

---

# THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in any doubt about this prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this prospectus and the accompanying PAL (as defined) and EAF (as defined) to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of this prospectus, together with copies of the PAL and the EAF, and (where applicable) the document specified in the paragraph headed "Documents Delivered to the Registrar of Companies" in Appendix III to this prospectus have been registered by the Registrar of Companies in Hong Kong as required under Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange (as defined) and the SFC (as defined) take no responsibility as to the contents of any of these documents.

Subject to the granting of the listing of and permission to deal in the Nil Paid Rights (as defined) and the Rights Shares (as defined) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC (as defined), the Nil Paid Rights and the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS (as defined) with effect from the respective commencement dates of dealings in the Nil Paid Rights and the Rights Shares 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 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 the HKSCC take no responsibility for the contents of this prospectus, the PAL and the EAF, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of these documents.

Dealing in securities of the Company, the Nil Paid Rights and the Rights Shares may be settled through CCASS and you should consult your licensed securities dealer, 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.

The attention of Shareholders (as defined) 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 (as defined) with such addresses is drawn to the paragraph headed "Rights of Overseas Shareholders" in the "Letter from the Board" in this prospectus.

---



## GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1788)**

### RIGHTS ISSUE OF RIGHTS SHARES

### AT THE SUBSCRIPTION PRICE OF HK\$1.45 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY THREE EXISTING SHARES HELD ON THE RECORD DATE

#### Underwriters to the Rights Issue



GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED



---

The Latest Time for Acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 9 March 2020. The procedures for application of Rights Shares are set out in the paragraph headed "Procedure for acceptance and payment or transfer" on page 20 of this prospectus.

It should be noted that the Underwriters may, upon giving notice in writing to the Company, terminate the Underwriting Agreement (as defined) with immediate effect at any time prior to the Latest Time for Termination, upon the occurrence of certain events, including force majeure events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 10 to 11 of this prospectus. If the Underwriters exercise such right, the Rights Issue will not proceed. Upon the giving of written notice of termination, all the obligations of the Underwriters and the Company under the Underwriting Agreement shall cease and no party shall have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach).

Shareholders should note that the Rights Issue will proceed on a non-fully-underwritten basis. Save for the GJHL Committed Shares and the Underwritten Shares, there is no requirement for a minimum level of subscription. Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from Thursday, 30 January 2020. The Nil Paid Rights will be dealt in from Wednesday, 26 February 2020 to Wednesday, 4 March 2020 (both days inclusive). If, prior to the Latest Time for Termination, the Underwriters terminate the Underwriting Agreement or if the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" in the "Letter from the Board" in this prospectus are otherwise not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this prospectus up to the date on which the conditions of the Rights Issue are fulfilled, which is currently expected to be 4:00 p.m. on Tuesday, 10 March 2020, and any dealings in the Nil Paid Rights from Wednesday, 26 February 2020 to Wednesday, 4 March 2020 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Nil Paid Rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

24 February 2020

---

## NOTICE

---

**EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF RIGHTS SHARES AND NIL PAID RIGHTS INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME.** This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights or fully-paid Rights Shares or to take up any entitlements to the Nil Paid Rights or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the Nil Paid Rights, the fully-paid Rights Shares, this prospectus, the PAL and the EAF will be registered under the securities laws of any of the jurisdictions other than in Hong Kong and none of the Nil Paid Rights, the fully-paid Rights Shares, this prospectus, the PAL and the EAF will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the Nil Paid Rights and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses should refer to the paragraph headed “Rights of Overseas Shareholders” under the section headed “Letter from the Board” of this prospectus. According to the register of members of the Company as at the Record Date, the Company does not have any Overseas Shareholders.

Each person acquiring the Nil Paid Rights and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his acquisition of the Nil Paid Rights and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the Nil Paid Rights and/or Rights Shares described in this prospectus.

For a description of certain restrictions regarding the taking up of the Nil Paid Rights for, and the offering and sale of, the Rights Shares, see the notices below.

### **FORWARD-LOOKING STATEMENTS**

All statements in this prospectus other than statements of historical fact are forward looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus

---

## NOTICE

---

include, without limitation, statements in respect of the Group's business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on management's present expectations about future events. Management's present expectations reflect numerous assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected Timetable</b> .....	7
<b>Summary of the Rights Issue</b> .....	9
<b>Termination of the Underwriting Agreement</b> .....	10
<b>Letter from the Board</b> .....	12
<b>Appendix I — Financial Information of the Group</b> .....	33
<b>Appendix II — Unaudited Pro Forma Financial Information of the Group</b> .....	36
<b>Appendix III — General Information</b> .....	41

---

## DEFINITIONS

---

*In this prospectus, unless the context otherwise requires, the following terms shall have the following meanings:*

“Announcement”	the announcement of the Company dated 14 January 2020 (as supplemented by a further announcement dated 7 February 2020) in relation to, among other things, the Rights Issue and the Underwriting Agreement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for business of dealings in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Clear”	China Securities Depository and Clearing Corporation Limited
“China Tonghai Securities”	China Tonghai Securities Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Guotai Junan International Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Conditions”	conditions of the Underwriters’ obligations under the Underwriting Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules

---

## DEFINITIONS

---

“Controlling Shareholder Undertaking”	the irrevocable and unconditional undertaking given by GJHL in favour of the Company and the Underwriters on 14 January 2020, details of which is set out in the paragraph headed “Irrevocable undertaking from GJHL” under the section headed “Letter from the Board” in this prospectus
“CSRC”	the 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)
“Despatch Date”	Monday, 24 February 2020 or such later date as may be agreed between the Company and the Underwriters for the despatch of the Prospectus Documents
“Director(s)”	director(s) of the Company
“EAF(s)”	the form of application for use by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriters
“GJFHL”	Guotai Junan Financial Holdings Limited, a company incorporated in Hong Kong with limited liability and wholly-owned GJHL as at the Latest Practicable Date
“GJHL”	Guotai Junan Holdings Limited, a company incorporated in the British Virgin Islands, being a controlling shareholder of the Company holding 5,283,657,800 Shares, representing 68.48% of the total number of Shares in issue as at the Latest Practicable Date
“GJHL Committed Shares”	the aggregate of 1,761,219,266 Rights Shares agreed to be taken up by GJHL pursuant to the Controlling Shareholder Undertaking
“Group”	the Company and its subsidiaries
“GTJA”	Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose A-Shares are listed on the Shanghai Stock Exchange (stock code: 601211) and H-Shares are listed on the Stock Exchange (stock code: 2611)

---

## DEFINITIONS

---

“GTJA Securities”	Guotai Junan Securities (Hong Kong) Limited, a wholly-owned subsidiary of the Company and a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities as defined under the SFO
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any third party(ies) independent of the Company and its connected persons
“Last Trading Day”	14 January 2020, being the last full trading date for the Shares on the Stock Exchange immediately preceding the release of the Announcement
“Latest Lodging Date”	4:30 p.m. on Friday, 31 January 2020, the latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue
“Latest Practicable Date”	Monday, 17 February 2020, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 9 March 2020 (or such other date as the Underwriters may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“Latest Time for Termination”	latest time for exercising by the Underwriters of the right to terminate the Underwriting Agreement pursuant to the terms thereof, being 4:00 p.m. on Tuesday, 10 March 2020 (being the Business Day immediately following the day for the Latest Time for Acceptance)
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“Nil Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid

---

## DEFINITIONS

---

“Non-Qualifying Shareholders”	those Overseas Shareholders or such other persons whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with their assured entitlements under the Rights Issue
“PRC”	the People’s Republic of China
“PRC Southbound Trading Investors”	the PRC investors who hold the shares of Hong Kong listed companies through China Clear as nominee under the Shanghai/Shenzhen-Hong Kong Stock Connect
“Prospectus” or “this prospectus”	this prospectus issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s) despatched to the Qualifying Shareholders on the Despatch Date and any such supplementary prospectus to be despatched to the Qualifying Shareholders (if required)
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the Record Date, other than the Non-Qualifying Shareholders (if any)
“Record Date”	Friday, 7 February 2020, the record date to determine entitlements to the Rights Issue (or such other date as may be agreed between the Company and the Underwriters)
“Registrar”	the share registrar of the Company, being Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong



---

## DEFINITIONS

---

“Rights Issue”	the proposed issue of Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every three (3) existing Shares in issue and held on the Record Date by the Qualifying Shareholders on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents, payable in full upon acceptance
“Rights Share(s)”	the new Share(s) to be issued and allotted under the Rights Issue, being not less than 1,919,219,266 Shares and not more than 2,571,891,028 Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai/Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing platform under which PRC domestic investors may trade in the Stock Exchange via China Clear
“Share Award Scheme”	the share award scheme adopted by the Company on 27 October 2011 (as amended on 30 October 2014 and 25 November 2015 subsequently)
“Share Option Scheme”	the share option scheme adopted by the Company on 19 June 2010
“Share Option(s)”	the outstanding share option(s) granted by the Company pursuant to Share Option Scheme
“Shareholder(s)”	the holder(s) of issued Share(s)
“Share(s)”	ordinary share(s) of the Company with no par value
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.45 per Rights Share
“Taken Shares”	all Rights Shares taken up at or before 4:00 p.m. on the Latest Time for Acceptance (other than the 1,761,219,266 Rights Shares to be taken up by GJHL under the Controlling Shareholder Undertaking)
“taken up/take up”	the taking up of those Rights Shares and/or the Underwritten Shares in respect of which the relevant PALs and/or EAFs have been lodged, accompanied by cheques or other remittances, for the full amount payable in respect thereof

---

## DEFINITIONS

---

“Trustee”	trustee of the Share Award Scheme
“Underwriters”	GTJA Securities and China Tonghai Securities
“Underwriting Agreement”	the underwriting agreement dated 14 January 2020 (as supplemented by a supplemental underwriting agreement dated 7 February 2020) entered into among the Company and the Underwriters in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	up to 158,000,000 Rights Shares to be underwritten by the Underwriters pursuant to the terms and conditions under the Underwriting Agreement
“Untaken Shares”	Rights Shares not taken up at or before 4:00 p.m. on the Latest Time for Acceptance
“%”	percentage or per centum

---

## EXPECTED TIMETABLE

---

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

**2020**

Last day of dealing in Shares on a cum-rights basis . . . . .	Wednesday, 29 January
First day of dealing in Shares on an ex-rights basis . . . . .	Thursday, 30 January
Latest time for lodging transfer documents of Shares in order to be qualified for the Rights Issue. . . . .	4:30 p.m. on Friday, 31 January
Register of members of the Company closes for determining entitlements under Rights Issue (both days inclusive) . . . . .	Monday, 3 February to Friday, 7 February
Record Date for determining entitlements under Rights Issue. . . . .	Friday, 7 February
Register of members of the Company reopens . . . . .	Monday, 10 February
Despatch of Prospectus Documents . . . . .	Monday, 24 February
First day of dealing in Nil Paid Rights . . . . .	9:00 a.m. on Wednesday, 26 February
Latest time for splitting of the PAL . . . . .	4:30 p.m. on Friday, 28 February
Last day of dealing in Nil Paid Rights . . . . .	4:10 p.m. on Wednesday, 4 March
Latest time for acceptance of and payment for Rights Shares and application and payment for excess Rights Shares . . . . .	4:00 p.m. on Monday, 9 March
Latest time for the Rights Issue to become unconditional . . . . .	4:00 p.m. on Tuesday, 10 March
Announcement of the results of the Rights Issue to be posted on the Stock Exchange's website and the Company's website on or before . . . . .	Monday, 16 March

---

## EXPECTED TIMETABLE

---

Refund cheques for wholly and partially  
unsuccessful excess applications to be  
posted on or around . . . . . Tuesday, 17 March

Share certificates for fully-paid  
Rights Shares to be posted . . . . . Tuesday, 17 March

Expected first day of dealing of Rights Shares in  
fully-paid form commences. . . . . 9:00 a.m. on  
Wednesday, 18 March

All times and dates specified in this prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this prospectus are indicative only and may be extended or varied by agreement between the Company and the Underwriters. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above; or
2. a “black” rainstorm warning
  - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess 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 the Latest Time for Acceptance. 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 in Hong Kong 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 the Latest Time for Acceptance, the dates mentioned in this section may be affected.

Dates stated in this prospectus for the events mentioned in the timetable are indicative only and may be extended or varied. Any changes to the above expected timetable will be announced as and when appropriate in accordance with the Listing Rules.

---

## SUMMARY OF THE RIGHTS ISSUE

---

*The following information is derived from, and should be read in conjunction with and, subject to, the full text of this prospectus.*

### RIGHTS ISSUE

Basis of the Rights Issue:	One (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date:	7,715,673,090 Shares
Minimum number of Rights Shares:	1,919,219,266 Rights Shares <i>(Note 1)</i>
Maximum number of Rights Shares:	2,571,891,028 Rights Shares <i>(Note 2)</i>
Subscription Price:	HK\$1.45 per Rights Share
Minimum number of Shares in issue upon completion of the Rights Issue <i>(Note 1)</i> :	9,634,892,356 Shares <i>(Note 1)</i>
Maximum number of Shares in issue upon completion of the Rights Issue <i>(Note 2)</i> :	10,287,564,118 Shares <i>(Note 2)</i>
Underwriters to the Rights Issue:	GTJA Securities and China Tonghai Securities
Number of Rights Shares underwritten by the Underwriters:	up to 158,000,000 Rights Shares
Minimum funds raised before expenses:	HK\$2,782,867,935.7 <i>(Note 1)</i>
Maximum funds raised before expenses:	HK\$3,729,241,990.6 <i>(Note 2)</i>

*Notes:*

1. Assuming no new Shares are issued and no Shares being bought back by the Company on or before the Latest Practicable Date, and no Qualifying Shareholders take up any of the Rights Shares (other than GJHL to take up the GJHL Committed Shares) and the Underwritten Shares are fully taken up by the Underwriters.
2. Assuming no new Shares are issued and no Shares being bought back by the Company on or before the Latest Practicable Date, and all Qualifying Shareholders including GJHL take up their respective allotment of Rights Shares in full.

---

## TERMINATION OF THE UNDERWRITING AGREEMENT

---

### TERMINATION OF THE UNDERWRITING AGREEMENT

Each of the Underwriters shall have the right terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to 4:00 p.m. on the Latest Time for Termination if there occurs:

- (1) the occurrence of the following events would, in the reasonable opinion of any of the Underwriters, materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable for the Company or the Underwriters to proceed with the Rights Issue:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever;
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict); or
  - (c) the occurrence of any change in market conditions or combination of circumstances in Hong Kong (including without limitation, any change in any stock market, any change in fiscal policy or money policy, or foreign exchange or currency markets, suspension or material restrict or trading in securities) which in the reasonable opinion of any of the Underwriters materially prejudicially affects the Rights Issue and make it inadvisable or inexpedient to proceed therein;
- (2) the Company commits any material breach of any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;
- (3) the Underwriters shall receive notification or shall otherwise become aware of, the fact that any of the representations or warranties given by the Company contained in the Underwriting Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate if repeated as provided in the Underwriting Agreement and each of the Underwriters shall in its reasonable opinion determine that any such untrue representation or warranty represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue; or
- (4) the Company shall, after any matter or event comes to the attention of the Company as a result of which any representation or warranty given by the Company contained in the Underwriting Agreement, if repeated immediately after

---

## TERMINATION OF THE UNDERWRITING AGREEMENT

---

the occurrence thereof, would be untrue or inaccurate in any respect or which would render untrue inaccurate in any material respect or misleading any statement contained in the Prospectus Documents if the same were issued immediately after such occurrence, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as any of the Underwriters may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company.

Upon the giving of notice of termination by the Underwriters pursuant to the terms of the Underwriting Agreement, all obligations of the Underwriters under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriting Agreement is terminated, the Rights Issue will not proceed.

---

LETTER FROM THE BOARD

---



**國泰君安國際**  
GUOTAI JUNAN INTERNATIONAL

**GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 1788)**

**Board of Directors:**

*Executive Directors*

Dr. YIM Fung (*Chairman*)

Mr. WONG Tung Ching

Ms. QI Haiying

Mr. LI Guangjie

**Registered Office:**

27/F, Low Block

Grand Millennium Plaza

181 Queen's Road Central

Hong Kong

*Non-executive Directors*

Dr. XIE Lebin

Mr. LIU Yiyong

*Independent Non-executive Directors*

Dr. FU Tingmei

Dr. SONG Ming

Mr. TSANG Yiu Keung

Professor CHAN Ka Keung Ceajer

24 February 2020

*To the Qualifying Shareholders and,  
for information purposes only,  
Non-Qualifying Shareholders, the holders of the Share Options and  
the Trustee of the Share Award Scheme*

Dear Sirs/Madams,

**RIGHTS ISSUE OF RIGHTS SHARES  
AT THE SUBSCRIPTION PRICE OF HK\$1.45 EACH ON THE BASIS  
OF ONE RIGHTS SHARE FOR EVERY THREE EXISTING SHARES  
HELD ON THE RECORD DATE**

**INTRODUCTION**

Reference is made to the Announcement, pursuant to which the Company proposes to raise a gross proceed of up to approximately HK\$3,729 million before expenses by way of a rights issue of Rights Shares to the Qualifying Shareholders on the basis of one (1) rights Share for every three (3) existing Shares held on the Record Date at the Subscription Price of HK\$1.45 per Rights Share. From the date of the Announcement and up till the Record



---

## LETTER FROM THE BOARD

---

Date, no issue or repurchase of Shares has been conducted. As such, the total number of Shares qualified for the Rights Issue is 7,715,673,090 Shares and the total number of Rights Shares to be issued will be up to 2,571,891,028 Rights Shares.

The purpose of this prospectus is to provide you with further information about the Rights Issue, including information on dealings, transfers and acceptance of the Rights Shares, and financial information and other information of the Group.

### RIGHTS ISSUE

On 14 January 2020, the Company and the Underwriters entered into the Underwriting Agreement (as supplemented by a supplemental underwriting agreement dated 7 February 2020) in respect of the proposed Rights Issue.

#### Rights Issue statistics

Basis of the Rights Issue:	One (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date:	7,715,673,090 Shares
Minimum number of Rights Shares:	1,919,219,266 Rights Shares <i>(Note 1)</i>
Maximum number of Rights Shares:	2,571,891,028 Rights Shares <i>(Note 2)</i>
Subscription Price:	HK\$1.45 per Rights Share
Minimum number of Shares in issue upon completion of the Rights Issue <i>(Note 1)</i> :	9,634,892,356 Shares <i>(Note 1)</i>
Maximum number of Shares in issue upon completion of the Rights Issue <i>(Note 2)</i> :	10,287,564,118 Shares <i>(Note 2)</i>
Underwriters to the Rights Issue:	GTJA Securities and China Tonghai Securities
Number of Rights Shares underwritten by the Underwriters:	up to 158,000,000 Rights Shares
Minimum funds raised before expenses:	HK\$2,782,867,935.7 <i>(Note 1)</i>
Maximum funds raised before expenses:	HK\$3,729,241,990.6 <i>(Note 2)</i>

---

## LETTER FROM THE BOARD

---

*Notes:*

1. Assuming no new Shares are issued and no Shares being bought back by the Company on or before the Latest Practicable Date, and no Qualifying Shareholders take up any of the Rights Shares (other than GJHL to take up the GJHL Committed Shares) and the Underwritten Shares are fully taken up by the Underwriters.
2. Assuming no new Shares are issued and no Shares being bought back by the Company on or before the Latest Practicable Date, and all Qualifying Shareholders including GJHL take up their respective allotment of Rights Shares in full.

As at the Latest Practicable Date, there are outstanding Share Options entitling the holders of the Share Options to subscribe for 72,520,558 Shares, of which 44,953,871 Share Options are vested and exercisable. From the date of the Announcement and up till the Record Date, none of the outstanding and vested Share Options was exercised, and accordingly no new Share was issued as a result of exercise of outstanding Share Options by the holders of the Share Options.

As at the Latest Practicable Date, the Trustee of the Share Award Scheme is the holder of 36,889,400 Shares. The Board will instruct the Trustee of the Share Award Scheme not to take up the Rights Shares which will be provisionally allotted to it under the Rights Issue.

Assuming (i) no new Shares are issued and no Shares being bought back by the Company on or before the Latest Practicable Date, and no Qualifying Shareholders take up any of the Rights Shares (other than GJHL to take up the GJHL Committed Shares) and the Underwritten Shares are fully taken up by the Underwriters, the minimum of 1,919,219,266 Rights Shares proposed to be provisionally allotted and issued, represent approximately 24.87% of the total number of issued Shares as at the Latest Practicable Date and approximately 19.92% of the total number of issued Shares immediately upon completion of the allotment and issue of such 1,919,219,266 Rights Shares; and (ii) no new Shares are issued and no Shares being bought back by the Company on or before the Latest Practicable Date and all Qualifying Shareholders including GJHL take up their respective allotment of Rights Shares in full, the maximum of 2,571,891,028 Rights Shares proposed to be provisionally allotted and issued, represent approximately 33.33% of the total number of issued Shares as at the Latest Practicable Date and approximately 25.00% of the total number of issued Shares immediately upon completion of the allotment and issue of such 2,571,891,028 Rights Shares.

As at the Latest Practicable Date, save for the outstanding and vested Share Options as detailed above, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares in Rights Issue.

---

## LETTER FROM THE BOARD

---

### Qualifying Shareholders

The Company shall send the Prospectus Documents to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer documents of the Shares (together with the relevant share certificates) with the Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:30 p.m. on Friday, 31 January 2020.

The Company shall send the Prospectus Documents to the Qualifying Shareholders on Monday, 24 February 2020. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company shall send copies of the Prospectus to the Non-Qualifying Shareholders, as well as to the holders of the Share Options for their information only but will not send any PAL or EAF to them.

Holders of Share Options who wish to participate in the Rights Issue should exercise the Share Options in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company on or before the Latest Lodging Date. From the date of the Announcement and up till the Record Date, none of the outstanding and vested Share Options was exercised and accordingly no new Share was issued as a result of exercise of outstanding Share Options by the holders of the Share Options.

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 (a) sell their nil-paid Rights Shares on the Stock Exchange; and/or (b) subscribe 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 Shanghai/Shenzhen-Hong Kong Stock Connect. In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts are credited with Nil-paid Rights can only sell those Nil-paid Rights on the Stock Exchange under Shanghai/Shenzhen-Hong Kong Stock Connect and can neither purchase any Nil-paid Rights nor transfer such Nil-paid Rights to other PRC Southbound Trading Investors.

**The PRC Southbound Trading Investors should seek advice from their Intermediary (including broker, custodian, nominee or China Clear participant) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions for such Intermediary in relation to the acceptance and/or sale of the Nil-paid**

---

## LETTER FROM THE BOARD

---

**Rights. 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.**

Qualifying Shareholders who take up their pro-rata entitlement in full under the Rights Issue will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

### **Closure of register of members**

The register of members of the Company had been closed from Monday, 3 February 2020 to Friday, 7 February 2020, (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares has been registered during this period.

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than (a) Hong Kong; and (b) the PRC, in accordance with the CSRC Notice. According to the PRC legal adviser of the Company, as the Prospectus Documents have not been 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 both their nil-paid and 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 Shanghai/Shenzhen-Hong Kong Stock Connect (subject to certain limitations in relation to the PRC Southbound Trading Investors’ rights to participate in the Rights Issue as explained in this prospectus), or the 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.

The Prospectus Documents may not be distributed in or forwarded to the PRC or used in connection with any offer for subscription or sale of the Rights Shares (in nil-paid and fully-paid forms) in the PRC, except that the same may be despatched to China Clear in the PRC or to the extent in compliance with applicable PRC laws and regulations, and the Prospectus Documents may not be made publicly available in the PRC.

The Company shall send copies of the Prospectus to the Non-Qualifying Shareholders as well as the holders of the Share Options for their information only on the Despatch Date, but will not send any PAL and EAF to them.

Arrangements will be made for the Nil Paid Rights which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market as soon as practicable after dealings in the Nil Paid Rights commence and before the last date for dealings in the Nil Paid Rights, if a premium (net of expenses) can be obtained. Proceeds of

---

## LETTER FROM THE BOARD

---

such sale of Nil Paid Rights, (after deducting the expenses of sale, if any, and the relevant stamp duty) shall be distributed to the Non-Qualifying Shareholders on a pro-rata basis according to their shareholdings in the Company as at the Record Date (payment to each Non-Qualifying Shareholder will be rounded down to the nearest cent) provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any unsold entitlements of the Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by the Qualifying Shareholders.

**Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who otherwise resides in, a jurisdiction other than Hong Kong to take up Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction and treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, such Overseas Shareholders and beneficial owners of the Shares should exercise caution when dealing in the Shares.**

### **Subscription Price**

The Subscription Price for the Rights Shares, being HK\$1.45 per Rights Share, is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 2.68% to the closing price of HK\$1.49 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 1.63% to the average closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day, being approximately HK\$1.47 per Share;
- (iii) a discount of approximately 0.28% to the average closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day, being approximately HK\$1.45 per Share;
- (iv) a premium of approximately 7.09% to the average closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day, being approximately HK\$1.35 per Share;

---

## LETTER FROM THE BOARD

---

- (v) a premium of approximately 9.05% to the average closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day, being approximately HK\$1.33 per Share;
- (vi) a discount of approximately 2.03% to the theoretical ex-rights price of approximately HK\$1.48 per Share based on the closing price of HK\$1.49 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vii) a premium of approximately 8.21% to the closing price of HK\$1.34 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (viii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.67% (being the discount of the theoretical diluted price of approximately HK\$1.48 per Share to the benchmarked price of HK\$1.49 per Share (both of the theoretical diluted price and the benchmarked price, as defined under note 1 to Rule 7.27B of the Listing Rules, having taken into account the closing price on the Last Trading Day of HK\$1.49 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 previous consecutive trading days up to and including 13 January 2020, being the trading day immediately prior to the Last Trading Day, of approximately HK\$1.47 per Share)); and
- (ix) a premium of approximately 0.83% to the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$1.44 per Share as at 30 June 2019, which is calculated based on the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$11,328.27 million as at 30 June 2019 (after deduction of the distribution of interim dividend for the six months ended 30 June 2019) and a total of 7,649,756,690 Shares, which is 7,715,673,090 Shares after the deduction of 65,916,400 Shares held under the Company's share award scheme, in issue as at 30 June 2019.

The Subscription Price was determined by the Company with reference to the market price of the Shares prior to and including the Last Trading Day, the financial conditions of the Company and the current market conditions. Each Qualifying Shareholder shall be entitled to subscribe for Rights Shares at the Subscription Price in proportion with his/her/ its shareholding held on the Record Date.

Based on the Subscription Price of HK\$1.45 per Share, the estimated minimum and maximum gross proceeds of the Rights Issue, before expenses, will be approximately HK\$2,782.87 million (assuming no new Shares are issued and no Shares being bought back by the Company on or before the Latest Practicable Date and no Qualifying Shareholders take up any of the Rights Shares (other than GJHL to take up the GJHL Committed Shares) and the Underwritten Shares are fully taken up by the Underwriters and HK\$3,729.24 million (assuming no new Shares are issued and no Shares being bought back by the Company on or before the Latest Practicable Date and all Qualifying Shareholders including GJHL take up their respective allotment of Rights Shares in full), respectively. The minimum and maximum net proceeds from the Rights Issue to be received



---

## LETTER FROM THE BOARD

---

by the Company are expected to be approximately HK\$2,779.56 million and HK\$3,725.93 million respectively. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$1.449.

The Subscription Price was calculated after making references to the prevailing market prices of the Shares and to the unaudited consolidated net asset value attributable to the Shareholders, and is expected to provide the Qualifying Shareholders an opportunity to participate in the Rights Issue and accordingly maintain their pro-rata shareholdings in the Company, if they fully accept the Rights Shares provisionally allotted to them. On that basis, and taking into account the reasons for the Rights Issue as stated in the section headed “Reasons for the Rights Issue and Use of Proceeds” below, the Directors consider 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 allotments**

The basis of the provisional allotment shall be one (1) Rights Share for every three (3) existing Shares in issue and held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares with the Registrar on or before the Latest Time for Acceptance.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs are set out in the paragraph headed “Procedure for acceptance and payment or transfer” below and in the PAL.

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

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

### **Fractions of the Rights Shares**

The Company will not provisionally allot and will not accept applications for any fractions of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all Nil Paid Rights arising from such aggregation will be sold in the market, if a premium (net of expenses and stamp duty) can be obtained, and the proceeds will be retained by the Company for its own benefit. Any such unsold aggregated fractions of Nil Paid Rights will be made available for excess application by the Qualifying Shareholders. No odd lot matching services will be provided for the Rights Shares.

---

## LETTER FROM THE BOARD

---

### **Procedure for acceptance and payment or transfer**

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, 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 4:00 p.m. on Monday, 9 March 2020 (or, under bad weather conditions, such later date as mentioned in the section headed “Expected Timetable — Effect of Bad Weather on the Latest Time For Acceptance and Payment for the Rights Shares and Application and Payment for Excess Rights Shares”). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “Guotai Junan International Holdings Limited — Rights Issue Account” and crossed “Account payee only”. It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Monday, 9 March 2020, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provision allotment or transfer part of their rights to subscribe for the Rights Share provisionally allotted to them under the PAL or to transfer part of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 28 February 2020 to the Registrar, who will cancel the original PAL and issue new PALs in the denomination required which will be available for collection from the Registrar, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer 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 following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier’s order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier’s order will be honoured on first presentation. Without prejudice to the other rights of the Company 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 thereunder will be deemed to have been declined and will be cancelled.



---

## LETTER FROM THE BOARD

---

### Application for excess Rights Shares

Qualifying Shareholders (other than the PRC Southbound Trading Investors) shall be entitled to apply for, by way of excess application:

- (a) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been the Qualifying Shareholders;
- (b) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Nil Paid Rights; and
- (c) any unsold Rights Shares created by aggregating fractions of Nil Paid Rights.

Applications for excess Rights Shares may be made only by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) and only by 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 by a time which is currently expected to be 4:00 p.m. on Monday, 9 March 2020 or such later time as may be agreed between the Company and the Underwriters. For the avoidance of doubt, no Directors will apply for excess Rights Shares in the Rights Issue during the period pursuant to paragraph 3a of the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Listing Rules.

Notwithstanding the provisions in the Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who is otherwise resident in, a jurisdiction other than Hong Kong to take up excess Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction.

The Directors will, upon consultation with the Underwriters allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on the following principles:

- (i) as far as practicable, in proportion to the number of excess Rights Shares being applied for under each application; and
- (ii) no preference will be given to applications made for topping up odd lot holdings to whole board lot holdings.

Any Rights Shares, up to 158,000,000 Rights Shares, not taken up (i) by the Qualifying Shareholders or transferees of nil-paid Rights Shares under PALs, or (ii) by excess applications by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) under EAFs, will be taken up by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement.

---

## LETTER FROM THE BOARD

---

### **Shares registered in the name of nominee companies**

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the arrangement in relation to the allocation of the excess Rights Shares set out in the above paragraph headed “Application for excess Rights Shares” will not be extended to the beneficial owners individually.

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

Subject to the fulfillment of the conditions of the Rights Issue set out below, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or around Tuesday, 17 March 2020. Each successful applicant will receive one share certificate for all the Rights Shares allotted and issued to him/her/it.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted to the unsuccessful applicants on or around Tuesday, 17 March 2020 by ordinary post to the applicants at their own risk.

### **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 to be issued and allotted pursuant to the Rights Issue, on the Stock Exchange.

Rights Shares in both their nil-paid and fully-paid forms will be traded in board lots of 1,000 Shares.

### **Rights Shares will be eligible for admission 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 requirement of HKSCC, the Rights Shares in both their 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. 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 Procedures in effect from time to time.

Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

---

## LETTER FROM THE BOARD

---

### **Stamp duty and other applicable fees and charges**

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

### **Taxation**

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposing of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Non-Qualifying Shareholders as regards their receipt, if any, of the net proceeds of the sale of the Rights Shares in nil-paid form otherwise falling to be issued to them under the Rights Issue pursuant to the laws of jurisdictions in which they are liable to taxation. None of the Company, the Directors nor any other parties involved in the Rights Issue accepts any responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for the Rights Shares, or about purchasing, holding or disposing of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares or resulting from any receipt of net proceeds of the sale of the Rights Shares in nil-paid form.

### **Irrevocable Undertaking from GJHL**

As at the Latest Practicable Date, GJHL holds a total of 5,283,657,800 Shares, representing approximately 68.48% of the total number of Shares in issue as at the Latest Practicable Date. GJHL has executed the Controlling Shareholder Undertaking, pursuant to which GJHL has irrevocably and unconditionally undertaken to the Company and the Underwriters that it:

- (i) will apply for and pay for the GJHL Committed Shares, being all of the 1,761,219,266 Rights Shares to be provisionally allotted to GJHL pursuant to the Rights Issue, by lodging the duly completed and signed PAL before the Latest Time for Acceptance;
- (ii) will not sell, dispose of or transfer the Shares beneficially held by it, including the 5,283,657,800 Shares currently held by it, during the period from the date of execution of the Controlling Shareholder Undertaking to the Record Date (both dates inclusive); and
- (iii) save for the Rights Shares to be provisionally allotted to it, will not apply for any excess Rights Shares.

Save for GJHL, as at the Latest Practicable Date, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

---

## LETTER FROM THE BOARD

---

### UNDERWRITING ARRANGEMENT

#### The Underwriting Agreement

Date: 14 January 2020 (as supplemented by a supplemental underwriting agreement dated 7 February 2020)

Underwriters: GTJA Securities and China Tonghai Securities

GTJA Securities is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. As at the Latest Practicable Date, GTJA Securities is a wholly-owned subsidiary of the Company.

China Tonghai Securities, is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. As at the Latest Practicable Date, China Tonghai Securities does not hold any Shares. Each of China Tonghai Securities and its ultimate beneficial owners is, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, an Independent Third Party.

Each of the Underwriters has confirmed that (1) it is not a connected person of the Company; and (2) it is licensed under the SFO for Type 1 regulated activity and its ordinary business includes underwriting of securities (hence, the Underwriter has complied with Rule 7.19(1)(a) of the Listing Rules).

Number of Rights Shares underwritten: the Underwritten Shares, being up to 158,000,000 Rights Shares

Underwriters' commission: The Company shall pay to China Tonghai Securities, an underwriting commission at the rate of 0.5 per cent. of the Subscription Price for the 158,000,000 Underwritten Shares.

GTJA Securities will not charge any underwriting commission of the Underwritten Shares for which it has agreed to procure subscription.

---

## LETTER FROM THE BOARD

---

The commission payable to China Tonghai Securities was determined after arm's length negotiations between the Company and China Tonghai Securities with reference to the prevailing market rate of similar transactions. The Directors having taken into account the fact that the Underwriting Agreement was entered into for the purpose of underwriting the Underwritten Shares and the reasons for the Rights Issue as detailed in the section headed "Reasons for the Rights Issue and Use of Proceeds" below, consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and the entering into of the Underwriting Agreement is in the interests of the Company and the Shareholders as a whole.

Subject to the provisions of the Underwriting Agreement (including but not limited to the full fulfilment of the Conditions, the full performance by the Company of its obligations under the Underwriting Agreement and the Underwriters having not terminated the Underwriting Agreement pursuant to the terms thereof), and in the event that by the Latest Time for Acceptance, the number of Taken Shares is less than 158,000,000 Shares, the Underwriters shall subscribe (other than in the case of GTJA Securities) or (as agents of the Company) procure subscribers for such number of Untaken Shares (up to the maximum number of Underwritten Shares less the number of the Taken Shares) on the terms as set out in the Underwriting Agreement and (save as regards the time for acceptance and payment) the Prospectus Documents as follows:

- (i) GTJA Securities shall have the first right, and on a best effort basis, to underwrite and pay for or procure subscription and payment for not more than 54,000,000 Underwritten Shares (assuming no Share being bought back by the Company on or before the Latest Practicable Date); and
- (ii) subject to (i) above, China Tonghai Securities shall underwrite and subscribe and pay for or procure subscription and payment for not more than 158,000,000 Underwritten Shares (assuming no Share being bought back by the Company on or after the date of the Underwriting Agreement and on or before the Latest Practicable Date), provided that to the extent that GTJA Securities has procured subscribers for the Underwritten Shares to be underwritten by it under the Underwriting Agreement, then the maximum number of Underwritten Shares to be underwritten by China Tonghai Securities shall be reduced accordingly.

For the avoidance of doubt, (i) the maximum numbers of Underwritten Shares to be underwritten by GTJA Securities and China Tonghai Securities under the Underwriting Agreement will not be more than 158,000,000 Rights Shares; and (ii) GTJA Securities will not subscribe for any Untaken Shares under the Underwriting Agreement.

The maximum number of Underwritten Shares to be underwritten by each Underwriter was determined between the Underwriters upon arm's length discussion during the negotiation of the Underwriting Agreement taking into account of a number of factors, including the demand of the potential sub-underwriting agents (if any), subscribers or purchasers of the Underwritten Shares of each Underwriter, the current and expected market condition and the fact that GTJA Securities will not subscribe for any Untaken Shares.

---

## LETTER FROM THE BOARD

---

Each of the Underwriters has undertaken with the Company that it and the sub-underwriting agent(s) (if any) appointed by it, shall ensure that each of the subscribers or purchasers of the Underwritten Shares procured by it (i) shall be Independent Third Party not acting in concert with and not connected with the connected persons of the Company; and (ii) will not own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue and are not otherwise being a core connected person of the Company.

GTJA Securities, being a wholly-owned subsidiary of the Company and having previously participated in several equity securities transactions of the Company, is familiar with the Company's existing shareholders base and the type of potential subscribers who would be interested in investing in the Company. Accordingly, the Directors are of the view that the appointment of GTJA Securities as one of the Underwriters is in the interests of the Company and the Shareholders as a whole.

In addition, GTJA Securities is a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities as defined under the SFO. As a licensed corporation, GTJA Securities is required to comply with and adhere to regulatory requirements applicable to the conduct of its business activities. In particular, it shall conduct its business activities in an honest and fair manner, and shall act in the best interests of its clients and the integrity of the market, and should try to avoid conflicts of interest, if any. Accordingly, GTJA Securities will, based on its knowledge and experience, to identify the potential subscribers who would be beneficial for the Company's strategic growth. The selection process and procedures to be adopted by GTJA Securities in respect of the underwriting process for the Rights Issue will be the same as, and no less stringent than, the process and procedures that GTJA Securities would adopt for any other underwriting exercise for and on behalf of other issuers.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following being fulfilled:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject only to allotment and despatch of the appropriate documents of title) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
- (b) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong no later than the Despatch Date of each of the Prospectus Documents and (where necessary) other documents in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Listing Rules;

---

## LETTER FROM THE BOARD

---

- (c) the Shares remaining listed on the Stock Exchange at all time prior to the settlement date, being the second Business Day immediately following the Latest time for Acceptance and the current listing of the Shares not having withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than three (3) trading days and no indication being received before 4:30 p.m. on such date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reasons; and
- (d) the posting of the Prospectus Documents to Qualifying Holders on the Despatch Date.

None of the above Conditions can be waived. If the Conditions are not fulfilled in full by 4:00 p.m. on Tuesday, 10 March 2020 (or such other date as the Underwriters may agree with the Company in writing), the Underwriting Agreement shall terminate and all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breaches. If the Underwriting Agreement is terminated (please refer to the section headed “Termination of the Underwriting Agreement” in this prospectus), the Rights Issue will not proceed.



## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY

From the date of the Announcement and up till the Record Date, no issue or repurchase of Shares has been conducted. As such, the total number of Shares qualified for the Rights Issue is 7,715,673,090 Shares and the total number of Rights Shares to be issued will be up to 2,571,891,028 Rights Shares.

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders including GJHL take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholders take up any of the Rights Shares (other than GJHL to take up the GJHL Committed Shares) and the Underwritten Shares are fully taken up by the Underwriters	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
GJHL <sup>(Note 1)</sup>	5,283,657,800	68.48	7,044,877,066	68.48	7,044,877,066	73.12
GJFHL <sup>(Note 1)</sup>	5,283,657,800	68.48	7,044,877,066	68.48	7,044,877,066	73.12
GTJA <sup>(Note 1)</sup>	5,283,657,800	68.48	7,044,877,066	68.48	7,044,877,066	73.12
Trustee of the Share Award Scheme <sup>(Note 2)</sup>	36,889,400	0.48	49,185,866	0.48	36,889,400	0.38
Directors of the Company and/or its subsidiaries and their associates (other than GJHL)	117,898,469	1.53	157,197,958	1.53	117,898,469	1.22
<b>Public Shareholders:</b>						
<b>Underwriters</b> <sup>(Note 3)</sup>						
— GTJA Securities	—	—	—	—	54,000,000	0.56
— China Tonghai Securities	—	—	—	—	104,000,000	1.08
<b>Other Public Shareholders</b>	<u>2,277,227,421</u>	<u>29.51</u>	<u>3,036,303,228</u>	<u>29.51</u>	<u>2,277,227,421</u>	<u>23.64</u>
<b>Sub-total of Public Shareholders:</b>	<u>2,277,227,421</u>	<u>29.51</u>	<u>3,036,303,228</u>	<u>29.51</u>	<u>2,435,227,421</u>	<u>25.28</u>
<b>Total</b>	<u>7,715,673,090</u>	<u>100.00</u>	<u>10,287,564,118</u>	<u>100.00</u>	<u>9,634,892,356</u>	<u>100.00</u>

*Notes:*

- (1) GJHL is a wholly-owned subsidiary of GJFHL, which in turn is a wholly-owned subsidiary of GTJA. Accordingly, GJFHL and GTJA are deemed to be interested in these 5,283,657,800 Shares.
- (2) The Board will instruct the Trustee of the Share Award Scheme not to take up the Rights Shares which will be provisionally allotted to it under the Rights Issue.
- (3) In the event that the Underwriters are being called upon to subscribe for (other than in the case of GTJA Securities) or procure subscription of the Underwritten Shares, each of the Underwriters shall ensure that:
  - each of the subscribers or purchasers of the Underwritten Shares procured by it shall be Independent Third Party not acting in concert with and not connected with the connected persons of the Company; and



---

## LETTER FROM THE BOARD

---

- it will not own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue and are not otherwise being a core connected person of the Company.

Accordingly, the Underwritten Shares underwritten by the Underwriters would be held in the hands of the public in accordance with the public float requirements under Rule 8.08 of the Listing Rules.

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

The Rights Issue will proceed on a non-fully-underwritten basis. Save for the GJHL Committed Shares and the Underwritten Shares, there is no requirement for a minimum level of subscription. Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

Further, the Underwriting Agreement contains provisions granting each of the Underwriters a right to terminate its obligations under the Underwriting Agreement duplicated upon the occurrence of certain events. Please refer to the section headed “Underwriting Arrangement” for further details. The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If this condition is not fulfilled, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

The Shares have been dealt in on an ex-rights basis from Thursday, 30 January 2020. Dealings in the Nil Paid Rights will take place from Wednesday, 26 February 2020 to Wednesday, 4 March 2020 (both days inclusive) and that dealing in the Shares will take place while the Conditions to which the Underwriters’ obligations under the Underwriting Agreement are subject remain unfulfilled. Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Nil Paid Rights is advised to exercise caution.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the Nil Paid Rights up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

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

The Company is the first Mainland-owned securities brokerage house with CSRC approval to list its shares through initial public offering on the Main Board of the Stock Exchange. The Group provides services in 5 core business areas: (i) brokerage; (ii) corporate finance; (iii) asset management; (iv) loans and financing; and (v) financial products, market making and investments. The Group provides its clients with comprehensive services on global securities, financial products and leveraged foreign exchange trading, IPO subscriptions, margin financing, stock quotes, market news and research reports, etc.

---

## LETTER FROM THE BOARD

---

The Company currently intends to use the net proceeds from the Rights Issue for the following purposes: (i) as to approximately 33% of the net proceeds for loans and advances to customers, (ii) as to approximately 33% of the net proceeds for market making and investment in debt securities, (iii) as to approximately 15% of the net proceeds for debt repayment, (iv) as to approximately 10% of the net proceeds for the Group's general working capital which includes expenses on professional advisory services, trading and back office system enhancement, regulatory compliance and risk control upgrading, general administrative expenses etc., and (v) as to approximately 9% of the net proceeds for IT infrastructure and regional expansion in Southeast Asia. The aforesaid intended use of the net proceeds from the Rights Issue will remain unaffected regardless of the ultimate subscription level.

Other than the net proceeds to be used for debt repayment, general working capital and IT infrastructure and regional expansion in Southeast Asia, the allocation of net proceeds to be used for (i) loans and advances to customers; and (ii) market making and investment in debt securities, has been considered by making reference to the similar revenue contribution of (i) the interest income generated from loans and financing and financial products; and (ii) the investment income generated from market making and investments, for the six months ended 30 June 2019.

Assuming no new Shares are issued and no Shares being bought back by the Company on or before the Latest Practicable Date, and no Qualifying Shareholders take up any of the Rights Shares (other than GJHL to take up the GJHL Committed Shares) and the Underwritten Shares are fully taken up by the Underwriters, the estimated net proceeds of the Rights Issue will be approximately HK\$2,779.56 million. Accordingly, HK\$918.15 million will be used for loans and advances to customers, HK\$918.15 million will be used for market making and investment in debt securities, HK\$417.34 million will be used for debt repayment, HK\$278.22 million will be used as general working capital as specified above and HK\$247.70 million will be used for IT infrastructure and regional expansion in Southeast Asia.

Assuming no new Shares are issued and no Shares being bought back by the Company on or before the Latest Practicable Date, and all Qualifying Shareholders including GJHL take up their respective allotment of Rights Shares in full, the estimated net proceeds of the Rights Issue will be approximately HK\$3,725.93 million. Accordingly, HK\$1,229.55 million will be used for loans and advances to customers, HK\$1,229.55 million will be used for market making and investment in debt securities, HK\$558.93 million will be used for debt repayment, HK\$372.58 million will be used as general working capital as specified above and HK\$335.32 million will be used for IT infrastructure and regional expansion in Southeast Asia.

In terms of loans and advances to customers, the Group has taken the lead in adjusting margin loan business strategies by offering competitive interest rates to customers with sizeable blue chips, quality stock and bonds as collateral, and has been proactively promoting its margin business to existing and potential customers by launching various campaigns and upgrading on-line financing tools and systems, as a result, the loans and financing business of the Group has maintained a stable development and has been

---

## LETTER FROM THE BOARD

---

contributing approximately 40% of net profit of the Group in recent years. The number of both retail and high-net-worth customers has been increasing remarkably each year, representing an increased customer base and demand for margin loans. The implementation of preferential listing policies for companies of “Weighted Voting Rights” and the new economy companies by the Stock Exchange in 2018 has enabled more companies come to Hong Kong for listing, bringing more investment options to the Hong Kong stock market, which may in turn stimulate margin business. As one of the leading brokerage service providers in Hong Kong, the Group believes that its margin business will be benefiting, in terms of both number of customers and size of the loan portfolio, from the market development and the increasing financing demand of investors. The net proceeds from the Rights Issue to be used on this category will equip the Group with necessary capital base for further expansion of margin portfolio and client base.

In terms of market making and investment in debt securities, whilst the Company has no particular target as at the Latest Practicable Date, relevant portion of the net proceeds from the Rights Issue will be used for partly financing the position limit of this business line after considering the factors including the historical growth and future expansion of our market making and investment in debt securities business and the Group’s leverage ratio. Should the Rights Issue materializes, the Group’s capability to its market participation in market making and investment in debt securities is expected to be enhanced through the increase in position limit without materially and adversely affecting its leverage ratio. As such, the Group is expected to be able to participate in more underwriting transactions for debt securities.

In terms of debt repayment, the Company intends to use as to approximately HK\$417.34 million or HK\$558.93 million (as the case may be) from the net proceeds of the Rights Issue to repay the loans drawn down or to be drawn based on the syndicated revolving loan facility of up to HK\$8.0 billion with the interest rate by making reference to HIBOR or LIBOR upon drawing down, which is expected to promote the Group to save not less than HK\$10 million loan interest expenses on an annual basis. The revolving loan facility will be due on 21 August 2020.

In terms of IT infrastructure and regional expansion in Southeast Asia, the Company has set up subsidiaries in Singapore since 2015 and successively commenced businesses in asset management, securities brokerage, fixed income and wealth management in the Singapore market. The net proceeds from the Rights Issue to be used on this category will provide the Group with the necessary funding resources for further expansion of businesses in Singapore, including but not limited to, the startup and maintenance costs of new business lines, human resources input, enhancement of general information technology system, upgrading of trading systems, input in cybersecurity, AML surveillance system, compliance and risk management functions and systems, and general expenses. In addition, all the regulated activities in Singapore are subject to pre-determined capital requirements under the local laws and regulations, which the Company will have to comply with.

The proportion of the aforesaid intended use of the net proceeds from the Rights Issue will remain unaffected regardless of the ultimate subscription level.

---

## LETTER FROM THE BOARD

---

The expenses in relation to the Rights Issue (including printing, registration, legal, accounting and documentation charges, etc.) are estimated to be approximately HK\$3.3 million, and will be borne by the Company. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$1.449.

The Board considers that the Rights Issue represents an opportunity to raise capital for the Group while broadening its Shareholder and capital base. The Rights Issue will also raise additional capital for the purpose to finance the Group's long term growth which will enhance its financial position without increasing finance costs. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

### **EQUITY FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

### **SHAREHOLDERS' APPROVAL NOT REQUIRED FOR RIGHTS ISSUE**

As the proposed Rights Issue will not increase the issued share capital or the market capitalization of the Company by more than 50%, there is no requirement under the Listing Rules for the Rights Issue to be approved by the Shareholders in a general meeting.

### **POSSIBLE ADJUSTMENT TO SHARE OPTIONS**

As a result of the Rights Issue, the exercise prices of, and/or the number of Shares subject to, the outstanding Share Options will be adjusted in accordance with the terms and conditions of the Share Option Scheme. The Company will make further announcements on the appropriate adjustments and the date they are expected to take effect in due course.

### **ADDITIONAL INFORMATION**

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

Yours faithfully,  
By order of the Board  
**Guotai Junan International Holdings Limited**  
**YIM Fung**  
*Chairman*

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group (i) for the six months ended 30 June 2019 has been disclosed on pages 48 to 128 of the interim report 2019 of the Company; (ii) for the year ended 31 December 2018 has been disclosed on pages 129 to 288 of the annual report 2018 of the Company; (iii) for the year ended 31 December 2017 has been disclosed on pages 129 to 272 of the annual report 2017 of the Company; and (iv) for the year ended 31 December 2016 has been disclosed on pages 125 to 260 of the annual report 2016 of the Company. All the above reports of the Company have been published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.gtjai.com>).

## 2. INDEBTEDNESS STATEMENT

At the close of business on 31 December 2019, 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-current	
Debt securities in issue at amortised cost — unsecured	1,555,874
Debt securities in issue designed at fair value through profit or loss — unsecured	6,292,969
	7,848,843
Current	
Bank loans — secured	3,490,000
Bank loans — unsecured	7,711,110
Debt securities in issue — at amortised cost — unsecured	5,128,330
Debt securities in issue designed at fair value through profit or loss — unsecured	21,487,470
	37,816,910
Total	45,665,753

Bank loans of HK\$3,490,000,000 were secured by certain of the listed shares pledged by the customers to the Group as margin loan collateral which had an aggregate fair value of amounting to HK\$6,239 million as at 31 December 2019.

Save as aforesaid or as otherwise disclosed herein, as at the close of business on 31 December 2019, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other material contingent liabilities.

### 3. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, taking into account the financial resources available to the Group, including the internally generated funds, the available banking facilities and the estimated net proceeds of the Rights Issue, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 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 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up.

### 5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in brokerage, corporate finance, asset management, loans and financing, financial products, market making and investments.

Since its listing in Hong Kong in 2010, the Group has been steadily increasing the market share and brand awareness in Hong Kong market through comprehensive financial services and products, in-depth understanding of market and quality customer engagement. In terms of development strategy, the Group acquired more high-net-worth clients, enlarged the proportion of relevant income as well as the commission and fee based business, and optimized the risk-based asset pricing, etc. As a result, the quality of the assets has been improved while high-quality and sustainable development of the Company has been realized.

By leveraging the brand influence of “Guotai Junan” and years of experience in cross-border financial services, the Group will continue to strengthen its corporate finance business, expand its wealth management business and improve its credit business. With the aid of innovative technology, the Group is fully committed to become an integrated financial service provider and a global leading investment bank with strong competitiveness. The Group will adhere to its customer-oriented principle and will, upon the satisfaction of customers’ demand, aim for the provision of outstanding customer service and relationship management. The Group will provide differentiated, diversified, customized financial products and all-round, high-quality professional financial services, establish long-term partnership with customers to support their financial needs during their lifetime. On the product side, the Group will substantially enhance its financial product lines in terms of quality and quantity to serve diversified customer needs. On the sales side, the Group will continue to build its sales team, expand sales channels and enhance cross-selling activities. On the customer side, the Group will strengthen its precise marketing activities and explore the investment and financing demands from potential customers by initiating an “Account Re-activation Program”, so as to further strengthen its customer base.

With China's economy growth, further opening-up of the market and the booming economy of Asia-Pacific region, the high-net-worth clients' requirement on investment return and risk management is becoming more sophisticated. The clients see more values in high-quality and professional financial services and more wealth management opportunities for overseas market occur. The Group will further develop its platform, strengthen international wealth management and global asset allocation capabilities to provide clients with comprehensive, integrated, and one-stop investment and financing solutions. At the same time, the Group will enhance risk management system and measures, keep the stringent control of various risks of existing and new products and leverage the practical advantages domestically and globally to assess, identify, measure, hedge and mitigate the risks in timely manner.

The Group has been rated with "BBB+" and "Baa2" as long-term issuer by global credit rating agencies Standard & Poor's and Moody's respectively, which are the highest credit ratings among Chinese financial institutions in Hong Kong. The Group adheres to the strong and steady operation strategy to further deepen business cooperation with large international financial institutions, maintain its advantage in funding cost, fully utilize its core competency and take the business to the next level. Furthermore, the Group aims to increase the risk-adjusted net asset return rate with steady and solid compound growth to reward its clients and investors for their continuing supports.



The unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2019 as if it had taken place on 30 June 2019.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only, and because of its nature, it may not give a true picture of the financial position of the Group as at 30 June 2019 or at any future date.

The following pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2019 extracted from the published unaudited consolidated financial statements of the Group and adjusted to reflect the effect of the Rights Issue:

Unaudited consolidated net tangible asset of the Group attributable to the owners of the Company as at 30 June 2019 <i>HK\$'000</i> <i>(Note 1)</i>	Net Proceeds from Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after the completion of the Rights Issue <i>HK\$'000</i>	Consolidated net tangible assets per Share attributable to owners of the Company as at 30 June 2019 <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company after the completion of the Rights Issue <i>HK\$'000</i> <i>(Note 4)</i>
Based on 1,919,219,266 Rights Shares at subscription price of HK\$1.45 per Rights Share				
11,326,355	2,779,561	14,105,916	1.47	1.46

*Notes:*

- The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2019 of HK\$11,326,355,000, which is based on equity attributable to holders of ordinary shares as at 30 June 2019 of HK\$11,328,268,000 less intangible assets of HK\$1,913,000, is extracted from the unaudited consolidated statement of financial position of the Group as at 30 June 2019 included in the Group’s published interim report for the six months ended 30 June 2019.
- The estimated net proceeds from the Rights Issue of approximately HK\$2,779,561,000 are based on 1,919,219,266 Rights Shares to be issued at the Subscription Price of HK\$1.45 per Offer Share and after deduction of estimated related expenses of approximately HK\$3,307,000.
- The number of Shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per Share prior to the completion of the Rights Issue is based on 7,715,673,090 Shares in issue as at 30 June 2019.



4. The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 June 2019 immediately after the completion of the Rights Issue is based on 9,634,892,356 Shares after the completion of Rights Issue as if the Rights Issue of 1,919,219,266 had been completed on 30 June 2019, but does not take into account any Shares which have been or may be issued upon the exercise of options granted under the Share Option Scheme subsequent to 30 June 2019.
5. No adjustment has 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 30 June 2019.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION

Ernst & Young  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

安永會計師事務所  
香港中環添美道1號  
中信大廈22樓

Tel 電話: +852 2846 9888  
Fax 傳真: +852 2868 4432  
ey.com

**To the Directors of Guotai Junan International Holdings Limited**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Guotai Junan International Holdings 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 pro forma financial information consists of the pro forma consolidated net tangible assets as at 30 June 2019, and related notes as set out on pages 36 to 37 of the prospectus dated 24 February 2020 issued by the Company (the “**Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix II to the prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Company’s proposed rights issues on the Group’s financial position as at 30 June 2019 as if the transaction had taken place at 30 June 2019. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s unaudited interim financial statements for the period ended 30 June 2019, on which an interim report has been published.

**Directors’ responsibility for the Pro Forma Financial Information**

The Directors are responsible for compiling the 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 (“**AG**”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our independence and quality control**

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 Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented 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 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 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 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 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 Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the prospectus is solely to illustrate the impact of the proposed rights issue of shares of the Company on unadjusted financial information of the Group as if 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 transaction would have been as presented.

A reasonable assurance engagement to report on whether the 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 Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the 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 transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the 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 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 purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong

## 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 Company does not have an authorised share capital nor any nominal value of Shares in its capital.

- (a) As at the Latest Practicable Date, the number of Shares of the Company in issue was as follows:

Type	Number
Ordinary Shares	7,715,673,090

- (b) The Shares of the Company in issue immediately following completion of the Rights Issue will be as follows (assuming no further issue and/or buy-back of Shares from the Latest Practicable Date to the completion of the Rights Issue):

Type	Number
Ordinary Shares	7,715,673,090
Maximum number of Rights Shares	<u>2,571,891,028</u>
	<u><u>10,287,564,118</u></u>

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank *pari passu* with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the Main Board of the Stock Exchange.

No part of the share capital 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, save for the outstanding Share Options disclosed in this prospectus, the Company had no outstanding convertible securities, options, or warrants in issue which conferred any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, save for the outstanding Share Options disclosed in this prospectus, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

### 3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of 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 were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “Model Code”), to be notified to the Company and the Stock Exchange, were as follows:

#### Long position in the Shares and underlying Shares of the Company

Name of director	Long/short positions	Class of Share	Number of Share held	Number of awarded Share held	Number of underlying Shares held under equity derivatives	Total	Approximate percentage of the Company's total issued share capital
YIM Fung	Long	Ordinary Shares	68,546,955	1,488,000	2,300,000	72,334,955	0.94%
WONG Tung Ching	Long	Ordinary Shares	13,399,564	1,093,000	2,300,000	16,792,564	0.22%
QI Haiying	Long	Ordinary Shares	4,562,000	1,450,000	2,300,000	8,312,000	0.11%
LI Guangjie	Long	Ordinary Shares	9,435,970	979,000	2,300,000	12,714,970	0.16%
FU Tingmei	Long	Ordinary Shares	1,512,096	—	—	1,512,096	0.02%
SONG Ming	Long	Ordinary Shares	1,512,096	—	—	1,512,096	0.02%
TSANG Yiu Keung	Long	Ordinary Shares	1,512,096	—	—	1,512,096	0.02%

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

#### 4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

- (a) As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, Shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which could fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the total issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Name of shareholders	Number of shares		Approximate percentage of issued share capital of the Company	
	Long Position	Short Positions	Long position	Short positions
GJHL	5,283,657,800	Nil	68.48%	Nil
GJFHL <i>(Note)</i>	5,283,657,800	Nil	68.48%	Nil
GTJA <i>(Note)</i>	5,283,657,800	Nil	68.48%	Nil

*Note:* GJHL is wholly-owned by GJFHL, which in turn is a wholly-owned subsidiary of GTJA. Accordingly, GJFHL and GTJA are deemed to have the same interest in the shares of the Company as GJHL.

As at the Latest Practicable Date, the Directors or chief executive of the Company were not aware of any other person (other than Directors or chief executive of the Company) who had an interest or short position in the Shares or 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 who was, directly or indirectly, interested in 10% or more of the total issued share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.



**5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS**

As at the Latest Practicable Date, there were no contracts or arrangements in which a Director was materially interested and significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors had, directly or indirectly, any interest in any assets which have since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

**6. EXPERT**

The following is the qualifications of the expert who has given opinions or advice, which are contained in this prospectus:

<b>Name</b>	<b>Qualification</b>
Ernst & Young ("EY")	Certified Public Accountants

As at the Latest Practicable Date, EY did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legal enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group, respectively, since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up.

EY has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion herein of its report and references to its name in the form and context in which they appear.

**7. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

**8. LITIGATION**

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

**9. MATERIAL CONTRACTS**

Save for the Underwriting Agreement, the Group did not enter into any contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus and are or may be material.

**10. CORPORATE INFORMATION**

Registered office of the Company	27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Authorised representatives	Ms. FENG Zheng Yao Helen 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong  Dr. YIM Fung 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Company secretary	Ms. FENG Zheng Yao Helen
Legal advisers to the Company in relation to the Rights Issue and as to laws of Hong Kong	Sidley Austin 39/F, Two International Finance Centre, Central Hong Kong
Auditor and reporting accountant	Ernst & Young 22/F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong
Share registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Principal bankers	Standard Chartered Bank (Hong Kong) Limited 32/F., Standard Chartered Bank Building 4-4A Des Voeux Road Central Hong Kong

The Hongkong and Shanghai Banking  
Corporation Limited  
23/F., HSBC Main Building  
1 Queen's Road Central  
Hong Kong

Bank of China (Hong Kong) Limited  
33/F., Bank of China Tower  
1 Garden Road  
Hong Kong

## PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

### (a) Profiles of Directors and senior management

#### *EXECUTIVE DIRECTORS*

**Dr. YIM Fung, JP**, aged 56, the Chairman of the Company since August 2012 and an Executive Director and the Chief Executive Officer of the Company since March 2010. He was the vice-chairman of the Company during the period from March 2010 to August 2012. Dr. YIM is concurrently the Chairman of the Risk Committee and a member of the Nomination Committee of the Company. In December 2019, Dr. YIM is appointed as a director of Vietnam Investment Securities Company (stock code: IVS.HN), a subsidiary of the Company which is listed on the Hanoi Stock Exchange in Vietnam. In addition, Dr. YIM is also a director of various subsidiaries of the Company, a director of Guotai Junan Holdings Limited and Guotai Junan Financial Holdings Limited, both are the controlling shareholders of the Company. Dr. YIM joined the Group in 1993. He has over 27 years experience in the securities industry. Dr. YIM is a Senior Economist and holds a doctorate degree in Economics from the Graduate School of the Chinese Academy of Social Sciences and a bachelor's degree in Environmental Engineering from the Tsinghua University. Dr. YIM is currently an independent non-executive director of Shenzhen International Holdings Limited (stock code: 152.HK). Dr. YIM was an independent non-executive director of Beijing Urban Construction Design & Development Group Co., Limited (stock code: 1599.HK) during the period from 2013 to 30 December 2019. At present, he is a member of the 13th National Committee of the Chinese People's Political Consultative Conference. In addition, he is also a member of The Election Committee of the Government of the HKSAR, a deputy director of the International Strategy Committee of Securities Association of China, a member of HKTDC Mainland Business Advisory Committee, the vice chairman of the Hong Kong Chinese Enterprises Association, the president of Hong Kong China Chamber of Commerce, the honorary life president of the Chinese Securities Association of Hong Kong, a standing committee member of the Chinese General Chamber of Commerce, Hong Kong and a life president of Tsinghua Alumni Association of Hong Kong.

**Mr. WONG Tung Ching**, aged 48, an Executive Director since March 2010 and the Deputy Chief Executive Officer of the Company since December 2013. He is responsible for overall business and management of corporate finance, equity capital markets and institutional business of the Group. Mr. WONG is also a director of various subsidiaries of the Company. Mr. WONG joined the Group in 2000. He obtained a master's degree in Business Administration from the University of Lincolnshire & Humberside (now known as the University of Lincoln) in 2001 and a higher diploma in International Trading from the Shenzhen University in 1992.

**Ms. QI Haiying**, aged 38, an Executive Director and the Deputy Chief Executive Officer of the Company since March 2015 and is responsible for the overall operation of the fixed income, currencies and commodities business, equity derivatives business, asset management and Singapore business of the Group. In addition, Ms. QI is concurrently a member of the Risk Committee of the Company and a director of various subsidiaries of the Company. Between 2004 and 2012, Ms. QI worked for Shenzhen Supervision Bureau of the China Securities Regulatory Commission and was responsible for regulatory supervision of securities companies and listed companies. In 2012, Ms. QI joined Guotai Junan Securities Company Limited (stock code: 2611.HK; 601211.SS), the parent of the Company, and held the positions as deputy general manager in Compliance Department and Strategic Management Department respectively and subsequently joined the Group in March 2015. Ms. QI holds a master's degree in Financial Economics from the London School of Economics and Political Science (LSE) and a bachelor's degree in International Economics and Trade from the University of International Business and Economics (UIBE) in China. At present, Ms. QI is a director and vice president of the Chinese Securities Association of Hong Kong Company Limited, the vice chairman of the Hong Kong Chinese Enterprises Association Youth Committee, a member of the 3rd committee of All-China Financial Youth Federation, a member of the Chinese Financial Association of Hong Kong, a committee member of the Tianjin Youth Federation and a member of Shaanxi Overseas Friendship Association.

**Mr. LI Guangjie**, aged 51, an Executive Director since March 2010 and the Chief Financial Officer of the Company since December 2017. In July 2018 and December 2019, Mr. LI is appointed as a director and the Chairman of Vietnam Investment Securities Company (stock code: IVS.HN) respectively, a subsidiary of the Company which is listed on the Hanoi Stock Exchange in Vietnam. In additional, Mr. LI is also a director of various subsidiaries of the Company. Mr. LI joined the Group in 2001. Mr. LI used to work for Shenzhen Jinpeng Certified Public Accountants as the deputy head of appraisal department. He has over 27 years experience in accounting, audit, taxation and asset appraisal. Mr. LI holds a master's degree in Economics from the Central University of Finance and Economics and a bachelor's degree in Economics from the Shenzhen University. He is an Economist and a member of the Chinese Institute of Certified Public Accountants and the Chinese Certified Tax Agents Association.

*NON-EXECUTIVE DIRECTORS*

**Dr. XIE Lebin**, aged 52, a Non-executive Director since June 2017. Dr. XIE is concurrently a member of Remuneration Committee of the Company. At present, Dr. XIE is also the chief risk officer, the chief financial officer and the general manager of the Planning and Finance Department of Guotai Junan Securities Co., Ltd (stock code: 2611.HK/601211.SS) (“**Guotai Junan Securities**”), the parent of the Company. Since 2012, he was also appointed as a director of Guotai Junan Innovation Investment Co., Ltd, a subsidiary of Guotai Junan Securities. Dr. XIE used to work at the Investment Banking Department of Wanguo Securities Co., Ltd. from 1993 to 1995 and served as an executive director of the Investment Banking Department of J&A Securities Co., Ltd from 1995 to 1999, respectively. He held various positions at Guotai Junan Securities since 1999, including as a deputy general manager of the Shanghai Investigation and Auditing Department, a deputy general manager, an executive deputy general manager and the general manager of the Investigation and Auditing Headquarters and as the deputy chief financial officer and the general manager of the Planning and Finance Department, respectively.

Dr. XIE obtained a doctorate degree and a master’s degree in Economics from the East China Normal University in Shanghai in 2010 and 1993 respectively, and a bachelor’s degree in Economics from the Shanghai Fisheries University (currently known as the Shanghai Ocean University) in 1990. Dr. XIE was accredited the International Certified Internal Auditors’ Certificate by the International Institute of Internal Auditors in 2009.

**Mr. LIU Yiyong**, aged 56, a Non-executive Director since June 2017. Mr. LIU is also a member of Risk Committee of the Company. At present, Mr. LIU is the general manager of the Compliance Department of Guotai Junan Securities Co., Ltd (stock code: 2611.HK/601211.SS) (“**Guotai Junan Securities**”), the parent of the Company. Mr. LIU served as a senior staff member of the Securities Supervisory Division of Shenzhen Branch of the People’s Bank of China from 1994 to 1997, a principal staff member of the Non-bank Financial Institutions Department of Shenzhen Branch of the People’s Bank of China from 1997 to 1998, a principal staff member of the Institutions Inspection Office of Shenzhen Supervision Bureau of China Securities Regulatory Commission from 1998 to 2002, and a staff member of the Market Division II of China Foreign Exchange Trade System from 2006 to 2009, respectively. Since 2009, Mr. LIU held various positions at Guotai Junan Securities, including a deputy general manager, an executive deputy general manager and the general manager of the Compliance Department, respectively.

Mr. LIU studied in the Graduate School of the People’s Bank of China from 1991 to 1994 and obtained a master’s degree in Economics. Mr. LIU subsequently obtained a master’s degree in Public Administration from the Columbia University in 2003.

***INDEPENDENT NON-EXECUTIVE DIRECTORS***

**Dr. FU Tingmei**, aged 53, an Independent Non-executive Director since June 2010. Dr. FU is also the chairman of the Remuneration Committee as well as a member of the Audit Committee and Risk Committee of the Company. Dr. FU has extensive experiences in investment, finance, law and business management. Between 1992 and 2003, he conducted many corporate finance transactions in several investment banking firms based in Hong Kong, including serving as a director of Peregrine Capital Limited, and a deputy managing director and subsequently a managing director of BNP Paribas Peregrine Capital Limited. Dr. FU is currently engaged in private investment business. Presently, he is also an independent non-executive director of Postal Savings Bank of China Co., Ltd (stock code: 1658.HK), China Resources Pharmaceutical Group Limited (stock code: 3320.HK) and COFCO Meat Holdings Limited (stock code: 1610.HK). He was an independent non-executive director of Beijing Enterprises Holdings Limited (stock code: 392.HK) from 2008 to 2017 and CPMC Holdings Limited (stock code: 906.HK) from 2008 to 2 July 2019 respectively. Dr. FU graduated from the University of London with a doctorate degree and a master's degree in Law in 1993 and 1989, respectively.

**Dr. SONG Ming**, aged 57, an Independent Non-executive Director since June 2010. Dr. SONG is also the chairman of the Nomination Committee and a member of the Audit Committee, the Remuneration Committee and the Risk Committee of the Company. Dr. SONG has over 24 years experiences in research of banking regulations and management, financial market, and macroeconomics. Dr. SONG is currently the dean of the School of Economics and Management at the Wuhan University. He is also an independent non-executive director of The United Laboratories International Holdings Limited (Stock code: 3933.HK), Wuzhou International Holdings Limited (stock code: 1369.HK), Great Wall Pan Asia Holdings Limited (formerly known as Armada Holdings Limited) (stock code: 583.HK), and an independent director of Tande Co., Ltd (stock code: 600665.SS), respectively. Dr. SONG holds a doctorate degree in Economics from the Ohio State University, a master's degree of Science in Mathematics from the Huazhong University of Science and Technology and a bachelor's degree of Science in Mathematics from the Zhejiang University.

**Mr. TSANG Yiu Keung**, aged 66, an Independent Non-executive Director since 2010. Mr. TSANG is also the chairman of the Audit Committee and a member of the Remuneration Committee, the Nomination Committee and the Risk Committee of the Company. Mr. TSANG joined KPMG in 1975 and retired as a senior banking partner in 2003. At present, Mr. TSANG is an independent non-executive director of L. K. Technology Holdings Limited (stock code: 558.HK). Mr. TSANG was an independent non-executive director of China CITIC Bank International Limited, a licensed bank in Hong Kong, and CITIC International Financial Holdings Limited, from 2004 to 2017. Mr. TSANG holds a higher diploma in Accountancy from the Hong Kong Polytechnic University. He is also a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators.



**Professor CHAN Ka Keung Ceajer**, *GBS, SBS, JP*, aged 62, an Independent Non-executive Director since 22 August 2018. Professor CHAN is concurrently a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Committee of the Company. At present, He is also an adjunct professor and the senior advisor to the Dean of the Business School of the Hong Kong University of Science and Technology (“HKUST”). He was appointed as the Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region from 2007 to June 2017. Prior to that, he was the Dean of the HKUST Business School. Before joining the HKUST in 1993, Professor CHAN taught for nine years at the Ohio State University in the United States. Professor CHAN was a non-executive director of MTR Corporation Limited (stock code: 66.HK) from 2007 to July 2017. He is currently a chairman of WeLab Digital Limited, a senior advisor of WeLab Holdings Limited, an independent non-executive director of Langham Hospitality Investments and Langham Hospitality Investments Limited (stock code: 1270.HK), a non-executive director of The Hong Kong Mortgage Corporation Limited and a member of the Competition Commission of Hong Kong.

Professor CHAN holds a bachelor’s degree in economics from the Wesleyan University and followed by M.B.A. and Ph.D. in finance from the University of Chicago. He has expertise in asset pricing analysis, trading strategy evaluation and market efficiency and has published numerous articles on these topics.

#### ***SENIOR MANAGEMENT***

**Mr. LAI Changhua**, aged 53, the Chief Risk Officer of the Company since December 2017 and is responsible for overall risk management of the Group (including compliance and legal matters). He joined our Group in October 2015. Before that, Mr. LAI held a management role in the risk management departments of several international investment banks, with over 20 years’ experience in financial markets and risk management. Mr. LAI holds a master degree in Economics from the Nankai University, a master degree in Business Administration from the Western Sydney University, and a bachelor degree in Engineering from the Sichuan University. He is also a certified FRM (Financial Risk Manager) and PRM (Professional Risk Manager).

#### ***COMPANY SECRETARY***

**Ms. FENG Zheng Yao Helen** was appointed by the Board as the company secretary of the Company and responsible for facilitating the Board’s processes and communications among Board members, shareholders and management. Ms. FENG has obtained a Bachelor of Laws from the City University of Hong Kong and a Master’s Degree in Laws from the University College London, and was admitted as a solicitor in the High Court of Hong Kong in 2004.



**11. MISCELLANEOUS**

- (a) The English text of this prospectus shall prevail over the Chinese text in case of inconsistencies;
- (b) The business address of all Directors and senior management of the Company is 27/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong; and
- (c) as at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

**12. EXPENSES**

The expenses in relation to the Rights Issue (including, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$3.3 million and will be payable by the Company.

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

A copy of each of the Prospectus Documents, having attached thereto, among others, the written consent referred to in the paragraph headed "Expert" in this appendix, have been registered with the Registrar of Companies in Hong Kong as required by Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**14. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents for inspection during business hours on any weekday (except Saturdays, Sunday and public holidays) at the principal place of business in Hong Kong of the Company at 27/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong for a period of 14 days from the date of this prospectus:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2017 and 2018, respectively and the interim report of the Company for the six months ended 30 June 2019;
- (c) the report on the unaudited pro forma financial information of the Group issued by EY set out in Appendix II to this prospectus;
- (d) the material contracts disclosed in the section headed "Material Contracts" in this appendix;
- (e) the written consent from the expert as referred to in the section headed "Expert" in this appendix; and
- (f) the Prospectus Documents.

**15. LEGAL EFFECT**

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.