



國泰君安國際
GUOTAI JUNAN INTERNATIONAL

Constituent of FTSE's ESG Index

Guotai Junan International

2022 Annual Results

March 2023



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This presentation and subsequent discussions may contain forward-looking statements that involve risks and uncertainties. These statements are generally indicated by the use of forward-looking terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “potential,” “continue,” “ongoing,” “targets,” “guidance” or may be expressed as being the results of actions that may or are expected to occur in the future. In addition, statements that are not historical facts, including statements about GTJAI’s strategies and business plans, GTJAI’s beliefs, expectations and guidance regarding the growth of its business and its revenue, the business outlook and quotations from management in this presentation, as well as GTJAI’s strategic and operational plans, are or contain forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: GTJAI’s expected revenue growth and ability to maintain or grow its revenue or business; fluctuations in general economic and business conditions globally; uncertainties arising from competition among countries and geopolitical tensions; changes in laws, regulations and regulatory environment that affect GTJAI’s business operations; risks associated with the performance of our business partners; privacy and data protection regulations and concerns; impacts of the COVID-19 pandemic and assumptions underlying or related to any of the foregoing.

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

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| Risk Management | Credit Rating | Liquidity Management

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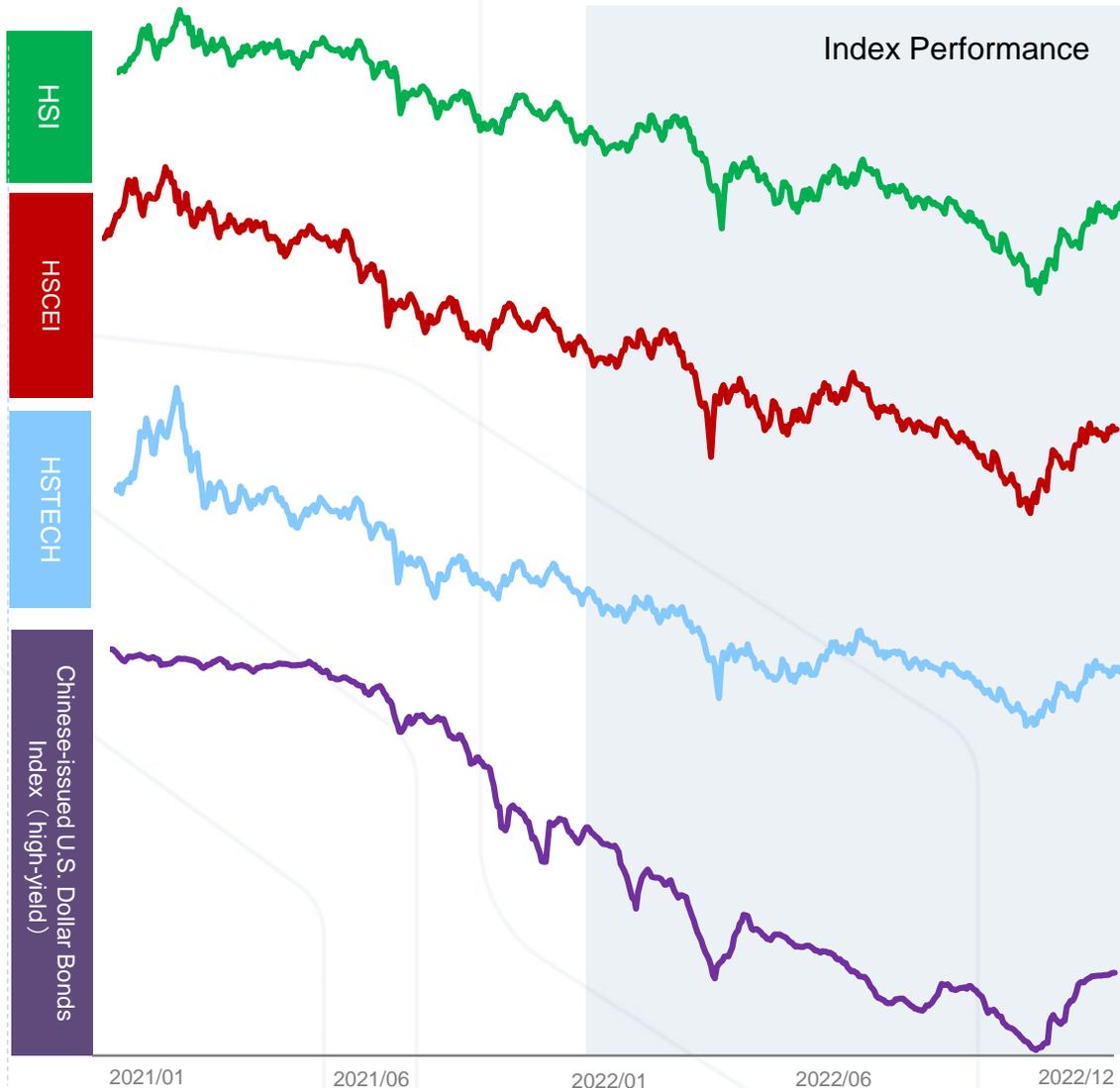


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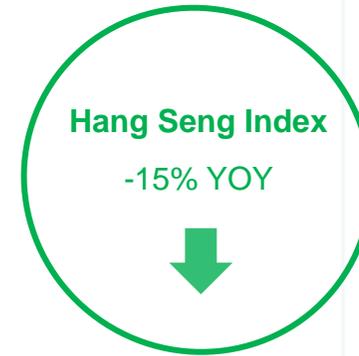


In 2022, facing the challenging environment including many unfavorable factors in the global financial market and the extremely sluggish Hong Kong stock market, the Group demonstrated strong resilience and operational strength and still achieved a profit, steadily **maintaining profitable every year since its listing 13 years ago** by decisively executing efficient risk control measures, effectively managing and responding to credit risk and market risk, strongly developing client-demand driven business and continuously optimizing its balance sheet and financial leverage ratio.

Hong Kong has suffered from five outbreaks of the pandemic since 2020, which caused adverse impacts to most industries. During this special time, the Company continued to recommend **a final special dividend** following the interim of 2022 to uphold the spirit of “Overcoming Difficulties Together”. The Group also **distributed all-cash dividends every year since its listing 13 years ago** to respond to the long-term recognition and support of investors and the capital markets.



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



- Hit 13-year low in October
- Both index and volume dropped



- Total funds raised from IPO significantly decreased YOY



- Defaults in mainland real estate corporates
- Chinese-issued USD bonds market continued to undergo in-depth adjustments



- US Federal Reserve raising interest rate led to globally rising interest rates largely

- 📊 **Revenue** reached HK\$2,315 million, **Profit Attributable to Shareholders** reached HK\$80.38 million (Maintained profitable every year since listing 13 years ago)
- 🔄 Based on large-scaled risk exposure compression and dynamic risk hedging to avoid significant financial loss. Asset quality improved steadily with various risk sensitivity indicators optimized significantly
- 🌿 Benefiting from stable client demand for financial products, interest income from financial products **increased by 28% YOY to HK\$410 million.**
- 👤 Benefiting from strong capability of funds management and higher global interest rates, interest income from banks and others **increased significantly by 213% YOY to HK\$392 million**
- 👤 Finance costs decreased by 13% YOY, mainly due to **effectively controlled funding costs as well as the significant reduction of high-risk asset exposures.**
- 📊 **Dividend per share** reached HK\$0.05 (a **final special dividend** of HK\$0.01 per share)
- 👤 Distributed all-cash dividends every year since 2010 listing 13 years ago, with cumulative dividend payments of approximately HK\$5.58 billion.
- 📊 Led **Credit Ratings** among peers, **S&P BBB+** , **Moody's Baa2**, with the outlook being “stable”
- 📊 MSCI upgraded its **ESG Rating** to **BBB**; total **green bond** business fundraising increased by 11% YoY to HK\$78 billion
- 📊 Acquired approval from Macau SAR in 2023 to establish **Macao subsidiary**
- 📊 Led **market capitalization** among Hong Kong peers¹, received “**Most Honored Company in Asia**” award by Institutional Investor for two consecutive years; included in Hong Kong Stock Connect under **Shanghai-Hong Kong Stock Connect** in March 2023

Financial Review

2022 Annual Results

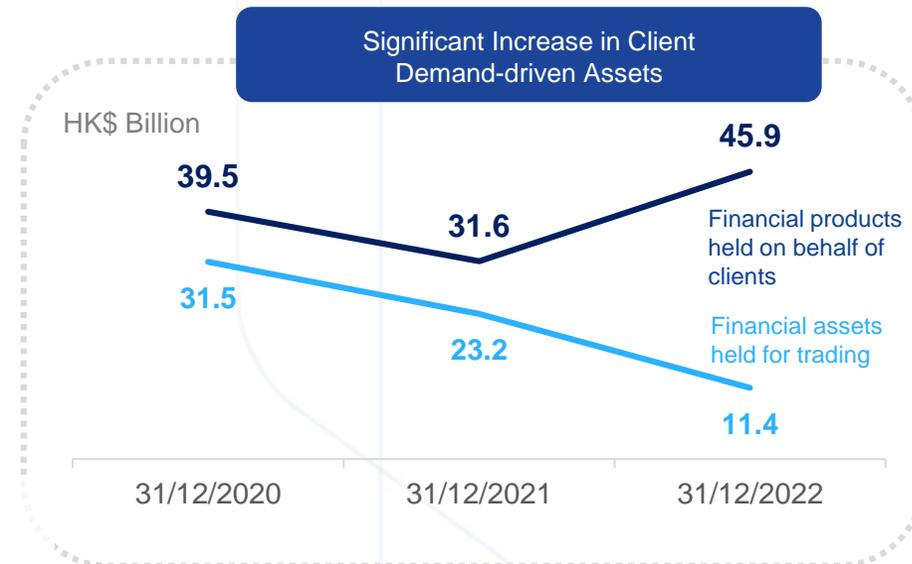
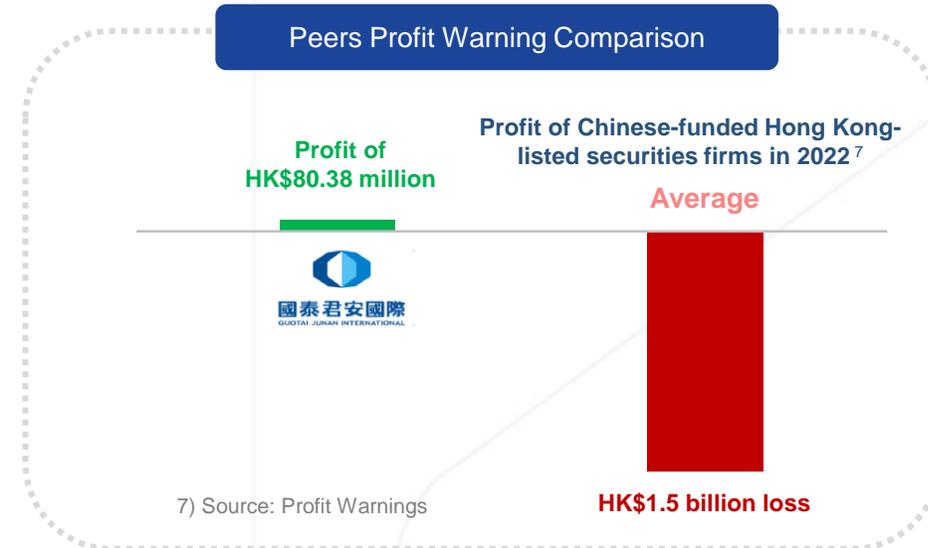
[Financial Indicators](#) | [Dividends](#) | [Costs](#) | [Revenue Breakdown](#) | [Balance Sheet](#) | [Risk Management](#) | [Liquidity Management](#) | [Credit Rating](#)

P&L extracts	2022	2021	YOY ¹
	(HKD'000)	(HKD'000)	
Fee and Commission Income ²	866,142	1,626,079	(47%)
- Funds raised for Hong Kong IPO	104.6 billion	331.3 billion	(68%)
- Hong Kong stocks daily average trading volume	124.9 billion	166.7 billion	(25%)
Interest Income ²	1,896,682	2,280,539	(17%)
Net Trading and investment Loss / Income ²	(447,907)	59,797	loss
Total Revenue	2,319,251	3,971,694	(42%)
Total Costs	(2,292,594)	(2,684,048)	(15%)
Profit attributable to shareholders	80,381	1,094,743	(93%)
- EPS (HK cents)	0.8	11.4	(93%)
- Total dividend per share (HK cents)	5.0	6.0	(17%)
- Dividend Yield ³	7.6%	6.5%	1.1 p.p

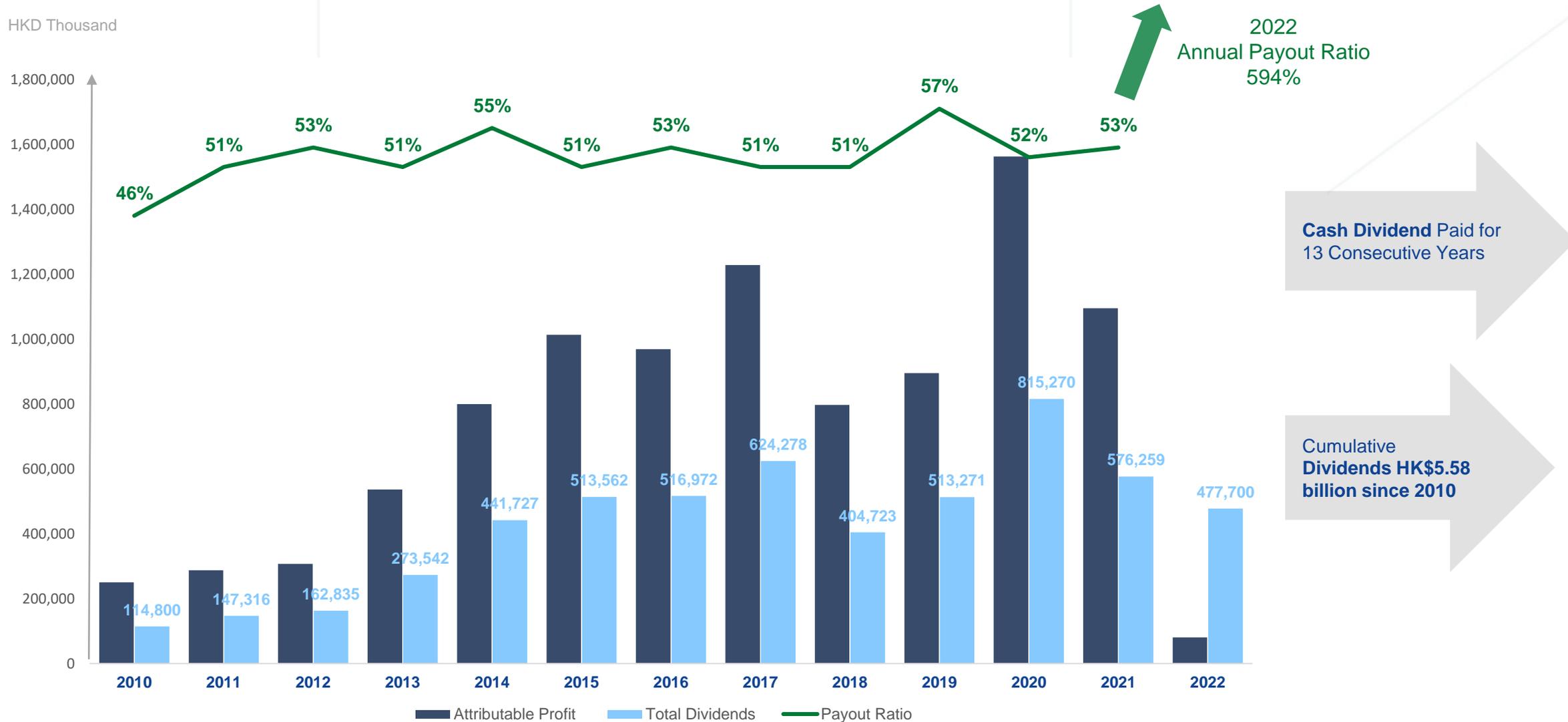
B/S and Financial ratio	31 Dec 2022	31 Dec 2021	Change ¹
Total assets (HK\$ billion)	94.5	106.3	(11%)
Total liabilities (HK\$ billion)	(79.5)	(90.9)	(12%)
Net Asset per share (Attribute to Shareholders) ⁴ (HK\$)	1.55	1.59	(3%)
Nominal leverage ratio ⁵	5.44	5.78	(6%)
Actual leverage (excluding financial products held on behalf of customers)	2.37	3.74	(37%)
ROE ⁶	0.5%	7.2%	(6.7p.p)

Note: 1) Rounded; 2) Details shown on page 11; 3) Calculation based on the proposed dividend amount for 2022 divided by the share price on 27 March, the date of the results announcement; 4) Calculation based on shares issued as at 31 Dec 2022 minus shares held under share award scheme; 5) Leverage Ratio Calculation: (Total Assets - Accounts Payable to Clients) / Total Equity; 6) ROE= Profit Attributable to Shareholders / Average Net Asset Attribute to Shareholders;

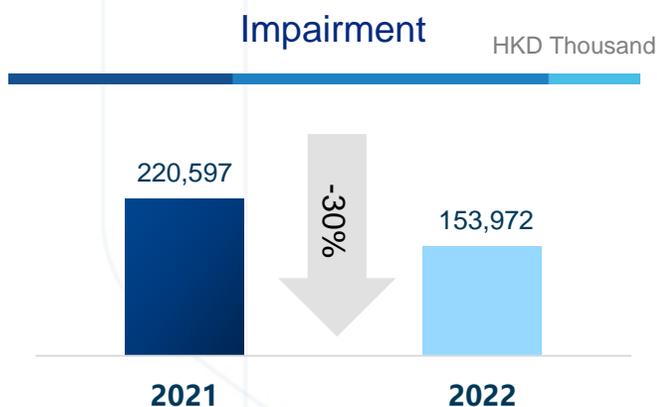
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Dividend: Distributed all-cash dividends for 13 Consecutive Years



Cost items	2022	2021	YOY ¹
	(HKD'000)	(HKD'000)	
Staff Costs	(721,499)	(803,434)	(10%)
Commission to account executives	(134,120)	(224,602)	(40%)
Depreciation	(78,077)	(78,639)	(1%)
Impairment	(153,972)	(220,597)	(30%)
Other operating expenses	(528,262)	(581,913)	(9%)
Finance costs	(676,664)	(774,863)	(13%)
Total costs	(2,292,594)	(2,684,048)	(15%)



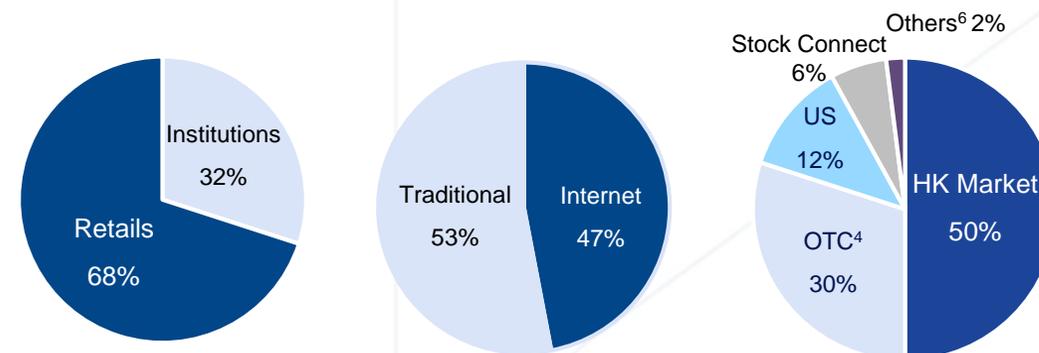
Fee and Commission

HKD'000	2022	2021	YOY ¹	2H2022	YOY ²
Brokerage	481,265	805,982	(40%)	216,839	(37%)
Corporate finance	233,437	521,693	(55%)	127,321	(31%)
Consultancy and advisory	46,476	76,058	(39%)	20,946	(53%)
Asset management	25,572	106,015	(76%)	12,333	(44%)
Financial products (Handling fee)	79,392	116,331	(32%)	37,391	(17%)
Total	866,142	1,626,079	(47%)	414,830	(35%)

Interest

HKD'000	2022	2021	YOY ¹	2H2022	YOY ²
Loans & financing	524,366	744,990	(30%)	233,847	(26%)
Banks	391,854	125,269	213%	314,415	283%
Market making (Interests)	179,125	506,595	(65%)	51,831	(72%)
Fixed income securities investment (Interests)	390,916	582,768	(33%)	160,673	(42%)
Financial products (Interest)	410,421	320,917	28%	211,310	42%
Total	1,896,682	2,280,539	(17%)	972,076	(4%)

Securities breakdown³



Trading and Investments

HKD'000	2022	2021	YOY ¹	2H2022	YOY ²
Market making (Mark-to-Market)	(189,034)	(71,280)	165%	134,377	Profit
Investment in Securities ⁵ (Mark-to-Market)	(258,873)	131,077	Loss	(294,872)	52%
Total	(447,907)	59,797	Loss	(160,495)	(18%)

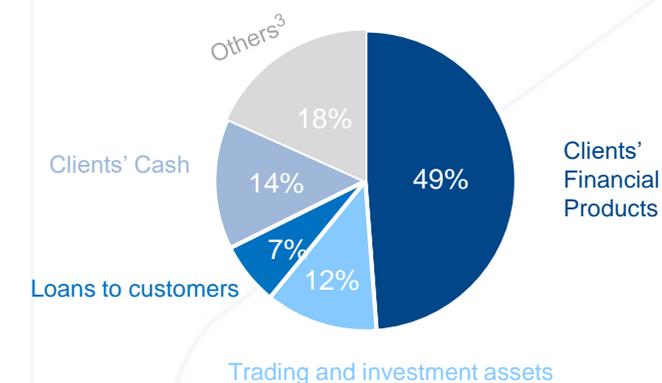
Note: 1. Rounded; 2. Rounded, Compared with 2H2021; 3. Breakdown chart was from "securities trading" of brokerage income; 4. Mainly from fixed income securities; 5. Other Investments securities included seed funding for asset management, private equity funds, providing financial derivatives and OTC product issuance and market making services for wealth management clients, and other equity investments; 6. "Others" include commission from A shares, B shares, South Korea, Japan, Germany, Singapore, Australia, Canada and other markets.

HKD'000	31 Dec 2022	Contribution*	31 Dec 2021	Contribution*
Assets				
Loans and Advances to Customers	6,391,369	6.77%	15,854,687	14.92%
Receivable from Reverse Repurchase Agreement	586,845	0.62%	4,443,729	4.18%
Accounts Receivable (mainly with the exchange settlement)	5,641,386	5.97%	6,559,681	6.17%
Prepayments, Deposits and Other Receivables	212,984	0.23%	118,311	0.11%
Financial Products held on behalf of Clients ¹	45,938,678	48.64%	31,599,309	29.73%
Financial Assets (Market Making, Seed Fund & others) ²	11,517,623	12.19%	23,253,517	21.88%
Derivative Financial Instruments	2,104,513	2.23%	619,230	0.58%
Tax Recoverable	198,764	0.21%	33,585	0.03%
Client Trust Bank Balances	13,347,021	14.13%	17,804,841	16.75%
Cash and Cash Equivalents	7,756,580	8.21%	5,277,874	4.97%
Other Assets	759,323	0.80%	723,329	0.68%
Total Assets	94,455,086	100.00%	106,288,093	100.00%
Liabilities and Equity				
Accounts payable	16,726,328	21.03%	20,587,166	22.66%
Other Payables and Accrued Liabilities	613,694	0.77%	678,160	0.75%
Derivative Financial Instrument	1,529,217	1.92%	532,961	0.59%
Bank Borrowings	9,349,007	11.76%	5,375,203	5.92%
Debt Securities in Issue	41,488,268	52.17%	45,491,783	50.07%
- At Amortized Cost	6,923,635	8.71%	21,437,896	23.60%
- Designated as at Fair Value through P&L	34,564,633	43.47%	24,053,887	26.48%
Financial Liabilities at Fair Value through P&L	2,108,386	2.65%	8,772,805	9.66%
Obligations under Repurchase Agreements	7,695,073	9.68%	9,255,723	10.19%
Tax Payable	8,917	0.01%	157,353	0.17%
Total Liabilities	79,518,890	100%	90,851,154	100.00%
Ordinary Shareholders' Equity	14,806,699	99.13%	15,307,361	99.16%
Other Equity Instruments and Non-Controlling Interest	129,497	0.87%	129,578	0.84%
Total Equity	14,936,196	100.00%	15,436,939	100.00%

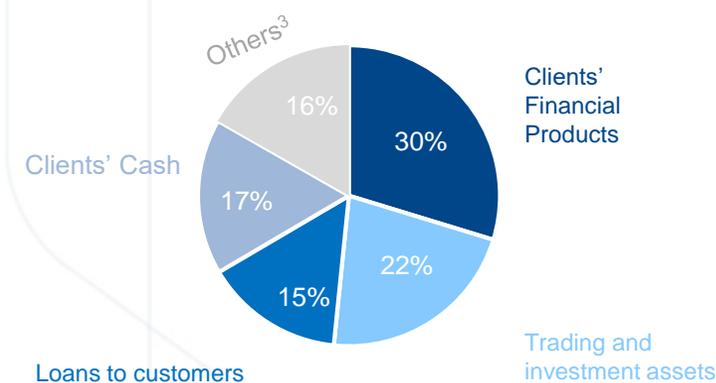
Note: 1. Rounded figures; 2. Fixed Income was mainly from market making for DCM and seed funding for asset management, with a diversified portfolio; 3. Including cash, accounts receivable and receivable from reverse repurchase agreement, etc.

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Assets Distribution (31 Dec 2022)



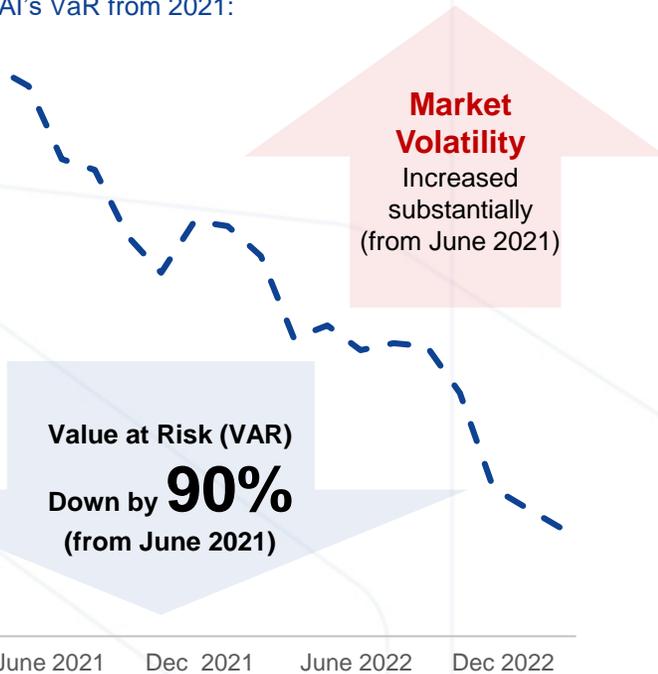
Assets Distribution (31 Dec 2021)



Reduced Market Risk:

Value-at-risk (VaR)* fell by almost 90% cumulatively, with market volatility jumped over the same period.

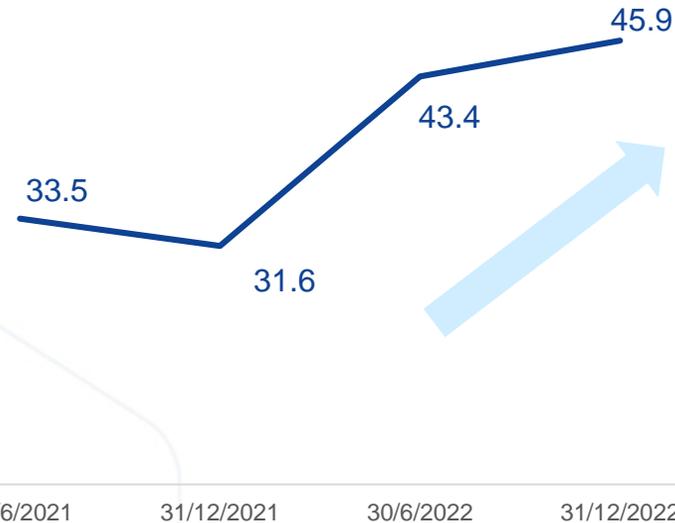
GTJAI's VaR from 2021:



Increased Quality Assets Driven by Client's Demand Risk Appetite Largely Improved

Financial products held on behalf of clients

HK\$ billion



Note:

The Company measures market risk primarily through Value at Risk (VaR) analysis, stress testing and sensitivity analysis. Value at Risk (VaR) is the primary tool used by the Company to **measure and monitor market risk** and only includes transactional investment activities. VaR measures the potential maximum loss caused by changes in market risk factors on the investment portfolio over a given holding period and at a given confidence level. The company uses historical simulation to calculate the 99% confidence level based on five years of historical data. % of the one-day value-at-risk and regularly tests the effectiveness of the model through back-testing. At the same time, investors are reminded that **the data is as at the end of the financial report**, which may not reflect the situation during the period, and only **includes trading business**, which is for reference only.

Types of risk (Market Risk):

- ✓ Directly related to market volatility and cycles
- ✓ Recorded investment income with strong **uncertainty**

Counterparty Ratings:
Over 98%
(Investment Grade)

Custodians Ratings:
Over 99%
(Investment Grade)

Milestone of Credit Rating

- Feb 2023
Moody's affirms the company's long-term issuer rating at Baa2
- Nov 2022
Moody's affirms the company's long-term issuer rating at Baa2
- July 2022
S&P reaffirmed Company's investment grade credit ratings BBB+
- July 2021
Moody's and S&P reaffirmed Company's investment grade credit ratings BBB+ and Baa2
- July 2020
S&P reaffirmed Company's investment grade credit ratings BBB+
- Feb 2020
Moody's reaffirmed Company's investment grade credit ratings Baa2
- July 2019
Moody's and S&P reaffirmed Company's investment grade credit ratings BBB+ and Baa2
- June 2017
S&P's rating upgraded to BBB+
- April 2017
S&P's included Company in a Positive observation list
- Feb 2017
Moody's raised the long-term issuer rating outlook to Stable
- Sep 2016
Moody's first assigned "Baa2" and Prime-2 short-term issuer rating
- Aug 2016
S&P's first assigned "BBB" long-term and A-2 short term issuer rating

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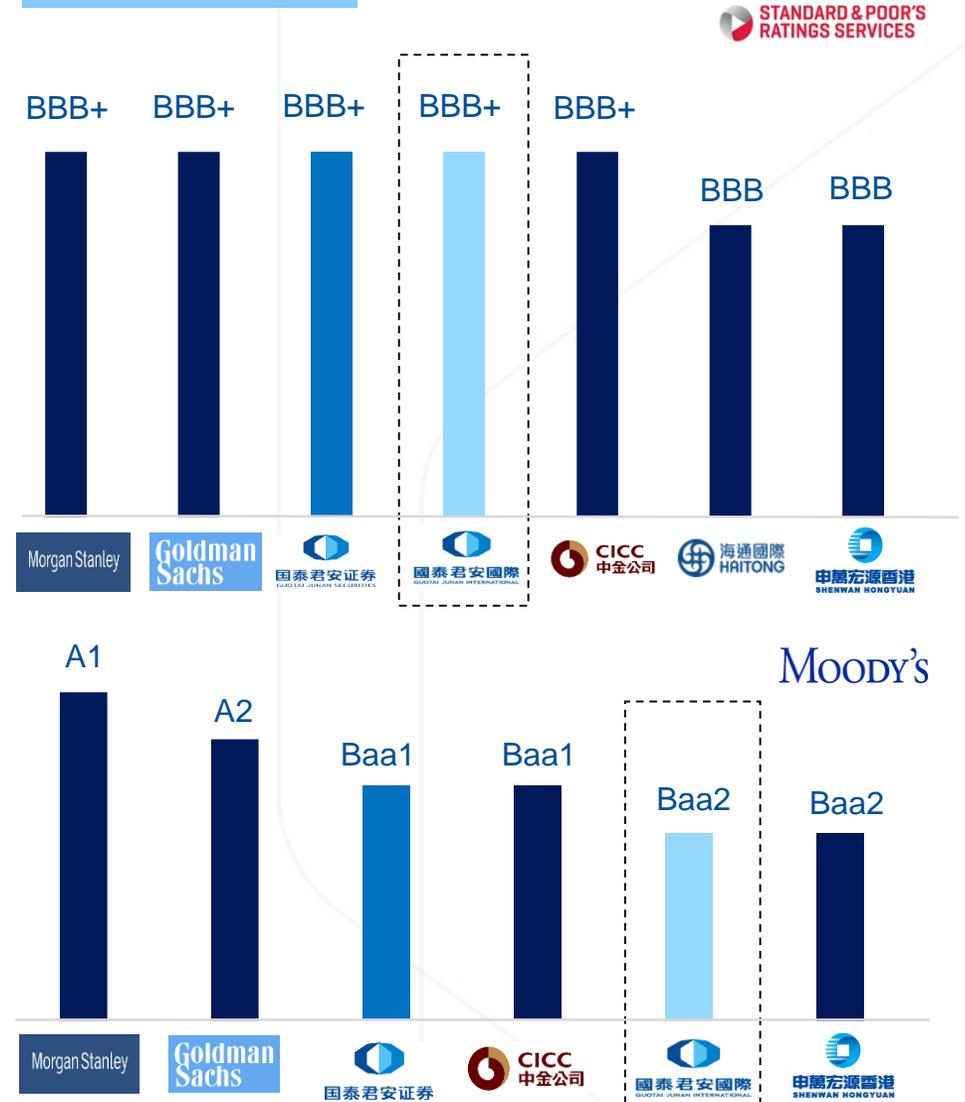


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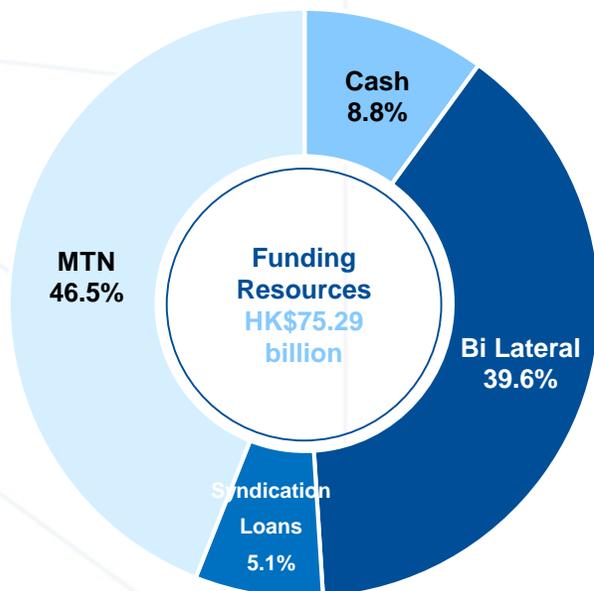
MOODY'S



Peers Comparison



Funding Resources



As at 31 Dec 2022

Banking facilities

HK\$ million	31 Dec 2022	31 Dec 2021	Change ¹
Total banking facilities	33,638	33,594	-
Bank loans utilized	9,306	5,268	77%
Available outstanding banking facilities	24,332	28,326	(14%)
Utilization ratio	28%	16%	12 p.p

Note 1: Rounded Figures



Business Development

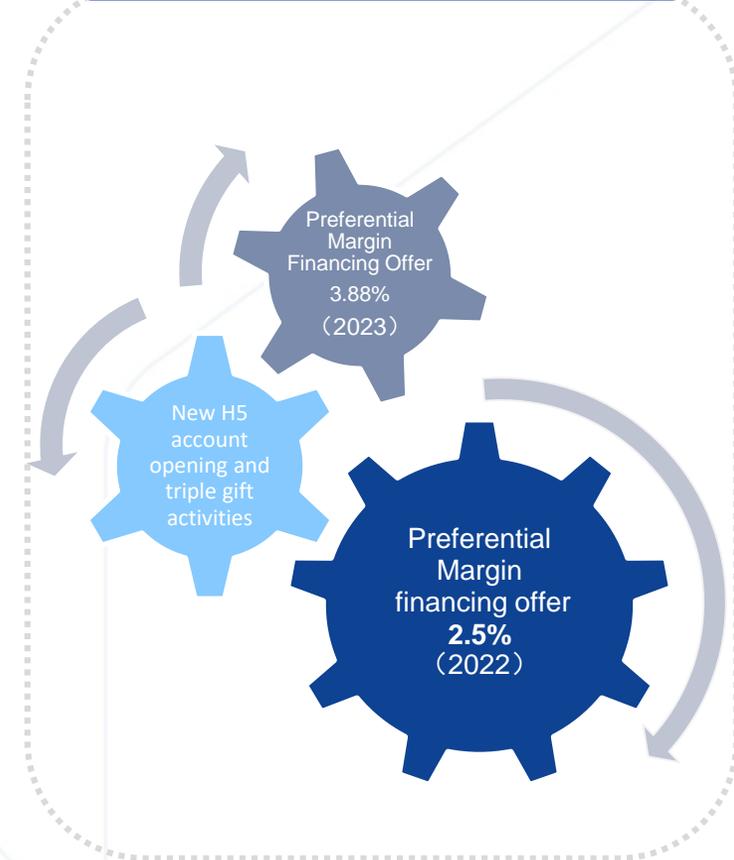
2022 Annual Results



Number of Clients with assets over HK\$50 million

Number Up to
462
As at end of 2022

Stimulate Client Investment Needs



 Market Share of HK Brokerage

Market Share of HK Brokerage
Doubled since 2018

Major Client Securities under Custody (by Market Value)



Note: 1. The assets under custody (AUC) include client securities and cash, while excluding proprietary positions. Investors should note that figures are at the day of the financial report deadline. It may NOT reflect the condition within the period and is for reference only.

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Hong Kong, China

The 1st Chinese Securities Company to Systematically Serve Family Office Clients

The external asset management (EAM) team under the wealth management department has signed agreements with **more than 70 local family offices** and **opened investment accounts for appr. 110 clients**. GTJAI has striking advantages in **account opening execution speed, account opening capital requirements and financing products**. The demand for risk management and overseas **financial derivatives** of family offices is increasing as the time moves forward, and our institutions and derivative products have also included the family office client group into the sales coverage.



Singapore

Establish "Guotai Junan" Featured Business Branding and Image

GTJAI launched securities, asset management and wealth management businesses in Singapore since 2015. Together with the overseas FICC team, it has successfully established cooperation with many local family offices and joint family offices. **The wealth management team in Singapore is dedicated to keeping up with the needs of family office clients and showing them the investment value and growth potential of the listed capital markets in mainland China and Hong Kong.**



Vietnam

The 1st Chinese Securities company to "Enter Vietnam" "Invest in Vietnam without Travel"

In 2019, GTJAI launched securities business in Vietnam. The subsidiary Guotai Junan Vietnam is headquartered in Hanoi, which is a fully licensed securities company and already has diversified financial services. GTJAI takes the opportunity of the "One Belt, One Road" to serve the market needs of **Chinese enterprises, family offices and high-net-worth individual clients** to "go global", and serve the overseas investment and financing needs of the local market.



Macau, China

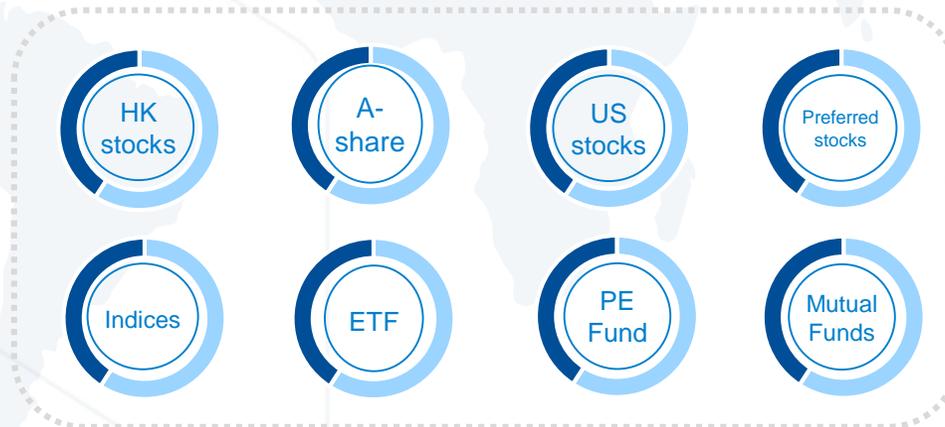
An Important Move to Fully Enter the Great Bay Area

In 2023, Guotai Junan Securities (Macau) Company Limited, a subsidiary of GTJAI, was approved to be established. The Macau subsidiary will officially provide clients with **global securities trading, wealth management and various financial products and services** permitted by the laws of Macau SAR. Meanwhile, it will seize opportunities such as the upgrade of the **Connectivity Mechanism 2.0** and the construction of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin to fully integrate services regional coordinated development.



Highly customized solutions

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



In-depth knowledge of Chinese economy

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

Results Highlight

24

Financial Advisory and Sponsor

The team has continued to provide advisory and financing consulting services to 22 companies.

Equity Underwriting

The team has completed 24 primary and secondary equity underwriting deals, raising funds of approx. HK\$29.5 billion.

22

Development Strategy

Coordination between Headquarter and Subsidiary

Promote the integration and coordination of domestic and overseas investment banks, make use of domestic resources and comprehensive offshore financial services edge

The integration between investment bank and research will enhance the voice and influence of the company and the investment banking department to the industry and customers, and help strive for more high-quality projects

Integration of Investment Bank and Research

 Providing more products to WM clients

 Providing quality institutional and corporate clients to the company

01 Market Review

- Primary Market: the total amount of bonds issued in Asian (ex-Japan) G3 currencies (US dollar, Euro and Yen) in 2022 decreased by 54% to US\$160.1 billion compared with 2021
- Secondary Market: The index of HY and IG¹ fell by 33% and 10% in 2022

02 Group Performance

Having underwritten 133 deals with funds of approx. HK\$211.7 billion, the Group maintained its leading position in China USD bond market and ranked No.1 in both Wind Kungfu Bond League Tables 2022 and Wind Kungfu Bond (LGFV) League 2022

03 Green Projects

In 2022, the Group assisted in issuing 36 ESG products with total fundraising of approx. US\$10 billion. Of these, 23 were green bonds, 2 were blue bonds, 10 were sustainable bonds and 1 was green and sustainability-linked bond. And the Group acted as ESG advisory on 14 projects.

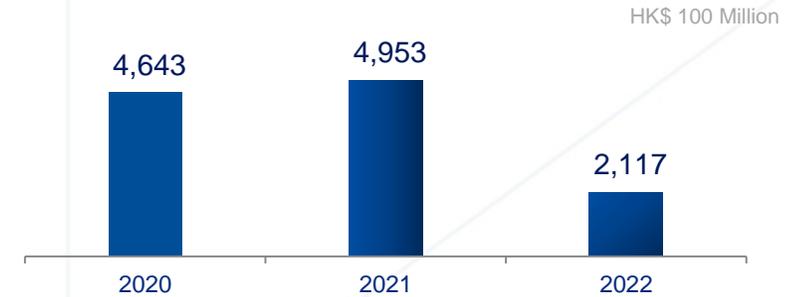
04 Outlook

Under the expected slowdown of the Fed's interest rate hike and the easing of the credit risk of real estate companies, China USD Bond market is expected to recover in 2023, the issuance volume and price are expected to rebound. The Group is capable of seizing the financial cycle of the debt market to further expand its underwriting business.

05 Introduction

- ✓ Since established in 2012, the DCM team has participated in 1,143 deals, among which approx. 64% as led by us as a global coordinator.
- ✓ Currently staffed by more than 40 employees. Most core members served in senior positions in global investment banks, and over half of the team are from the mainland, indicating a more thorough understanding of China's economy.
- ✓ Integrated multiple competitive resources within Guotai Junan

Total Fundraising Amount



Number of Completed Deals



Total Fundraising of Green Bonds



Sustainability

2022 Annual Results

ESG Development | Sustainable Finance

1. MSCI **uplifted** the Company's **ESG rating**, ranking the Company among the leading securities companies in Hong Kong
2. Included in the **"FTSE ESG Index"** FTSE4GOOD constituent since 2019
3. As the 1st Chinese securities companies in Hong Kong, maintained the participant of **the United Nations Global Compact** for **two consecutive years**, bring the company's ESG practice in line with international standards
4. Won 8 "Best ESG" awards from well-known global media such as **"Institutional Investor"**

Rating



Awards



Community Activities Photo



Strengthen the Policy to Practice "Responsible Investment"



- ✓ Negative list, third-party rating and scoring
- ✓ ESG Due Diligence
- ✓ Active Ownership

Green Bond:
The Scale Continues to Expand



Case



In July, assisted Guangzhou Development District Investment Group in issuing the city's first overseas sustainable bond, with a financing amount of **US\$400 million**



In May, assisted Zhangzhou Traffic Group in issuing a 3-year US\$500 million green bond, **created a record of the largest single issue amount of a local state-owned enterprise bond at that time**

Green Equity:
Fully Cover Investment and Financing

Case



Global **New Energy** Leader

In July, successfully assisted ShanShan Co., Ltd. in issuing GDR, which was the first batch listed on the Swiss Stock Exchange, raising approximately **HK\$2.5 billion**



Global **Lithium Batteries** Leading Brand

In November, successfully assisted SUNWODA in issuing GDR, which was listed on the Swiss Stock Exchange in the first batch, raising approximately **HK\$3.4 billion**



First **Hydrogen Energy** Stock

In January 2023, assisted in the listing of "First China Hydrogen Energy A+H Share" on the Hong Kong Stock Exchange



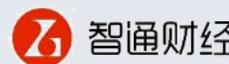
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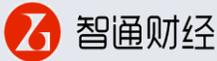
Constituent of FTSE's ESG Index

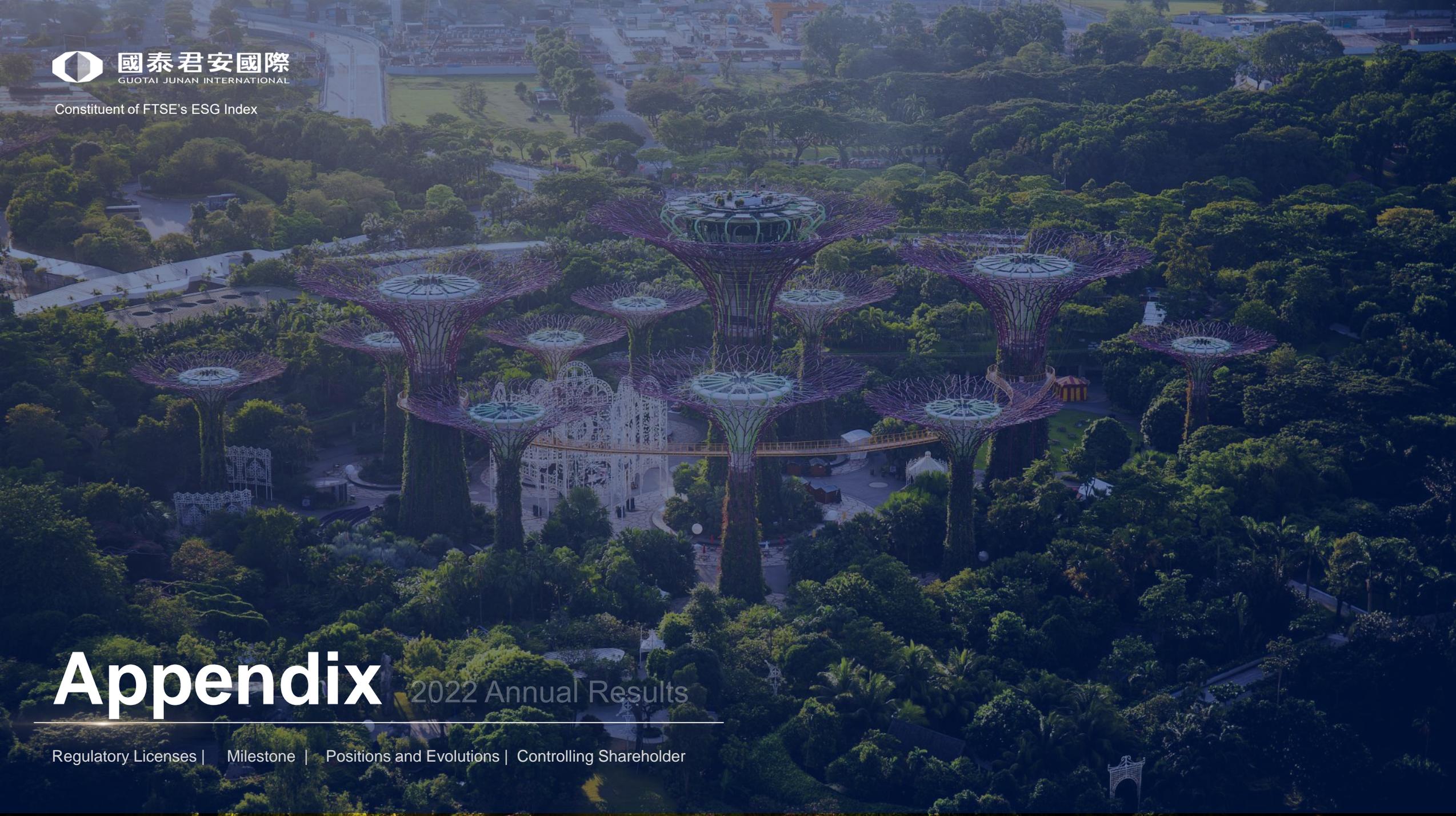
Honors and Branding

2022 Annual Results

Dec 2022	<ul style="list-style-type: none"> 2022 Listed Company Awards of Excellence 	Hong Kong Economic Journal	
Dec 2022	<ul style="list-style-type: none"> Best Investor Relations Company Best CEO in Asia Best CFO in Asia 	Corporate Governance Asia	
Nov 2022	<ul style="list-style-type: none"> Best Companies to Work for in Asia 2022 – Hong Kong Region 	HR ASIA	
Nov 2022	<ul style="list-style-type: none"> Best Financial Services Award in the Greater Bay Area 	Navigation "9+2"	
Nov 2022	<ul style="list-style-type: none"> The 4th Golden Central Award: Best Customer Service The 7th Zhitong Caijing Listed Company Awards: Best ESG Award 	Zhitong Caijing	
Oct 2022	<ul style="list-style-type: none"> Top Investment Houses in Asian G3 Bonds for 2022 	The Asset	
Sep 2022	<ul style="list-style-type: none"> 2021 Annual Report Printing & Production: Banking, Investment Wealth Management Sector - Bronze 2021 Annual Report Cover Photo/Design: Financial Services: General - Bronze 2021 Annual Report Interior Design: Banking, Investment & Wealth Management – Honors 	ARC	
Sep 2022	<ul style="list-style-type: none"> 2021 Annual Report Platinum Award Top 100 Reports Worldwide (ranking at #82) Top 80 Reports Asia-Pacific Region (ranking at #18) Best Report Financials - Bronze Top 50 China Reports Technical Achievement Award 	LACP	

Honors and Branding: Awarded 45 Prizes, hit historical high

Jul 2022	<ul style="list-style-type: none"> • Excellence Award of Risk Management • Excellence Award of Wealth Management Platform (the Greater Bay Area) • Excellence Award of ESG 	Bloomberg Businessweek	
Jun 2022	<ul style="list-style-type: none"> • Asia's Best CEO (sell side): 3rd place • Asia's Most Honored Company: 1st place • Asia's Best ESG (overall): 1st place • Asia's Best IR Program (overall): 1st place • Asia's Best CEO (overall): 1st place • Asia's Best CFO (overall): 2nd place • Asia's Best IR Professional (overall): 1st place • Most Honored Company: 3rd place • Best ESG (sell side): 3rd place • Best CEO (sell side): 2nd place • Best CFO (sell side): 2nd place • Best IR Professional (sell side): 1st place 	Institutional Investor	
Apr 2022	<ul style="list-style-type: none"> • 2021 Top Breakthrough Issuer • 2021 Outstanding Chinese Futures Broker 	HKEX	
Apr 2022	<ul style="list-style-type: none"> • Performance Awards: Asian High Yield (3 Years) • Performance Awards: Asian High Yield (5 Years) • Market Awards: CIO of the Year (Fixed Income) 	Insights & Mandate	
Mar 2022	<ul style="list-style-type: none"> • Private Fund: Greater China Fixed Income (3 years) - GTJAI's Asian High Yield Bond Fund • Best Mandate - Guotai Junan Assets (Asia) Limited 	Bloomberg、CAMAHK	
Feb 2022	<ul style="list-style-type: none"> • Triple A Country Awards 2021 - Best Sustainability Bond (China Offshore) • Triple A Sustainable Capital Markets Awards 2021 - Best Green Bond 	The Asset	
Jan 2022	<p>The 6th Golden Hong Kong Stocks Awards:</p> <ul style="list-style-type: none"> • Best Financial Stock Company "Excellence Award" • Best ESG 	Zhitong Caijing	



Appendix

2022 Annual Results

Issued by the Securities and Futures Commission of Hong Kong

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

Issued by China Securities Regulatory Commission

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

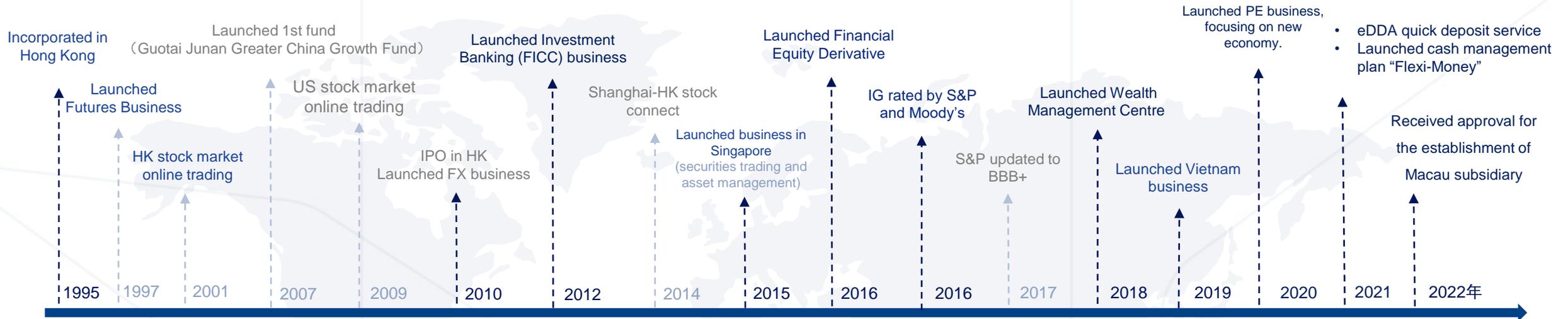
Issued by Monetary Authority of Singapore

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

Issued by State Securities Commission of Vietnam

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

Milestone: Seized the Opportunities and Created Values for Shareholders



Phase I: Started from Solid Brokerage

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

Phase II: Strong Corporate Finance

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

Phase III: Risk Management Creates Value

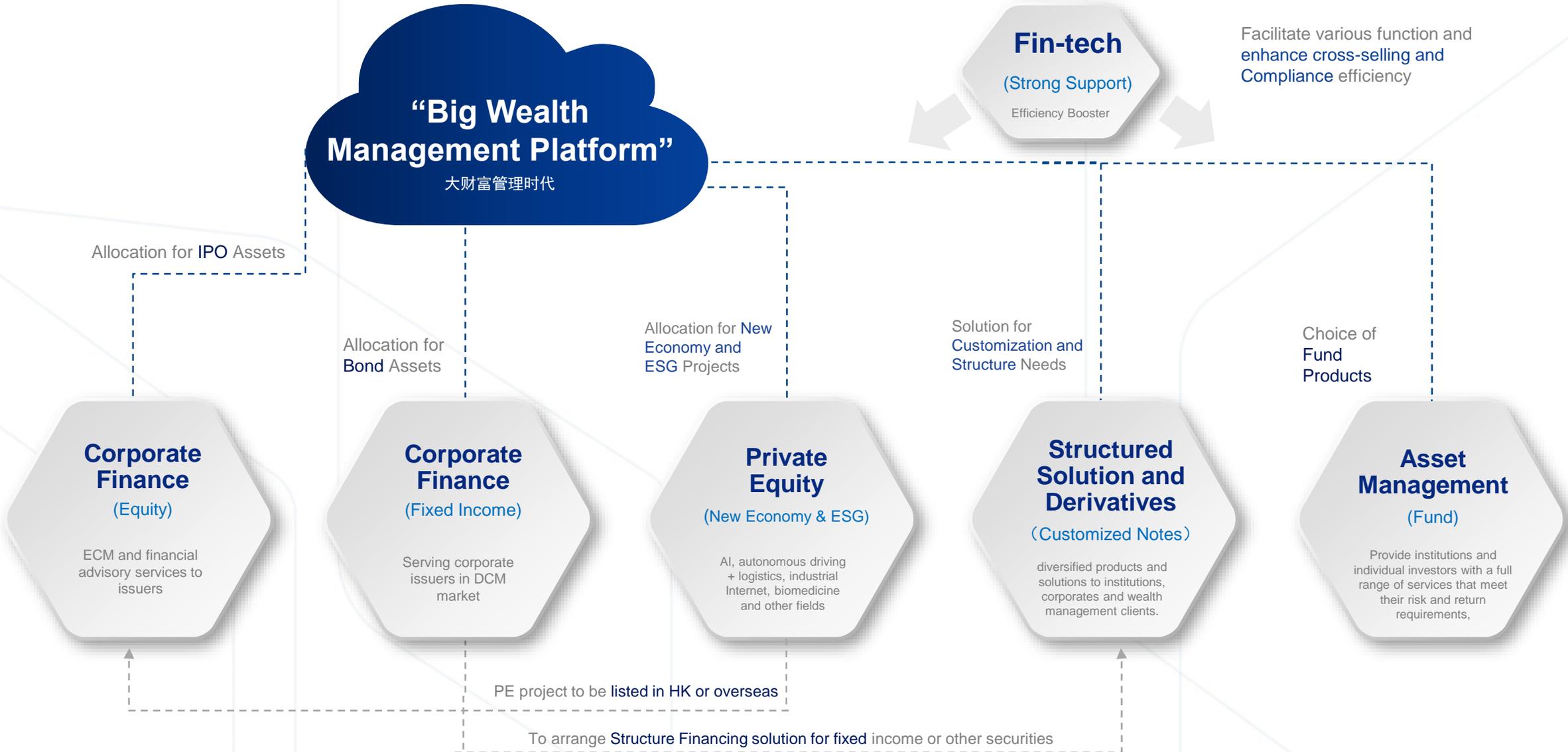
- Target on risk adjusted return
- Quality balance sheet with healthy leverage ratio to achieve higher ROE

Phase IV: Era of Wealth Management

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

1995
Registered capital amount
HK\$ 31.98 million

31 Dec 2022:
Attributable net asset
HK\$ 14.8 billion





Concentrated and Volatile Revenue

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



Diversified Revenue Stabilized ROE

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

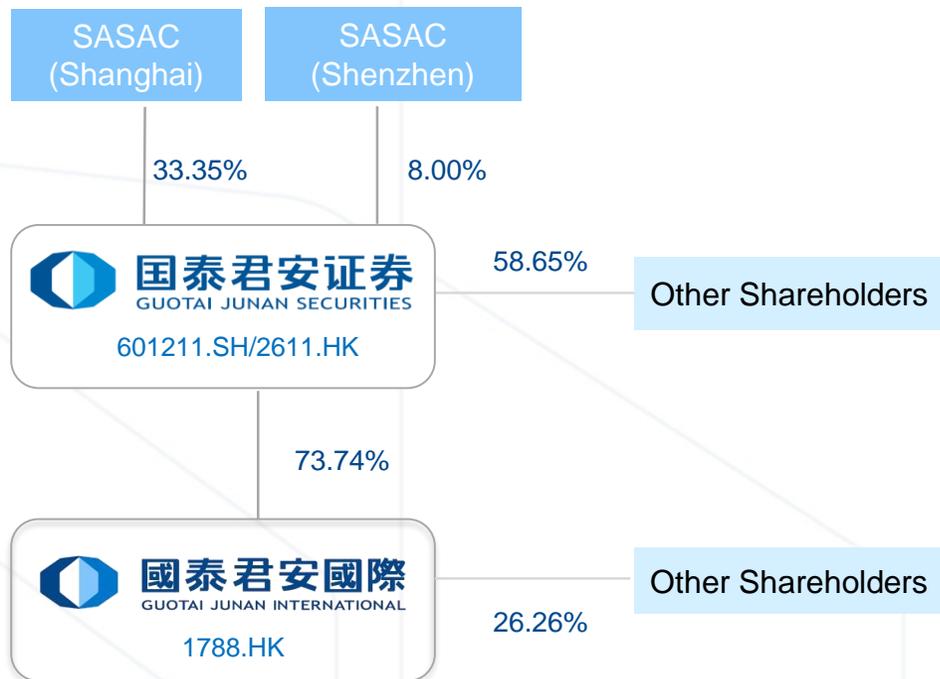


High Net worth Client
Brokerage, margin financing and financial products

Corporate Issuers and Institutions
Corporate finance, underwriting, financial products, structured financing and market making

Risk Management Capabilities
Strictly management of balance sheet

Shareholding Structure



As of 31 December 2022

About Guotai Junan Securities (Parent Company)

-  Comprehensive financial service provider with a long-term, sustainable and overall leading position in the Chinese securities industry
-  As of the end of 2022, ranked 3rd in total assets, 4th in net assets, 3rd in net capital, 2nd in operating income and 3rd in net profit (Source: Securities Industry Association)
-  Listed on HKEX in 2017 (2611.HK)
-  World-class credit ratings: BBB+ (S&P) and Baa1 (Moody's), with “Stable” outlook maintained

IR Contacts:

Jason Yan, CFA

Jason.yan@gtjas.com.hk

+852 2509 5487

Mia Wu

Mia.wu@gtjas.com.hk

+852 2509 2138

Helen Feng

Helen.feng@gtjas.com.hk

Thanks!

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