

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1788)

CONTINUING CONNECTED TRANSACTIONS

On 3 November 2023, the Company and GTJA entered into the New Master Agreement, pursuant to which the Company and GTJA conditionally agreed that each of them will, and will procure members of their respective groups to, provide various services to, and engage in investment and finance transactions with, the other pursuant to the terms set out in the New Master Agreement, subject to the approval by the Independent Shareholders at the EGM. The New Master Agreement will be effective for a term of three years from 1 January 2024 to 31 December 2026.

GTJA is a connected person of the Company by virtue of its being a controlling shareholder of the Company. As at the date of this announcement, GTJA through GTJAF, a wholly-owned subsidiary of GTJA, holds approximately 73.74% interest in the Company. The transactions contemplated under the New Master Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group. Accordingly, the transactions contemplated under the New Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios based on the proposed annual caps of the transactions contemplated under the New Master Agreement exceed 5%, the transactions and the proposed annual caps contemplated under the New Master Agreement are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules. A circular containing, among others, the particulars of the New Master Agreement together with a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice of the EGM is expected to be despatched to the Shareholders on or about 7 December 2023, which is more than 15 business days after the publication of this announcement, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

BACKGROUND

Reference is made to the announcement of the Company dated 2 December 2020 in connection with, among others, the Existing Master Agreement entered into between the Company and GTJA. Pursuant to the Existing Master Agreement, the Company and GTJA agreed that each of them would, and would procure members of their respective groups to, provide various services to, and engage in investment and finance transactions with, the other pursuant to the terms set out in the Existing Master Agreement for a term of three years from 1 January 2021 to 31 December 2023.

On 3 November 2023, the Company and GTJA entered into the New Master Agreement, pursuant to which both parties conditionally agreed that each of them will, and will procure members of their respective groups to, provide various services to, and engage in investment and finance transactions with, the other pursuant to the terms set out in the New Master Agreement, subject to the approval by the Independent Shareholders at the EGM. The New Master Agreement will be effective for a term of three years from 1 January 2024 to 31 December 2026.

The provision of any services or the entering into any transactions between the Group and the GTJA Group under the New Master Agreement is subject to the Company's and GTJA's compliance with any applicable laws, regulations or administrative directives promulgated by competent authorities to which they are subject.

CONTINUING CONNECTED TRANSACTIONS UNDER THE NEW MASTER AGREEMENT

Date

3 November 2023

Parties

- (i) The Company
- (ii) GTJA

Duration

Subject to the approval by the Independent Shareholders at the EGM, the New Master Agreement will be effective for a term of three years from 1 January 2024 to 31 December 2026. Subject to re-compliance with the applicable requirements under the Listing Rules, including the reporting, announcement and/or Independent Shareholders' approval requirements, the New Master Agreement may be renewed upon expiration of its term.

Nature of transactions

Under the New Master Agreement, the Company and GTJA conditionally agreed that each of them will, and will procure members of their respective groups to provide various services to, and engage in investment and finance transactions with, the other during the term of the New Master Agreement.

1. SERVICE TRANSACTIONS

Brief particulars of the services to be provided by the Group to the GTJA Group and vice versa as contemplated under the New Master Agreement are summarized below.

(a) Brokerage services

The Group will provide brokerage services for Hong Kong and/or overseas stocks, futures, options, bonds etc., as well as various related ancillary services to the GTJA Group.

The GTJA Group will provide brokerage services permitted by the PRC laws, regulations and regulatory requirements and various ancillary services to the Group.

(b) Investment management, advisory and business collaboration services

The Group will provide services including but not limited to investment management and/or advisory services to the GTJA Group in relation to funds and accounts established and/or managed by the GTJA Group, cross-border transaction and business collaboration and other related services, and vice versa.

(c) Corporate finance services

The Group will provide initial public offering, refinancing and financial advisory services to the GTJA Group. Such services include but are not limited to advising on the Hong Kong Listing Rules and the Takeovers Code, as well as share placement, bond issuance, corporate restructuring and cross-border financial services, and other laws and regulations-related compliance advisory services.

The GTJA Group will provide referral of corporate finance and other financing project clients services, financial advisory and market research services to the Group, including but not limited to advisory services on compliance with the PRC laws and regulations, mergers and acquisitions, and advising on securities offerings and corporate restructurings.

(d) Consulting and operational support services

The Group will provide consulting and operational support services to the GTJA Group. Such services include but are not limited to (i) professional services in Hong Kong and/or overseas; (ii) back office and operational support services; and (iii) services related to investor relations.

The GTJA Group will provide consulting and operational support services to the Group. Such services include but are not limited to (i) providing regular and on-demand information on the macroeconomic environment and business development in the PRC; (ii) back office and operational support services; and (iii) research services, including but not limited to writing industry or product reports and participating in roadshow activities.

The transactions described in 1(a) to (d) above are collectively referred to as “**Category 1 Transactions**” in this announcement.

2. INVESTMENT AND FINANCE TRANSACTIONS

Brief particulars of the investment and finance transactions to be entered between the Group and the GTJA Group contemplated under the New Master Agreement are summarized below:

The Group and the GTJA Group will enter into investment and finance transactions which are principal-to-principal transactions. Such transactions include but are not limited to trading in primary and secondary equity markets, futures markets, bond markets, additional tier-1 bonds, private placement bonds, private equity, funds, indexes or other diversified underlying assets, derivative transactions under the framework of the market-standard derivative master agreements, trading of structured products and customized transactions, interest rate and foreign exchange transactions, as well as ancillary services.

The transactions described in 2 above are referred to as “**Category 2 Transactions**” in this announcement.

The provision of any of the services or the entering into the transactions in respect of the Category 1 Transactions and Category 2 Transactions between the Group and the GTJA Group is subject to the Company’s and GTJA’s compliance with any applicable laws, regulations or administrative directives promulgated by competent authorities to which they are subject, including the Listing Rules.

Terms of the Operational Agreements

Pursuant to the New Master Agreement, members of the Group and members of the GTJA Group shall, from time to time during the term of the New Master Agreement, enter into separate Operational Agreements in respect of the Category 1 Transactions and/or Category 2 Transactions, provided that such Operational Agreements shall be subject to the terms of the New Master Agreement, and their respective terms shall also not exceed the term of the New Master Agreement.

Pricing

The New Master Agreement provides that the prices of the services and transactions to be paid or received for the Category 1 Transactions or the Category 2 Transactions (as the case may be) shall be on normal commercial terms and in the ordinary and usual course of business of the Group.

When determining the pricing for individual transactions, each party shall follow the following principles:

1. Category 1 Transactions

- (a) Brokerage services:
 - (i) for securities brokerage, the fees charged/chargeable or paid/payable (as the case may be) shall be determined with reference to, among other things, the fees, rates and commission for independent third-party clients in the market and the expected total brokerage transaction amount;
 - (ii) for futures brokerage, the commission follows the pricing standard applicable to all its clients including independent third parties which shall be determined with reference to (1) the type of futures contract; (2) the futures exchange on which it is traded; and (3) whether the trade is executed during the day or overnight in Hong Kong time;
 - (iii) for margin financing services, the fees shall be determined based on the market-driven mechanism with reference to interest rates applicable to most of its clients including independent third parties; and
 - (iv) for brokerage ancillary services, such as research services, the fees charged/chargeable or paid/payable (as the case may be) shall be determined with reference to cost-based pricing method.
- (b) Investment management, advisory and business collaboration services: The fees charged/chargeable or paid/payable (as the case may be) shall be determined with reference to, among other things, the fund management fees, performance fees and advisory fees of independent third parties in the market and/or fees from collaborative cooperation with reference to, among other things, fees of previous collaborative cooperation of similar nature in other businesses.
- (c) Corporate finance services: The fees shall be determined by the respective business units with reference to the transactions of independent third parties of similar size and nature in the market and the pricing shall be negotiated on an arm's length basis.
- (d) Consulting and operational support services: The fees charged/chargeable or paid/payable (as the case may be) shall be determined through arm's length negotiations by the respective business units with reference to the cost-based pricing method.

2. Category 2 Transactions

For principal-to-principal transactions, the pricing shall be determined based on arm's length negotiations between the parties and with reference to, among other things, the prevailing rates generally being offered in the market, the market rates quoted by market participants, the market practice for transactions of similar nature and the price of similar transactions the Group and the GTJA Group offers to independent third parties: (i) for the primary bond market, it shall be priced at face value; (ii) for over-the-counter trades on the secondary bond market, the pricing and terms shall be determined based on arm's length negotiations, the market conditions and client demand; and (iii) for structured products and derivatives, these shall be priced on normal and ordinary commercial terms (with reference to its finance costs, complexity of the product structure and issuance, market conditions at the time of issue and other factors) for which the Group charges either (1) a reasonable interest, fees and commission to clients for underlying assets with higher liquidity; or (2) a mark-up rate based on the cost-plus pricing method, fees and/or income expectations for tailor made products on client demand or underlying assets with lower liquidity.

Termination

The New Master Agreement may be terminated before expiration of its full term upon mutual agreement in writing by both parties or in certain circumstances by a party, including upon material default of the other party.

REASONS FOR, AND BENEFITS OF, THE CONTINUING CONNECTED TRANSACTIONS

The Group has been pursuing cooperation with the GTJA Group on potential projects and business plans to enlarge its business scale and thus maximize returns to Shareholders. The Group expects the demand for financial and trading services, especially cross-border ones, to keep growing. As the Category 1 Transactions and Category 2 Transactions are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group, by obtaining approval from the Independent Shareholders to enter into the New Master Agreement, the Group can efficiently execute these transactions that require expeditious completion, which will enable the Group to conduct business in a more flexible manner and facilitate the expansion of various business lines, thus bringing additional revenue to the Group and ultimately benefiting the Shareholders.

The Company and its parent, GTJA, have a strong and mutually beneficial relationship that should continue despite the market uncertainty. The Group provides a diversified platform for the GTJA Group to expand its overseas business, especially in Southeast Asia, while the GTJA Group supports the Group with its extensive domestic network, resources, and expertise. The two entities share a common brand, vision, and culture, and collaborate on various business segments, such as wealth management, institutional investor services, corporate finance services, and investment management. By maintaining their close cooperation, the Group can leverage the strengths of the GTJA Group, to enhance its competitiveness, and create value for its clients, shareholders, and employees. Moreover, by continuing to provide services to each other, the Group can mitigate some of the risks and challenges posed by the market uncertainty, such as volatility, liquidity, regulation, and competition. Therefore, the Board considers that securing a long-term business relationship with the GTJA Group is beneficial to the Group. The increased cooperation would expect to bring considerable and stable contribution to the Group's revenue and profit in the long run. Accordingly, the entering into the New Master Agreement is in the interests of the Company and the Shareholders as a whole.

The Board (including the independent non-executive Directors whose views are given, subject to the advice to be given by the Independent Financial Adviser) considers that the transactions contemplated under the New Master Agreement (a) have been negotiated on an arm's length basis; (b) will be conducted on normal commercial terms, or on terms no less favourable than those available to or from independent third parties under prevailing local market conditions; (c) are entered into in the ordinary and usual course of business of the Group; (d) are fair and reasonable and in the interests of the Company and Shareholders as a whole; and (e) that the proposed annual caps for the three years ending 31 December 2026 are fair and reasonable and in the interests of the Company and Shareholders as a whole.

No Director has material interest in the New Master Agreement, the transactions contemplated thereunder and the proposed annual caps, however as each of Dr. YIM Fung, Mr. YU Jian, Dr. HU Xupeng, and Ms. YU Xuping, is also a director/an officer of certain members of the GTJA Group, they have abstained from the Board meeting(s) in which the New Master Agreement was considered.

HISTORICAL TRANSACTION FIGURES AND THE PROPOSED ANNUAL CAPS

Historical transaction figures

Historical transaction figures in respect of continuing connected transactions carried out under the Existing Master Agreement for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023 are shown below:

	Historical transaction figures		
	For the year		For the
	ended 31 December	ended 31 December	six months
	2021	2022	ended 30 June
	(HK\$ million)	(HK\$ million)	2023
			(HK\$ million)
Category 1 Transactions			
(a) Income received by the Group for services provided to the GTJA Group ^(Note 1)	3.3	7.8	8.8
(b) Fees paid by the Group for services received from the GTJA Group ^(Note 2)	110.8	68.4	38.3
	(HK\$ billion)	(HK\$ billion)	(HK\$ billion)
Category 2 Transactions			
Principal-to-principal transactions between the Group and the GTJA Group ^(Note 3)	11.6	18.5	31.4

Notes:

- (1) (i) Income received by the Group for brokerage services provided to the GTJA Group was approximately HK\$2.5 million, HK\$5.2 million and HK\$5.8 million for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023, respectively; (ii) income received by the Group from investment management and advisory services provided to the GTJA Group was nil, approximately HK\$2.2 million and nil for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023, respectively; (iii) income received by the Group from consulting services provided to the GTJA Group was nil, approximately HK\$0.4 million and HK\$2.6 million for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023, respectively; and (iv) income received by the Group from corporate finance services provided to the GTJA Group was approximately HK\$0.8 million, nil and HK\$0.4 million for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023, respectively.
- (2) (i) Fees paid by the Group for brokerage services provided by the GTJA Group were approximately HK\$1.6 million, HK\$0.8 million and HK\$3.5 million for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023, respectively; (ii) no fees were paid by the Group for investment management and advisory services provided by the GTJA Group for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023; (iii) fees paid by the Group for consulting services provided by the GTJA Group were approximately HK\$82.2 million, HK\$48.9 million and HK\$28.9 million for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023, respectively; and (iv) fees paid by the Group for corporate finance services provided by the GTJA Group were approximately HK\$27.0 million, HK\$18.7 million and HK\$5.9 million for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023, respectively.

- (3) Principal-to-principal transactions between the Group and the GTJA Group amounted to (i) approximately HK\$4.5 billion, HK\$2.0 billion and HK\$0.7 billion for bond trades for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023, respectively; and (ii) approximately HK\$7.1 billion, HK\$16.5 billion and HK\$30.7 billion for structured product and derivative trades for the two years ended 31 December 2021 and 2022 and for the six months ended 30 June 2023, respectively.
- (4) As of the date of this announcement, the annual caps under the Existing Master Agreement have not been exceeded.

Proposed annual caps

Proposed annual caps in respect of the continuing connected transactions contemplated under the New Master Agreement for the three years ending 31 December 2024, 2025 and 2026 are shown below:

	For the year ending 31 December		
	2024	2025	2026
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Category 1 Transactions			
(a) Income (to be) received by the Group for services provided to the GTJA Group	201	236	276
(b) Fees (to be) paid by the Group for services received from the GTJA Group	244	283	327
	<i>(HK\$ billion)</i>	<i>(HK\$ billion)</i>	<i>(HK\$ billion)</i>
Category 2 Transactions			
Principal-to-principal transactions between the Group and the GTJA Group	263.4	315.6	378.0

Note:

When calculating the proposed annual caps, if the nature of an individual transaction falls under more than one category of transactions, such transaction amount may be included in more than one category of the proposed annual caps. However, if any transaction amount which has been included in one category of the proposed annual cap, then such amount will not be counted towards other categories repeatedly.

The proposed annual caps for the income to be received and the fees to be paid under Category 1 Transactions and the Category 2 Transactions to be entered between the Group and the GTJA Group were determined based on (a) the historical figures of the relevant transactions and the existing scale and operations of those businesses of the Group and/or the GTJA Group; (b) the projected annualized amounts for the related transactions; (c) relevant national, regional and cross-border policies, such as the Stock Connect, Bond Connect, the internationalization of Renminbi, Swap Connect, HKD-RMB Dual Counter Model, more favourable terms for QFII and QDII, the Belt and Road Initiative as well as the Greater Bay Area development, resulting in more cooperation opportunities in cross-border business between the Mainland China and Hong Kong and expected larger demand for cross-border financial services; (d) business growth and client demand expectations; (e) the expected recovery of economy after the pandemic; and (f) a reasonable buffer to cater for unexpected business growth, inflation and currency fluctuations and on the general assumption that there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group and the GTJA Group during the projected period.

For the proposed annual caps for Category 1 Transactions, favourable factors such as newly enacted national and regional policies encouraging cross-border investments and transactions (including but not limited to futures and derivatives trades), Stock Connect, Bond Connect, Swap Connect, HKD-RMB Dual Counter Model, expansion of types of commodity futures and options that QFII can invest in, and mutual recognition of funds arrangements etc. will stimulate the trading volume of brokerage business, corporate finance market in Hong Kong, and demand for consulting and operating support services. Moreover, HuaAn Funds (a sizeable fund management company in the PRC) has become a non-wholly owned subsidiary of GTJA since November 2022, therefore the scope of the connected persons covered by the New Master Agreement has also been expanded, which may bring more connected transactions to the Group. In addition, given the rapid growth in terms of the scale of cross-border financial products for institutional clients of the Group, the potential cooperation between the Group and the GTJA Group in the fund management, advisory and business collaboration services is expected to be expanded further and thus the related transaction amounts are expected to increase.

For the proposed annual caps for Category 2 Transactions, which mainly cover potential principal-to-principal transactions between the Group and the GTJA Group under the primary and secondary bond markets, structured product and derivative business of the Group. As for bond business, the proposed annual caps are determined with reference to, among others, the historical figures of relevant transactions under the bond issuance and market making business. As for structured product and derivative business, the cross-border principal-to-principal transactions have been driven by the surge in client demand of structured products and customized transactions under the favourable national and regional policies as well as northbound and southbound investment opportunities, this is demonstrated by the historical notional transaction amount of approximately HK\$30.7 billion for the first half of 2023, increased by over eight times and four times as compared to the historical notional transaction amount of approximately HK\$7.1 billion and HK\$16.5 billion for the full year of 2021 and 2022, respectively. Furthermore, the notional amount of derivative contracts is much higher than its market value due to its leverage nature, and certain principal-to-principal transactions under the derivative business between the Group and the GTJA Group are cross-border swaps with different durations ranging from a few days to one year, these transactions may be rolled-over upon maturity and the amount of each rollover needs to be aggregated in calculating the utilisation amount of annual caps and thus the proposed annual caps for Category 2 Transactions will be significant increased as expected.

INTERNAL CONTROL

Pursuant to the internal control measures set out in the connected transaction management policy of the Company, before the Group enters into any of the transactions, the responsible business units must ensure that (i) the pricing of the transaction follows the pricing policies set out in the New Master Agreement, which means it should be the same as, or within the price range of, comparable transactions carried out by independent third parties in the market (where such transactions are available for references); and (ii) if there is any change to the Group's pricing policy or mechanism, that the revised pricing policy or mechanism is in line with market practice. Further, the relevant business units are required to consult and obtain pre-approvals from the relevant departments for each continuing connected transaction (except for brokerage transactions where standard brokerage rate applies).

Each of the legal and compliance, risk management, finance departments and office of the Board of the Company will review each of the proposed transactions from their respective expertise and responsible aspect with reference to applicable rules and requirements on continuing connected transactions. In addition, the relevant personnel of the responsible business units of the Group will compare other contemporaneous transactions or quotations for similar transactions with independent third parties in the market (if no comparable transaction is available, each aforesaid department will review the proposed transactions based on their past experience and public information on the market, if available) and ensure that the transactions will be made on no more favourable terms to the GTJA Group, or no less favourable terms to the Group, than those available from independent third parties, and that the pricing and terms offered to or by the GTJA Group are (i) within the ordinary businesses of the Group; (ii) on normal commercial terms and conditions; (iii) fair and reasonable and in the interests of the Shareholders; and (iv) in compliance with the Group's pricing and internal control measures and policies for connected transactions.

The Group will regularly monitor transactions between the Group and the GTJA Group as to whether such transactions fall within the scope of the New Master Agreement, whether the relevant annual caps have nearly been fully utilized, and issue reminders to the responsible business units where necessary. In addition, the Group will also conduct sampling tests on the effectiveness of the internal control procedures based on its audit plan.

With the internal control measures adopted by the Company, the Board is of the view that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as the prices are determined by reference to the prevailing market price or the market price normally applicable to independent third parties for similar types of transactions.

The Company's external auditor, the Company's audit committee and the independent non-executive Directors will conduct annual review on the operation of the continuing connected transactions and ensure that the transactions are in compliance with the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, GTJA through GTJAF, a wholly-owned subsidiary of GTJA, holds approximately 73.74% interest in the Company. Therefore, GTJA is a connected person of the Company by virtue of its being a controlling shareholder of the Company. The transactions contemplated under the New Master Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group. Accordingly, the transactions contemplated under the New Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios based on the proposed annual caps of the transactions contemplated under the New Master Agreement exceed 5%, the transactions and the proposed annual caps contemplated under the New Master Agreement are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders as to whether the terms of the New Master Agreement are fair and reasonable, and whether the transactions are on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendation of the Independent Financial Adviser. Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, the particulars of the New Master Agreement together with a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice of the EGM is expected to be despatched to the Shareholders on or about 7 December 2023, which is more than 15 business days after the publication of this announcement, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

GENERAL INFORMATION OF THE PARTIES TO THE TRANSACTIONS

The Company is an investment holding company. The operations of the Group are mainly based in Hong Kong and its services include: (a) brokerage, (b) corporate finance, (c) asset management, (d) loans and financing, and (e) financial products, market making and investments.

GTJA is a joint stock limited company incorporated in the PRC, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2611) and the Shanghai Stock Exchange (stock code: 601211). The GTJA Group is principally engaged in securities and futures brokerage, proprietary trading, securities underwriting and sponsoring, asset management, direct investment, fund management, securities investment consultancy, securities dealing and securities investment related financial advisory, margin financing and securities lending, sales of securities investment funds and financial products, provision of intermediary services to futures companies, market making, establishing private investment fund subsidiary and alternative investment subsidiary to engage in business related to private investment funds and alternative investment and other businesses in the PRC as approved by the China Securities Regulatory Commission, as well as the provision of securities products and services overseas.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Guotai Junan International Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1788)

“Director(s)”	director(s) of the Company for the time being
“EGM”	the extraordinary general meeting to be convened and held by the Company to consider and if thought fit, approve, the New Master Agreement, the proposed annual caps and the transactions contemplated thereunder
“Existing Master Agreement”	the master agreement entered into between the Company and GTJA dated 2 December 2020 in relation to the provision of various services and the entering into certain transactions, the details of which are set out in the announcement of the Company dated 2 December 2020
“Group”	the Company and its subsidiaries from time to time
“GTJA”	Guotai Junan Securities Co., Ltd., a joint stock limited 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 Main Board of the Stock Exchange (stock code: 2611)
“GTJA Group”	GTJA and its subsidiaries from time to time (but excluding the Group)
“GTJAF”	Guotai Junan Financial Holdings Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of GTJA; and a controlling shareholder of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HuaAn Funds”	HuaAn Funds Management Co., Ltd. (華安基金管理有限公司), a limited liability company incorporated in the PRC, a non-wholly owned subsidiary of GTJA, is principally engaged in fund establishment, management of fund business and other businesses approved by the China Securities Regulatory Commission

“Independent Board Committee”	an independent committee of the Board (which comprises Dr. FU Tingmei, Mr. TSANG Yiu Keung, Professor CHAN Ka Keung Ceajer and Mr. LIU Chung Mun, being all the independent non-executive Directors) established to advise the Independent Shareholders with regards to the terms of the New Master Agreement, the proposed annual caps and the transactions contemplated thereunder
“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to conduct Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities and the independent financial adviser to the Independent Board Committee and the Independent Shareholders with regards the terms of the New Master Agreement, the proposed annual caps and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders, other than GTJA and its associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Master Agreement”	the master agreement entered into between the Company and GTJA dated 3 November 2023 in relation to the provision of various services and the entering into certain transactions, a summary of the terms of which is set out in this announcement
“Operational Agreements”	the individual agreements in respect of the provision of any services or the entering into transactions which may from time to time be entered into between members of the Group and member of the GTJA Group pursuant to the New Master Agreement
“PRC”	the People’s Republic of China
“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

In this announcement, the terms “associate”, “connected person”, “controlling shareholder” and “subsidiary” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By order of the Board
Guotai Junan International Holdings Limited
FENG Zheng Yao Helen
Company Secretary

Hong Kong, 3 November 2023

As at the date of this announcement, the Board comprises two executive directors, being Dr. YIM Fung (Chairman) and Ms. QI Haiying; three non-executive directors, being Mr. YU Jian, Dr. HU Xupeng and Ms. YU Xuping; and four independent non-executive directors, being Dr. FU Tingmei, Mr. TSANG Yiu Keung, Professor CHAN Ka Keung Ceajer and Mr. LIU Chung Mun.