



國泰君安國際
GUOTAI JUNAN INTERNATIONAL

Constituent of FTSE's ESG Index
Stock Code: 1788.HK

Guotai Junan International 2021 Annual Results

March 2022



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All information provided in this presentation is as of the date of this presentation and are based on assumptions that we believe to be reasonable as of this date, and GTJAI does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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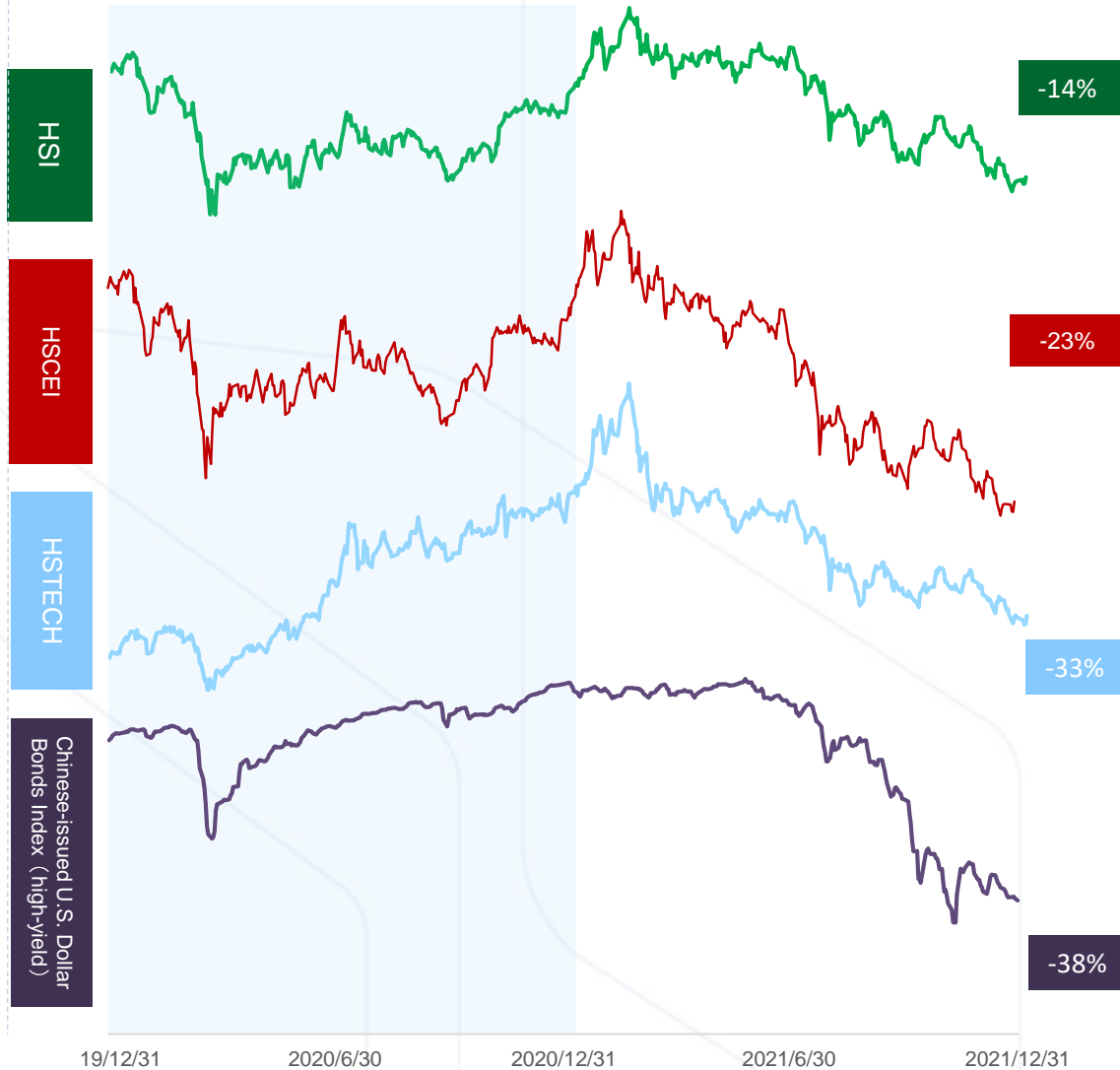
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“ Despite an extremely challenging market environment, leveraging on diversified business development strategies and sound risk management capabilities, the Group made remarkable achievement in wealth management transformation, promoted the development of capital intermediary business and reduced the exposure to high-risk industries, which minimized the effects brought by the unfavorable market factors to its performance. The business performance of the Group continued to remain at the forefront among its peers. ”



Data sources: Bloomberg, Guotai Junan International, for reference only

Hang Seng Index
-14%

- Worst performance of HSI in a decade
- HS TECH Index down by 33%
- Underperformance compared to other global markets

Total Funds Raised
-18% YOY
in HK IPO market

- The market growth slowed down significantly in 2H2021

Chinese-issued U.S. Dollar Bonds Index (high-yield)
-38%

- Defaults from mainland real estate corporates
- Overall Fundraising \$ down by 0.5%

HIBOR
Stays low

- Loosened global monetary policy
- Relatively sufficient liquidity in HK Market

Financial Performance

- Total Revenue** reached HK\$3,972 million, decrease of 19% YOY
 - ✓ Both Fee and commission income and Wealth management segment income recorded a new high in the 3 consecutive years
 - ✓ Wealth management income accounted for 46% of revenue
 - ✓ Fee and commission income accounted for 41% of revenue
- Net profit** decreased 29.6% YOY to HK\$1,100 million
 - ✓ Attributable Profit reached HK\$1,095 million, decrease of 29.9% YOY
 - ✓ Return on shareholder's equity ("ROE") was 7.2%
- DPS** reached HK\$0.060 with a payout ratio of 53%
 - ✓ A final dividend of HK\$0.010 per share was proposed
 - ✓ Cumulative dividends of HK\$5.1 billion since 2010 with an average payout ratio of 52%
- Impairment** fell 39% YOY to HK\$221 million, further strengthening the balance sheet
- Leading Credit Ratings** among peers, S&P BBB+ , Moody's Baa2

Business Highlights

- Wealth Management Transformation Gained Remarkable Results**
 - ✓ WM income increased 26% YOY to HK\$1,829 million, setting a new high
 - ✓ Total assets under custody increased by 14% to HK\$235.1 billion
 - ✓ Market share of brokerage business doubled as compared with 2018 and the ranking has climbed for 2 consecutive years
 - ✓ "eDDA Express Deposit" service, "Flexi-Money", "Remote Account Opening" APP
- Risk management Created Value**
 - ✓ Modified risk appetite and increased effective risk hedging position
 - ✓ Made decisive decisions and avoided significant losses in risk events
- ESG & Green Finance Made Significant Progress**
 - ✓ Total issuance amount under green and sustainability bond business increased by 271% YOY to a record high of HK\$70.1 billion
 - ✓ Size of green IPO projects increased 11.41 times YOY to HK\$33.1 billion
 - ✓ Constituent of FTSE's ESG Index – FTSE4GOOD
 - ✓ Assessed environmental risks
 - ✓ Incorporated ESG risk factors into risk framework and credit risk assessment

Financial Review

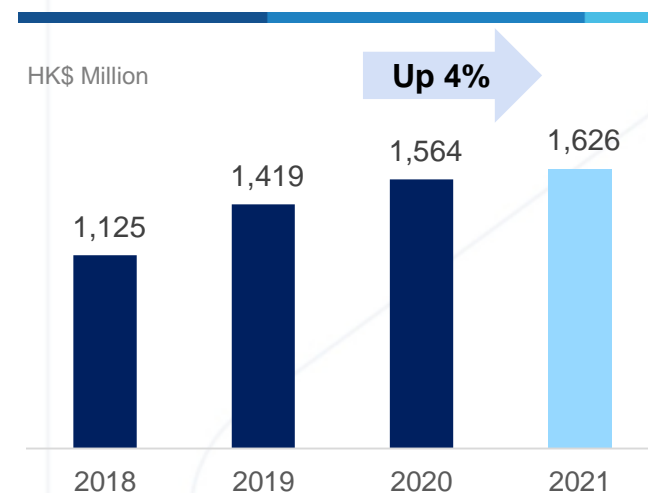
2021 Annual Results

P&L extracts	2021	2020	YOY ¹
	(HKD'000)	(HKD'000)	
Fee and Commission ²	1,626,079	1,563,672	4%
- Commission for securities trading	707,950	554,739	28%
Interest ²	2,280,539	2,652,075	(14%)
Net Trading and investment ²	59,797	657,205	(91%)
Total Revenue	3,971,694	4,878,400	(19%)
Total Costs	2,684,048	3,063,721	(12%)
Profit attributable to shareholders	1,094,743	1,562,587	(30%)
Dividend	576,259	815,270	(29%)
- EPS (HK cents)	11.4	16.9	(33%)
- DPS (HK cents)	6.0	8.5	(29%)

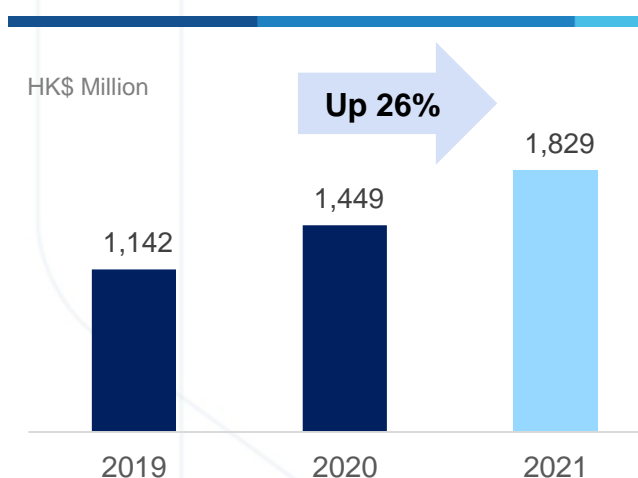
B/S and Financial ratio	31 Dec 2021	31 Dec 2020	Change ¹
Total assets (HK\$ billion)	106.3	121.7	(13%)
Total liabilities (HK\$ billion)	90.9	106.5	(15%)
Net Asset per share (Attribute to Shareholders) ³ (HK\$)	1.59	1.58	1%
Nominal leverage ratio ⁴	5.78	6.81	down
ROE ⁵	7.2%	11.8%	down

Note: 1) Rounded; 2) Details shown on page 9; 3) Calculation based on shares issued as at 31 Dec 2021 minus shares held under share award scheme; 4) Leverage Ratio Calculation: (Total Assets - Accounts Payable to Clients) / Total Equity; 5) ROE= Profit Attributable to Shareholders / Net Asset Attribute to Shareholders,

Fee and Commission Income set a new high



Wealth Management Segment set a new high

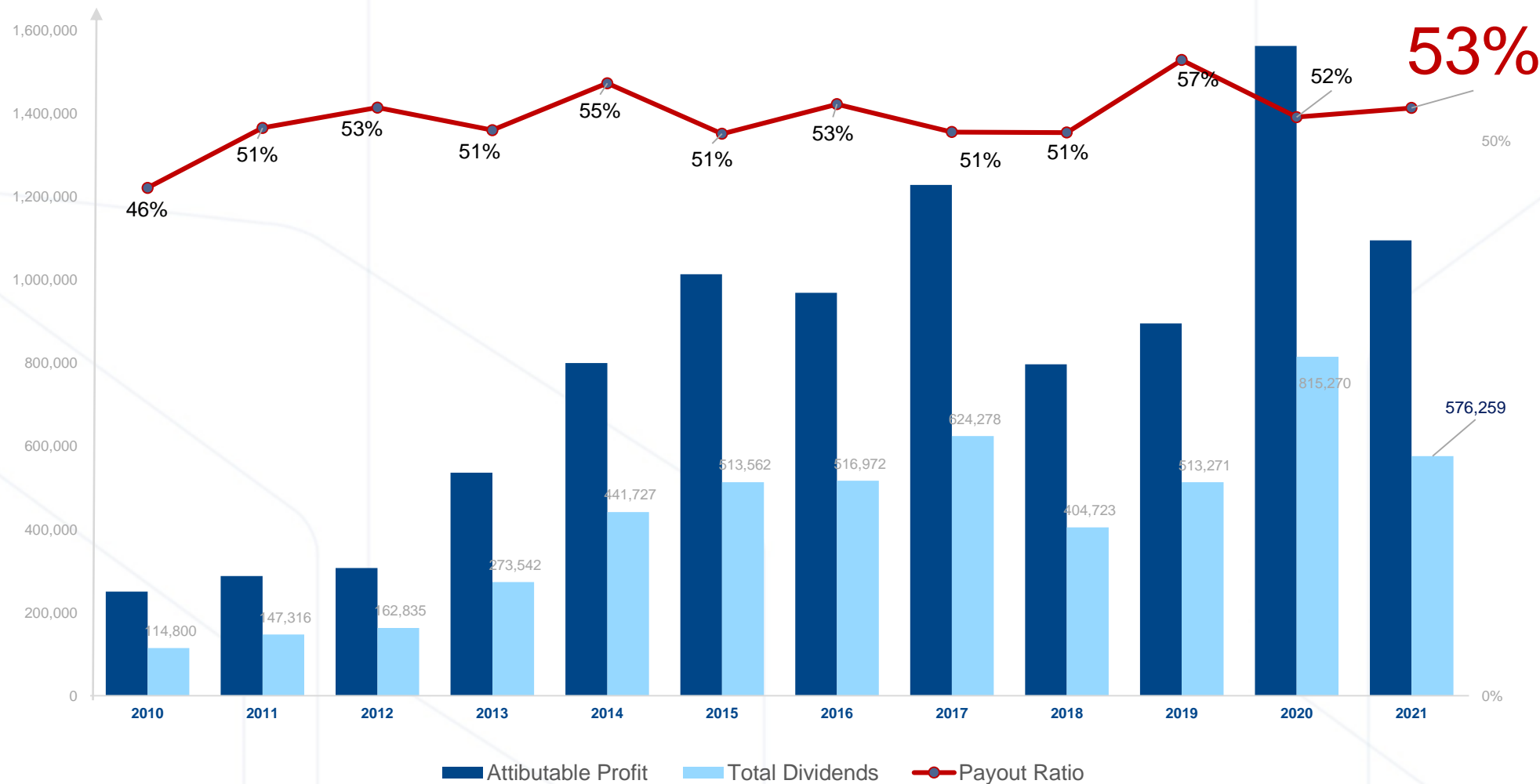




Note:

- 1. Fee and commission:** bear no major risks, including Brokerage, Corporate Finance, Asset Management, and fee from Financial Products;
- 2. Interest:** mainly with credit risk, including loans and financing, interests from financial products, coupon from market making; interests from fixed income investments;
- 3. Trading & Investments:** mainly market risk, including trading income from market making, financial derivatives provided to wealth management clients, seed funding for Asset Management as well as Private Equity business, etc.

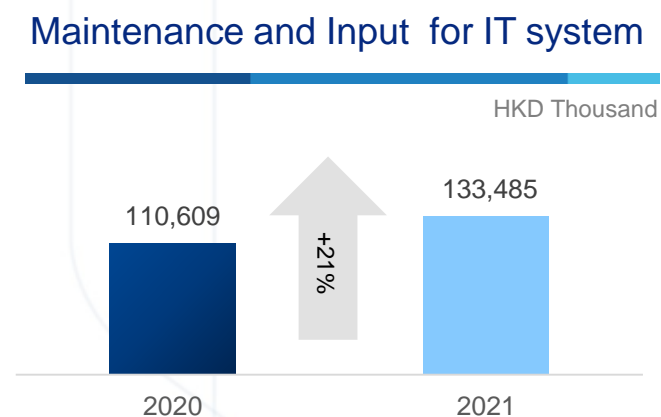
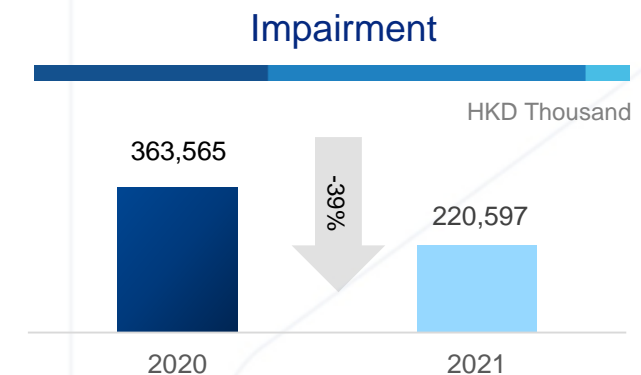
HKD Thousand



Historical Average Dividend Payout Ratio
52%

Cumulative Dividends
HK\$5.1 billion since
2010

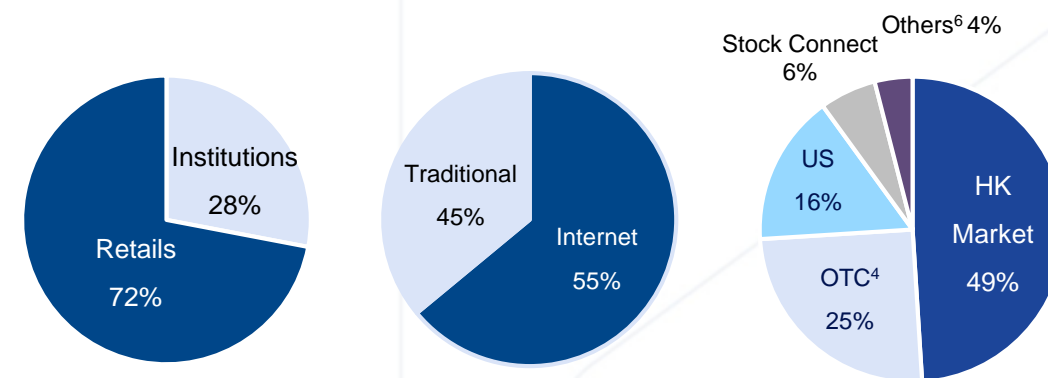
Cost items	2021	2020	YOY ¹	2H2021	YOY ²
	(HKD'000)	(HKD'000)			
Staff Costs	803,434	1,148,710	(30%)	378,895	(54%)
Commission to account executives	224,602	188,382	19%	80,918	(29%)
Depreciation	78,639	68,859	14%	40,263	16%
Impairment	220,597	363,565	(39%)	140,388	(57%)
Other operating expenses	581,913	463,949	25%	310,409	(6%)
Finance costs	774,863	830,256	(7%)	324,934	(18%)
Total costs	2,684,048	3,063,721	(12%)	1,275,807	(36%)



Fee and Commission

HKD'000	2021	2020	YOY ¹	2H2021	YOY ²
Brokerage	805,982	649,471	24%	342,896	(8%)
- Commission for securities trading	707,950	554,739	28%	285,639	(12%)
Corporate finance	597,751	591,872	1%	229,431	(34%)
-Debt capital market	402,848	461,737	(13%)	136,057	(48%)
-Equity capital market	118,845	85,055	40%	48,368	(25%)
- Consultancy and advisory	76,058	45,080	69%	45,006	63%
Asset management	106,015	153,508	(31%)	21,884	(83%)
Financial products (Handling fee)	116,331	168,821	(31%)	45,016	(52%)
Total	1,626,079	1,563,672	4%	639,227	(32%)

Securities breakdown³



Interest

HKD'000	2021	2020	YOY ¹	2H2021	YOY ²
Loans & financing	870,259	1,007,655	(14%)	396,908	(19%)
- Customers and counterparty financing	744,990	757,477	(2%)	314,794	(23%)
- Banks and others	125,269	250,178	(50%)	82,114	-
Market making (Interests)	506,595	819,032	(38%)	187,162	(49%)
Financial products (Interest)	320,917	296,106	8%	148,885	(27%)
Fixed income securities investment (Interests)	582,768	529,282	10%	277,273	1%
Total	2,280,539	2,652,075	(14%)	1,010,228	(24%)

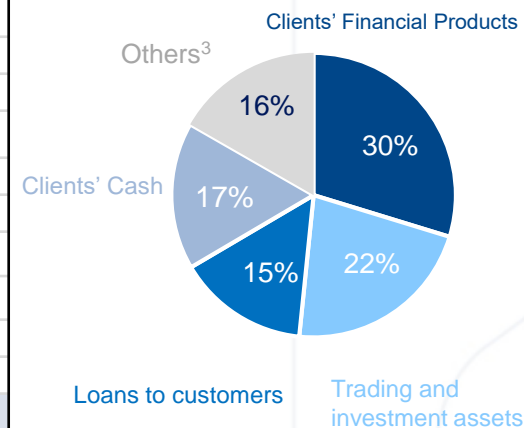
Trading and Investments

HKD'000	2021	2020	YOY ¹	2H2021	YOY ²
Market making (Mark-to-Market)	(71,280)	(50,832)	40%	(1,724)	(138%)
Investment in Securities ⁵ (Mark-to-Market)	131,077	708,037	(82%)	(194,334)	(125%)
Total	59,797	657,205	(91%)	(196,058)	(125%)

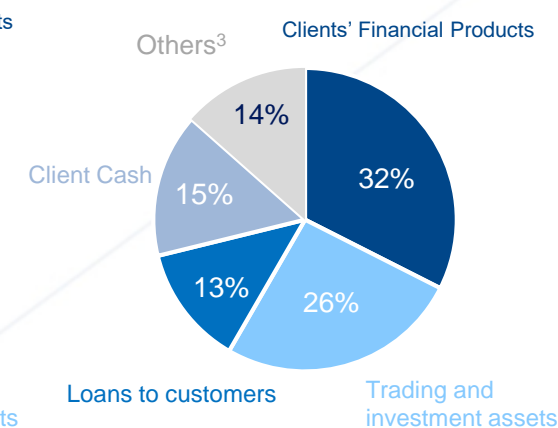
Note: 1. Rounded; 2. Rounded, Compared with 2H2020; 3. Breakdown chart was from "securities trading" of brokerage income; 4. Mainly from fixed income securities; 5. Other Investments securities included seed funding for asset management, private equity funds, providing financial derivatives and OTC product issuance and market making services for wealth management clients, and other equity investments; 6. "Others" include commission from A shares, B shares, South Korea, Japan, Germany, Singapore, Australia, Canada and other markets.

HKD'000	31 Dec 2021	Contribution*	31 Dec 2020	Contribution*
Assets				
Loans and Advances to Customers	15,854,687	14.9%	15,604,244	12.8%
Receivable from Reverse Repurchase Agreement	4,443,729	4.2%	3,022,800	2.5%
Accounts Receivable	6,559,681	6.2%	5,638,797	4.6%
Prepayments, Deposits and Other Receivables	118,311	0.1%	143,744	0.1%
Financial Products held on behalf of Clients ¹	31,599,309	29.7%	39,512,089	32.5%
Financial Assets (Market Making, Seed Fund & others) ²	23,253,517	21.9%	31,507,050	25.9%
Derivative Financial Instruments	619,230	0.6%	1,261,354	1.0%
Tax Recoverable	191,216	0.2%	304,435	0.3%
Client Trust Bank Balances	17,804,841	16.8%	18,707,026	15.4%
Cash and Cash Equivalents	5,277,874	5.0%	5,508,779	4.5%
Other Assets	565,698	0.5%	510,423	0.4%
Total Assets	106,288,093	100.0%	121,720,741	100.0%
Liabilities				
Accounts payable	20,587,166	22.7%	22,783,232	21.4%
Other Payables and Accrued Liabilities	632,317	0.7%	930,801	0.9%
Derivative Financial Instrument	532,961	0.6%	862,429	0.8%
Bank Borrowings	5,375,203	5.9%	9,739,397	9.1%
Debt Securities in Issue	45,491,783	50.1%	47,919,872	45.0%
- At Amortized Cost	21,437,896	23.6%	15,347,714	14.4%
- Designated as at Fair Value through P&L	24,053,887	26.5%	32,572,158	30.6%
Financial Liabilities at Fair Value through P&L	8,772,805	9.7%	6,666,260	6.3%
Obligations under Repurchase Agreements	9,255,723	10.2%	17,396,163	16.3%
Tax Payable	203,196	0.2%	183,420	0.2%
Total Liabilities	90,851,154	100.0%	106,481,574	100%
Ordinary Shareholders' Equity	15,307,361	99.2%	15,118,119	99.2%
Other Equity Instruments and Non-Controlling Interest	129,578	0.8%	121,048	0.8%
Total Equity	15,436,939	100.0%	15,239,167	100%

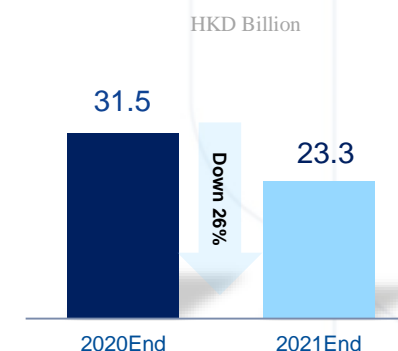
Assets (31 Dec 2021)



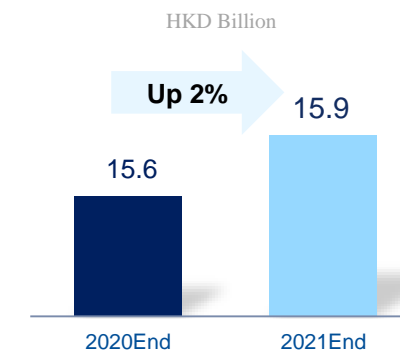
Assets (31 Dec 2020)



Financial Assets (Trading and Investments)



Loans and Advances to Customer



1. Rounded figures; 2. Fixed Income was mainly from market making for DCM and seed funding for asset management, with a diversified portfolio; 3. Including cash, accounts receivable and receivable from reverse repurchase agreement, etc.

Proactively Managed High-risk Exposures

In 2021, facing a series of continuous credit and market risks, the Group timely optimized balance sheet, business portfolio, and financial structure to reduce risk exposures and enhance risk hedging measures, as a result avoided significant losses.



Graph represents CVCP Mainland Real Estate Bond Index and is used for reference only. Source: Bloomberg

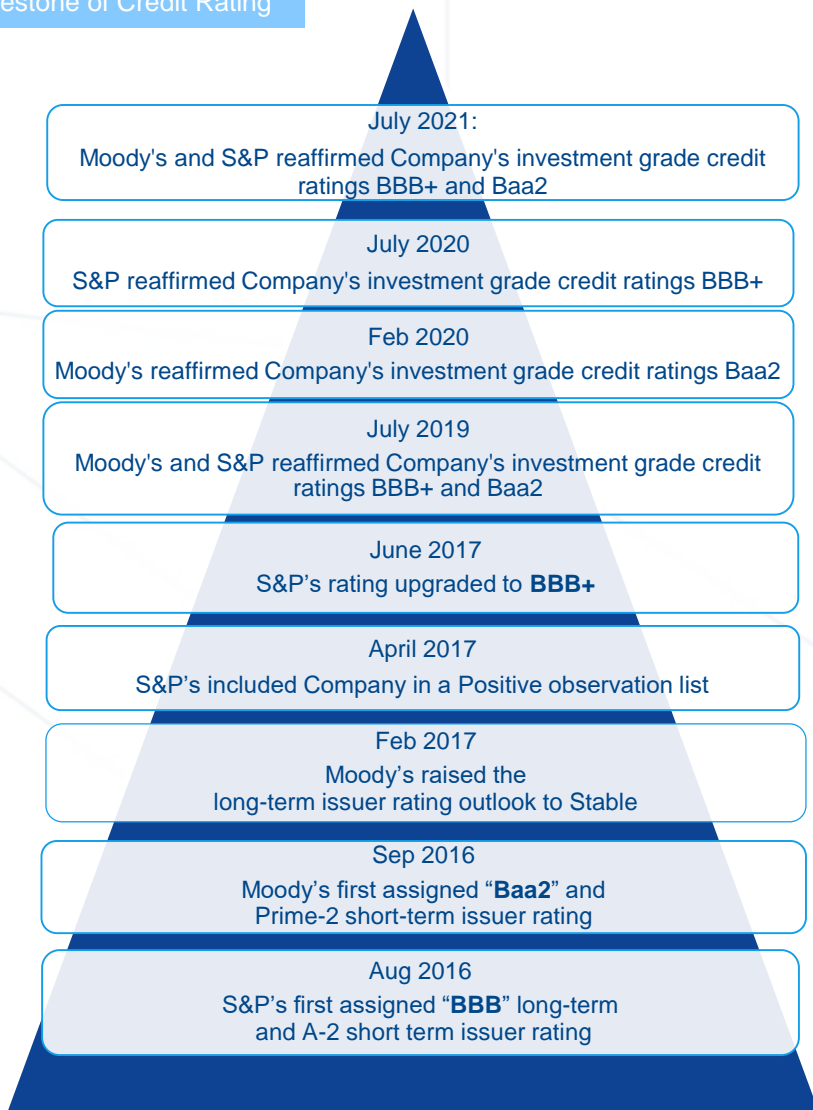
Measures on Financing

- ✓ Improve risk forecasting
- ✓ Reduce high-risk exposures
- ✓ Significantly lower risk limits
 - ✓ Diversified Collateral
- ✓ Reduce the relevant securities loan ratio
 - ✓ Timely margin call

Measures on Investments

- ✓ Improve risk forecasting
- ✓ Reduce high-risk exposures
- ✓ Significantly lower risk limits
- ✓ improve decentralization in positions
 - ✓ Shorten position duration
 - ✓ Actively hedge risk
 - ✓ Active stop loss

Milestone of Credit Rating



Moody's 

 STANDARD & POOR'S RATINGS SERVICES

Moody's

Moody's 

 STANDARD & POOR'S RATINGS SERVICES

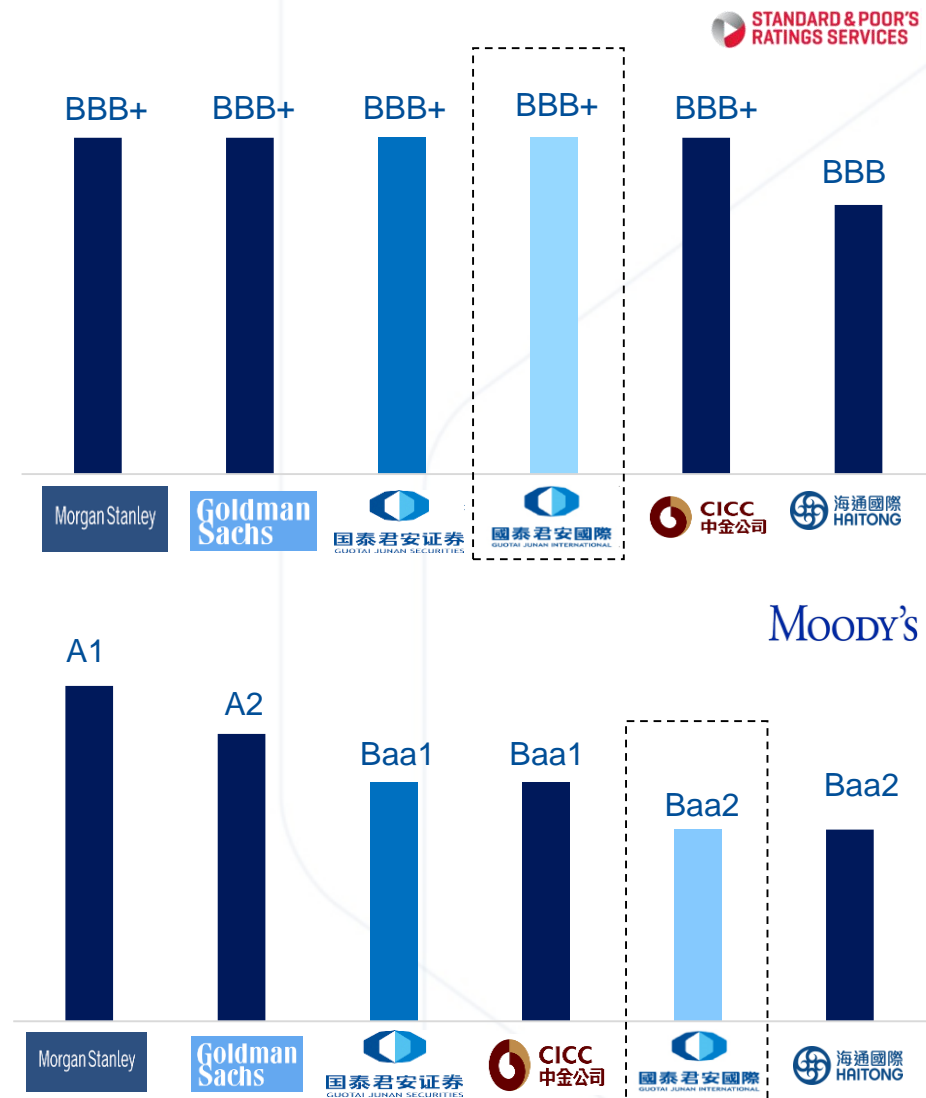
 STANDARD & POOR'S RATINGS SERVICES

Moody's

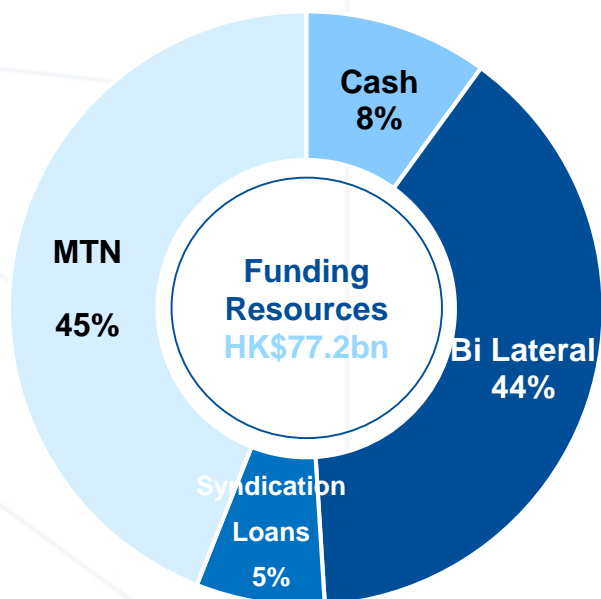
Moody's

 STANDARD & POOR'S RATINGS SERVICES

Peers Comparison



Funding Sources



As at 31 Dec 2021

Banking facilities

HK\$ million	31 Dec 2021	31 Dec 2020	Change ¹
Total banking facilities	33,594	25,964	29%
Bank loans utilized	5,268	9,716	(46%)
Available outstanding banking facilities	28,326	16,248	74%
Utilization ratio	16%	37%	(57%)

Note 1: Rounded Figures

Sustainability

2021 Annual Results

Corporate ESG

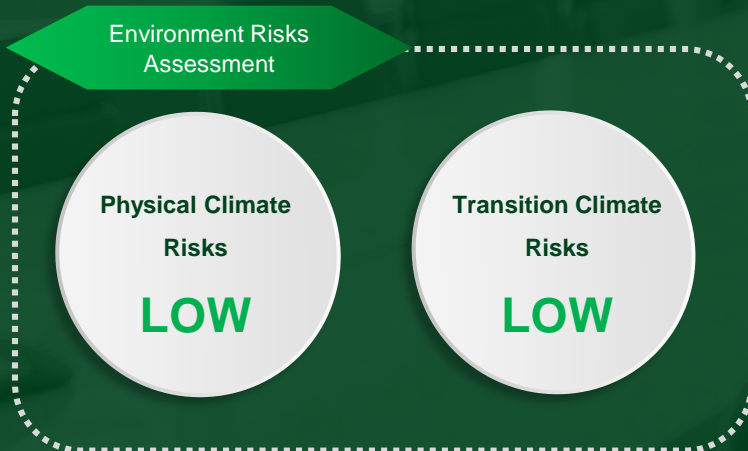
Sustainable Finance

✓ Improve ESG performance

- E: 1) Conducted a ESG risk assessment, in which the climate-related risks (“physical climate risks” and “transition climate risks”) were both assessed and identified as “low”; 2) Completed two large-scale tree planting activities
- S: 1) Completed the 2021 Management Trainee Programme; 2) Completed employee satisfaction survey; 3) Average training hours per employee increased significantly
- G: 1) The proportion of Female board members increased; 2) Optimized relevant business ethics guidelines and clarified the board's supervisory responsibilities

✓ Index: Constituent of the London Stock Exchange "FTSE4Good Index Series" since 2019

✓ ESG Organization: 1) As the first Chinese securities firm in Hong Kong to join the United Nations Global Compact (UNGC)
2) Joined Hong Kong Green Finance Association (HKGFA)

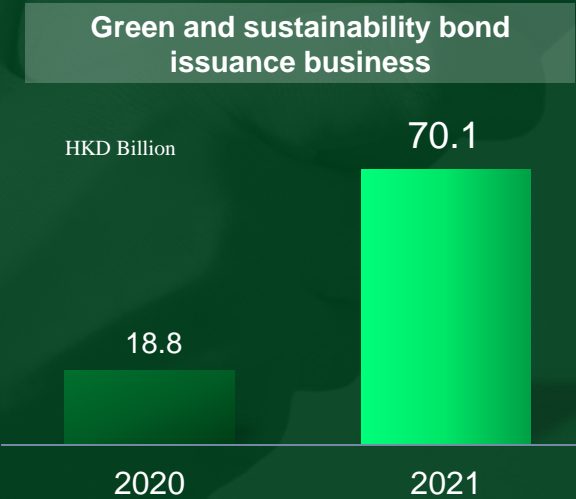


✓ Policy Inclusion:

Incorporated ESG risk factors into risk framework and the scope of credit risk assessment

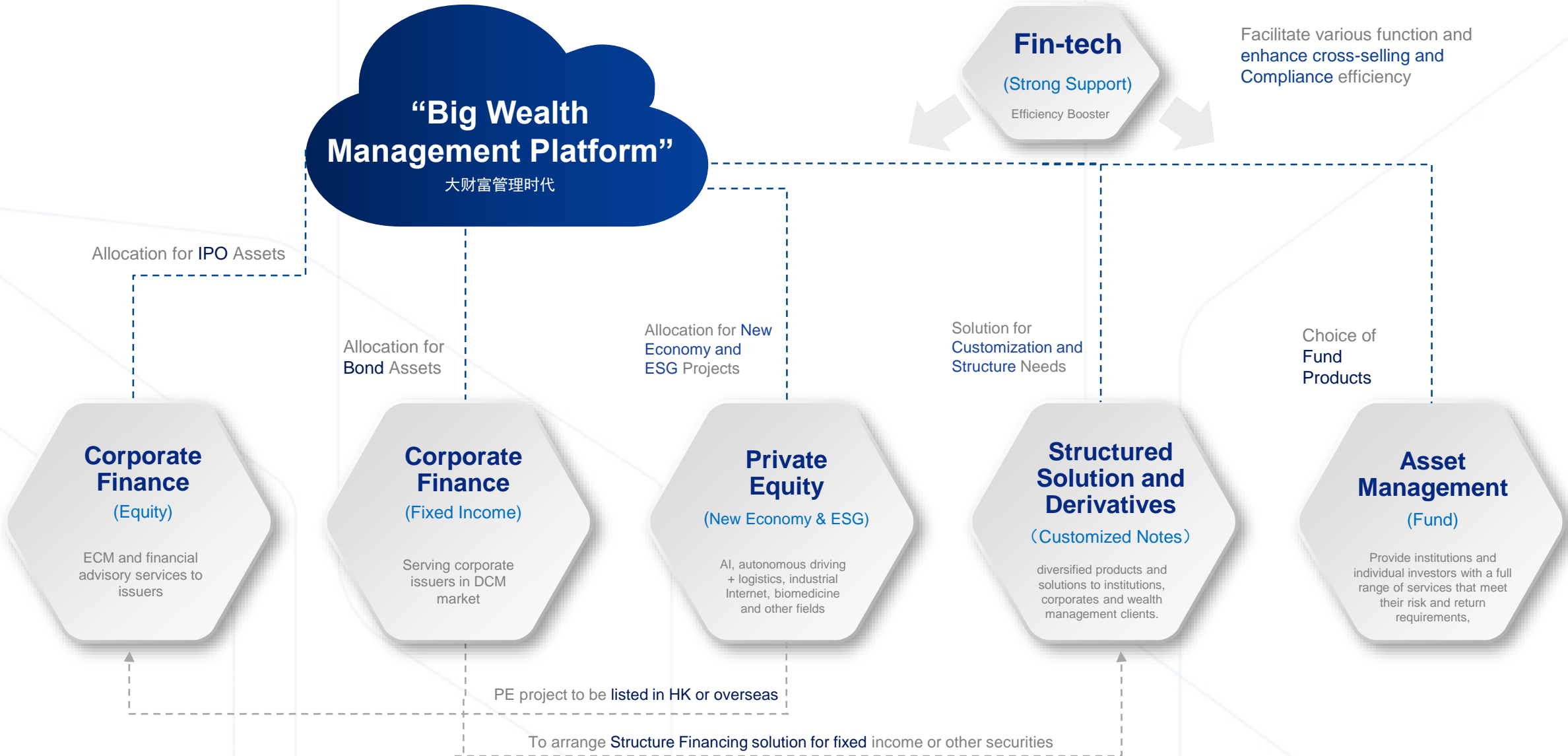
✓ Business Performance:

- Total issuance amount under green bond business increased by 271% YOY to a record high of HK\$70.1 billion
- Size of green equity IPO projects increased 11.41 times YOY to HK\$33.1 billion
- Green equity investment reaches HK\$1.177 billion
- green derivatives products reached HK\$2.106 billion



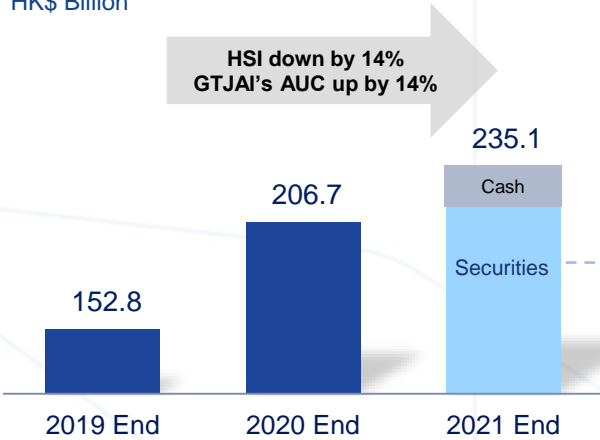
Business Development

2021 Annual Results

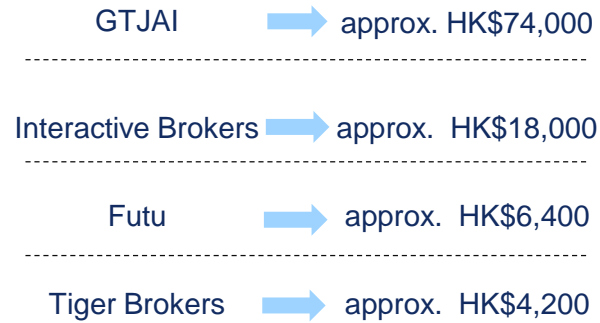


Total Assets under Custody¹

HK\$ Billion



GTJAI WM vs Internet Brokers ARPU²



Clients with assets over HK\$100 million

Number
No Less than
300
As at end of 2021

Market Share of HK Brokerage

- ✓ Climbed in Two Consecutive Years
- ✓ Doubled since 2018

Client Securities under Custody (by Market Value)



New Products and Services

- ✓ “eDDA Express Deposit” service (fund deposit completed in five minutes)
- ✓ “Flexi-Money”, a cash management tool for professional investors
- ✓ New stock options trading and settlement system
- ✓ “Remote Account Opening” APP

Note: 1. The assets under custody (AUC) include client securities and cash, while excluding proprietary positions. Investors should note that figures are at the day of the financial report deadline. It may NOT reflect the condition within the period and is for reference only. 2. The Average Revenue per Paying Client (ARPU) in the industry comes from a report released by Goldman Sachs Gaohua Research Report in 2021 (forecast for 2022);

2018

- ✓ Constructed **financing platform for bond securities**
- ✓ Optimized **compliance procedures** such as client suitability and due diligence
- ✓ Recruited experienced and competent **Relationship Managers**
- ✓ Officially launched **Wealth Management Center**

2019

- ✓ Introduced **bonds and OTC products**
- ✓ Shortly built information systems for the launch of **warrants and CBBC businesses**, issuing warrant products linked to Alibaba, Tencent, etc.
- ✓ Acquired a **Vietnamese platform** to offer research and brokerage services
- ✓ Expanded **RM** team to strengthen **client base**

2017

- ✓ Officially announced **strategic transformation** from conventional brokerage into **wealth management**
- ✓ Introduced **Graded-risk Pricing Mechanism** for equity financing to optimise **collateral's quality**
- ✓ Launched **Junhong Club** with margin rate discounts

2020

- ✓ **Strategic integration:** Merged departments of brokerage, loans and financing, investment strategy, etc. to offer more comprehensive services
- ✓ **External Asset Management** team was formed
- ✓ **More structured financial products:** CBBC and other OTC products gained recognition in market

2021

- ✓ **Fintech team:** enables quality development of core businesses such as wealth management
- ✓ **EDDA:** Launched convenient services such as eDDA deposit express
- ✓ Steady **High Quality Client** Acquisition with Continuous AUC Growth

Lowered interbank offered rates including

HIBOR dropped substantially. 1-month HIBOR slid to 0.85% (2020: 0.104%) and 1-month LIBOR slid to 0.099% (2020: 0.52%).

Loan to Value (LTV): 26%

Mainly attributable to increase in value of collaterals due to new business growth and the market-driven increase in value of collaterals in stock



Controlled credit risk

- ✓ Diversified collaterals
- ✓ High liquidity of collaterals
- ✓ Steadily increasing number of high-net-worth clients

Steadily increasing loan balance

- ✓ Driven by wealth management clients, the Company's total loan balance increased by 2% YoY to HK\$15.9 billion

Client trust bank balance

- ✓ Balance of client trust bank reached HKD17.8 billion

Competitive interest rate

Lower financing cost and higher return thanks to GTJA's premium SOE platform and leading credit rating

Abundant investment choices

Covering a wide range from HK & US stocks, A-shares, Connect Scheme and bonds, etc.

Efficient approval procedures

Auto-approval within certain loan amount

Live update of optimal pricing

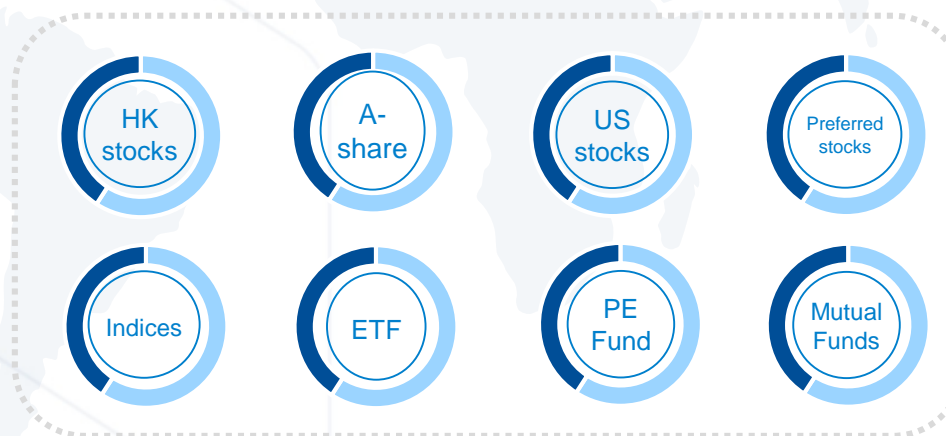
The system picks the **best collaterals** for rate & LTV calculations to guarantee optimal financing conditions





Highly customized solutions

Offer diversified and quality financial solutions to achieve needs from high-net-worth individual, corporate and institutional investors. We are dedicated to assisting clients to make wise decisions amid different market conditions,



In-depth knowledge of Chinese economy

Experienced in global investment banks, the team focuses on providing investment and financing products to Chinese clients on their goals related to Belt and Road Initiative and global expansion, assisting Chinese corporates and financial institutions to integrate into the global capital market.

Note1: To utilize its professional advantages in financial products, the Group integrated and established a structured solution and derivatives business team in the 3rd quarter of 2020.

Guotai Junan International Private Equity Fund

GTJAI private equity business continued to gain a foothold in high quality companies in the primary market of China, tapping into industries including (i) AI; (ii) self-driving and freight; (iii) green and sustainable development (iv) Industrial Internet; and (v) biotech. GTJAI was awarded “Top 10 Emerging Private Equity Investment Institutions in China 2020” (投中2020年度中國新銳私募股權投資機構十強) and “Best Private Equity Firm in Guangdong, Hong Kong and Macao Greater Bay Area in 2021” (投中2021年度粵港澳大灣區最佳私募股權投資機構) by China Venture Institute, a renowned investment consulting firm.

Announced
Merger with SPAC



New projects



PE Fund
Size
HKD 2 billion+

As of 31 Dec 2021

Selected Portfolio



01 Market Review

- ✓ Primary market: With issuance willingness and progress impacted by the pandemic, Asia (ex-Japan) G3 currency bond issuance fell by **0.5%** throughout the year.
- ✓ Secondary market: Extremely volatile, the price index of IG and HY¹ fell by **3.4%**及**38.1%**.

02 The Group's Performance

Having underwritten 247 deals with funds of approx. HK\$495.3 billion, the Group maintained its leading position in China USD bond market and ranks **1st** in Asia (ex-Japan) G3 Corporate HY Bond Underwritten League Table.



03 Outlook

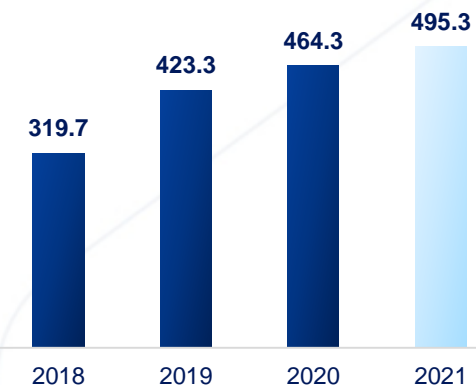
China USD bond market may still face certain challenges in 2022 but the Group is capable of seizing the financial cycle of the debt market to further expand its underwriting business.

04 Introduction

- ✓ Since established in 2012, the DCM team has participated in more than **996 deals**, among which approx. **70%** as led by us as a global coordinator. Currently staffed by **more than 70 employees**. Most core members served in senior positions in global investment banks, and over half of the team are from the mainland, indicating a more thorough understanding of China's economy.
- ✓ Integrated multiple competitive resources within Guotai Junan

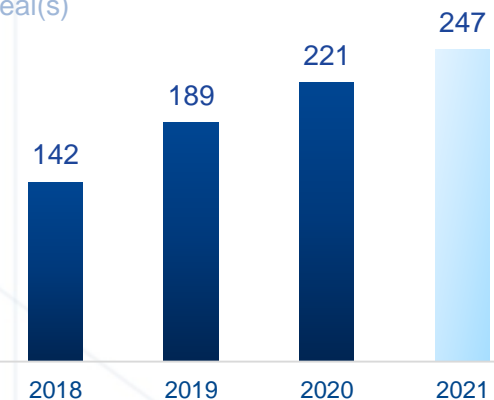
Total Fundraising Amount

HKD billion



Number of Completed Deals

Deal(s)



Note: 1. ICE BofA Asian China Issuers Index's (High Yield) is a Coupon-Bearing index. Bloomberg ticker: ACYC; Investment Grade ticker in Bloomberg: ACGC



China General Education Group Limited
中国通才教育集团有限公司

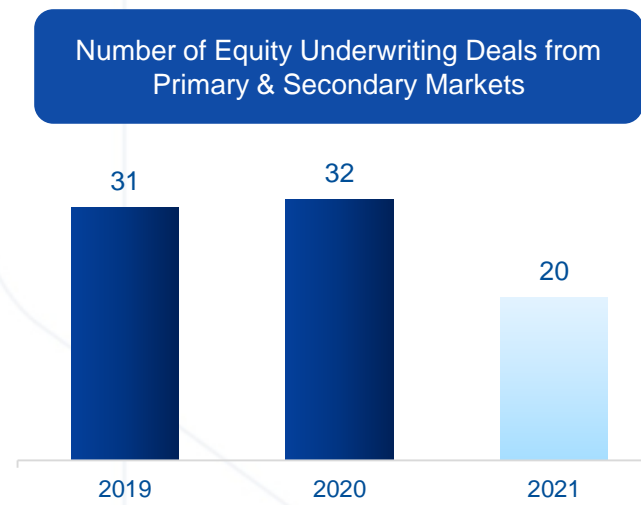
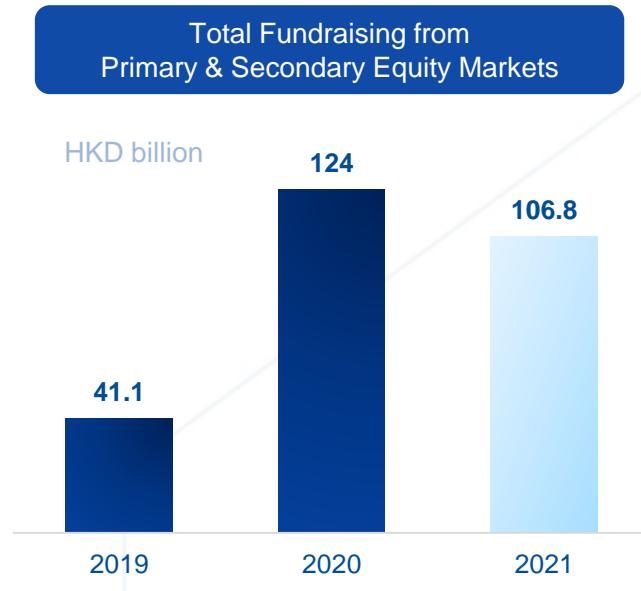
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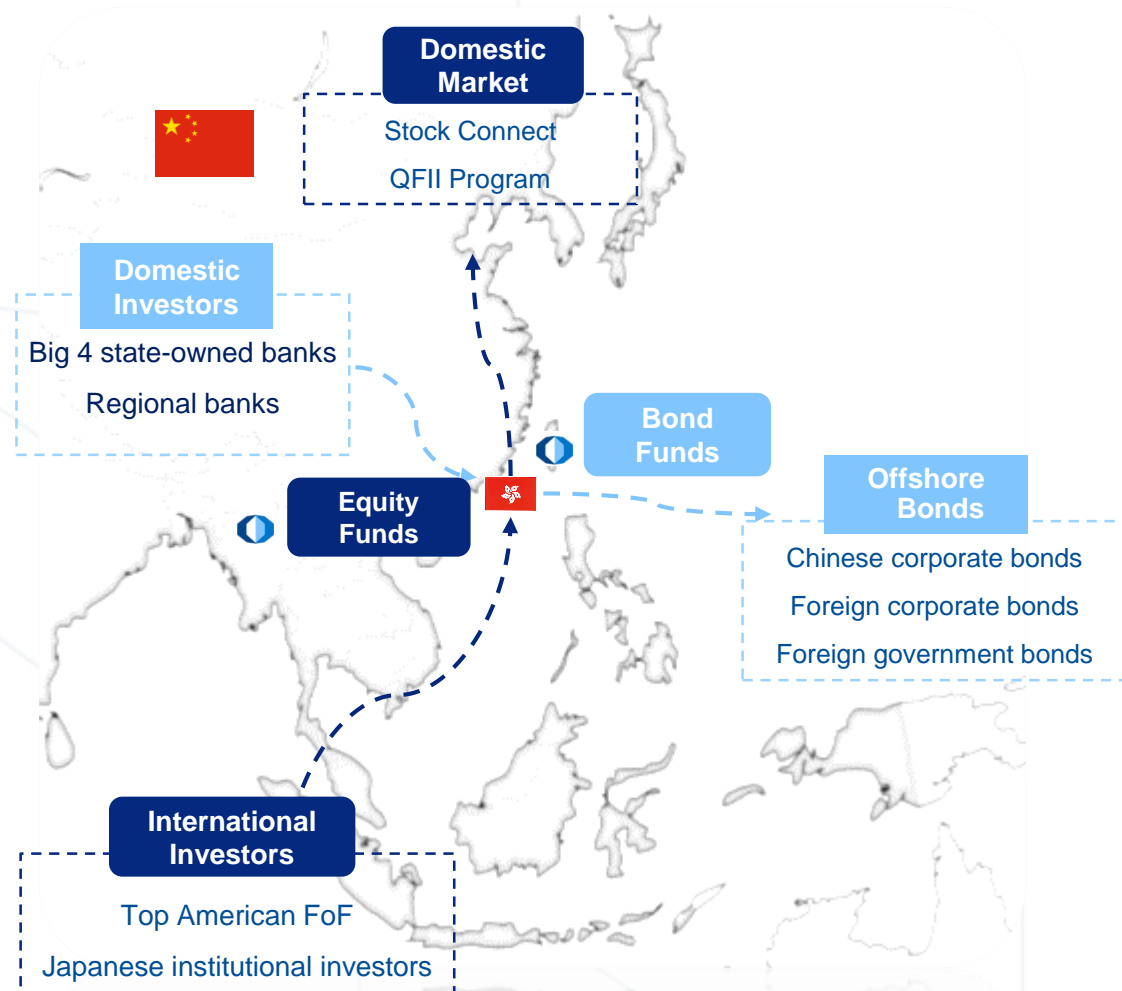
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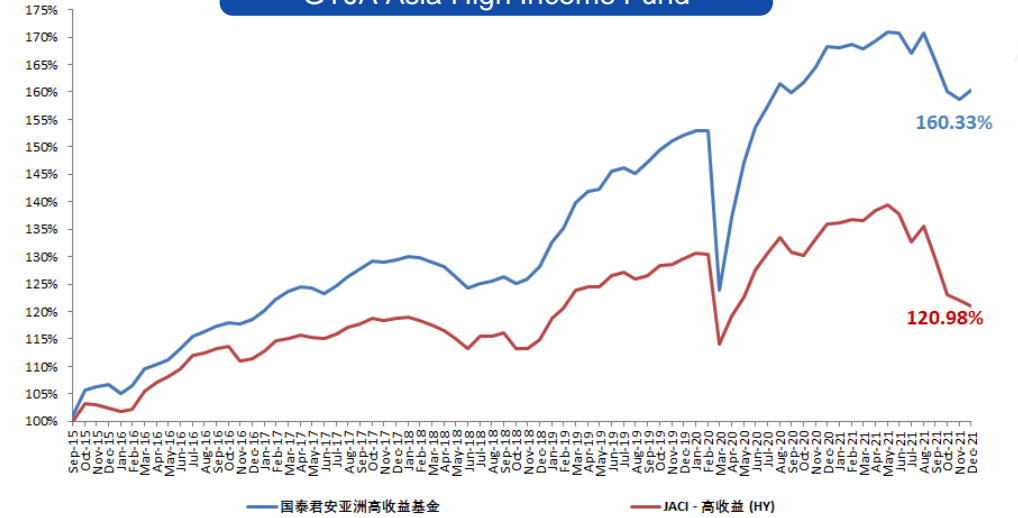
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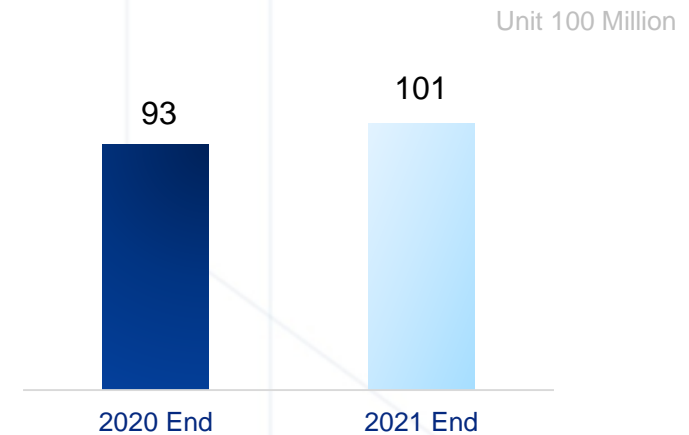
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ATRENEW




Performance of
GTJA Asia High Income Fund



AUM



Honors and Branding

2021 Annual Results

Honors and Branding: Awarded 38 Prizes

2021 Annual Results



Feb 2022	<ul style="list-style-type: none"> • Triple A Country Awards 2021 - Best Sustainability Bond (China Offshore) • Triple A Sustainable Capital Markets Awards 2021 - Best Green Bond • Gold Award - ESG Corporate Awards 	The Asset	
Jan 2022	<p>The 6th Golden Hong Kong Stocks Awards:</p> <ul style="list-style-type: none"> • Best Financial Stock Company "Excellence Award" for "Risk Management" • Best ESG 	Zhitong Caijing (智通财经)	
Dec 2021	<ul style="list-style-type: none"> • Best Listed Company • Best ESG • Outstanding Investment Bank 	China Financial Market	
Dec 2021	<ul style="list-style-type: none"> • CarbonCare® ESG Label 	Carbon Care Asia CarbonCare InnoLab	
Dec 2021	<ul style="list-style-type: none"> • 2021 Listed Company Awards of Excellence 	Hong Kong Economic Journal	
Nov 2021	<ul style="list-style-type: none"> • Best Investor Relations Company • Asia's Best CEO • Asia's Best CFO 	Corporate Governance Asia	
Nov 2021	<ul style="list-style-type: none"> • Best Financial Service Provider of the Greater Bay Area • Outstanding Leadership Award of the Greater Bay Area 	Navigation '9+2'	
Sep 2021	<ul style="list-style-type: none"> • Securities House of the Year 	Asia Risk	
Sep 2021	<ul style="list-style-type: none"> • 9 awards including the Best IR Company, Best ESG and Best Annual Report 	Hong Kong Investor Relations Association	

Honors and Branding: Awarded 38 Prizes

2021 Annual Results



Jun 2021	<ul style="list-style-type: none"> • 2nd in Best Investor Relations in China's financial-banking sector (sell-side) • Respected Company 	Institutional Investor	
Jun 2021	<ul style="list-style-type: none"> • Excellence Award of Securities Company of the Year (the Greater Bay Area) • Excellence Award of Risk Management • Excellence Award of Wealth Management Platform (the Greater Bay Area) 	Bloomberg Businessweek	
May 2021	<ul style="list-style-type: none"> • iFAST Wealth Adviser Awards 	iFAST	
May 2021	<ul style="list-style-type: none"> • Emerging PE Investment Institutions in China 	China Venture Institute	
Mar 2021	<ul style="list-style-type: none"> • Performance Awards for Asian High Yield Bond Fund 	Insights & Mandate	
Jan 2021	<ul style="list-style-type: none"> • Best Analyst/Commentator (HK), Best Retail Broker (HK) 	Asia money	
Jan 2021	<ul style="list-style-type: none"> • Best Financial Firm, Best Wealth Management, Most All-round Broker 	Zhitong Caijing (智通财经)	

Appendix

2021 Annual Results

Regulatory Licenses

Milestone

Positions and Evolutions

Controlling Shareholder

Issued by the Securities and Futures Commission of Hong Kong

- ✓ Type 1 (Dealing in securities) (1 April 2003)
- ✓ Type 2 (Dealing in futures contracts) (1 April 2003)
- ✓ Type 3 (Leveraged foreign exchange trading) (21 October 2010)
- ✓ Type 4 (Advising on securities) (1 April 2003)
- ✓ Type 5 (Advising on futures contracts) (26 November 2010)
- ✓ Type 6 (Advising on corporate finance) (1 April 2003)
- ✓ Type 9 (Asset management) (1 April 2003)
- ✓ Issued by The Stock Exchange of Hong Kong Limited
- ✓ Exchange Trading Right Certificate (July 2000)
- ✓ Exchange Participant Certificate (13 August 2001)
- ✓ Hong Kong Options Market Maker (2 October 2019)
- ✓ Hong Kong Listed Structured Products Issuer (31 October 2019)
- ✓ China Connect Exchange Participant (10 November 2014)
- ✓ Direct Clearing Partnership issued by Hong Kong Securities Clearing Company Limited
- ✓ China Connect Clearing Participants (10 November 2014)
- ✓ Exchange Participant Certificate and Exchange Trading Right Certificate Issued by Hong Kong Futures Exchange Limited (6 March 2000)
- ✓ Participant Certificate of Future Clearing Company Issued by HKFE Clearing Corporation Limited (6 March 2000)

Issued by China Securities Regulatory Commission

- ✓ Qualified Foreign Institutional Investors (21 February 2013)
- ✓ RMB Qualified Foreign Institutional Investors (11 August 2014)
- ✓ Permit for Securities and Futures Operation Business (December 2017)
- ✓ General and Long Term Business (including related long term insurance membership) Issued by Insurance Authority (23 September 2019)

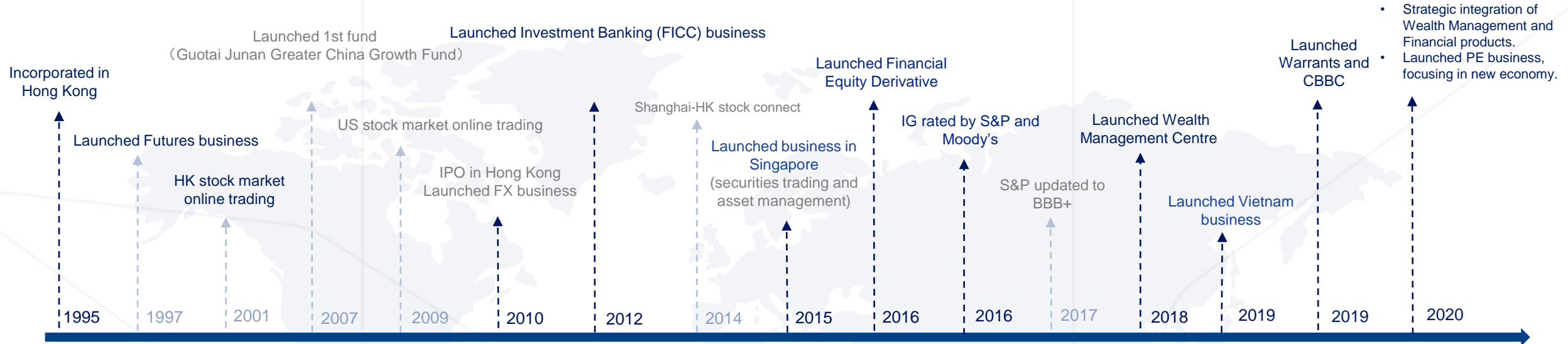
Issued by Monetary Authority of Singapore

- ✓ License for Capital Market Services (Fund Management) (7 July 2020)
- ✓ License for Capital Market Services (8 October 2018)
- ✓ Principal Intermediary Qualification Issued by the Hong Kong Mandatory Provident Fund Schemes Authority (20 December 2012)
- ✓ “Bond Connect” Overseas Investors Business Approved by the Shanghai headquarters of The People’s Bank of China (2017)
- ✓ Shanghai International Gold Exchange Class B International Membership(2020)
- ✓ Shanghai Gold Exchange International Membership (Class B) Qualification (2020)

Issued by State Securities Commission of Vietnam

- ✓ Licence for Securities Business (28 August 2007)
- ✓ Licence for Securities Issuance Sponsorship (22 November 2021)

Milestone: Seized the Opportunities and Created Values for Shareholders



Phase I: Started from Solid Brokerage

- Leading position in online trading for HK and US stock market
- One single account to trade on global stock market

Phase II: Strong Corporate Finance

- Competitive in the China offshore U.S. dollar bonds underwriting and market making
- Prudent risk appetite

Phase III: Risk Management Creates Value

- Target on risk adjusted return
- Quality balance sheet with healthy leverage ratio to achieve higher ROE

Phase IV: Era of Wealth Management

- AUM increased significantly
- High quality clients to trade high quality asset.
- Enhance cross-selling between existing business and wealth management clients

1995
Registered capital amount
HK\$ 31.98 million

31 Dec 2021:
Attributable net asset
HK\$ 15.3 billion



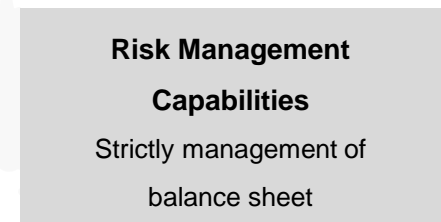
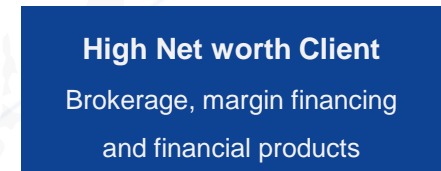
Concentrated and Volatile Revenue

Focus on the brokerage business, create differentiated services based on **low commission rates**, achieve income diversification, and emphasize low-cost and efficient operations. The result of its operations may be **low profit margins**, **large profit volatility**, and **low risk**.

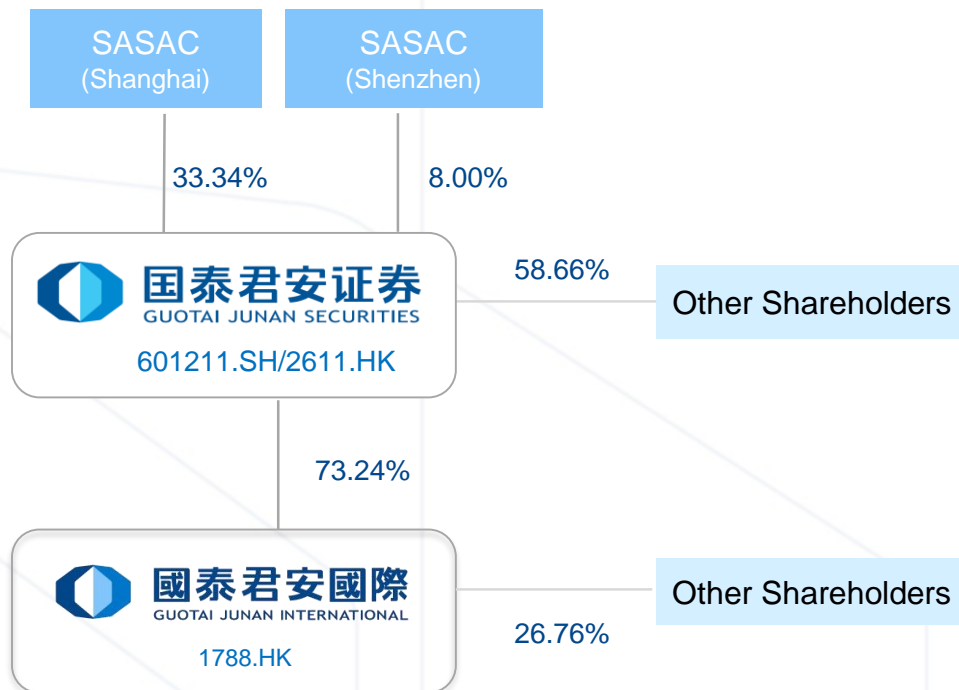


Diversified Revenue Stabilized ROE

Obtain the initiatives in the market through innovation, and become a **market organizer**, **liquidity provider**, **product and service creator and seller**, **transaction counterparty**, **wealth manager** and other multiple roles, that is, an all-round financial institution, with diversified revenue, prudent risk management and stable return on equity (ROE).





Shareholding Structure



As of 31 Dec 2021

About Guotai Junan Securities (Parent Company)

-  Comprehensive financial service provider with a long-term, sustainable and overall leading position in the Chinese securities industry
-  In 2021, ranked 3rd in total assets, 3rd in net assets, 2nd in net capital, 2nd in operating income and 2nd in net profit (Source: Securities Industry Association)
-  Rated AA Grade of A Class by CSRC for 14 consecutive years, the best rating among Chinese securities firms
-  Listed on HKEX in 2017 (2611.HK)
-  World-class credit ratings: BBB+ (S&P) and Baa1 (Moody's), with "Stable" outlook maintained

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Thanks!

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