Total</b>	<b>6,641,563,594</b>	<b>100</b>	<b>6,685,448,595</b>	<b>100</b>	<b>8,691,083,172</b>	<b>100</b>	<b>8,038,648,428</b>	<b>100</b>	<b>8,520,537,820</b> <i>(Note 2)</i>	<b>100</b>

*Notes:*

- The Shares comprise 23,383,571 Shares and 21,264,456 Share Options held by the Directors in aggregate.
- For illustration, in the scenario assuming nil acceptance by the Qualifying Shareholders other than HTIH taking up its entitlement of Rights Shares in accordance with the terms of the Irrevocable Undertaking and subscribing for additional Rights Shares under the EAFs to the fullest extent, HTIH's holdings will amount to 6,516,300,690 Shares, representing approximately 74.98% of the then enlarged issued share capital of the Company, which will be scaled-down to the level as indicated in the table above in accordance with the mechanism as described in the section headed "Scaling-down of EAFs" above.
- Certain figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals or sub-totals may not represent precise arithmetic aggregations.

### INFORMATION ON THE GROUP

The Company was incorporated in Bermuda with limited liability on 7 May 1996 and is an investment holding company. The principal businesses of the Group comprises wealth management, corporate finance, asset management, global markets and investment.

### REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

In view of the prevailing market conditions, the Board has also considered other fund-raising alternatives, such as bank borrowings or placing, before deciding on the proposed Rights Issue. The Board noted that (i) bank borrowings will carry interest costs and further increase gearing ratio; and (ii) placings of new Shares will lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company. Therefore, after weighing the costs, benefits and timings of different types of fund-raising alternatives and their impact on the

## LETTER FROM THE BOARD

interests of Shareholders as a whole and the Group, the Board considered that the Rights Issue to be currently a prudent and cost-effective and, preferred means for the Group to enhance its financial position and strengthen its capital base without increasing its gearing or finance costs.

Considering that both market interest rate and finance cost are expected to remain at a relatively high level in the foreseeable future, the Company conducts the Rights Issue so as to improve its financial position, aiming at benefiting the Group in securing more favorable terms from lenders in any future financing endeavors. In particular, with proceeds from the issue of subordinated perpetual securities to investee entities of the controlling shareholder of the Company completed in March 2023 (with net proceeds of approximately HK\$1.55 billion) and the proposed Rights Issue (with estimated net proceeds of approximately HK\$1.30 billion, assuming all Rights Shares are taken up), the Group's (i) cash and cash equivalent will increase by approximately HK\$2.85 billion or 56.9% compared to HK\$5.00 billion as of 31 December 2022; (ii) shareholders' equity will increase by approximately HK\$2.85 billion or 13.8% compared to HK\$20.69 billion as of 31 December 2022; and (iii) net debt to equity ratio will be reduced to approximately 1.83 times from 2.22 times as of 31 December 2022. Moreover, the provision of the Irrevocable Undertaking for the proposed Rights Issue, together with the provision of support in respect of the new revolving syndicated facility of HK\$16 billion obtained by the Company in February 2023 and the subscription of subordinated perpetual securities in March 2023 (please refer to the Company's announcements published on 24 February 2023 and 17 March 2023, respectively) can also demonstrate the continuing support from the controlling shareholder to the Company, which is essential for the Company to continue with its strategic transformation amid the volatile market environment.

At the same time, the Rights Issue will allow Qualifying Shareholders the opportunity to support the Group and participate in its future development while maintaining their proportional shareholdings in the Company, in addition to the flexibility to sell off some or all of their rights entitlements in the open market (subject to the market demand) and realise the cash value therefrom should they so choose. The Company considers that the Subscription Price being set close to the prevailing market price of the Shares will help minimize potential dilution to the Shareholders' interests by allowing for fewer Rights Shares to be issued to achieve the same amount of capital raised than at a lower Subscription Price.

Assuming all the Rights Shares are taken up, the net proceeds from the Rights Issue after deducting the incidental expenses are estimated to be (i) approximately HK\$1.29 billion (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$1.30 billion (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options).

While, as disclosed in the consolidated statement of financial position in the annual report of the Company for the year ended 31 December 2022, the consolidated net current assets of the Group amounted to approximately HK\$14.7 billion, representing a decrease of approximately 50.2% from the position in 2021, the Group's businesses and operations remain resilient and cash flows remain healthy. The drop in consolidated net current assets was primarily driven by (i) the decrease in assets acquired for financial products issued, which should be net off against financial products issued at fair value (presented as liabilities on the

## LETTER FROM THE BOARD

consolidated balance sheet), from HK\$9.39 billion as of 31 December 2021 to HK\$7.68 billion as of 31 December 2022, such decrease in assets was in line with our effort to optimize our asset structure and reduce exposure to market risk; (ii) the decrease in amount receivable under reverse repurchase agreement from HK\$4.80 billion as of 31 December 2021 to HK\$1.40 billion as of 31 December 2022, as well as the increase in cash collateral received for securities lent and amount payable under repurchase agreement from HK\$3.08 billion as of 31 December 2021 to HK\$5.86 billion as of 31 December 2022, and was in line with our effort in liquidity management by enhancing our cash position amid volatile market environment; and (iii) the increase in bank borrowings from HK\$24.00 billion as of 31 December 2021 to HK\$29.84 billion as of 31 December 2022, of which HK\$15.20 billion due in March 2023 was refinanced by the syndicated facility newly signed in February 2023.

The net proceeds from the Rights Issue aim to enhance the Group's capital base and financial position by improving its net current assets and cash on hand without increasing its current liabilities and strengthening its balance sheet. The Company currently intends to use the net proceeds from the Rights Issue (estimated to be approximately HK\$1,290.1 million, assuming no change in the number of Shares in issue on or before the Record Date) as follows: (a) as to approximately 54% or HK\$696.7 million for Global Markets segment to further develop its cross-border business by providing financing to institutional clients; (b) as to approximately 36% or HK\$464.4 million for Private Wealth Management segment to further expand its margin financing business by providing financing to entrepreneurs and high-net-worth clients with high quality stock collaterals; and (c) the remaining net proceeds for general working capital use of the Group, including but not limited to the staff cost, rental expenses and other office overhead.

The cash infusion from the Rights Issue to the capital base will benefit the Group in securing more favourable terms from lenders in any future financing endeavours. As such, the Board believes that such enhanced capital base and financial position will further strengthen the Group's balance sheet and resilience in a volatile market for its operations and development. Such intended use of proceeds is not expected to change regardless of the subscription level of the Rights Issue.

In view of the above, the Directors believe that the Rights Issue is in the interests of the Group and the Shareholders as a whole.

### **POSSIBLE ADJUSTMENTS TO OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME**

As at the Latest Practicable Date, there were outstanding Share Options entitling the holders thereof to subscribe for a total of 43,885,001 Shares. Pursuant to the terms of the Share Option Scheme, completion of the Rights Issue may lead to adjustments, among others, in the exercise price and/or the number of Shares to be issued upon the exercise of outstanding Share Options issued under the Share Option Scheme. The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding the appropriate adjustments to be made (if any) and the timing in due course.

## LETTER FROM THE BOARD

Save for the foregoing, as at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

### PREVIOUS FUND-RAISING EXERCISE BY THE COMPANY

During the 12 months immediately preceding the date of this Prospectus, the Company had not conducted any equity fund-raising activity.

### LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this Prospectus, and the Rights Issue will not on its own increase either the total number of issued Shares or the market capitalisation of the Company by more than 50%, the Rights Issue is **not** subject to the approval of the Shareholders pursuant to Rule 7.19A of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

### WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

**The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.**

**Any Shareholder or other person dealing in Shares and/or Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.**

**Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the final size of the Rights Issue.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares.**

**LETTER FROM THE BOARD**

**ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

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



## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2020, 2021 and 2022, together with the relevant notes thereto, were disclosed in the relevant annual reports of the Company which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.htisec.com](http://www.htisec.com)), the links to which are shown below for reference:

- (i) annual report of the Company for the year ended 31 December 2020 published on 21 April 2021 (pages 89 to 231) which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0421/2021042101218.pdf>;
- (ii) annual report of the Company for the year ended 31 December 2021 published on 26 April 2022 (pages 136 to 283) which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042602578.pdf>; and
- (iii) annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (pages 113 to 278) which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042705236.pdf>.

## 2. STATEMENT OF INDEBTEDNESS

At the close of business on 30 April 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the details of the Group's outstanding borrowings were set out as follows:

	<i>HK\$'000</i>
Non-convertible bonds — unsecured and unguaranteed	14,102,466
Non-convertible notes — unsecured and unguaranteed	1,407,847
Bank loans — unsecured and unguaranteed	31,143,198
Bank loans — secured and unguaranteed	33,077
Lease liabilities — secured and unguaranteed	<u>232,055</u>
<b>Total</b>	<u><u>46,918,643</u></u>

In addition to the issued non-convertible notes above, at 30 April 2023, the Group has outstanding authorised but unissued non-convertible notes of approximately US\$4,447,911,000.

Bank loans of HK\$33,077,000 are secured by the buildings held by the Group.

As at 30 April 2023, the Group, as a lessee, has outstanding lease liabilities amounting to HK\$232,055,000 in aggregate. All lease payments are secured by rental deposits and unguaranteed.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, as at the close of business on 30 April 2023, the Group did not have any outstanding loan capital or debt securities or non-convertible notes issued or authorized or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases or lease commitments, guarantees or material contingent liabilities.

### **3. WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that, in the absence of unforeseen circumstances, and after taking into account (i) the Group's business prospects; (ii) present and expected internal resources; (iii) the Group's presently available facilities; (iv) the expected refinancing of certain bank loans; and (v) the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its business operations for at least the next twelve months from the date of this Prospectus.

### **4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest audited consolidated financial statements of the Group were made up.

### **5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

The Group has established its presence in Hong Kong and has a global network serving corporate, institutional, as well as high-net worth clients worldwide, providing a full spectrum of financial services including private wealth management, corporate finance, asset management, global markets (key businesses include sales and trading of both equity and fixed income products, prime brokerage and risk management solutions, and research advisory) and investment businesses.

The Group's financial performance in 2022 was inevitably affected by the challenging global market conditions. The significant loss in 2022 was primarily attributable to (i) drop in commission and fee income, by 52.6% to HK\$1.54 billion in 2022, which was in turn due to the drop in both IPO fundraising amount and spot market daily turnover in Hong Kong market; (ii) investment loss, comprising (a) loss of HK\$3.44 billion in relation to investment in equity and debt securities traded in the secondary markets, while the Group has been compressing the size of its relevant investments, and (b) fair value loss of HK\$1.65 billion in relation to private debt and equity investment as well as alternative investments, as valuation of the relevant investment dropped in response to changes in market capitalization of comparable companies and condition of underlying assets, and (iii) impairment of HK\$1.59 billion, as market price or valuation of collateral decreased, resulting in increase in expected credit loss.

In 2022, the Group continued to optimize its asset structure. As of 31 December 2022, its total assets and net assets amounted to HK\$89.10 billion and HK\$20.69 billion, respectively, with a leverage ratio of 3.83 times, being a moderate level in the industry. On 24 February 2023, with the support of HSCL, the Company entered into a facility agreement with certain financial institutions and obtained a revolving loan facility in an amount up to HK\$16 billion.

HSCL further demonstrated its support by subscribing (through its investee entity) to the subordinated perpetual securities of US\$200 million issued by the Company in March 2023, further enhancing its capital base and financial position for its operations and development.

Looking into 2023, the outlook for global markets remains volatile and challenging. The economic impact of successive interest rate hikes in the United States, as a tool to curb inflation, has already surfaced, while the geopolitical conflict-induced energy crunch in Europe will continue to cause inflation and slow down economic growth. In this critical period, the PRC government has introduced a series of fiscal and monetary policies to stimulate its economy with proven positive outcomes, and is expected to provide an impetus for a rapid economic recovery. With the easing of anti-COVID restrictions and the resumption of normal traveller clearance between Hong Kong and Mainland, local business and tourism activities are expected to rebound strongly, leading to a revival of local consumption and retail trade. However, Hong Kong is susceptible to interest rate hikes and rising finance costs in terms of market sentiment and investment appetite. How fast and well global markets will recover remains to be uncertain.

Nevertheless, with the “One Haitong” philosophy as its long-term development strategy, the Company further cooperates with HSCL in enriching its investment banking ecosystem which includes asset management, private wealth management and global market businesses around its core investment banking business. It will also continue to strengthen its risk management and optimize asset structure, enhance efficiency and cost control, and implement ESG strategy.

For illustrative purposes, the unaudited pro forma financial information of the Group prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by the completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2022. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial position on the completion of the Rights Issue.

#### A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONDENSED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 31 December 2022 and taking into account certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2022 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2022, as extracted from the Group's audited consolidated statement of financial position as at 31 December 2022 and is adjusted for the effect of the Rights Issue described below.

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2022 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2022 assuming completion of the Rights Issue HK\$'000	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 31 December 2022 HK\$ (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 31 December 2022 assuming completion of the Rights Issue HK\$ (Note 4)
Rights Issue of 1,992,469,077 Rights Shares at subscription price of HK\$0.65 per Rights Share	20,257,500	1,290,105	21,547,605	3.05	2.50

*Notes:*

- 1 The amount of audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2022 is based on the audited consolidated net assets of the Group attributable to the owners of the Company as at 31 December 2022 of approximately HK\$20,688.8 million, adjusted by the goodwill and other intangible assets attributable to the owners of the Company of approximately HK\$431.3 million extracted from the published annual report of the Group for the year ended 31 December 2022.
- 2 The estimated net proceeds from the Rights Issue are based on 1,992,469,077 Rights Shares to be issued based on the number of issued Share as of the Latest Practicable Date (assuming the Rights Issue is fully subscribed) at the subscription price of HK\$0.65 per Rights Share, after deducting the estimated incidental expenses to be incurred.
- 3 The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 31 December 2022 is calculated based on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2022 of approximately HK\$20,257.5 million and 6,641,563,594 Shares in issue as at 31 December 2022.
- 4 The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2022 assuming completion of the Rights Issue is arrived at on the basis that 8,634,032,671 Shares, which represents 6,641,563,594 Shares in issue as at 31 December 2022 and 1,992,469,077 Rights Shares to be issued based on the number of issued Share as of the Latest Practicable Date (assuming the Rights Issue is fully subscribed), pursuant to the Right Issue, were in issue assuming that the Right Issue had been completed on 31 December 2022, but does not take into account of any Shares which may be issued upon the exercise of options granted under the Share Option Scheme, or any Shares which may be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.
- 5 No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2022.
- 6 The unaudited pro forma adjusted consolidated net tangible assets of the Group does not take into account the issue of 11,102,399 Shares at exercise price of HK\$2.6350, 6,163,102 Shares at exercise price of HK\$2.322, 7,309,500 Shares at exercise price of HK\$1.57, 8,965,000 Shares at exercise price of HK\$2.18, and 10,345,000 Shares at exercise price of HK\$0.935 due to exercise of the outstanding share options for the Shares of the Company during the period from 1 January 2023 to the Latest Practicable Date (the “**Exercise of the Outstanding Share Options**”).

Had the Exercise of the Outstanding Share Options during the period from 1 January 2023 to the Latest Practical Date been completed on 31 December 2022, the consolidated net tangible assets of the Group attributable to owners of the Company would increase from HK\$20,257.5 million to HK\$20,341.8 million after adjusting for increase in bank balances of approximately HK\$84.3 million due to Exercise of the Outstanding Share Options.

Assuming the Exercise of the Outstanding Share Options, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after completion of the Rights Issue would be HK\$21,640.4 million after adjusting for estimated net proceeds of HK\$1,298.6 million of the Rights Shares to be issued based on the number of issued Shares on the Latest Practicable Date. Consequently, the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company under the Rights Shares to be issued would be HK\$2.49 assuming the Right Issue has been completed on 31 December 2022.

- 7 The unaudited pro forma adjusted consolidated net tangible assets of the Group does not take into account the issuance of subordinated perpetual securities in the aggregate principal amount of US\$200,000,000 which has been completed on 21 March 2023 (the “**Issuance of Subordinated Perpetual Securities**”).

Had the Issuance of Subordinated Perpetual Securities been completed on 31 December 2022, the consolidated net tangible assets of the Group attributable to owners of the Company and Shares would remain unchanged since the proceed from subordinated perpetual securities was not considered as part of the equity attributable to owners of the Company and the subordinated perpetual securities would not affect the number of issued Shares.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

**TO THE DIRECTORS OF HAITONG INTERNATIONAL SECURITIES GROUP  
LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Haitong International Securities Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 December 2022 and related notes as set out on pages 1 to 2 of Appendix II to the prospectus issued by the Company dated 29 May 2023 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages 1 to 2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Rights Issue as defined in the Prospectus on the Group's financial position as at 31 December 2022 as if the Rights Issue had taken place at 31 December 2022. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's audited financial statements for the year ended 31 December 2022, on which an auditor report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2022 would have been as presented.

**Reporting Accountants' Responsibilities – continued**

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong

29 May 2023



## 1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date were and (ii) immediately following completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue) are expected to be as follows:

### (a) As at the Latest Practicable Date:

<i>Authorised share capital</i>	<i>HK\$</i>
<u>20,000,000,000</u> Shares	<u>2,000,000,000.00</u>
<i>Issued and paid up share capital</i>	<i>HK\$</i>
<u>6,641,563,594</u> Shares	<u>664,156,359.40</u>

### (b) Upon completion of the Rights Issue

<i>Maximum number of Rights Shares to be issued</i>	<i>HK\$</i>
1,992,469,077 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)	<u>199,246,907.70</u>
2,005,634,577 (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options)	<u>200,563,457.70</u>

*Shares in issue upon completion of the Rights Issue*

HK\$

8,634,032,671 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) 863,403,267.10

8,691,083,172 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) 869,108,317.20

On 23 June 2022, 603,778,508 bonus shares were issued pursuant to the bonus share which was approved by the shareholders at the annual general meeting of the Company on 2 June 2022 on the basis of one bonus share for every ten existing Shares held by the shareholders of the Company and were credited as fully-paid.

The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital, and once issued and fully-paid, with all the Shares in issue as at the date of allotment and issue of the Rights Shares.

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No Share or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

### 3. SHARE OPTION SCHEME

Details of the outstanding Share Options held by certain Directors of the Company and other employees under the Share Option Scheme as at the Latest Practicable Date are set out below:

Grantees	Number of underlying Shares subject to Share Options	Date of grant	Exercise Price (HK\$ per share)	Exercise period	
				From	To
<b>Directors</b>					
LI Jun	200,000	6 September 2022	0.935	3 April 2023	5 September 2027
LIN Yong	1,984,539	1 November 2018	2.635	28 May 2019	31 October 2023
	992,270	31 May 2019	2.322	27 December 2019	30 May 2024
	990,000	29 May 2020	1.570	25 December 2020	28 May 2025
	990,000	21 July 2021	2.180	17 February 2022	20 July 2026
	400,000	6 September 2022	0.935	3 April 2023	5 September 2027
LI Jianguo	330,757	1 November 2018	2.635	28 May 2019	31 October 2023
	165,377	31 May 2019	2.322	27 December 2019	30 May 2024
	220,000	29 May 2020	1.570	25 December 2020	28 May 2025
	220,000	21 July 2021	2.180	17 February 2022	20 July 2026
	200,000	6 September 2022	0.935	3 April 2023	5 September 2027
POON Mo Yiu	771,764	1 November 2018	2.635	28 May 2019	31 October 2023
	385,883	31 May 2019	2.322	27 December 2019	30 May 2024
	385,000	29 May 2020	1.570	25 December 2020	28 May 2025
	440,000	21 July 2021	2.180	17 February 2022	20 July 2026
	400,000	6 September 2022	0.935	3 April 2023	5 September 2027
SUN Jianfeng	1,323,026	1 November 2018	2.635	28 May 2019	31 October 2023
	661,512	31 May 2019	2.322	27 December 2019	30 May 2024
	660,000	29 May 2020	1.570	25 December 2020	28 May 2025
	660,000	21 July 2021	2.180	17 February 2022	20 July 2026
	400,000	6 September 2022	0.935	3 April 2023	5 September 2027
SUN Tong	1,102,522	1 November 2018	2.635	28 May 2019	31 October 2023
	551,260	31 May 2019	2.322	27 December 2019	30 May 2024
	660,000	29 May 2020	1.570	25 December 2020	28 May 2025
	660,000	21 July 2021	2.180	17 February 2022	20 July 2026
	400,000	6 September 2022	0.935	3 April 2023	5 September 2027
CHENG Chi Ming Brian	330,757	1 November 2018	2.635	28 May 2019	31 October 2023
	165,377	31 May 2019	2.322	27 December 2019	30 May 2024
	165,000	29 May 2020	1.570	25 December 2020	28 May 2025
	220,000	21 July 2021	2.180	17 February 2022	20 July 2026
	200,000	6 September 2022	0.935	3 April 2023	5 September 2027
ZHANG Xinjun	1,102,522	1 November 2018	2.635	28 May 2019	31 October 2023
	330,756	31 May 2019	2.322	27 December 2019	30 May 2024
	220,000	29 May 2020	1.570	25 December 2020	28 May 2025
	220,000	21 July 2021	2.180	17 February 2022	20 July 2026
	200,000	6 September 2022	0.935	3 April 2023	5 September 2027

Grantees	Number of underlying Shares subject to Share Options	Date of grant	Exercise Price (HK\$ per share)	Exercise period	
				From	To
<b>Directors</b>					
WAN Kam To	330,757	1 November 2018	2.635	28 May 2019	31 October 2023
	165,377	31 May 2019	2.322	27 December 2019	30 May 2024
	165,000	29 May 2020	1.570	25 December 2020	28 May 2025
	165,000	21 July 2021	2.180	17 February 2022	20 July 2026
	200,000	6 September 2022	0.935	3 April 2023	5 September 2027
LIU Swee Long Michael	165,000	21 July 2021	2.180	17 February 2022	20 July 2026
	200,000	6 September 2022	0.935	3 April 2023	5 September 2027
ZHANG Huaqiao	165,000	21 July 2021	2.180	17 February 2022	20 July 2026
	200,000	6 September 2022	0.935	3 April 2023	5 September 2027
LEE Man Yuen Margaret	200,000	6 September 2022	0.935	3 April 2023	5 September 2027
<b>Employees</b>					
	3,825,755	1 November 2018	2.635	28 May 2019	31 October 2023
	2,745,290	31 May 2019	2.322	27 December 2019	30 May 2024
	3,844,500	29 May 2020	1.570	25 December 2020	28 May 2025
	5,060,000	21 July 2021	2.180	17 February 2022	20 July 2026
	7,145,000	6 September 2022	0.935	3 April 2023	5 September 2027

Save for the foregoing, as at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

#### 4. PARTICULARS OF THE DIRECTORS

##### (a) Business Address

The business address of all the Directors and senior management is the same as the address of the Company's principal place of business at 22nd Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.

##### (b) Biographical Details

###### *Executive Directors*

**LIN Yong JP**, aged 53, was appointed as an Executive Director of the Company on 23 December 2009. He has been a Deputy Chairman of the Board of Directors of the Company as well as the Chief Executive Officer of the Group since 29 April 2011. He is also the Chairman of the Executive Committee as well as a member of the Strategic Development Committee of the Company. In addition, Mr. LIN is a board member of Haitong Bank, S.A. ("**Haitong Bank**") and Haitong Banco de Investimento do Brasil S.A., wholly-owned subsidiaries of HTIH. He also acts as the chairman of Haitong Bank since 30 October 2017. Mr. LIN holds a

Doctorate Degree in Economics from Xi'an Jiaotong University and has over 20 years of experience in the investment banking industry. Mr. LIN joined HSCL in 1996 and was a general manager of the Investment Banking Department of HSCL from 2001 to 2007. He has been appointed as a director and general manager of HTIH since 2007. He is responsible for the overall operation of HTIH and the business development of the Group. In 2006, Mr. LIN was named "2006 Top Ten Outstanding Young Person in Financial Sector in Shanghai" (2006年上海首屆十大金融傑出青年) and was honoured as the "2014 Shanghai Financial Industry Leader" (2014滬上金融行業領袖) in 2014. He acts as the chairman of Chinese Securities Association of Hong Kong from February 2019 to March 2023, and was appointed as the permanent honorary president of Chinese Securities Association of Hong Kong with effect from 24 March 2023. He was appointed as a member of the Mainland Opportunities Committee of the Hong Kong Financial Services Development Council since 1 April 2019. He was appointed as a non-executive director of Financial Reporting Council (now known as Accounting and Financial Reporting Council) from 1 October 2019 to 30 September 2021. He has also been appointed as a member of the board of directors of Financial Services Development Council since 2 January 2020, a director of the Hong Kong Chinese Enterprises Association since 16 September 2020, a committee member of The Chinese General Chamber of Commerce since November 2020, a founding member of the Hong Kong Exchanges and Clearing Limited's Mainland Markets Panel since August 2021, a member of the Hong Kong Trade Development Council for a term commencing from January 2022 to December 2023 and the deputy chairman of Belt & Road General Chamber of Commerce since July 2022. Mr. LIN was also appointed as a member of the Board of Governors of Hong Kong Chu Hai College of Higher Education with effect from 6 June 2022. Mr. LIN was appointed as a Justice of the Peace (JP) by the Government of the HKSAR in October 2020. On 17 January 2023, Mr. LIN has been elected as a member of the 14th National Committee of the Chinese People's Political Consultative Conference (CPPCC).

**LI Jianguo**, aged 60, was appointed as an Executive Director of the Company on 13 January 2010 and a Deputy Chairman of the Board of Directors of the Company on 10 March 2010. He is also a member of the Strategic Development Committee of the Company. Mr. LI holds a Doctorate Degree in Economics from Xi'an Jiaotong University. He has 31 years of experience in the securities industry. Mr. LI was a general manager of Henan Securities Co., Ltd. from 1992 to 1998. He joined HSCL in 1998 and served as the deputy general manager of HSCL from 1998 to 1999. Mr. LI was the vice president and the general manager of Fullgoal Fund Management Co., Ltd. from 1999 to 2008. Mr. LI has been the assistant to the general manager of HSCL from 2008 to April 2023, the chairman of the board of directors of Hai Tong (HK) Financial Holdings Limited (now known as HTIH) from August 2008 to August 2010, and the vice chairman of the board of directors of HTIH from August 2010 to April 2023.

**POON Mo Yiu**, aged 59, joined the Group in August 2008. He was appointed as an Executive Director of the Company on 1 July 2009 and was the Chief Operating Officer of the Group as well as a member of the Executive Committee of

the Company prior to his re-designation as a Non-executive Director of the Company on 16 February 2016. Mr. POON was re-designated as an Executive Director of the Company and was appointed as a member of the Executive Committee of the Company on 8 February 2018. He was also appointed as the Chief Operating Officer of the Group on 15 August 2018, and has been re-designated from Chief Operating Officer to Chief Financial Officer of the Group with effect from 1 May 2020. Mr. POON is also a director of various subsidiaries of the Company. Mr. POON holds a Master of Business Administration Degree from The Chinese University of Hong Kong. He is a fellow of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England & Wales. Mr. POON has extensive experience in financial management, management of information systems, accounting projects as well as various aspects of mergers and acquisitions. Prior to joining the Group, Mr. POON worked for Sun Hung Kai & Co. Limited as the Group Chief Operating Officer and the Group Chief Financial Officer. He was also previously the Vice President in Finance of JPMorgan Chase Bank and the Group Financial Controller of Jardine Fleming Group in Asia before its merger with JPMorgan Chase Bank.

**SUN Jianfeng**, aged 47, joined the Group in 2010 and was appointed as an Executive Director of the Company with effect from 1 June 2017. He is responsible for development and management of private wealth management business. He is also a member of the Executive Committee of the Company. Mr. SUN is also a director of certain subsidiaries of the Company as well as a responsible officer of Haitong International Capital Limited under the SFO. Mr. SUN holds a Master of Applied Economics from Xi'an Jiaotong University. He possesses extensive experience in the corporate finance industry. He participated and completed a number of IPOs in Hong Kong and China.

**SUN Tong**, aged 46, joined the Group in May 2010 and was appointed as an Executive Director of the Company with effect from 27 March 2018. He is responsible for development and management of asset management business. He is also a member of Executive Committee of the Company and a director of certain subsidiaries of the Company, and serves as a responsible officer of Haitong International Investment Managers Limited and Haitong International Asset Management (HK) Limited under the SFO. Mr. SUN graduated with a Bachelor Degree in Computer Science from Nanjing Normal University and obtained a MBA Degree from the Chinese University of Hong Kong. Mr. SUN joined HSCL in 2000 and he is now a deputy general manager of HTIH. Mr. SUN was appointed as a director of Chinese Asset Management Association of Hong Kong on 20 March 2020.

*Non-executive Directors*

**LI Jun**, aged 53, was appointed as a Non-executive Director of the Company on 19 October 2021. He has been the Chairman of the Board, and the chairman of the Nomination Committee and the Strategic Development Committee as well as a member of the Remuneration Committee of the Company. Mr. LI has master's degrees in business administration and public administration and management. He worked at the Shanghai Branch of China Pacific Insurance Co., Ltd. (中國太平洋保險公司) from July 1992 to February 2001, successively serving as a staff member, a deputy section chief and the section chief of the import division of the overseas business department, the section chief of the export division of the transportation insurance department, and the section chief of business division I of the import and export department. He worked at China Pacific Property Insurance Co., Ltd. (中國太平洋財產保險股份有限公司) from March 2001 to January 2003, and successively served as the section chief of the office secretary division, a deputy manager of the Pudong sub-branch (responsible for daily operation), a deputy secretary and the secretary of the CPC Party branch. From January 2003 to May 2014, he worked at Shanghai Financial Services Office (上海市金融服務辦公室), and successively served as an officer and a principal staff member of the institution division, a deputy director of the institution division II, the director of the financial institution division II, and the director of the local financial management division. From December 2013 to May 2014, he served as a deputy secretary-general of the Management Committee of China (Shanghai) Free Trade Zone (中國(上海)自由貿易試驗區管委會) (temporary position). From May 2014 to September 2014, he served as a deputy secretary-general of the Management Committee of China (Shanghai) Free Trade Zone. From September 2014 to November 2018, he served as a deputy director of the Shanghai Financial Services Office. From November 2018 to August 2021, he served as a deputy director of the Shanghai Municipal Financial Regulatory Bureau (上海市地方金融監督管理局) and a deputy director of the Shanghai Financial Affairs Bureau (上海市金融工作局). Mr. LI has served as the member representative of council, the chairman of the Members' Self-Discipline and Management Committee (理事會會員自律管理委員會) and a member representative of ChiNext Market Stock Issuance Standardization Committee (創業板股票發行規範委員會) of Shenzhen Stock Exchange since November 2021. Mr. LI served as the chairman of the supervisory committee of the Listed Companies Association of Shanghai (上海上市公司協會) and the chairman of international cooperation committee of the Securities Association of China (中國證券業協會國際合作委員會) since January 2022. Mr. LI has served as the deputy secretary of CPC Committee of HSCL since August 2021. He served as an executive director and the chairman of the compliance and risk control committee of the board, and the general manager of HSCL since September and October 2021 respectively, and he served as the chairman of the board of directors of HTIH since October 2021.

**CHENG Chi Ming Brian**, aged 40, joined the Group in June 2009 and was appointed as an Executive Director of the Company on 1 July 2009. He was re-designated as a Non-executive Director of the Company on 13 January 2010. Mr. CHENG is also a member of the Strategic Development Committee of the Company. Mr. CHENG holds a Bachelor of Science degree from Babson College in Massachusetts, U.S.A. Mr. CHENG is currently an executive director of NWS Holdings Limited (stock code: 659) and is mainly responsible for overseeing the infrastructure business and the merger and acquisition affairs of NWS Holdings Limited and its subsidiaries. He is also the chairman and a non-executive director of Integrated Waste Solutions Group Holdings Limited (stock code: 923), a non-executive director of Wai Kee Holdings Limited (stock code: 610) and a non-executive director of New World Development Company Limited (stock code: 17). The shares of all these companies are listed on the Stock Exchange. In addition, Mr. CHENG is also the chairman of Goshawk Aviation Limited, and a director of PBA International Pte. Ltd. Mr. CHENG is currently a member of the Thirteenth Shanghai Municipal Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. Mr. CHENG has previously worked as a research analyst in the Infrastructure and Conglomerates sector for CLSA Asia-Pacific Markets.

**ZHANG Xinjun**, aged 47, was appointed as a Non-executive Director of the Company on 27 March 2018 and is a member of Audit Committee and the Strategic Development Committee of the Company. Mr. ZHANG holds a postgraduate Master degree in Management from the Department of Accounting of Nankai University. He is a Senior Accountant in the People's Republic of China and has extensive experience in financial accounting, finance management and merger and acquisition. Mr. ZHANG joined the Company in March 2010 and was appointed as the Chief Financial Officer of the Company and was also a member of the Executive Committee of the Company. Prior to joining the Company, Mr. ZHANG worked at the Planning and Finance Department of HSCL and has been the Chief Financial Officer of HTIH since March 2009. Mr. ZHANG has been appointed as the Chief Financial Officer and a member of the assets and liabilities allocation committee of HSCL and ceased to act as the Chief Financial Officer of the Company with effect from 27 March 2018. Mr. ZHANG has been appointed as a non-executive director of Haitong Bank since January 2018, and a director of Haitong Investment Ireland P.L.C since February 2020. All these companies are wholly-owned subsidiaries of HTIH. He has been appointed as a director of Fullgoal Fund Management Co., Ltd, an affiliate of HSCL, since February 2019.



*Independent Non-executive Directors*

**WAN Kam To MH**, aged 70, was appointed as an Independent Non-executive Director of the Company on 19 June 2018 and is the chairman of the Audit Committee as well as a member of the Risk Committee of the Company. Mr. WAN graduated from the accountancy department of Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a higher diploma in 1975. He was a partner of PricewaterhouseCoopers where he worked for over 30 years and accumulated extensive experience in auditing, finance advisory and management. Mr. WAN is currently a fellow member of Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and has been appointed as the non-executive director of the Accounting and Financial Reporting Council with effect from 1 October 2019. Mr. WAN is also currently an independent non-executive director of various listed companies, namely A-Living Smart City Services Co., Ltd (stock code: 3319), China Resources Land Limited (stock code: 1109), Fairwood Holdings Limited (stock code: 52) and KFM Kingdom Holdings Limited (stock code: 3816). The shares of all these companies are listed on the Stock Exchange. He was previously an independent director of China World Trade Center Co., Ltd. (whose shares are listed on the Shanghai Stock Exchange, stock code: 600007) from November 2016 to November 2022. Mr. WAN was also previously an independent non-executive director of Target Insurance (Holdings) Limited (whose shares are listed on the Stock Exchange, stock code: 6161) from November 2014 to August 2021. Mr. WAN was awarded the Medal of Honour by the Hong Kong SAR Government and conferred the degree of Doctor of Social Sciences by the Hong Kong Metropolitan University in 2022.

**LIU Swee Long Michael**, aged 62, was appointed as an Independent Non-executive Director of the Company on 28 May 2021 and is the chairman of the Remuneration Committee, a member of the Nomination Committee and the Risk Committee of the Company. Mr. LIU graduated from the London School of Economics and Political Science, University of London with a LLB Honour Degree in 1983. He qualified as a solicitor with Clifford Chance in London in 1986 and worked in the legal profession for over 30 years with a focus on mergers and acquisitions and capital markets. Mr. LIU retired in 2017. Previously, Mr. LIU was a partner with Latham & Watkins LLP for 6 years from 2009 during which he served as a Greater China practice co-chairman and the managing partner of Hong Kong office. From 1994 to 2008, Mr. LIU was a partner of Allen & Overy LLP during which he served as Asian corporate group head and was appointed as a member of global board of that firm. In his legal professional career from the 1980's, Mr. LIU advised on a number of high-profile projects including the establishment of CCASS, advised the Hong Kong SAR Government on the merger of the stock and future exchanges and the related clearing houses under the umbrella of The Hong Kong Exchanges and Clearing Limited (“**HKEx**”), the initial public offerings (IPOs) of HKEx, BOC Hong Kong (Holdings) Limited, China Life Insurance Company Limited, Bank of China Limited and CITIC Securities Company Limited. Mr. LIU was previously a government-appointed director of HKSCC, a member of Takeovers and Mergers Panel, a member of the Securities and Futures Appeals Tribunal, the

chairman of Share Registrars' Disciplinary Committee of the SFC, a member of the Council of the Law Society of Hong Kong and a member of Hong Kong Financial Market Cross-Industry Risk Management Committee.

**ZHANG Huaqiao**, aged 60, was appointed as an Independent Non-executive Director of the Company on 28 May 2021 and is the chairman of the Risk Committee, a member of the Audit Committee and the Remuneration Committee of the Company. Mr. ZHANG graduated from the Graduate School of the head office of People's Bank of China with a master's degree in economics in 1986 and from the Australian National University with a master's degree in economics in 1991. From 1986 to 1989, he was employed at the head office of the People's Bank of China and from 1999 to 2006, he worked at the Equities Department of UBS AG, Hong Kong Branch at which he first served as the head of China research and later became co-head of China research. He was the chief operating officer and an executive director from 2006 to 2008 of Shenzhen Investment Limited (stock code: 604). The shares of this company are listed on the Stock Exchange. From 2008 to 2011, he was deputy head of China Investment Banking at UBS Securities Asia Limited. He is currently an advisor at NumaEx. Mr. ZHANG is also currently an independent non-executive director of various listed companies, namely Logan Group Company Limited (stock code: 3380), Luye Pharma Group Limited (stock code: 2186), Fosun International Limited (stock code: 656), Radiance Holdings (Group) Company Limited (stock code: 9993) and Zhong An Group Limited (stock code: 672). Mr. ZHANG previously served as an independent non-executive director of China Huirong Financial Holdings Limited (stock code: 1290) from 6 October 2013 to 28 May 2021. The shares of this company are listed on the Stock Exchange.

**LEE Man Yuen Margaret**, aged 69, was appointed as an Independent Non-executive Director of the Company on 25 August 2021 and is a member of the Nomination Committee of the Company. Ms. LEE holds a Bachelor Degree of Commerce from University of Calgary. She has over 30 years of experience in banking industry. From 1987 to 2015, Ms. LEE worked at Standard Chartered Bank (Hong Kong) Limited, mainly responsible for corporate banking business. From 2016 to 2022, Ms. LEE was an independent non-executive director of Scotiabank (Hong Kong) Limited. Ms. LEE has been appointed as an independent non-executive director of Standard Chartered Bank (Hong Kong) Limited since 11 April 2023. Ms. LEE is an executive committee member of the Belt and Road Youth Foundation Limited, honorary adviser of the Hong Kong Family Planning Association and committee member of project management committee for Project Aspire, The Education University of Hong Kong.

## 5. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executives' interests and short positions in the Shares, underlying shares or debentures of the Company or its associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV to the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) contained in the Listing Rules were listed as follows:

Name of Directors	Class of shares	Personal interests	Number of underlying shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
LI Jun	Share Options	—	200,000	200,000	0.00
LIN Yong	Ordinary Shares/Share Options	10,471,986 (Note 1)	5,356,809	15,828,795	0.24
LI Jianguo	Ordinary Shares/Share Options	2,630,685 (Note 2)	1,136,134	3,766,819	0.06
POON Mo Yiu	Ordinary Shares/Share Options	3,854,172 (Note 3)	2,382,647	6,236,819	0.09
SUN Jianfeng	Ordinary Shares/Share Options	3,292,313 (Note 4)	3,704,538	6,996,851	0.11
SUN Tong	Ordinary Shares/Share Options	2,915,655 (Note 5)	3,373,782	6,289,437	0.09
CHENG Chi Ming Brian	Share Options	—	1,081,134	1,081,134	0.02
ZHANG Xinjun	Ordinary Shares/Share Options	956,762 (Note 6)	2,073,278	3,030,040	0.05
WAN Kam To	Share Options	—	1,026,134	1,026,134	0.02
LIU Swee Long Michael	Share Options	—	365,000	365,000	0.01
ZHANG Huaqiao	Share Options	—	365,000	365,000	0.01
LEE Man Yuen Margaret	Share Options	—	200,000	200,000	0.00

*Notes:*

- Those shares are held by Mr. LIN Yong as beneficial owner, included 320,000 unvested awarded shares granted by the Company pursuant to the share award scheme as at the Latest Practicable Date.
- Those shares are held by Mr. LI Jianguo as beneficial owner.

3. Those shares are held by Mr. POON Mo Yiu as beneficial owner, included 126,000 unvested awarded shares granted by the Company pursuant to the share award scheme as at the Latest Practicable Date.
4. Those shares are held by Mr. SUN Jianfeng as beneficial owner, included 146,001 unvested awarded shares granted by the Company pursuant to the share award scheme as at the Latest Practicable Date.
5. Those shares are held by Mr. SUN Tong as beneficial owner, included 146,001 unvested awarded shares granted by the Company pursuant to the share award scheme as at the Latest Practicable Date.
6. Those shares are held by Mr. ZHANG Xinjun as beneficial owner.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company, or their respective associate, had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV to the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

#### (b) Substantial Shareholder's Interests

As at the Latest Practicable Date, so far as it is known to any Director or the chief executive of the Company, the particulars of the corporation or individual who had 5% or more interests in the following long positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

##### *Long positions in the Shares and underlying Shares*

Name of Substantial Shareholders	Number of shares held and nature of interests		Number of underlying Shares held under equity derivatives	Approximate percentage of the Company's total issued share capital
	Direct	Deemed		
HSCL	—	4,510,666,113	—	67.92%
HTIH	4,510,666,113	—	—	67.92%

##### *Note:*

HSCL held the entire issued share capital of HTIH. By virtue of the provisions of the SFO, HSCL is deemed to be interested in the shares in which HTIH is interested.

Save as disclosed above, so far as is known to the Directors, there was no other person who as at the Latest Practicable Date had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, had a direct or indirect interests amounting to 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

As at the Latest Practicable Date, (i) Mr. LI Jun, a non-executive Director, is an executive director and general manager of HSCL and the chairman of HTIH; (ii) Mr. LIN Yong, an executive Director, is a director and general manager of HTIH; (iii) Mr. SUN Tong, an executive Director, is a deputy general manager and an employee of HTIH; and (iv) Mr. ZHANG Xinjun, a non-executive Director, is the chief financial officer of HSCL and a director and chief financial officer of HTIH. Save as disclosed, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## **6. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group other than contracts expiring or determinable by the relevant members of the Group within one year without payment of compensation (other than statutory compensation).

## **7. DIRECTORS' INTERESTS IN GROUP'S ASSETS AND CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, (i) none of the Directors had any interest, direct or indirect, in any assets which have since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group, and (ii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, subsisting as at the date of this Prospectus and which was significant in relation to the business of the Group.

**8. QUALIFICATION AND CONSENT OF EXPERT**

The following is the qualification of the expert who has given statement or opinion or advice for inclusion in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu (“ <b>Deloitte</b> ”)	Certified Public Accountants and Registered Public Interest Entity Auditor

Deloitte has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter, report and/or references to its name in the form and context in which they appear herein.

As at the Latest Practicable Date, Deloitte did not have any direct or indirect interest in any securities of the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company nor did they have any interest, either directly or indirectly, in any assets which had been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to the Company.

## 9. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business	22nd Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Authorised representatives	Mr. POON Mo Yiu 22nd Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong  Mr. SUN Jianfeng 22nd Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Company secretary	Mr. CHOU Chuk Nam
Legal advisers to the Company in relation to the Rights Issue	<i>As to Hong Kong law:</i> Woo Kwan Lee & Lo 26th Floor, Jardine House 1 Connaught Place, Central, Hong Kong
Auditors and reporting accountant	Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 35/F One Pacific Place 88 Queensway
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong

## 10. MATERIAL CONTRACTS

Save as disclosed below, no material contract (not being a contract entered into in the ordinary course of business of the Group) has been entered into by any member of the Group within the two years immediately preceding the date of this Prospectus and up to and including the Latest Practicable Date:

- (i) The subscription agreement dated 11 May 2021 entered into between the Company (as issuer) with certain managers in connection with the issuance of bonds in the aggregate principal amount of US\$300,000,000 due 2026. The bond carries a fixed interest rate of 2.125% per annum and will be redeemed at their principal amounts on the maturity date on 20 May 2026. Please refer to the Company's announcement dated 12 May 2021 and offering circular dated 21 May 2021 for details.
- (ii) The agency agreement dated 28 June 2021 entered into between the Company (as issuer) with The Hongkong and Shanghai Banking Corporation Limited ("HSBC") (as fiscal agent, transfer agent, calculation agent, paying agent, Central Moneymarkets Unit Service ("CMU") lodging agent and registrar) in relation to the issuance of up to US\$5,000,000,000 medium term note (the "2021 Notes"). Please refer to the Company's offering circular dated 28 June 2021 for details.
- (iii) The dealer agreement dated 28 June 2021 entered into between (i) the Company (as issuer); (ii) HTISCL (as arranger and dealer) and (iii) HSBC (as dealer) in relation to, among other things, the 2021 Notes.
- (iv) The agency agreement dated 27 June 2022 entered into between the Company (as issuer) with HSBC (as fiscal agent, transfer agent, calculation agent, paying agent, CMU lodging agent and registrar) in relation to the issuance of up to US\$5,000,000,000 medium term note (the "2022 Notes"). Please refer to the Company's offering circular dated 27 June 2022 for details.
- (v) The dealer agreement dated 27 June 2022 entered into between (i) the Company (as issuer); (ii) HTISCL (as arranger and dealer) and (iii) HSBC (as dealer) in relation to, among other things, the 2022 Notes.
- (vi) The placing agency and subscription agreement dated 17 March 2023 entered into between the Company (as issuer), an investee entity of HSCL and HTIH (as investors) and HTISCL (as placing agent) in connection with the issuance of subordinated perpetual securities in the aggregate principal amount of US\$200,000,000. Please refer to the Company's announcement dated 17 March 2023 for details.

## 11. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claims of material importance and no litigation, arbitration or claims of material importance was known to the Directors to be pending or threatened by or against any member of the Group.



**12. EXPENSES**

The expenses in connection with the Rights Issue, including the fees of the financial adviser, legal advisers, auditors, printing, registration, translation, subsequent issue fee and other related expenses are estimated to be approximately HK\$5 million, which will be borne by the Company.

**13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents having attached thereto the written consent referred to in the paragraph headed “8. Qualification and Consent of Expert” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration pursuant to section 342C of the Companies (WUMP) Ordinance.

**14. DOCUMENTS ON DISPLAY**

The following documents are available on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.htisec.com](http://www.htisec.com)) for a period of 14 days from the date of this Prospectus:

- (a) the bye-laws of the Company;
- (b) the annual reports of the Company for the financial years ended 31 December 2020, 2021 and 2022 respectively;
- (c) the accountants’ report on the unaudited pro forma financial information of the Company issued by Deloitte, the text of which is set out in appendix II to this Prospectus;
- (d) the written consent as referred to in the paragraph headed “8. Qualification and Consent of Expert” in this appendix;
- (e) the material contracts referred to in the paragraph headed “10. Material Contracts” in this appendix; and
- (f) the Prospectus Documents.

**15. MISCELLANEOUS**

This Prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text of this Prospectus shall prevail over the Chinese text unless otherwise specified.