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**HAITONG INTERNATIONAL
HOLDINGS LIMITED**
海通國際控股有限公司

(Incorporated in Hong Kong, China with limited liability)



**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)

JOINT ANNOUNCEMENT

(1) CONDITIONAL PROPOSAL FOR THE PRIVATISATION OF HAITONG INTERNATIONAL SECURITIES GROUP LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 99 OF THE COMPANIES ACT

(2) PROPOSED WITHDRAWAL OF LISTING OF HAITONG INTERNATIONAL SECURITIES GROUP LIMITED

(3) DESPATCH OF THE SCHEME DOCUMENT AND THE SHARE OPTION OFFER LETTER

Financial Adviser to the Offeror



SOMERLEY CAPITAL LIMITED

**Independent Financial Adviser to the
Independent Board Committee**

ALTUS CAPITAL LIMITED

INTRODUCTION

Reference is made to (i) the announcement jointly issued by Haitong International Holdings Limited (the “**Offeror**”) and Haitong International Securities Group Limited (the “**Company**”) dated 6 October 2023 (the “**Joint Announcement**”) in respect of, among others, the pre-conditional proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under section 99 of the Companies Act; (ii) the announcement jointly issued by the Offeror and the Company dated 27 October 2023 in relation to the extension of time for despatch of the scheme document; (iii) the announcement jointly issued by the Offeror and the Company dated 15 November 2023 in relation to the satisfaction of the Pre-Condition; and (iv) the scheme document jointly issued by the Offeror and the Company dated 22 November 2023 in relation to, among other things, the Proposal, the Scheme and the Share Option Offer (the “**Scheme Document**”).

Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Scheme Document. All times and dates contained in this joint announcement refer to Hong Kong, China times and dates unless otherwise specified.

DESPATCH OF SCHEME DOCUMENT AND SHARE OPTION OFFER LETTER

The Scheme Document, together with the notices of the Court Meeting and the SGM to be held on Friday, 15 December 2023 and the relevant forms of proxy, will be despatched to the Shareholders and the Share Award Holders on Wednesday, 22 November 2023.

The Scheme Document, the letter to Share Option Holders and Form of Acceptance will also be despatched to the Share Option Holders on Wednesday, 22 November 2023.

The Scheme Document contains, among other things, further details of the Proposal, the Scheme and the Share Option Offer, an explanatory statement as required under the Companies Act, the expected timetable relating to the Proposal, the Scheme and the Share Option Offer, a letter from the Board, the recommendations of the Independent Board Committee, a letter of advice from the Independent Financial Adviser and notices of the Court Meeting and the SGM.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. WAN Kam To, Mr. LIU Swee Long Michael, Mr. ZHANG Huaqiao and Ms. LEE Man Yuen Margaret, each being an independent non-executive Director, has been established to make a recommendation to the Disinterested Shareholders and the Share Option Holders as to (a) whether the terms of the Proposal, the Scheme and the Share Option Offer are, or are not, fair and reasonable; (b) whether to vote in favour of the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the SGM; and (c) acceptance of the Share Option Offer by the Share Option Holders.

The Board, with the approval of the Independent Board Committee, has appointed Altus Capital as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Share Option Offer pursuant to Rule 2.1 of the Takeovers Code.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the terms of the Proposal, the Scheme and the Share Option Offer are fair and reasonable so far as the Disinterested Shareholders and the Share Option Holders are respectively concerned, and accordingly, it advises the Independent Board Committee to recommend to (a) the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the SGM to approve and implement the Proposal and the Scheme; and (b) the Share Option Holders to accept the Share Option Offer.

The Independent Board Committee, having considered the terms of the Proposal, the Scheme and the Share Option Offer, and having taken into account the advice and recommendation of the Independent Financial Adviser, considers that the terms of the Proposal, the Scheme and the Share Option Offer are fair and reasonable so far as the Disinterested Shareholders and the Share Option Holders are respectively concerned. Accordingly, the Independent Board Committee recommends (a) the Disinterested Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the SGM to approve and implement the Proposal and the Scheme; and (b) and the Share Option Holders to accept the Share Option Offer.

Shareholders are urged to read carefully the recommendations of the Independent Board Committee set out in the letter from the Independent Board Committee and the advice of the Independent Financial Adviser set out in the letter from the Independent Financial Adviser, both contained in the Scheme Document.

COURT MEETING AND SGM

The Court Meeting and the SGM are scheduled to be held at 10:00 a.m. and 10:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting) respectively, on Friday, 15 December 2023 at 15th Floor, One Island South, 2 Heung Yip Road, Wong Chuk Hang, Hong Kong, China.

In accordance with the directions of the Court, the Court Meeting will be held for the purposes of considering and, if thought fit, approving (with or without modification) the Scheme.

The SGM will be held for the purposes of considering and, if thought fit, approving (i) the special resolution to approve any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares; and (ii) the ordinary resolution to contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par such number of new Shares.

Notices of the Court Meeting and the SGM are enclosed in the Scheme Document. An announcement will be made by the Company and the Offeror in relation to the results of the Court Meeting and the SGM by no later than 7:00 p.m. on Friday, 15 December 2023.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 12 December 2023 to Friday, 15 December 2023 (both days inclusive) and during such period, no transfer of Shares will be registered.

In order to qualify for the right to attend and vote at the Court Meeting and the SGM, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, China before 4:30 p.m. on Monday, 11 December 2023. A subsequent purchaser of Shares will need to obtain the PINK form of proxy in respect of the Court Meeting and the WHITE form of proxy in respect of the SGM from the transferor if he or she wishes to attend or vote at the Court Meeting or the SGM.

CONDITIONS OF THE PROPOSAL

Shareholders, Share Option Holders, Share Award Holders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme is subject to the satisfaction or waiver (where applicable) of the Conditions set out in the section headed “4. *Conditions of the Proposal and the Scheme*” in the Explanatory Statement of the Scheme Document. All of the Conditions must be fulfilled or waived (where applicable) on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. If the Conditions are satisfied or validly waived (as applicable), the Proposal and the Scheme will be binding on all of the Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the SGM.

The Share Option Offer will be conditional on the Scheme becoming effective. If any of the Conditions is not satisfied or waived (where applicable) on or before the Long Stop Date and the Proposal and the Scheme lapse, the Share Option Offer will also lapse.

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Further announcement(s) will be made in the event that there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong, China times and dates.

Hong Kong, China Times and Dates (unless otherwise specified)

Date of despatch of the Scheme Document and the letter to Share Option Holders	Wednesday, 22 November 2023
Latest time for Share Option Holders to lodge notice of exercise of their Share Options in order to become entitled to attend and vote at the Court Meeting and the SGM	4:30 p.m. on Monday, 11 December 2023
Latest time for lodging transfers of Shares in order to become entitled to attend and vote at the Court Meeting and the SGM	4:30 p.m. on Monday, 11 December 2023
Register of members of the Company closed for determining entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and entitlement of the Shareholders to attend and vote at the SGM (<i>Note 1</i>)	Tuesday, 12 December 2023 to Friday, 15 December 2023 (both days inclusive)
Latest time for lodging PINK forms of proxy in respect of the Court Meeting (<i>Note 2</i>)	10:00 a.m. on Wednesday, 13 December 2023 (or alternatively to be handed to the chairman of the Court Meeting)
Latest time for lodging WHITE forms of proxy in respect of the SGM (<i>Note 2</i>)	10:30 a.m. on Wednesday, 13 December 2023
Meeting Record Date	Friday, 15 December 2023
Court Meeting (<i>Note 3</i>)	10:00 a.m. on Friday, 15 December 2023

SGM (<i>Note 3</i>)	10:30 a.m. on Friday, 15 December 2023 (or immediately after the conclusion or adjournment of the Court Meeting)
Announcement of the results of the Court Meeting and the SGM	no later than 7:00 p.m. on Friday, 15 December 2023
Expected last time for trading of Shares on the Stock Exchange	4:10 p.m. on Friday, 29 December 2023
Latest time and date for lodging the Form of Acceptance in relation to the Share Option Offer (<i>Note 4</i>)	4:30 p.m. on Thursday, 4 January 2024
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme.	4:30 p.m. on Thursday, 4 January 2024
Register of members of the Company closed for determining entitlement under the Scheme (<i>Note 5</i>)	from Friday, 5 January 2024 onwards
Latest time for Share Option Holders to lodge notice of exercise of their Share Options to qualify for entitlements under the Scheme (<i>Note 6</i>)	4:30 p.m. on Friday, 5 January 2024
Court hearing of the petition for the sanction of the Scheme.	Friday, 5 January 2024 (Bermuda time)
Announcement of (1) the results of the Court hearing for the petition for the sanction of the Scheme; (2) the expected Effective Date; and (3) the expected date of withdrawal of listing of the Shares on the Stock Exchange.	at or before 8:30 a.m. on Monday, 8 January 2024
Scheme Record Date.	Tuesday, 9 January 2024
Effective Date and the effective date of the Share Option Offer (<i>Note 7</i>)	Tuesday, 9 January 2024 (Bermuda time)

Announcement of (1) the Effective Date; and
(2) the results of the Share Option Offer; and
(3) the withdrawal of listing of the Shares on
the Stock Exchange no later than 8:30 a.m. on
Wednesday, 10 January 2024

Withdrawal of listing of Shares on the Stock Exchange
becomes effective (*Note 8*) 9:00 a.m. on Thursday, 11 January 2024

Latest time to despatch cheques for the cash payment of
(1) the Cancellation Price to the Scheme Shareholders under
the Scheme; and (2) the Share Option Offer Price to Share Option Holders
who have accepted the Share Option Offer (*Note 9*) on or before
Thursday, 18 January 2024

Notes:

1. The register of members of the Company will be closed during such period for the purposes of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the SGM and no transfer of Shares will be registered during such period. This book closure period is not for determining entitlement under the Scheme.
2. Duly completed and signed forms of proxy should be deposited at the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, China, as soon as possible, but in any event no later than the respective times and dates specified in them respectively.

If the **PINK** form of proxy in respect of the Court Meeting is not so deposited, it may alternatively be handed to the chairman of the Court Meeting (who will have absolute discretion on whether or not to accept it) at the Court Meeting. If the **WHITE** form of proxy in respect of the SGM is not so deposited, it will not be valid. The completion and return of a form of proxy for the Court Meeting or the SGM will not preclude a Scheme Shareholder or a Shareholder, respectively, from attending and voting in person at the relevant meeting or any adjournment thereof and in such event, the relevant form of proxy will be revoked by operation of law.

3. The Court Meeting and the SGM will be held at 15th Floor, One Island South, 2 Heung Yip Road, Wong Chuk Hang, Hong Kong, China at the times and dates specified above. Please refer to the notice of the Court Meeting and the notice of the SGM as set out in pages IV-1 to IV-3 and pages V-1 to V-2, respectively, of the Scheme Document for details.
4. The Form of Acceptance, duly completed and executed in accordance with the instructions on it, and the relevant documents must be lodged with the Company at 15th Floor, One Island South, 2 Heung Yip Road, Wong Chuk Hang, Hong Kong, China, for the attention of the Company Secretariat and marked “Haitong International – Share Option Offer” by no later than 4:30 p.m. on Thursday, 4 January 2024 (or such later date and time as may be notified to the Share Option Holders by the Offeror and the Company).
5. The register of members of the Company will be closed during such period for the purposes of determining the entitlement of the Scheme Shareholders under the Scheme and no transfer of Shares will be registered during such period.
6. Pursuant to the terms of the Share Option Scheme, the outstanding Share Options can be exercised up to the earlier of the end of two calendar months after the date of the letter to the Share Option Holders and the date on which the Scheme is sanctioned by the Court.

7. The Proposal and the Scheme will become effective upon all the Conditions to the Proposal and the Scheme as set out in the section headed “4. Conditions of the Proposal and the Scheme” in the Explanatory Statement of the Scheme Document having been fulfilled or waived (as applicable).
8. If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 9:00 a.m. on Thursday, 11 January 2024.
9. Cheques for payment of the Cancellation Price will be despatched no later than seven business days (as defined in the Takeovers Code) after the Effective Date, by ordinary post in pre-paid envelopes addressed to the Scheme Shareholders at their respective registered addresses as appearing in the register of members of the Company as at the Scheme Record Date or, in the case of joint holders, at the registered address appearing in the register of members of the Company as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding.

Cheques for payment of the Share Option Offer Price for acceptances under the Share Option Offer in respect of the outstanding Share Options in issue as at the Scheme Record Date will be despatched or made no later than seven business days (as defined in the Takeovers Code) after the Effective Date and shall be despatched by ordinary post in pre-paid envelopes addressed to the Share Option Holders at their respective last known addresses as notified by the Share Option Holders to the Group.

WARNINGS

Shareholders, Share Option Holders, Share Award Holders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Share Option Offer is subject to the Conditions being satisfied or waived (where applicable). Accordingly, the Proposal and the Share Option Offer may or may not be implemented and the Scheme may or may not be effective. Shareholders, Share Option Holders, Share Award Holders, holders of other securities of the Company and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By order of the Board
Haitong International Holdings Limited
LI Jun
Chairman

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

Hong Kong, 21 November 2023

As at the date of this joint announcement, the board of directors of the Offeror comprises of Mr. LI Jun (Chairman), Mr. SONG Shihao (Deputy Chairman), Mr. ZHANG Xinjun and Mr. LIN Yong; and the board of directors of HSCL comprises of Mr. ZHOU Jie, Mr. LI Jun, Mr. ZHAO Yonggang, Mr. TU Xuanxuan, Mr. SHI Lei*, Ms. XIAO Hehua*, Mr. XU Jianguo*, Mr. ZHOU Yu**, Mr. FAN Ren Da Anthony**, Mr. MAO Fugen** and Mr. MAO Huigang**.*

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the directors of the Company in their capacity as the directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The directors of HSCL jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the directors of the Company in their capacity as the directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the board of directors of the Company comprises Mr. LI Jun (Chairman), Mr. LIN Yong (Deputy Chairman and Chief Executive Officer), Mr. SUN Jianfeng, Mr. SUN Tong, Mr. CHENG Chi Ming Brian*, Mr. ZHANG Xinjun*, Mr. WAN Kam To**, Mr. LIU Swee Long Michael**, Mr. ZHANG Huaqiao** and Ms. LEE Man Yuen Margaret**.*

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Offeror or HSCL) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the directors of the Offeror in their capacity as the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

* *Non-executive directors*

** *Independent Non-executive directors*