

GTJAI's Long-Term Issuer Credit Rating Reaffirmed at “Baa2” by Moody's again

2022/1/4

[4 January 2022, Hong Kong] Guotai Junan International Holdings Limited ("Guotai Junan International", the "Company" or the "Group", Stock Code: 1788.HK) announced that the Company has again received a reaffirmation of its “Baa2” long-term issuer credit rating with a “stable” outlook from Moody's, an international credit rating agency, maintaining its leading credit rating among Chinese securities firms in Hong Kong. Key highlights of this updated credit report include:

1. **Strengths:** 1) A leading position in helping individuals in mainland China trade offshore securities; 2) relatively good profitability; 3) moderate leverage which is lower compared with global peers.
2. **Shareholder's Support:** Guotai Junan International's entity-level outlook is "stable", reflecting Moody's expectation that the support from its parent and the Chinese government are unlikely to change in the next 12-18 months.
3. **Market Share:** Global investment banks lead the institutional business in Hong Kong's financial market, but Moody's believes that their advantages are gradually being challenged by the Hong Kong-based subsidiaries of Chinese financial institutions. In particular, the launch of the Shanghai/Shenzhen-Hong Kong Stock Connect has provided the Hong Kong subsidiaries of various Chinese securities firms, such as Guotai Junan International, with new opportunities to increase their market share in Hong Kong.
4. **Business Model:** The Company has a transparent business model and follows prudent risk control procedures. After two years of observation, Moody's believes the Company's structured product business model is transparent and effective and therefore does not make any adjustments to the business profile and financial policy evaluation of the Company.
5. **Corporate Governance:** The Company's corporate governance was affirmed. Moody's believes that, like other financial institutions, the credit profile of Guotai Junan International benefits from its advantages of corporate governance.

Please contact Moody's for details of this report.

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About GTJAI

Guotai Junan International (“GTJAI”, Stock Code: 1788.HK) is the market leader and first mover for internationalization of Chinese Securities Company as well as the first Chinese securities broker listed on the Main Board of The Hong Kong Stock Exchange through initial public offering. It has also been included in FTSE4Good Index by London Stock Exchange of the United Kingdom. Based in Hong Kong, GTJAI provides diversified integrated financial services. Core business includes seven categories of brokerage, corporate finance, asset management, loans and financing, financial products, market making and investments, which cover three dimensions including individual finance (wealth management), institutional finance (institutional investor services and corporate finance service) and investment management. GTJAI has been assigned “Baa2” and “BBB+” long term issuer rating from Moody and Standard & Poor respectively. The controlling shareholder, **Guotai Junan Securities Company Limited (Stock Code: 601211.SS; 2611.HK)**, is the comprehensive financial provider with a long-term, sustainable and overall leading position in the Chinese securities industry. For more information about GTJAI, please visit <https://www.gtjai.com>