



GTJAI Approved to Use SIMM, Aligning Derivatives Risk Management with International Standards

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【Hong Kong, February 23, 2026】 Guotai Junan International Holdings Limited (“GTJAI”, stock code: 1788.HK), a company of Guotai Haitong Group, announced that it has officially obtained approval from the Hong Kong Securities and Futures Commission (SFC) to use **the International Swaps and Derivatives Association (ISDA) Standard Initial Margin Model (SIMM) to calculate the initial margin for over-the-counter derivatives transactions** at its two licensed institutions - Guotai Junan Securities (Hong Kong) Limited and Guotai Junan FX Limited - effective from February 12, 2026.

ISDA SIMM is an industry-standard methodology specifically designed for calculating regulatory initial margins for decentralized derivatives. By establishing a unified calculation standard, this model allows all market participants to follow the same framework for margin accounting, avoiding the additional costs associated with each institution developing its own model and effectively reducing potential disputes arising from algorithmic differences. Its accompanying governance framework further establishes common industry practices, ensuring that margin requirements comply with global regulatory requirements while also guaranteeing sufficient margin adequacy.

This approval marks a new milestone in GTJAI’s risk management capabilities in its over-the-counter derivatives business. **While solidifying its compliance and risk control benchmarks, it significantly enhances the international competitiveness of this Chinese securities firm.** By adopting the internationally accepted SIMM model, the company aligns with the standards of major international banks, enabling more precise and efficient management of initial margin. **This effectively controls counterparty risk, significantly reduces transaction costs, achieves higher capital efficiency, strengthens trust and cooperation with global institutional counterparties, and ultimately enhances the long-term competitiveness of the business.** This approval is not only a recognition of GTJAI’s technical strength in derivatives business but also another



milestone affirmation from regulatory authorities of the company's internal controls, especially its risk management capabilities.

Looking ahead, GTJAI will further refine its internal control management system for its derivatives business, consolidating the foundation for long-term stable development. Meanwhile, as an important member of Hong Kong's capital market, the company will continue to cooperate with regulatory authorities, deeply participate in market infrastructure development, and help enhance the international competitiveness and vitality of Hong Kong's over-the-counter derivatives market.

About GTJAI

Guotai Junan International (Stock Code: 1788.HK), a subsidiary of Guotai Haitong Group, 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. Based in Hong Kong with subsidiaries in Singapore, Vietnam and Macau, GTJAI's business covers major markets around the world, offering high-quality and diversified comprehensive financial services for clients' overseas asset allocation. Core business includes wealth management, institutional investor services, corporate finance services, investment management and other business. GTJAI has been assigned "Baa2" and "BBB+" long term issuer rating from Moody and Standard & Poor respectively, as well as an MSCI ESG "A" rating, Wind ESG "A" rating and SynTao Green Finance "A" rating in ESG. Additionally, its S&P Global ESG score leads 81% of its global peers. The controlling shareholder, Guotai Haitong Securities (Stock Code: 601211.SH/2611.HK), is the comprehensive financial provider with a long-term, sustainable and overall leading position in the China's capital markets. For more information about GTJAI, please visit <https://www.gtjai.com>.