THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Proposal, this Scheme Document and/or the accompanying forms of proxy and/or (if applicable) Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.

If you have sold or transferred all your shares in the Company, you should at once hand this Scheme Document and the accompanying forms of proxy and/or (if applicable) Form of Acceptance to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Scheme Document and the accompanying forms of proxy and Form of Acceptance, make no representation as to their 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 Scheme Document and the accompanying forms of proxy and Form of Acceptance.

This Scheme Document appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Offeror or the Company, nor is it any solicitation of any vote or approval in any jurisdiction.

國泰海通金融控股
GUOTAI HAITONG FINANCIAL HOLDINGS

GUOTAI HAITONG FINANCIAL HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)

GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 1788)

(1) PROPOSAL FOR THE PRIVATISATION OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE; AND (2) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

Lead Financial Adviser to the Offeror

國泰海通 GUOTAI HAITONG | 海通國際 HAITONG

Joint Financial Adviser to the Offeror

SOMERLEY CAPITAL LIMITED

Independent Financial Adviser to the Independent Board Committee

ALTUS CAPITAL LIMITED

Unless the context otherwise requires, capitalised terms used in this Scheme Document (including this cover page) are defined under the section headed "*Definitions*" in Part I of this Scheme Document.

The actions to be taken by the Shareholders and Share Option Holders are set out in Part II of this Scheme Document. A letter from the Board is set out in Part IV of this Scheme Document. A letter from the Independent Board Committee containing its recommendation to the Takeovers Code Disinterested Shareholders and the Share Option Holders in relation to the Proposal (including the Scheme and the Share Option Offer) is set out in Part V of this Scheme Document. A letter from Altus Capital, being the Independent Financial Adviser, containing its advice to the Independent Board Committee in relation to the Proposal (including the Scheme and the Share Option Offer) is set out in Part VI of this Scheme Document. An Explanatory Statement regarding the Proposal is set out in Part VII of this Scheme Document.

Notices convening the Court Meeting to be held at 10:00 a.m. on November 30, 2026 and the EGM to be held at 10:30 a.m. (or, if later, immediately after the conclusion, postponement or adjournment of the Court Meeting) on November 30, 2026 are set out in Appendix IV and Appendix V to this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or the EGM or any adjournment thereof in person, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting (if you are a Scheme Shareholder), and the enclosed **white** form of proxy in respect of the EGM (if you are a Shareholder), in accordance with the instructions printed thereon and to lodge them with the Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, but in any event no later than the respective times and dates stated under the section headed "*Actions to be Taken*" in Part II of this Scheme Document. If the **pink** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting (who will have absolute discretion as to whether or not to accept it) at the Court Meeting. If the **white** form of proxy is not so lodged, it will not be valid. Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish, and, in such event, the returned form of proxy shall be deemed to be revoked.

This Scheme Document is jointly issued by the Offeror and the Company.

The English language text of this Scheme Document and the accompanying forms of proxy and Form of Acceptance shall prevail over the Chinese version for the purpose of interpretation.

November 6, 2026

NOTICE TO OVERSEAS SCHEME SHAREHOLDERS AND SHARE OPTION HOLDERS

The making of the Scheme and the Share Option Offer to those Scheme Shareholders and Share Option Holders (as the case may be) who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such Scheme Shareholders and Share Option Holders are located. Such Scheme Shareholders and Share Option Holders should inform themselves about and observe any applicable legal and regulatory requirements of their own jurisdictions. It is the responsibility of any overseas Scheme Shareholders and Share Option Holders wishing to accept the Scheme and the Share Option Offer (as the case may be) to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due by such overseas Scheme Shareholders and Share Option Holders in such jurisdiction. Any action taken by such Scheme Shareholders, Beneficial Owners and/or the Share Option Holders in respect of the Proposal, the Scheme and/or the Share Option Offer will be deemed to constitute a representation and warranty from such persons to the Company and the Offeror that those local laws and requirements have been complied with.

Notice to US Holders of Securities

The Scheme is being made to cancel the securities of a company incorporated in Hong Kong by means of a scheme of arrangement provided for under the Companies Ordinance. The Share Option Offer is an offer made by the Offeror to the Share Option Holders as required under Rule 13 of the Takeovers Code. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities Exchange Act of 1934, as amended. Accordingly, the Scheme and the Share Option Offer are subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement and Rule 13 of the Takeovers Code which differ from the disclosure requirements of the US tender offer rules.

The receipt of cash pursuant to the Scheme by a US holder of Scheme Shares as consideration for the cancellation and extinguishment of its Scheme Shares pursuant to the Scheme and the receipt of the Option Offer Price by a US holder of Share Options as consideration for the cancellation of his/her Share Options pursuant to the Share Option Offer may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares and Share Options is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Scheme and the Share Option Offer (as the case may be) applicable to him or her.

It may be difficult for US holders of the Scheme Shares and the Share Options (as the case may be) to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the US, and some or all of their officers and directors may be residents of a country other than the US. US holders of the Scheme Shares and the Share Options (as the case may be) may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a judgement of the US court.

Any financial information included in this Scheme Document has been prepared in accordance with the accounting standards applicable in Hong Kong and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with the generally accepted accounting principles in the US.

Notice to PRC Holders of Securities

As Scheme Shareholders will receive the Cancellation Price in cash only, and no shares, securities or other non-cash consideration are being or will be offered or issued to them under the Proposal, the despatch of the Scheme Document and the accompanying forms of proxy and Form of Acceptance to the Scheme Shareholder whose address as shown in the Register is in the PRC (for these purposes excluding Hong Kong, Macau Special Administrative Region and Taiwan region) does not, in itself, trigger any registration or regulatory requirements relating to public offering of securities under PRC laws. The extension of the Scheme to such Scheme Shareholder, the taking of actions by such Scheme Shareholder in connection with the Scheme, the payment of the Cancellation Price to such Scheme Shareholder and the despatch of cheque(s) in respect thereof are not subject to any prohibition or restriction arising from such registration or regulatory requirements in relation to public offering of securities.

This Scheme Document and the accompanying forms of proxy and Form of Acceptance shall only be despatched to the relevant Scheme Shareholders and Share Option Holders. Such Scheme Shareholder or Share Option Holders may not publish, distribute, circulate or otherwise make available this Scheme Document and the accompanying forms of proxy and Form of Acceptance, or any advertisement or other offering material relating to the Proposal, the Scheme or the Share Option Offer, to the public in the PRC in any manner.

The relevant Scheme Shareholder or Share Option Holder should be responsible for observing any applicable PRC laws and regulatory requirements in connection with the receipt of the Cancellation Price, including any applicable requirements relating to overseas investment, foreign exchange control and taxation.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operations of the Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the Group.

This Scheme Document includes certain "forward-looking statements". These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this Scheme Document include statements about the expected effects of the Proposal on the Company, the expected timing and scope of the Proposal, and all other statements in this Scheme Document other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "estimates", "envisages" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror's and/or the Group's business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or the Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or the Group operate and regional or general changes in asset valuations and disruptions or reductions in travel and operations due to natural or man-made disasters, pandemics, epidemics or outbreak of infections or contagious diseases such as novel coronavirus. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as at the Latest Practicable Date. Any forward-looking statement contained in this Scheme Document based on past or current trends and/or activities of the Offeror and/or the Company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Scheme Document is intended to be a profit forecast or to imply that the earnings of the Offeror and/or the Company for the current year or future years will necessarily match or exceed their respective historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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In this Scheme Document, the following expressions have the meanings set out below unless the context requires otherwise:

"acting in concert"	has the same meaning ascribed to it under the Takeovers Code, and "parties acting in concert" shall be construed accordingly
"associate(s)"	has the same meaning ascribed to it under the Takeovers Code
"associated company(ies)"	has the same meaning ascribed to it under the Takeovers Code
"Authorisation(s)"	all necessary authorisations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals required from the applicable governments or governmental bodies, regulatory bodies, or courts (including but not limited to the SFC and the Hong Kong Stock Exchange), or other third parties which are necessary for any member of the Group to carry on its business
"Beneficial Owner(s)"	any beneficial owner(s) of the Shares whose Shares are registered in the name of the Registered Owner(s) other than himself/herself/itself
"Board"	the board of Directors
"Bond Issuer"	Guotai Junan Holdings Limited, a wholly-owned subsidiary of the Offeror
"Bond Holders' Early Redemption Rights"	has the meaning given to it in the section headed "*4.1 Exchangeable Bonds*" of the Explanatory Statement set out in Part VII of this Scheme Document
"Borrowed Shares"	Shares which are lent by but not yet returned to the Offeror under the Stock Lending Agreements in connection with the Exchangeable Bonds. For the avoidance of doubt, any Designated Account Shares shall not constitute Borrowed Shares
"Business Day"	a day on which the Hong Kong Stock Exchange is open for the transaction of business
"Cancellation Price"	the cancellation price of HK$3.00 for every Scheme Share cancelled and extinguished pursuant to the Scheme, which amount (less Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Participant"	a person admitted to participate in CCASS as a participant, including an Investor Participant

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Companies Ordinance Disinterested Shares"	has the meaning ascribed to "disinterested shares" in section 674(3) of the Companies Ordinance
"Company"	Guotai Junan International Holdings Limited(國泰君安國際控股有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1788)
"Condition(s)"	the condition(s) to the implementation of the Proposal and the Scheme, as set out in the section headed "*3. Pre-Condition and Conditions of the Proposal and the Scheme*" of the Explanatory Statement set out in Part VII of this Scheme Document
"Conditions Long Stop Date"	February 15, 2027, being the date extended from December 31, 2026 agreed by the Offeror and the Company in view of the High Court timetable (or such later date as the Offeror and the Company may agree in writing and, to the extent applicable, as the High Court on application of the Company may allow and in all cases, as permitted by the Executive)
"Court Hearing"	the hearing of the petition by the High Court to sanction the Scheme and to confirm the reduction of the share capital of the Company involved in the Scheme
"Court Meeting"	a meeting of the holders of Scheme Shares convened at the direction of the High Court at Chatham room, Level 7, Conrad Hotel, 88 Queensway, Admiralty, Hong Kong on November 30, 2026 at 10:00 a.m., or any adjournment thereof for the purpose of considering, and if thought fit, approving the Scheme
"Designated Account Shares"	has the meaning ascribed to it in the section headed "*4.2 Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of this Scheme Document
"Director(s)"	the director(s) of the Company
"Disinterested Beneficial Owner(s)"	a Beneficial Owner on whose behalf any member of the Guotai Haitong Group holds Scheme Share(s), which: (a) controls or directs the exercise of the voting rights attaching to such Scheme Share(s), and none of the Offeror, Guotai Haitong or any Offeror Concert Party has any discretion in respect of the exercise of such voting rights; (b) if such Scheme Share(s) are voted, is the party which gives the instructions as to how such Scheme Share(s) are to be voted; and (c) is not the Offeror, Guotai Haitong or an Offeror Concert Party

"Dividend Adjustment"	an amount by which the Cancellation Price will be reduced in the event that (a) any dividend, distribution and/or other return of capital is announced, declared or paid in respect of the Shares after the date of the Joint Announcement and (b) the record date for determining the entitlements to any such dividend, distribution and/or return of capital (as the case may be) falls on a day which is after the date of the Joint Announcement and before the Effective Date
"Effective Date"	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
"EGM"	an extraordinary general meeting of the Company convened at Chatham room, Level 7, Conrad Hotel, 88 Queensway, Admiralty, Hong Kong on November 30, 2026 at 10:30 a.m. (or, if later, immediately after the conclusion, postponement or adjournment of the Court Meeting) for the purpose of, among other matters, approving the reduction and restoration of the share capital of the Company involved in the Scheme and implementation of the Scheme
"Exchangeable Bonds"	HK$3,880,000,000 zero coupon guaranteed exchangeable bonds due 2032, which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 6013)
"Exchangeable Bonds Holder(s)"	the holder(s) of the Exchangeable Bonds
"External Financing"	the external bank financing under the loan facility agreement entered into between the Offeror and Industrial Bank Co., Ltd. for the purpose of financing the entire cash amount required for the Proposal
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Explanatory Statement"	the explanatory statement in relation to the Proposal, the text of which is set out in Part VII of this Scheme Document, which constitutes the statement required under section 671 of the Companies Ordinance
"Form of Acceptance"	the form of acceptance despatched to the Share Option Holders in connection with the Share Option Offer
"Fullgoal Fund"	Fullgoal Fund Management Co., Ltd.（富國基金管理有限公司）, a limited liability company incorporated in the PRC, which is owned as to 27.78% by Guotai Haitong and is an associated company of the Offeror
"Group"	the Company and its subsidiaries

"GTJAS"	Guotai Junan Securities (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Company. GTJAS is a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities as at the Latest Practicable Date
"GTJAS Loan Shares"	has the meaning ascribed to it in the section headed "*4.2 Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of this Scheme Document
"GTJAS On-Lent Shares"	has the meaning ascribed to it in the section headed "*4.2 Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of this Scheme Document
"Guotai Haitong"	Guotai Haitong Securities Co., Ltd.(國泰海通證券股份有限公司), a joint stock company incorporated in the PRC on August 18, 1999, whose A shares and H shares are listed and traded on the Shanghai Stock Exchange (stock code: 601211) and the Main Board of the Hong Kong Stock Exchange (stock code: 02611), and the parent company of the Offeror
"Guotai Haitong Group"	Guotai Haitong and its subsidiaries, including the Offeror and the Company
"High Court"	the High Court of Hong Kong
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong" or "HKSAR"	Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HTIS"	Haitong International Securities Company Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Guotai Haitong. HTIS is a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities as at the Latest Practicable Date

"HTIS Loan Shares"	has the meaning ascribed to it in the section headed "*4.2 Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of this Scheme Document
"HTIS On-Lent Shares"	has the meaning ascribed to it in the section headed "*4.2 Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of this Scheme Document
"Independent Board Committee"	the independent committee of the Board formed to advise the Takeovers Code Disinterested Shareholders in respect of the Proposal and the Scheme and the Share Option Holders in respect of the Share Option Offer as required by the Takeovers Code, comprising Dr. FU Tingmei, Professor CHAN Ka Keung Ceajer and Mr. LIU Chung Mun
"Independent Financial Adviser" or "Altus Capital"	Altus Capital Limited, a corporation licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, the independent financial adviser appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Proposal (including the Scheme and the Share Option Offer), as required by the Takeovers Code
"Investor Participant"	a person admitted to participate in CCASS as an investor participant
"Joint Announcement"	the joint announcement dated August 7, 2026 issued by the Offeror and the Company in relation to the Proposal
"Joint Financial Adviser to the Offeror" or "Somerley Capital"	Somerley Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the joint financial adviser to the Offeror in relation to the Proposal
"Last Trading Day"	July 22, 2026, being the last trading day immediately before the trading halt in the Shares on the Hong Kong Stock Exchange pending the publication of the Joint Announcement
"Latest Practicable Date"	November 3, 2026, being the latest practicable date prior to the date of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
"Lead Financial Adviser to the Offeror" or "Haitong International"	Haitong International Capital Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, the lead financial adviser to the Offeror in relation to the Proposal. The Lead Financial Adviser to the Offeror is an indirect wholly-owned subsidiary of Guotai Haitong and a fellow subsidiary of the Offeror and the Company

"Meeting Record Date"	November 30, 2026, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the holders of the Scheme Shares to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM
"Offeror"	Guotai Haitong Financial Holdings Limited(國泰海通金融控股有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Guotai Haitong
"Offeror Concert Party(ies)"	any party(ies) acting in concert, or presumed to be acting in concert, with the Offeror and/or Guotai Haitong under the definition of "acting in concert" under the Takeovers Code
"Offer Period"	has the meaning ascribed to it in the Takeovers Code, which commenced on August 7, 2026, being the date of the Joint Announcement
"Option Offer Letter"	the letter to the Share Option Holders setting out the terms and conditions of the Share Option Offer which is substantially in the form set out in Appendix VI to this Scheme Document
"Option Offer Price"	the price for cancellation of the Share Options pursuant to the Share Option Offer, the details of which are set out in the section headed "*2.2 The Share Option Offer*" of the Explanatory Statement set out in Part VII of this Scheme Document
"Options Latest Exercise Time"	3:00 p.m. on Friday, January 8, 2027, being the expected latest time by which the Share Option Holders must lodge notices of exercise (accompanied by full payment of the exercise price) of their vested Share Options in accordance with the terms of the Share Option Scheme
"Other CCASS Participant"	a CCASS Participant other than an Investor Participant
"overseas Scheme Shareholder(s)"	the Scheme Shareholder(s) whose address(es) shown on the Register is/are outside Hong Kong
"PRC"	the People's Republic of China
"Pre-Condition"	the Pre-Condition to the making of the Proposal and the Scheme, as set out in the section headed "*3. Pre-Condition and Conditions of the Proposal and the Scheme*" of the Explanatory Statement set out in Part VII of this Scheme Document, which was fully satisfied on October 30, 2026
"Proposal"	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, the implementation of the Share Option Offer, and the withdrawal of listing of the Shares from the Hong Kong Stock Exchange, subject to the Conditions and on the terms set out in this Scheme Document

"Register"	the register of members of the Company
"Registered Owner"	any person registered as a holder of Shares in the Register
"Registrar of Companies"	the Registrar of Companies appointed under the Companies Ordinance
"Relevant Period"	the period commencing on February 7, 2026, being the date which is six (6) months prior to the date of the Joint Announcement and ending on the Latest Practicable Date, both dates inclusive
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council or its local authorities or authorised units
"Scheme"	a scheme of arrangement which is proposed under section 673 of the Companies Ordinance for the implementation of the Proposal, involving the cancellation and extinguishment of all the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation and extinguishment of the Scheme Shares by the issue by the Company to the Offeror, credited as fully paid, of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished on the Effective Date
"Scheme Document"	this composite scheme document dated November 6, 2026 jointly issued by the Offeror and the Company in connection with the Proposal containing, among other things, each of the letters, statements, appendices and notices in it
"Scheme Record Date"	Friday, January 29, 2027, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
"Scheme Share(s)"	all of the Shares which are not beneficially held by the Offeror as at the Scheme Record Date
"Scheme Shareholder(s)"	registered holder(s) of the Scheme 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 SASAC"	Shanghai Municipal State-owned Assets Supervision and Administration Commission
"Share(s)"	ordinary share(s) of the Company

"Shareholder(s)"	registered holder(s) of the Shares
"Share Option(s)"	the outstanding share option(s) granted under the Share Option Scheme from time to time
"Share Option Holder(s)"	the holder(s) of the Share Option(s)
"Share Option Offer"	the offer being made by the Offeror to the Share Option Holders for the cancellation of all outstanding Share Options in accordance with the Takeovers Code and the terms set out in this Scheme Document
"Share Option Offer Record Date"	Friday, January 8, 2027, or such other date as shall be announced to the Share Option Holders, being the record date for determining entitlements of the Share Option Holders under the Share Option Offer
"Share Option Scheme"	the share option scheme adopted by the Company on June 19, 2010
"Share Registrar"	Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, being the share registrar of the Company
"SIG"	Shanghai International Group Co., Ltd., a limited liability company established in the PRC on April 20, 2000 and a substantial shareholder of Guotai Haitong. The ultimate beneficial owner of SIG is Shanghai SASAC
"Stock Lending Agreements"	collectively, (a) the stock lending agreement dated November 3, 2025 entered into between the Offeror (as lender) and HTIS (as borrower), pursuant to which 200,000,000 Shares were available for lending for the purpose of facilitating hedging for the Exchangeable Bonds Holders; and (b) the stock lending agreement dated November 3, 2025 entered into between the Offeror (as lender) and UBS (as borrower), pursuant to which 600,000,000 Shares were available for lending for the purpose of facilitating hedging for the Exchangeable Bonds Holders
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers (as revised, supplemented or otherwise modified from time to time)
"Takeovers Code Disinterested Share(s)"	Share(s), other than those beneficially held by the Offeror, Guotai Haitong and the Offeror Concert Parties. For the avoidance of doubt, any Scheme Share(s) held by any member of the Guotai Haitong Group shall constitute Takeovers Code Disinterested Share(s) if such member holds Scheme Share(s) on behalf of a Disinterested Beneficial Owner
"Takeovers Code Disinterested Shareholder(s)"	the holder(s) of the Takeovers Code Disinterested Share(s), including any member of the Guotai Haitong Group in its capacity as a holder of Scheme Share(s) on behalf of a Disinterested Beneficial Owner

"trading day"	a day on which the Hong Kong Stock Exchange is open for the business of dealings in securities
"UBS"	UBS AG London Branch
"UBS Loan Shares"	has the meaning ascribed to it in the section headed "*4.2 Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of this Scheme Document
"UBS On-Lent Shares"	has the meaning ascribed to it in the section headed "*4.2 Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of this Scheme Document
"US"	the United States of America
"%"	per cent.

All references in this Scheme Document and the accompanying forms of proxy and Form of Acceptance to times and dates are references to Hong Kong times and dates, unless otherwise specified.

All percentages stated in this Scheme Document are approximations and certain amounts and percentage figures included in this Scheme Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

1. ACTIONS TO BE TAKEN BY THE SHAREHOLDERS

Entitlements of the holders of the Scheme Shares and the Shareholders to attend and vote at the Court Meeting and the EGM

Holders of the Scheme Shares who are entitled to attend and vote at the Court Meeting and Shareholders who are entitled to attend and vote at the EGM are those whose names appear on the Register as at the Meeting Record Date, being Monday, November 30, 2026.

For the purpose of determining the entitlements of the holders of the Scheme Shares to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the EGM, the Register will be closed from Wednesday, November 25, 2026 to Monday, November 30, 2026 (both days inclusive), during which no registration of the transfers of the Shares will be processed.

In order to qualify to attend and vote at the Court Meeting and/or the EGM, all transfers accompanied by the relevant share certificates must be lodged at the office of the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Tuesday, November 24, 2026.

Forms of proxy

A **pink** form of proxy for use at the Court Meeting and a **white** form of proxy for use at the EGM are enclosed with this Scheme Document. Subsequent purchasers of Shares may obtain the relevant proxy form from the transferor or the website of the Hong Kong Stock Exchange if they wish to attend or vote at the Court Meeting and/or the EGM.

Whether or not you are able to attend the Court Meeting and/or the EGM or any adjournment thereof in person:

(i) if you are a holder of the Scheme Shares, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting; and

(ii) if you are a Shareholder, you are strongly urged to complete and sign the enclosed **white** form of proxy in respect of the EGM,

in accordance with the instructions printed on them, and to lodge them at the office of the Share Registrar, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

In order to be valid:

(i) the **pink** form of proxy for use at the Court Meeting should be lodged no later than 10:00 a.m. on Thursday, November 26, 2026. If the **pink** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting (who will have absolute discretion as to whether or not to accept it) at the Court Meeting; and

(ii) the **white** form of proxy for use at the EGM should be lodged no later than 10:30 a.m. on Thursday, November 26, 2026. If the **white** form of proxy is not so lodged, it will not be valid.

Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish, and, in such event, the returned form of proxy shall be deemed to be revoked.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and the EGM if, among other things, the resolutions are passed by the requisite majorities at the Court Meeting and the EGM. You are therefore strongly urged to attend and vote at the Court Meeting and/or the EGM in person or by proxy.

Voting at the Court Meeting and the EGM will be taken by poll as required under the Hong Kong Listing Rules and the Takeovers Code.

Announcement of the results of the Court Meeting and the EGM

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the EGM in accordance with Rule 19.1 of the Takeovers Code. If all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the Court Hearing and (if the Scheme is sanctioned) the Effective Date and the date of the withdrawal of listing of the Shares from the Hong Kong Stock Exchange, in accordance with the requirements of the Takeovers Code and the Hong Kong Listing Rules.

2. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER OTHER THAN HKSCC NOMINEES

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depositary or any other custodian or third party, you should contact the relevant Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner through which the Shares beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner whose Shares are held by a Registered Owner other than HKSCC Nominees and who wishes to attend and/or vote at the Court Meeting and/or the EGM, you should:

(i) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and for such purpose the Registered Owner may appoint you as its proxy; or

(ii) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred to and registered in your own name prior to the Meeting Record Date if you wish to vote (in person or by proxy) at the Court Meeting and/or the EGM.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the articles of association of the Company.

In the case of the appointment of a proxy by the Registered Owner, the relevant forms of proxy shall be completed and signed by the Registered Owner and shall be lodged in the manner and no later than the latest time for lodging the relevant forms of proxy as more particularly set out in this Scheme Document.

Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish, and, in such event, the returned form of proxy shall be deemed to be revoked.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of form(s) of proxy in respect of the Court Meeting and/or the EGM, or, as applicable, the latest time for lodging transfers of Shares, in order to provide the Registered Owner with sufficient time to complete his/her/its form(s) of proxy or transfer documents accurately and to submit them by the relevant deadlines. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of the forms of proxy in respect of the Court Meeting and/or the EGM, such Beneficial Owner should comply with the requirements of such Registered Owner.

3. ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE DEPOSITED IN CCASS

HKSCC Nominees may vote both for and against the Scheme in accordance with instructions received from CCASS Participants.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees, you should:

(i) unless such Beneficial Owner is a person admitted to participate in CCASS as an Investor Participant, contact his/her/its broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, the Other CCASS Participant regarding voting instructions to be given to such persons if you wish to vote at the Court Meeting and/or the EGM; or

(ii) arrange for some or all of the Shares to be withdrawn from CCASS and transferred to and registered in your own name prior to the Meeting Record Date if you wish to vote at the Court Meeting and/or the EGM.

The procedure for voting in respect of the Scheme by the Investor Participants and the Other CCASS Participants with respect to the Shares registered under the name of HKSCC Nominees shall be in accordance with the "Operating Guide For Investor Participants", "General Rules of HKSCC" and "HKSCC Operational Procedures" in effect from time to time.

For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if the Shares are held through a financial intermediary, any other relevant fees charged by such financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into your name so as to qualify to attend and vote at the Court Meeting and/or the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in your name.

4. ACTIONS TO BE TAKEN BY SHARE OPTION HOLDERS

The Option Offer Letter is being sent to each Share Option Holder separately. Any Share Option Holder who wishes to accept the Share Option Offer must complete and return the duly completed and executed Form of Acceptance by 4:30 p.m. on Friday, January 8, 2027 (or such later date and time as may be notified to you by the Offeror and the Company), so as to reach the Company at 27/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong, for the attention of the Office of the Board and marked "Guotai Junan International – Share Option Offer". No acknowledgement of receipt of any Form of Acceptance, the relevant certificate(s) (if any) or any other document(s) evidencing the grant of the Share Option(s) or other document(s) of title or entitlement (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

You are urged to read the instructions and other terms and conditions of the Share Option Offer in the Option Offer Letter, substantially in the form set out in Appendix VI to this Scheme Document.

In the event that any of the outstanding Share Options are exercised on or prior to the Scheme Record Date in accordance with the relevant terms and conditions of the Share Option Scheme, any Shares issued on or prior to the Scheme Record Date as a result of the exercise of such outstanding Share Options will be subject to and eligible to participate in the Scheme as Scheme Shares.

If the requisite approval in respect of the Scheme is obtained at the Court Meeting and the EGM and any Share Option Holder does not: (i) exercise his or her outstanding Share Options before the Options Latest Exercise Time to become a Scheme Shareholder before the Scheme Record Date in accordance with the rules of the Share Option Scheme and the Scheme Document; or (ii) accept the Share Option Offer, his or her Share Options will lapse upon the expiry of the Options Latest Exercise Time subject to the Scheme becoming effective without any payment made to him or her in accordance with the rules of the Share Option Scheme.

5. EXERCISE YOUR RIGHT TO VOTE

If you are a Shareholder or a Beneficial Owner, the Offeror and the Company strongly encourage you to exercise your right to vote or give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and at the EGM.

If you are a Beneficial Owner whose Shares are deposited in CCASS, the Offeror and the Company encourage you to provide HKSCC Nominees with instructions or make arrangements with HKSCC Nominees in relation to the manner in which those Shares should be voted at the Court Meeting and at the EGM without delay and/or arrange for some or all of such Shares to be withdrawn from CCASS and transferred and registered in your name (as detailed in the paragraph headed "*3. Actions to be taken by Beneficial Owners whose Shares are deposited in CCASS*" above).

If you are a Registered Owner holding Shares on behalf of Beneficial Owners, the Offeror and the Company would be grateful if you would inform the relevant Beneficial Owners about the importance of arranging for such Shares to be voted.

If the Scheme becomes effective, it will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

If you are in doubt as to the contents of this Scheme Document, any aspect of the Proposal or any action to be taken, you are encouraged to consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.

The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.

Hong Kong time and date

Date of despatch of this Scheme Document and the Option Offer Letter . . . . . Friday, November 6, 2026

Latest time for Share Option Holders to lodge notices of exercise (accompanied by full payment of the exercise price) of their vested Share Options in order to become entitled to attend and vote at the Court Meeting and/or the EGM . . . . . 3:00 p.m. on Tuesday, November 24, 2026

Latest time for lodging transfers of Shares in order to become entitled to attend and vote at the Court Meeting and/or the EGM . . . . . 4:30 p.m. on Tuesday, November 24, 2026

Closure of the Register for determining the entitlements of the holders of the Scheme Shares to attend and vote at the Court Meeting, and of the Shareholders to attend and vote at the EGM *(Note 1)* . . . . . from Wednesday, November 25, 2026 to Monday, November 30, 2026 (both days inclusive)

Latest time for lodging the respective forms of proxy in respect of *(Note 2)*:

- the Court Meeting . . . . . 10:00 a.m. on Thursday, November 26, 2026

- the EGM . . . . . 10:30 a.m. on Thursday, November 26, 2026

Meeting Record Date . . . . . Monday, November 30, 2026

Court Meeting *(Note 3)* . . . . . 10:00 a.m. on Monday, November 30, 2026

EGM *(Note 3)* . . . . . 10:30 a.m. on Monday, November 30, 2026 (or, if later, immediately after the conclusion, postponement or adjournment of the Court Meeting)

Announcement of the results of the Court Meeting and the EGM posted on the website of the Hong Kong Stock Exchange	no later than 7:00 p.m. on Monday, November 30, 2026
Expected latest time for trading in the Shares on the Hong Kong Stock Exchange	4:10 p.m. on Tuesday, January 5, 2027
Share Option Offer Record Date	Friday, January 8, 2027
Options Latest Exercise Time *(Note 4)*	3:00 p.m. on Friday, January 8, 2027
Latest time for lodging the Form of Acceptance in relation to the Share Option Offer *(Note 5)*	4:30 p.m. on Friday, January 8, 2027
Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme	4:30 p.m. on Friday, January 8, 2027
Closure of the Register for determining the entitlements of the Scheme Shareholders under the Scheme *(Note 6)*	from Monday, January 11, 2027 onwards
Court Hearing to sanction the Scheme	Thursday, January 21, 2027
Announcement of (1) the results of the Court Hearing, (2) the expected Effective Date, and (3) the expected date of the withdrawal of listing of the Shares on the Hong Kong Stock Exchange	on or before 7:00 p.m. on Thursday, January 21, 2027
Scheme Record Date	Friday, January 29, 2027
Effective Date *(Note 7)*	Friday, January 29, 2027
Share Option Offer becomes unconditional	Friday, January 29, 2027
Announcement of (1) the Effective Date, (2) the results of the Share Option Offer, and (3) the date of withdrawal of listing of the Shares on the Hong Kong Stock Exchange	Friday, January 29, 2027

Withdrawal of listing of the Shares on the Hong Kong Stock Exchange becomes effective	4:00 p.m. on Monday, February 1, 2027
Latest date for (1) despatch of cheques for the payment of the Cancellation Price to Scheme Shareholders (other than HKSCC Nominees) and payment of the Cancellation Price to HKSCC Nominees by electronic bank transfer; and (2) the Option Offer Price to the Share Option Holders who have accepted the Share Option Offer *(Note 8)*	on or before Thursday, February 11, 2027

Notes:

(1) The Register will be closed during such period for the purpose of determining the entitlements of the holders of the Scheme Shares to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this book closure period is not for determining the entitlements of the holders of the Scheme Shares under the Scheme.

(2) The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the EGM should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged at the Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event no later than the time and date stated above. If the **pink** form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting (who will have absolute discretion as to whether or not to accept it) at the Court Meeting. If the **white** form of proxy is not so lodged, it will not be valid. Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish, and, in such event, the returned form of proxy shall be deemed to be revoked.

According to Article 83 of the articles of association of the Company, the forms of proxy and the power of attorney or other authorities are required to be deposited not less than 48 hours before the time for holding the relevant meetings or adjourned meetings. For the purpose of calculating the periods for depositing the forms of proxy, no account is to be taken of any part of a day that is a public holiday. Taking into account the aforementioned requirement, the latest times for lodging the forms of proxy for the Court Meeting and the EGM are therefore 10:00 a.m. and 10:30 a.m. respectively on Thursday, November 26, 2026.

(3) The Court Meeting and the EGM will be held at Chatham room, Level 7, Conrad Hotel, 88 Queensway, Admiralty, Hong Kong at the times and date specified above. For further details, please see the Notice of the Court Meeting and the Notice of the EGM set out in Appendices IV and V to this Scheme Document, respectively. If Typhoon Signal No. 8 or above is or is expected to be hoisted or a Black Rainstorm Warning Signal or "Extreme Conditions" after super typhoons or other adverse weather conditions announced by the HKSAR Government is or is expected to be in force at any time at or after 7:00 a.m. on November 30, 2026, the Court Meeting and the EGM will be adjourned and the Shareholders will be informed of the date, time and venue of the adjourned meetings by a supplementary notice to be posted on the Company's website (www.gtjai.com) and the website of Hong Kong Stock Exchange (www.hkexnews.hk). The Court Meeting and the EGM will be held as scheduled when a Typhoon Signal No.3 or below is hoisted or an Amber or Red Rainstorm Warning Signal is in force. Shareholders should carefully consider the risk of physical attendance at the Court Meeting and the EGM under bad weather conditions having regard to their personal circumstances and if they should choose to do so, they are advised to exercise due care and caution.

(4) In accordance with the terms of the Share Option Scheme, if a scheme of arrangement is approved by the holders of the Shares at the requisite meetings, the outstanding Share Options shall automatically lapse and not be exercisable upon the expiry of the Options Latest Exercise Time, subject to the Scheme becoming effective. Therefore, if the requisite approval in respect of the Scheme is obtained at the Court Meeting and the EGM and any Share Option Holder does not: (i) exercise his or her outstanding Share Options before the Options Latest Exercise Time to become a Scheme Shareholder before the Scheme Record Date in accordance with the rules of the Share Option Scheme and the Scheme Document; or (ii) accept the Share Option Offer, his or her Share Options will lapse upon the expiry of the Options Latest Exercise Time subject to the Scheme becoming effective without any payment made to him or her in accordance with the rules of the Share Option Scheme.

(5) The Form of Acceptance, duly completed and executed in accordance with the instructions on it, must be lodged with the Company at 27/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong, for the attention of the Office of the Board and marked "Guotai Junan International – Share Option Offer" by no later than 4:30 p.m. on Friday, January 8, 2027 (or such later date and time as may be notified to you by the Offeror and the Company).

(6) The Register will be closed during such period for the purposes of determining the Scheme Shareholders who are qualified for entitlements under the Scheme.

(7) The Scheme will become effective upon all the Conditions set out in the section headed "*3. Pre-Condition and Conditions of the Proposal and the Scheme*" of the Explanatory Statement set out in Part VII of this Scheme Document having been satisfied or waived (as applicable).

(8) Cheques for payment of the Cancellation Price to the Scheme Shareholders (other than HKSCC Nominees), and payment of the Cancellation Price to HKSCC Nominees by electronic bank transfer, will be despatched or made no later than seven Business Days after the Effective Date, and (if payment is made by way of cheques) such cheques will be despatched by ordinary post in postage pre-paid envelopes addressed to the Scheme Shareholders (other than HKSCC Nominees) at their respective addresses as appearing on the Register as at the Scheme Record Date or, in the case of joint holders, at the address appearing on the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.

Cheques for payment of the Option Offer Price to the Share Option Holders who have accepted the Share Option Offer will be despatched no later than seven Business Days after the Effective Date by ordinary post in postage pre-paid envelopes addressed to the person(s) entitled thereto at their respective last known addresses as notified by the Share Option Holders to the Group.

All such aforementioned cheques will be posted at the risk of the person(s) entitled thereto and none of the Offeror, the Company, Haitong International, Somerley Capital, Altus Capital and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.

If there is a "black" rainstorm warning or a tropical cyclone warning signal No. 8 or above or extreme conditions announced by the government of Hong Kong:

(a) in force in Hong Kong before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for despatching cheques for the cash entitlement in respect of the Cancellation Price or the Option Offer Price (as the case may be) by ordinary post, such date will remain on the same Business Day; or

(b) in force in Hong Kong at 12:00 noon and/or thereafter on the latest date for despatching cheques for the cash entitlement in respect of the Cancellation Price or the Option Offer Price (as the case may be) by ordinary post, such date will be rescheduled to the following Business Day which will not have any of such warnings or conditions in force in Hong Kong at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1788)

Executive Directors:
Dr. YIM Fung *(Chairman)*
Ms. QI Haiying

Non-executive Directors:
Ms. YU Xuping
Mr. DONG Boyang
Mr. ZOU Hua

Independent Non-executive Directors:
Dr. FU Tingmei
Professor CHAN Ka Keung Ceajer
Mr. LIU Chung Mun

Registered office:
27/F, Low Block,
Grand Millennium Plaza,
No. 181 Queen's Road Central,
Hong Kong

November 6, 2026

To the Shareholders and Share Option Holders

Dear Sir or Madam,

1. PROPOSAL FOR THE PRIVATISATION OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE; AND 2. PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

1. INTRODUCTION

On July 22, 2026 (after trading hours), the Offeror requested the Board to, subject to the satisfaction of the Pre-Condition, put forward the Proposal to the Scheme Shareholders which, if approved and implemented, will result in the Company being privatised by way of a scheme of arrangement under Section 673 of the Companies Ordinance and the withdrawal of listing of the Shares from the Hong Kong Stock Exchange. Upon completion of the Proposal and assuming none of the Exchangeable Bonds are exchanged into Shares after the Scheme Record Date, the Company will become a wholly-owned subsidiary of the Offeror.

On October 30, 2026, the Offeror and the Company jointly announced that the Pre-Condition has been satisfied.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal (including the Scheme and the Share Option Offer), and to give you notices of the Court Meeting and the EGM (together with proxy forms in relation thereto).

Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Statement set out in Part VII of this Scheme Document; (iv) the terms of the Scheme set out in Appendix III to this Scheme Document; (v) the terms of the Share Option Offer set out in Appendix VI to this Scheme Document; and (vi) other appendices to this Scheme Document.

2. TERMS OF THE PROPOSAL

Subject to the Conditions being satisfied or (if applicable) waived on or before the Conditions Long Stop Date, the privatisation of the Company will be implemented by way of a scheme of arrangement under section 673 of the Companies Ordinance.

2.1 The Scheme

If the Scheme is approved and implemented, all the Scheme Shares will be cancelled and extinguished and the issued share capital of the Company will be restored by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled and extinguished on the Effective Date. Immediately after the cancellation and extinguishment of the Scheme Shares, the reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror.

Cancellation Price

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all the Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelled . . . . . HK$3.00 in cash (less Dividend Adjustment, if any)

As at the Latest Practicable Date, there is no Dividend Adjustment. If, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Cancellation Price will be reduced by the Dividend Adjustment, in which case any reference in the Joint Announcement, this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. The Company does not intend to declare or pay any further dividend or other distribution or return of capital after the Latest Practicable Date and on or before the Effective Date.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders, Share Option Holders, and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed under the Takeovers Code to increase the Cancellation Price.

Comparison of value

The Cancellation Price of HK$3.00 in cash for every Scheme Share represents:

(i) a premium of approximately 44.2% over the closing price of HK$2.08 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 44.1% over the average closing price of approximately HK$2.08 per Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 5 trading days up to and including the Last Trading Day;

(iii) a premium of approximately 46.5% over the average closing price of approximately HK$2.05 per Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Day;

(iv) a premium of approximately 37.7% over the average closing price of approximately HK$2.18 per Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Day;

(v) a premium of approximately 1.4% over the closing price of HK$2.96 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;

(vi) a premium of approximately 80.3% over the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK$1.66 as at December 31, 2025; and

(vii) a premium of approximately 76.5% over the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK$1.70 as at June 30, 2026.

Highest and lowest prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK$3.09 per Share on April 10, 2026, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK$1.94 per Share on June 26, 2026.

2.2 The Share Option Offer

As at the Latest Practicable Date, a total of 4,850,000 Share Options are outstanding under the Share Option Scheme, each relating to one Share, of which (a) 2,250,000 Share Options have an exercise price of HK$1.45, (b) 1,000,000 Share Options have an exercise price of HK$1.72, and (c) 1,600,000 Share Options have an exercise price of HK$2.44. All such outstanding Share Options have been vested and are exercisable as at the Latest Practicable Date. The Share Option Scheme expired on June 19, 2020, and no further Share Options had been granted under the Share Option Scheme thereafter.

In accordance with Rule 13 of the Takeovers Code, the Offeror is making the Share Option Offer to the Share Option Holders to cancel every outstanding Share Option, under which, conditional upon the Scheme becoming effective, the Offeror is offering the Share Option Holders the "see-through" Option Offer Price (being the Cancellation Price minus the relevant exercise price of the outstanding Share Option) for the cancellation of every Share Option.

Exercise price per Share Option	**Number of outstanding Share Options**	**"See-through" Option Offer Price**
HK$1.45	2,250,000	HK$1.55
HK$1.72	1,000,000	HK$1.28
HK$2.44	1,600,000	HK$0.56

The Option Offer Letter to the Share Option Holders setting out the terms and conditions of the Share Option Offer is being separately sent to the Share Option Holders and is substantially in the form set out in Appendix VI to this Scheme Document.

Your attention is also drawn to the section headed "*2. Terms of the Proposal*" of the Explanatory Statement set out in Part VII of this Scheme Document.

3. PRE-CONDITION AND CONDITIONS OF THE PROPOSAL AND THE SCHEME

The making of the Proposal was subject to the satisfaction of the Pre-Condition: the approval, review, filing or registration (as applicable) by (1) the National Development and Reform Commission of the PRC, and (2) Shanghai SASAC or its local authorities or authorised units having been obtained or completed without which would prohibit the Offeror from making the Proposal.

On October 30, 2026, the Pre-Condition has been satisfied.

The implementation of the Proposal is in turn subject to the satisfaction or waiver (where applicable) of the Conditions set out in the section headed "*3. Pre-Condition and Conditions of the Proposal and the Scheme*" of the Explanatory Statement set out in Part VII of this Scheme Document.

All of the Conditions will have to be satisfied or waived (as applicable), on or before the Conditions Long Stop Date, failing which the Proposal will lapse. When all of the Conditions above are satisfied or waived (as applicable), the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the EGM.

As at the Latest Practicable Date, none of the Conditions had been satisfied or waived.

WARNINGS: Shareholders, Share Option Holders and potential investors of the Company should be aware that the implementation of the Proposal is subject to the satisfaction or waiver (where applicable) of the Conditions, and thus the Proposal (including the Scheme and the Share Option Offer) may or may not be implemented, and the Scheme may or may not become effective. Shareholders, Share Option Holders, and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

4. EXCHANGEABLE BONDS AND STOCK LENDING ARRANGEMENTS

Your attention is drawn to the section headed "*4. Exchangeable Bonds and Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of this Scheme Document.

5. CONFIRMATION OF FINANCIAL RESOURCES

The Offeror has appointed Haitong International and Somerley Capital as its financial advisers in connection with the Proposal.

Your attention is drawn to the section headed "*5. Confirmation of Financial Resources*" of the Explanatory Statement set out in Part VII of this Scheme Document.

6. SHAREHOLDING STRUCTURE OF THE COMPANY

Your attention is drawn to the section headed "*6. Shareholding Structure of the Company*" of the Explanatory Statement set out in Part VII of this Scheme Document.

7. REASONS FOR AND BENEFITS OF THE PROPOSAL

You are urged to read carefully the section headed "*7. Reasons for and Benefits of the Proposal*" of the Explanatory Statement set out in Part VII of this Scheme Document.

8. INFORMATION ON THE OFFEROR AND THE COMPANY

Your attention is drawn to the sections headed "*11. Information on the Offeror*" and "*12. Information on the Company*" of the Explanatory Statement set out in Part VII of this Scheme Document.

9. INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

The Board is aware of and welcomes the Offeror's intentions as set out in the section headed "*13. Intention of the Offeror in relation to the Company*" of the Explanatory Statement set out in Part VII of this Scheme Document that, among other things, the Offeror intends to continue carrying on its existing brokerage-focused businesses following the implementation of the Proposal, and does not have any plan to make any material changes to the continued employment of the employees of the Group.

You are urged to read carefully the section headed "*13. Intention of the Offeror in relation to the Company*" of the Explanatory Statement set out in Part VII of this Scheme Document.

10. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Proposal under Rule 2.8 of the Takeovers Code, namely Dr. FU Tingmei, Professor CHAN Ka Keung Ceajer and Mr. LIU Chung Mun, has been established by the Board in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to make a recommendation to the Takeovers Code Disinterested Shareholders and the Share Option Holders as to (a) whether the Proposal (including the Scheme and the Share Option Offer) is, or is not, fair and reasonable; (b) whether to vote for or against the Scheme at the Court Meeting and for or against the resolutions in connection with the implementation of the Proposal at the EGM; and (c) whether to accept or reject the Share Option Offer.

Each of Ms. YU Xuping and Mr. DONG Boyang, being a non-executive Director, is a director of the Offeror and therefore an Offeror Concert Party. Mr. ZOU Hua, being a non-executive Director, is the general manager of the legal and compliance department of Guotai Haitong, the parent company of the Offeror. Therefore, Ms. YU Xuping, Mr. DONG Boyang, and Mr. ZOU Hua are not considered as independent for the purpose of giving advice or recommendations to the Takeovers Code Disinterested Shareholders. Accordingly, each of Ms. YU Xuping, Mr. DONG Boyang and Mr. ZOU Hua is not a member of the Independent Board Committee.

The full text of the letter from the Independent Board Committee is set out in Part V "Letter from the Independent Board Committee" of this Scheme Document.

11. INDEPENDENT FINANCIAL ADVISER

The Company has, with the approval of the Independent Board Committee, appointed Altus Capital as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal (including the Scheme and the Share Option Offer).

The full text of the letter from the Independent Financial Adviser is set out in Part VI "Letter from the Independent Financial Adviser" of this Scheme Document.

12. OVERSEAS SCHEME SHAREHOLDERS AND SHARE OPTION HOLDERS

If you are an overseas Scheme Shareholder or Share Option Holder, your attention is drawn to the section headed "*19. Overseas Scheme Shareholders and Share Option Holders*" of the Explanatory Statement set out in Part VII of this Scheme Document.

13. VOTING AT THE COURT MEETING AND EGM

For the purpose of exercising your right to vote at the Court Meeting and the EGM, you are requested to read carefully (i) the section headed "*21. Court Meeting and EGM*" of the Explanatory Statement set out in Part VII, (ii) the notices of the Court Meeting and the EGM in Appendix IV and Appendix V, and (iii) Part II "Actions to be Taken", of this Scheme Document.

14. ACTIONS TO BE TAKEN

The actions which you are required to take in relation to the Proposal (including the Scheme and the Share Option Offer) are set out under Part II "Actions to be Taken" of this Scheme Document.

15. RECOMMENDATIONS

The Independent Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal (including the Scheme and the Share Option Offer) are fair and reasonable so far as the Takeovers Code Disinterested Shareholders and the Share Option Holders are concerned, and accordingly, advises the Independent Board Committee to recommend (i) the Takeovers Code Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the EGM; and (ii) the Share Option Holders to accept the Share Option Offer.

The Independent Board Committee, having considered the terms of the Proposal (including the Scheme and the Share Option Offer), and having taken into account the advice of the Independent Financial Adviser, concurs with the Independent Financial Adviser's advice that the Proposal (including the Scheme and the Share Option Offer) is fair and reasonable so far as the Takeovers Code Disinterested Shareholders and the Share Option Holders are concerned.

Accordingly, the Independent Board Committee recommends (i) the Takeovers Code Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the EGM; and (ii) the Share Option Holders to accept the Share Option Offer.

Scheme Shareholders and Share Option Holders should consider carefully the Proposal and are recommended to read (i) this letter; (ii) the "Letter from the Independent Financial Adviser", which sets out the principal factors and reasons that it has taken into consideration in arriving at its opinion and recommendation to the Independent Board Committee, set out in Part VI of this Scheme Document; (iii) the "Letter from the Independent Board Committee" set out in Part V of this Scheme Document; and (iv) the Explanatory Statement set out in Part VII of this Scheme Document before deciding how to vote at the Court Meeting and the EGM or whether to accept the Share Option Offer, as the case may be. Takeovers Code Disinterested Shareholders are recommended to consult their own professional advisers if they are in any doubt.

16. PROPOSED WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and extinguished and the share certificates for the Scheme Shares will thereafter cease to have effect as evidence of title.

The Company will make an application for the listing of the Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Hong Kong Listing Rules subject to the Scheme becoming effective.

The Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of listing of the Shares on the Hong Kong Stock Exchange will become effective. An indicative expected timetable in relation to the Proposal is included in Part III of this Scheme Document.

17. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions described in the section headed "*3. Pre-Condition and Conditions of the Proposal and the Scheme*" of the Explanatory Statement set out in Part VII of this Scheme Document has not been fulfilled or waived, as applicable, on or before the Conditions Long Stop Date. The listing of the Shares on the Hong Kong Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on the Offeror making subsequent offers, to the effect that none of the Offeror, Guotai Haitong or any person who acted in concert with any of them in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

18. REGISTRATION AND PAYMENT

Your attention is drawn to the section headed "*18. Registration and Payment*" of the Explanatory Statement set out in Part VII of this Scheme Document.

19. TAXATION

Your attention is drawn to the section headed "*20. Taxation*" of the Explanatory Statement set out in Part VII of this Scheme Document.

20. FURTHER INFORMATION

You are urged to read carefully the following documents:

(i) the letter from the Independent Board Committee as set out in Part V of this Scheme Document;

(ii) the letter from the Independent Financial Adviser as set out in Part VI of this Scheme Document;

(iii) the Explanatory Statement as set out in Part VII of this Scheme Document;

(iv) the appendices to this Scheme Document, including the terms of the Scheme as set out in Appendix III to this Scheme Document;

(v) the notice of the Court Meeting as set out in Appendix IV to this Scheme Document; and

(vi) the notice of the EGM as set out in Appendix V to this Scheme Document.

In addition, a **pink** form of proxy in respect of the Court Meeting and a **white** form of proxy in respect of the EGM are enclosed with this Scheme Document.

The Share Option Holders are urged to read carefully the Option Offer Letter, which is sent separately to the Share Option Holders substantially in the form set out in Appendix VI to this Scheme Document, and the Form of Acceptance in respect of the Share Option Offer.

By order of the Board
Guotai Junan International Holdings Limited
Dr. YIM Fung
Director

GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1788)

November 6, 2026

To the Takeovers Code Disinterested Shareholders and Share Option Holders

Dear Sir or Madam,

(1) PROPOSAL FOR THE PRIVATISATION OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE; AND (2) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

We refer to the document dated November 6, 2026 jointly issued by the Offeror and the Company in relation to the Proposal (including the Scheme and the Share Option Offer) (the "**Scheme Document**"), of which this letter forms part. Terms defined in the Scheme Document shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Takeovers Code Disinterested Shareholders and the Share Option Holders, details of which are set out in the sections headed "Letter from the Board" and "Explanatory Statement" of this Scheme Document.

Altus Capital Limited, the Independent Financial Adviser, has been appointed with our approval, to advise us in connection with the Proposal (including the Scheme and the Share Option Offer). The details of its advice and the principal factors and reasons that it has taken into consideration in arriving at its opinion and recommendation are set out in the section headed "Letter from the Independent Financial Adviser" of this Scheme Document.

In the section headed "Letter from the Independent Financial Adviser" of this Scheme Document, the Independent Financial Adviser states that it considers the Proposal (including the Scheme and the Share Option Offer) are fair and reasonable so far as the Takeovers Code Disinterested Shareholders and the Share Option Holders are respectively concerned and accordingly advises the Independent Board Committee to recommend, and the Independent Financial Adviser itself recommends, (i) the Takeovers Code Disinterested Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the EGM to approve and implement the Scheme; and (ii) the Share Option Holders to accept the Share Option Offer.

The Independent Board Committee, having considered the Proposal (including the Scheme and the Share Option Offer) and having taken into account the advice of the Independent Financial Adviser, and in particular the principal factors, reasons and recommendation set out in its letter, concurs with the Independent Financial Adviser's advice that the Proposal (including the Scheme and the Share Option Offer) are fair and reasonable so far as the Takeovers Code Disinterested Shareholders and the Share Option Holders are respectively concerned. Accordingly, the Independent Board Committee recommends (i) the Takeovers Code Disinterested Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the EGM to approve and implement the Scheme; and (ii) the Share Option Holders to accept the Share Option Offer.

Takeovers Code Disinterested Shareholders and Share Option Holders should consider carefully the Proposal (including the Scheme and the Share Option Offer) and are recommended to read (i) the "Letter from the Board" set out in this Scheme Document; (ii) the "Letter from the Independent Financial Adviser", which sets out the principal factors and reasons that it has taken into consideration in arriving at its opinion and recommendation to the Independent Board Committee, set out in this Scheme Document; (iii) the Explanatory Statement set out in this Scheme Document; and (iv) this letter before deciding how to vote at the Court Meeting and the EGM or whether to accept the Share Option Offer. Takeovers Code Disinterested Shareholders and Share Option Holders are recommended to consult their own professional advisers if they are in any doubt.

Yours faithfully,
The Independent Board Committee

Dr. FU Tingmei	**Professor CHAN Ka Keung Ceajer**	**Mr. LIU Chung Mun**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

Set out below is the text of a letter received from Altus Capital Limited, the independent financial adviser to the Independent Board Committee in respect of the Scheme and the Share Option Offer for the purpose of inclusion in the Scheme Document.

ALTUS.

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

November 6, 2026

To the Independent Board Committee

Guotai Junan International Holdings Limited
27/F, Low Block, Grand Millennium Plaza
No. 181 Queen's Road Central
Hong Kong

Dear Sirs,

(1) PROPOSAL FOR THE PRIVATISATION OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE; AND (2) PROPOSED WITHDRAWAL OF LISTING OF THE SHARES OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee in respect of the Proposal (including the Scheme and the Share Option Offer). Our appointment as the independent financial adviser has been approved by the Independent Board Committee as set out in an announcement of the Company dated August 17, 2026. Details of the Proposal (including the Scheme and the Share Option Offer) are set out in the section headed "Terms of the Proposal" contained in the Scheme Document dated November 6, 2026, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context requires otherwise.

The Offeror and the Company jointly announced that, on July 22, 2026, the Offeror requested the Board, subject to the satisfaction of the Pre-Condition, to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 673 of the Companies Ordinance, involving among other things, (i) the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share cancelled; and (ii) the withdrawal of listing of the Shares on the Stock Exchange. On October 30, 2026, the Offeror and the Company jointly announced that the Pre-Condition has been satisfied.

If the Scheme is approved and implemented, all the Scheme Shares will be cancelled and extinguished and the issued share capital of the Company will be restored by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled and extinguished on the Effective Date. Contemporaneously with the cancellation and extinguishment of the Scheme Shares, the reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror.

Upon completion of the Proposal and assuming none of the Exchangeable Bonds are exchanged into Shares after the Scheme Record Date, the Company will become a wholly-owned subsidiary of the Offeror. In the event that any Exchangeable Bonds Holder exercises the exchange right after the Scheme Record Date, such Exchangeable Bonds Holder will become a Shareholder holding unlisted Shares, and the Company will not be wholly-owned by the Offeror.

Upon satisfaction of the Pre-Condition, the implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all the Scheme Shareholders subject to the satisfaction or waiver (where applicable) of the Conditions. Details of the conditions are set out in the section headed "3. Pre-Condition and Conditions of the Proposal and the Scheme" of "Part VII – Explanatory Statement" in the Scheme Document.

As at the Latest Practicable Date, none of the Conditions had been satisfied or waived. When all the Conditions are satisfied or waived (as applicable), the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the EGM.

The Offeror is making an appropriate offer to the Share Option Holders in accordance with Rule 13 of the Takeovers Code, subject to and conditional upon the Scheme becoming effective. Under the Share Option Offer, the Offeror is offering the Share Option Holders the Option Offer Price (which is the "see-through" price, being the Cancellation Price minus the relevant exercise price of the outstanding Share Option) in cash for the cancellation of each outstanding Share Option they hold.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Proposal under Rule 2.8 of the Takeovers Code, namely Dr. Fu Tingmei, Professor Chan Ka Keung Ceajer and Mr. Liu Chung Mun, has been established by the Board in accordance with Rules 2.1 and 2.8 of the Takeovers Code to make a recommendation to the Takeovers Code Disinterested Shareholders in respect of the Proposal and the Scheme and the Share Option Holders in respect of the Share Option Offer as to (i) whether the Proposal (including the Scheme and the Share Option Offer) are, or are not, fair and reasonable; (ii) whether to vote for or against the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the EGM; and (iii) whether to accept or reject the Share Option Offer by the Share Option Holders.

Each of Ms. Yu Xuping and Mr. Dong Boyang, being a non-executive Director, is a director of the Offeror and therefore an Offeror Concert Party. Mr. Zou Hua, being a non-executive Director, is the general manager of the legal and compliance department of Guotai Haitong, the parent company of the Offeror. Therefore, Ms. Yu Xuping, Mr. Dong Boyang, and Mr. Zou Hua are not considered as independent for the purpose of giving advice or recommendations to the Takeovers Code Disinterested Shareholders. Accordingly, each of Ms. Yu Xuping, Mr. Dong Boyang and Mr. Zou Hua is not a member of the Independent Board Committee.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser with respect to the Proposal (including the Scheme and the Share Option Offer), our role is to advise the Independent Board Committee as to (i) whether the terms of the Proposal (including the Scheme and the Share Option Offer) are fair and reasonable so far as the Takeovers Code Disinterested Shareholders and the Share Option Holders are respectively concerned; (ii) whether the Takeovers Code Disinterested Shareholders should vote for or against the Scheme at the Court Meeting and of the resolutions in connection with the implementation of the Proposal at the EGM; and (iii) whether the Share Option Holders should accept or reject the Share Option Offer.

We are not associated or connected, financial or otherwise, with the Company or the Offeror, their respective controlling shareholders or any parties acting, or presumed to be acting, in concert with any of them.

We acted as the independent financial adviser to the independent board committee of Haitong Securities Co., Ltd. ("**Haitong Securities**") with regard to the proposed merger and share exchange of Guotai Junan Securities Co., Ltd. and Haitong Securities, details of which were set out in the joint circular dated November 22, 2024. Save for the aforesaid transaction, we have not acted as the financial adviser or independent financial adviser in relation to any transaction of the Company or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them in the last two years prior to the date of the Scheme Document.

Pursuant to Rule 13.84 of the Hong Kong Listing Rules and Rule 2 of the Takeovers Code, and given that (i) remuneration for our engagement to opine on the Proposal (including the Scheme and the Share Option Offer) is at market level and not conditional upon the outcome of the Proposal (including the Scheme and the Share Option Offer); (ii) no arrangement exists whereby we shall receive any fees or benefits from the Company (other than our said remuneration) or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them; and (iii) our engagement is on normal commercial terms and is approved by the Independent Board Committee, we are independent of the Company or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them and can act as the Independent Financial Adviser to the Independent Board Committee in respect of the Proposal (including the Scheme and the Share Option Offer).

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the Scheme Document; (ii) the annual report of the Company for the year ended December 31, 2025 (the "**2025 Annual Report**"); (iii) the interim report of the Company for the six months ended 30 June 2026 (the "**2026 Interim Report**"); (iv) the rules of a share option scheme adopted by the Shareholders at a general meeting held on June 19, 2010 (the "**2010 Share Option Scheme**"); and (v) other information as set out in the Scheme Document.

We have relied on the statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us by the Company, the Directors and the management of the Company (collectively the "**Management**"). We have assumed that all statements, information, opinions and representations contained or referred to in the Scheme Document and/or provided to us were true, accurate and complete in all material aspects at the time they were made and continued to be so as at the Latest Practicable Date. The Company will notify the Shareholders and the Share Option Holders of any material changes to information contained or referred to in the Scheme Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Shareholders and the Share Option Holders will also be informed as soon as practicable when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Scheme Document, and information relating to the Company provided to us by the Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

We have not considered the taxation implications on the Takeovers Code Disinterested Shareholders arising from approval or disapproval of the Proposal and the Scheme and the Share Option Holders arising from acceptance or non-acceptance of the Share Option Offer, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Takeovers Code Disinterested Shareholders or the Share Option Holders as a result of the Proposal (including the Scheme or the Share Option Offer). In particular, the Takeovers Code Disinterested Shareholders and the Share Option Holders who are subject to Hong Kong, Mainland China or overseas taxation on dealings in securities are urged to seek advice from their own professional advisers on tax matters.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice for the Proposal, the Scheme and the Share Option Offer, we have considered the following principal factors and reasons:

1. Background and financial information of the Group

1.1 Background of the Group

The Company is an investment holding company. The operations of the Group are mainly based in Hong Kong and its principal businesses include wealth management, institutional investor services, corporate finance services, investment management and other business.

1.2 Historical financial performance of the Group

Set out below is a table summarising certain key financial information of the Group for its financial years ended December 31, ("**FY**") 2024 and 2025 ("**FY2024**" and "**FY2025**") and the six months ended June 30, 2025 and 2026 respectively ("**1H2025**" and "**1H2026**"), as extracted from the 2025 Annual Report and the 2026 Interim Report.

Extract of the Group's consolidated statement of profit or loss

	For the year ended December 31, 2025 ("FY2025") *(audited)* *HK$'000*	**For the year ended December 31, 2024 ("FY2024")** *(audited)* *HK$'000*	**For the six months ended June 30, 2026 ("1H2026")** *(unaudited)* *HK$'000*	**For the six months ended June 30, 2025 ("1H2025")** *(unaudited)* *HK$'000*
Revenue	6,230,008	4,421,609	3,870,872	2,825,044
Revenue breakdown by nature of income stream:				
(i) Commission and fee income	1,527,153	871,755	874,179	541,145
(ii) Interest income	2,389,637	2,314,006	1,511,377	1,195,970
(iii) Net trading and investment income	2,313,218	1,235,848	1,485,316	1,087,929
Revenue breakdown by operating segment:				
(i) Wealth Management	1,854,122	1,918,547	1,040,005	912,518
(ii) Institutional Investor Services	1,865,706	1,920,686	2,014,181	827,739
(iii) Corporate Finance Services	740,418	318,628	388,462	202,243
(iv) Investment Management	1,769,762	263,748	428,224	882,544

	For the year ended December 31, 2025 ("FY2025") *(audited)* *HK$'000*	For the year ended December 31, 2024 ("FY2024") *(audited)* *HK$'000*	For the six months ended June 30, 2026 ("1H2026") *(unaudited)* *HK$'000*	For the six months ended June 30, 2025 ("1H2025") *(unaudited)* *HK$'000*
Staff costs	(1,005,210)	(794,802)	(489,806)	(444,253)
Profit before tax for the year/period	1,722,824	366,631	799,945	636,798
(a) Wealth Management	623,627	173,073	380,294	249,563
(b) Institutional Investor Services	349,017	378,652	538,639	82,417
(c) Corporate Finance Services	346,472	44,458	125,173	38,917
(d) Investment Management	403,708	(229,552)	(244,161)	265,901
Profit for the year/period	1,346,721	350,697	677,020	551,410
Profit for the year/period attributable to owners of the Company	1,345,354	347,783	674,860	550,089

Extract of the Group's consolidated statement of financial position

	As at June 30, 2026 (unaudited) HK$'000	As at December 31, 2025 (audited) HK$'000	As at December 31, 2024 (audited) HK$'000
Non-current assets	7,606,401	8,552,463	6,611,622
Financial assets at fair value through profit or loss	6,335,062	7,917,016	5,602,967
Current assets	209,413,415	144,947,798	123,561,527
Financial assets at fair value through profit or loss	108,045,141	62,562,738	64,722,825
Financial assets at fair value through other comprehensive income	25,674,620	17,901,251	8,985,272
Non-current liabilities	(8,549,584)	(10,579,747)	(7,453,891)
Debt securities in issue	(8,491,716)	(10,424,277)	(7,113,611)
Current liabilities	(192,169,193)	(126,949,873)	(107,692,555)
Debt securities in issue	(57,772,675)	(42,722,692)	(41,244,641)
Interest-bearing borrowings	(19,528,864)	(12,093,323)	(5,935,911)
Net assets	16,301,039	15,970,641	15,026,703
Equity attributable to holders of the Shares	16,186,857	15,859,368	14,914,657

FY2025 compared to FY2024

In FY2025, the Group recorded a substantial 40.9% increase in revenue, from approximately HK$4,421.6 million in FY2024 to HK$6,230.0 million in FY2025. This growth was driven by performances across all three income streams, being (i) commission and fee income; (ii) interest income; and (iii) net trading and investment income. In terms of the Group's four operating segments, being (i) wealth management; (ii) institutional investor services; (iii) corporate finance services; and (iv) investment management, the overall growth in revenue was primarily attributable to significant increase in the investment management segment, which increased by 571.0% from FY2024 to FY2025, as well as the corporate finance services segment, which increased by 132.4% from FY2024 to FY2025.

Analysis by nature of income stream:

(i) Commission and fee income

Commission and fee income comprise (i) brokerage fee; (ii) corporate finance income (including placing, underwriting and sub-underwriting commission); (iii) consultancy and financial advisory fee income; (iv) asset management fee and performance fee income; and (v) handling income on financial products.

Commission and fee income increased substantially by approximately 75%, increasing from approximately HK$871.8 million in FY2024 to approximately HK$1,527.2 million in FY2025. The rise in this income stream was primarily due to the recovery in Hong Kong's equity primary and secondary markets as well as the debt capital market. In particular, brokerage commissions increased by approximately 56%, from HK$512.3 million in FY2024 to HK$801.4 million in FY2025, while placing, underwriting and sub-underwriting commission more than doubled from HK$255.1 million in FY2024 to HK$593.4 million in FY2025.

(ii) Interest income

Interest income comprise (i) interest income from customers; (ii) interest income from banks; (iii) interest income from other financial institutions; and (iv) interest income from fixed income securities.

Interest income amounted to approximately HK$2,389.6 million in FY2025, representing a modest increment of approximately 3% from HK$2,314.0 million in FY2024. Key contributors included (i) interest income from fixed income securities held by the Group, which increased by 30.8% from HK$552.7 million in FY2024 to HK$722.7 million in FY2025; and (ii) interest income from other financial institutions which increased by 102.3% from HK$278.2 million in FY2024 to HK$562.7 million in FY2025. However, such increment was partially offset by reduced bank interest income by approximately 35%, from HK$1,006.9 million in FY2024 to HK$653.8 million in FY2025.

(iii) Net trading and investment income

Net trading and investment income comprise (i) net trading income from fixed income securities, unconsolidated investment funds, derivative and equity investments; and (ii) net income from financial products.

Net trading and investment income amounted to approximately HK$2,313.2 million in FY2025, up by 87.2%, from HK$1,235.8 million in FY2024. This change was primarily driven by the Group's holdings in fixed income securities, non-consolidated investment funds, derivatives and equity investments, which generated HK$1,384.5 million in FY2025 as compared to HK$324.2 million in FY2024.

Analysis by operating segment:

(i) Wealth Management

Income from the wealth management segment decreased slightly by 3.4%, from HK$1,918.5 million in FY2024 to HK$1,854.1 million in FY2025. Notwithstanding that there was an increase in the trading volume of securities and customised products, with product trading volume growing by more than 50% year on year, which boosted commission and fee income, the falling market interest rates amid the interest rate cut cycle initiated by the US Federal Reserve resulted in decline of the Group's interest income. Such combined effect resulted in the slight decline in this segment.

(ii) Institutional Investor Services

Income from this segment slightly dropped by 2.9%, from HK$1,920.7 million in FY2024 to HK$1,865.7 million in FY2025. Such decrease was attributable to the decline in market interest rates, leading to a drop in interest income.

(iii) Corporate Finance Services

Income from the corporate finance services segment increased substantially from HK$318.6 million in FY2024 to HK$740.4 million in FY2025, representing an increase of 132.4%. This was a result from the increase in scale and income of the Group's equity and debt market financing business. During FY2025, the Group completed 7 IPO sponsorship projects (FY2024: 3) and 34 secondary market projects (FY2024: 10). Such revenue recorded in FY2025 was a record high performance for the Group.

(iv) Investment Management

In FY2025, among the Group's operating segments, the most significant increase was recorded in the investment management segment, where income increased by 570.8%, from HK$263.7 million in FY2024 to HK$1,769.8 million in FY2025. Such result was attributable to the performance of the Group's fixed income securities holdings and enhanced investment holdings, which led to higher balances of financial assets (as further discussed below) as well as the buoyant stock market in FY2025, driving up the Group's investment income.

The Group's primary operational cost is staff costs, which increased significantly from approximately HK$794.8 million in FY2024 to HK$1,005.2 million in FY2025.

The Group's profit before tax increased from HK$366.6 million in FY2024 to HK$1,722.8 million in FY2025, representing a growth of 369.9%. In terms of segment profitability, the Group recorded profit before tax of (i) HK$623.6 million, representing an increase of 260.3% as compared to FY2024 (i.e. HK$173.1 million) for wealth management; (ii) HK$349.0 million, representing a decrease of 7.8% as compared to FY2024 (i.e. HK$378.7 million) for institutional investor services; (iii) HK$346.5 million, representing an increase of 678.7% as compared to FY2024 (i.e. HK$44.5 million) for corporate finance services; and (iv) HK$403.7 million as compared to a loss of HK$229.6 million recorded in FY2024 for investment management services.

Driven primarily by the aforementioned changes in revenue and profitability by operating segment, the Group recorded an increase in profit for the year from approximately HK$350.7 million in FY2024 to HK$1,346.7 million in FY2025, representing an increase of 284.0%.

1H2026 compared to 1H2025

For 1H2026, the Group reported total revenue of approximately HK$3,870.9 million, compared with HK$2,825.0 million in the corresponding period of 2025, representing an increase of 37.0%. The increase in top-line performance was across all income segments of commission and fee income, interest income, and net trading and investment income. In terms of the Group's four operating segments, the overall growth in revenue was primarily attributable to substantial increase from the institutional investor services segment.

Analysis by nature of income stream:

(i) Commission and fee income

The recorded commission and fee income of approximately HK$874.2 million during 1H2026, represents an increase of 62% as compared to the recorded amount of HK$541.1 million during 1H2025. Such increment was influenced by the activities in the Hong Kong equity capital markets, where total funds raised through initial public offerings rose by 92%. As a result, the Group's placing, underwriting, and sub-underwriting commission income increased from HK$165.0 million in 1H2025 to HK$271.9 million in 1H2026, representing an increase of 64.8%.

Brokerage commission income also substantially increased by 53.7% and amounted to HK$496.8 million in 1H2026, up from HK$323.2 million in 1H2025, due to high trading turnovers in the stock market. The increase reflected higher trading volumes in over-the-counter products, US stocks, and IPO stock transactions. A minor increase in Hong Kong stock commissions also contributed to the growth, though a decline in debt trading commissions moderated the overall gain.

(ii) Interest income

Interest income increased from approximately HK$1,196.0 million in 1H2025 to HK$1,511.4 million in 1H2026, representing an increase of 26.4%. In particular, interest income from fixed income securities increased by 64% (1H2026: HK$508.6 million; 1H2025: HK$309.4 million), following the Group's asset allocation toward high-rated and liquid fixed income instruments. As market interest rates declined, bank interest income decreased by 14% to HK$315.8 million in 1H2026, from HK$367.1 million in 1H2025. Interest income from other financial institutions also increased from HK$303.9 million in 1H2025 to HK$458.4 million in 1H2026, representing an increase of 50.8%. Such increase was mainly due to an increase in receivables from reverse repurchase agreements.

(iii) Net trading and investment income

Net trading and investment income amounted to approximately HK$1,485.3 million in 1H2026 as compared to HK$1,087.9 million in 1H2025, representing an increase of 36.5%. Within this segment, net income from financial products increased by 83.2%, from HK$556.7 million in 1H2025 to HK$1,019.7 million in 1H2026, which was due to higher issuance and demand for cross-border financial products. Meanwhile, net trading income from fixed income securities, unconsolidated investment funds, derivatives, and equity investments decreased by 12.3%, from HK$531.2 million in 1H2025 to HK$465.6 million in 1H2026 due to market fluctuations affected by price movements in the equity and debt markets.

Analysis by operating segment:

(i) Wealth Management

Revenue from the wealth management segment increased from HK$912.5 million in 1H2025 to HK$1,040.0 million in 1H2026, representing an increase of 14.0%. Such increment was driven by sustained growth in Hong Kong stock trading volume and active IPO fundraising, as well as the Group's effort to introduce diversified products and increase over-the-counter product sales, all of which contributed to higher commission and fee income. Meanwhile, lower interest rates resulted in a slight year-over-year decrease in interest income, which partly offset the growth in commission income.

(ii) Institutional Investor Services

When comparing 1H2026 to 1H2025, the institutional investor services segment experienced the most significant growth. Revenue increased from HK$827.7 million in 1H2025 to HK$2,014.2 million in 1H2026, representing a 143.3% increase. With strong market demand for cross-border business, the scale of client-driven financial products has increased, leading to a significant rise in net income from financial products. Such client-driven financial products had increased from HK$41.7 billion as at 30 June 2025 to HK$89.0 billion as at 30 June 2026.

(iii) Corporate Finance Services

Revenue from corporate finances service segment increased from HK$202.2 million in 1H2025 to HK$388.5 million in 1H2026, representing an increase of 92.1%. During 1H2026, total IPO funds raised in Hong Kong rose 92% year over year. The Group's equity underwriting business recorded growth in both revenue and scale, which offset weakness in the bond underwriting market.

(iv) Investment Management

The Group recorded a substantial decrease of 51.5% in this segment, from HK$882.5 million in 1H2025 to HK$428.2 million in 1H2026. Despite the Group's asset allocation toward high-rated and liquid fixed income instruments to generate stable income, the significant volatility in securities market prices in the equity and debt markets during the first half of 2026 resulted in the overall drop in revenue in the investment management operating segment.

The Group's profit before tax increased from HK$636.8 million in 1H2025 to HK$799.9 million in 1H2026, representing a growth of 25.6%. This was driven by the net effect of the following: (i) profit before tax from the wealth management segment rose from HK$249.6 million in 1H2025 to HK$380.3 million in 1H2026, representing an increase of 52.4%; (ii) profit before tax from institutional investor services significantly rose from HK$82.4 million in 1H2025 to HK$538.6 million in 1H2026, representing an increase of 553.6%; (iii) profit before tax from the corporate finance services segment rose from HK$38.9 million in 1H2025 to HK$125.2 million in 1H2026, representing an increase of 221.9%; and (iv) the investment management segment shifted from a profit before tax of HK$265.9 million in 1H2025 to a loss of HK$244.2 million in 1H2026 due to aforementioned substantial drop in revenue.

As a result of the above changes in the Group's revenue, the Group recorded a profit for the period of approximately HK$677.0 million during 1H2026, as compared to a profit for the period of HK$551.4 million in 1H2025, representing an increase of 22.8%.

December 31, 2025 compared to December 31, 2024

As of December 31, 2025, the Group's total assets increased to approximately HK$153.5 billion, up from HK$130.2 billion as at December 31, 2024. A significant portion of these assets consisted of financial assets at fair value through profit or loss (comprising financial assets held for trading and investment and financial products) alongside financial assets at fair value through other comprehensive income, which together totalled HK$88.4 billion and HK$79.3 billion as at December 31, 2025 and 2024 respectively. This overall asset growth was mainly driven by the expansion of the financial products business, which recorded client-driven financial assets rise of 18% to HK$47.4 billion. Client-driven financial assets are financial assets acquired and held primarily to support, match, and hedge transaction needs, over-the-counter derivatives, and structured notes issued to wealth management and institutional clients. As the Group increased its investment holdings, the total balance of financial assets at fair value through profit or loss – financial assets held for trading and investment and financial assets at fair value through other comprehensive income increased.

As of December 31, 2025, the Group's total liabilities increased by 19% to HK$137.5 billion, from HK$115.1 billion as at December 31, 2024, primarily reflecting higher leverage used to support business development and investment needs. A major component of total liabilities was debt securities in issue, which increased from approximately HK$48.4 billion as at December 31, 2024 to HK$53.1 billion as at December 31, 2025. Within total liabilities, interest-bearing borrowings increased by approximately 103% to HK$12.1 billion.

As a result of the above, the Group recorded a slight enhancement in its net assets from approximately HK$15.0 billion as at December 31, 2024 to HK$16.0 billion as at December 31, 2025.

June 30, 2026 compared to December 31, 2025

As at June 30, 2026, the Group's total assets increased from approximately HK$153.5 billion to HK$217.0 billion. This increase was primarily driven by client activity in cross-border operations and the growth of the financial products segment, where client-driven assets rose 88% to HK$89.0 billion (i.e. recorded as "financial assets held for trading and investment – financial product" in the consolidated statement of financial position of the Group). In addition, the Group expanded its allocation toward liquid, high-rated, and lower-risk debt securities, resulting in higher balances for both financial assets at fair value through profit or loss (as at June 30, 2026: HK$114.4 billion; as at December 31, 2025: HK$70.5 billion) and financial assets measured at fair value through other comprehensive income (as at June 30, 2026: HK$25.7 billion; as at December 31, 2025: HK$17.9 billion).

As of June 30, 2026, the Group's total liabilities increased to approximately HK$200.7 billion, from HK$137.5 billion as at December 31, 2025. The growth reflected an increase in overall debt to support ongoing business expansion and investment initiatives. Within total liabilities, (i) debt securities in issue increased from approximately HK$53.1 billion as at December 31, 2025 to HK$66.3 billion as June 30, 2026; and (ii) interest-bearing borrowings increased from HK$12.1 billion as at December 31, 2025 to HK$19.5 billion as at June 30, 2026.

The above net changes in the Group's assets and liabilities resulted in a slight improvement of net assets from HK$16.0 billion as at December 31, 2025 to HK$16.3 billion as at June 30, 2026.

Our observations

During FY2025 and 1H2026, the Group experienced growth in revenue and net profit, with profit reaching HK$1,346.7 million in FY2025 (FY2024: HK$350.7 million) and HK$677.0 million in 1H2026 (1H2025: HK$551.4 million). Such performance was supported across all revenue streams, being commission and fee income, interest income, and net trading and investment income, benefiting from improved Hong Kong market activity and client demand for financial products.

The Group's financial position also expanded, with total assets growing from HK$130.2 billion as at December 31, 2024 to HK$217.0 billion as at June 30, 2026, driven by higher holdings in financial assets and client-driven financial products. Such increase appeared to be funded by higher leverage through debt securities and interest-bearing borrowings where total liabilities increased by a higher rate from HK$115.1 billion to HK$200.7 billion over the period. Consequently, net assets recorded incremental growth from HK$15.0 billion to HK$16.3 billion over the same period.

As the marked improvements in the Group's financial performance in FY2025 had occurred over a period with indications of strong growth manifested in the 1H2025 interim financial results, investors would have digested such public information with trading price reflecting its effects leading up to the Joint Announcement. As such, comparing the Cancellation Price against historical and prevailing Share prices can fairly measure the value offered under the Proposal against Share prices that should have factored into these improved financial results. Please refer to the paragraph headed "4.1 Historical price performance of the Shares" for details.

1.3 Historical dividends of the Shares

According to the Company's dividend policy ("**Dividend Policy**"), the Company endeavours to reward Shareholders with stable dividend income while retaining adequate reserves for its future development. The Company aims to distribute to Shareholders with regular dividends semi-annually with a certain percentage of attributable profit and may also distribute special dividends from special income. The Board adopted a Dividend Policy with a target payout ratio of not less than 30% of profit attributable to Shareholders, subject to the economic conditions as well as the Company's position. All dividend decisions made by the Board were made in accordance with the Dividend Policy.

The Company has been listed on the Hong Kong Stock Exchange since July 8, 2010. We set out below the history of dividends declared and paid by the Company to the Shareholders during the past 16 years ended December 31, 2025:

Year	**Financial year ended December 31**	**Total dividend of the year per Share** *HK$*	**Dividend payout ratio** *(Note 1)* *%*
1	2010	0.070	46
2	2011	0.090	51
3	2012	0.100	53
4	2013	0.160	51
5	2014	0.210	55
6	2015	0.075	51
7	2016	0.075	53
8	2017	0.090	51
9	2018	0.053	51
10	2019	0.062	57
11	2020	0.085	52
12	2021	0.060	53
13	2022	0.050	119 *(Note 2)*
14	2023	0.020	95
15	2024	0.032	88
16	2025	0.070	50

Source: Respective annual reports and interim reports of the Company.

Note:

1. The dividend payout ratio is the total dividend paid for the respective financial year divided by the profit attributable to shareholders of the Company of the respective financial year.

2. This does not include the special dividend (total of HK$0.04 per Share), otherwise the payout ratio would be 594%.

As illustrated in the table above, the Company maintained a consistent dividend payout record from 2010 to 2021, with payout ratios ranging from approximately 46% to 57%. Notwithstanding the cyclical downturn from 2022 to 2024, the Company continued to declare dividends, resulting in higher payout ratios of approximately 88% to 119%. In FY2025, following a substantial recovery in earnings, with profit attributable to shareholders of the Company reaching approximately HK$1,345.4 million as mentioned under the paragraph headed "1.2 Historical financial performance of the Group" above, the total dividend per Share increased to HK$0.07 and the payout ratio returned to approximately 50%.

Notwithstanding that the Company has a long-standing track record of returning capital to Shareholders, as stated in the section headed "Letter from the Board", it does not intend to declare or pay any interim dividend for the six months ended June 30, 2026, or any other return of capital prior to the Effective Date. As at the Latest Practicable Date, no dividends or distributions remain unpaid, and any future dividends remain subject to Board discretion and market conditions. However, if any dividend, distribution, or return of capital is declared or paid after the Joint Announcement date, the Cancellation Price will be reduced by the Dividend Adjustment, and all references to the Cancellation Price in relevant documents will be construed accordingly.

For illustration, based on total dividend paid for FY2025 of HK$0.07 per Share, if one factors in a dividend level similar to that of FY2025 as part of the Cancellation Price of HK$3.00, deducting that dividend would leave HK$2.93. On that adjusted basis, the HK$2.93 still represents a premium of over 40% above the closing price on the Last Trading Day. This continues to provide a significant premium over the market price. For details on our assessment of the fairness of the Cancellation Price, please refer to the section headed "4. The Cancellation Price" of this letter.

In particular, as market price of Shares leading up to the Joint Announcement had already digested the Group's financial performance, alongside investors' expectations for future earnings, please refer to the paragraph headed "4.1 Historical price performance of the Shares" for our analysis of the Cancellation Price as compared to the historical trading prices of the Shares. In assessing the Proposal, Shareholders should also take into account the premium offered and the certainty of immediate cash realisation against the inherent uncertainties and cyclicality of the Company's future earnings (as described in the section headed "2. Outlook" below) and dividend distributions.

2. OUTLOOK

The Management expects the Hong Kong capital market to stabilise gradually in the second half of 2026, supported by continued policy measures to reinforce Hong Kong's role as an international financial centre and a gateway for cross-border capital flows. Against this backdrop, the Management considers that the Group's principal business segments, including (i) Wealth Management, (ii) Institutional Investor Services, (iii) Corporate Finance and (iv) Investment Management, are expected to benefit from improved market activity, continued Mainland investor participation and the ongoing development of cross-border investment channels. For the purpose of assessing the reasonableness of the Management's view, we have considered three principal factors: (i) the prevailing macroeconomic and monetary backdrop; (ii) the sustainability of the recovery indicated by the latest market data; and (iii) whether such recovery may translate into earnings for the Group, taking into account interest-rate, competitive, execution and capital risks.

Basis of our assessment

In considering the Management's outlook, we have reviewed the Group's latest published financial performance, together with the prevailing PRC and Hong Kong macroeconomic environment, US and Hong Kong interest-rate conditions, market trading and fundraising activity, cross-border capital flows and relevant regulatory developments. We have also considered market statistics and regulatory publications issued by, among others, Hong Kong Exchanges and Clearing Limited ("**HKEX**"), the SFC, the Hong Kong Monetary Authority (the "**HKMA**") and Bond Connect Company Limited. Our assessment focuses principally on the sustainability of the improvement in market conditions and the extent to which the Group may be able to translate such improvement into sustainable growth.

Macroeconomic and monetary environment

According to the National Bureau of Statistics of China, the PRC's gross domestic product ("**GDP**") increased by 4.7% year-on-year in the first half of 2026, while the year-on-year growth rate moderated from 5.0% in the first quarter to 4.3% in the second quarter. During the first half of 2026, the tertiary industry and financial intermediation grew by 5.2% and 6.7%, respectively, both exceeding the headline GDP growth rate, whereas the real estate industry contracted by 0.2%.[1] The comparatively stronger growth in services and financial intermediation is conducive to corporate financing, wealth allocation and institutional investment activities and, accordingly, provides a supportive demand backdrop for the Group's cross-border and capital-market services. Nevertheless, the moderation in economic growth during the second quarter of 2026 and the continuing weakness in the real estate sector indicate that the economic recovery remained uneven. Such conditions may constrain corporate risk appetite, collateral values and credit demand and increase the market and credit risks associated with the Group's capital-intensive activities. On balance, we consider that the PRC macroeconomic data provides support for the Group's Mainland-related business opportunities, although the potential benefits remain subject to the pace and breadth of the economic recovery.

[1] National Bureau of Statistics of China, "Preliminary Accounting Results of GDP for the Second Quarter and the First Half of 2026", 17 July 2026, https://www.stats.gov.cn/english/PressRelease/202607/t20260717_1964160.html.

In relation to Hong Kong, the Census and Statistics Department reported that real GDP increased by 4.3% year-on-year in the second quarter of 2026, following growth of 5.9% in the first quarter, while GDP decreased by 0.6% on a seasonally adjusted quarter-to-quarter basis. In real terms, private consumption expenditure, gross domestic fixed capital formation, exports of goods and exports of services increased by 2.8%, 4.4%, 28.9% and 3.4%, respectively, in the second quarter of 2026.[2] Of more direct relevance to the Group, the value added of the financing and insurance sector increased by 7.4% year-on-year in real terms during the same period, compared with overall GDP growth of 4.3%.[3] In our view, the outperformance of the financing and insurance sector is consistent with the recovery in trading and fundraising activity discussed in the sub-section headed "Latest Hong Kong capital market statistics" below and indicates that the improvement was not confined to individual capital-market indicators. However, the quarter-to-quarter contraction in GDP and moderation in year-on-year growth suggest that the underlying economic momentum softened during the second quarter of 2026. Accordingly, while the Hong Kong macroeconomic data are generally supportive of the Management's outlook, they do not provide a basis for assuming an uninterrupted or broad-based acceleration in the Group's earnings going forward.

The HKMA's September 2026 Half-Yearly Monetary and Financial Stability Report, which generally covered information up to the end of August 2026, characterised Hong Kong's economy as resilient, supported by strong trade activity, improved services exports and stable private consumption and investment. The report also noted that total deposits with authorised institutions increased by 5.8% from the end of 2025 and that the banking sector's classified loan ratio declined during the first half of 2026.[4] We consider that the growth in deposits provides a supportive liquidity backdrop for capital-market and wealth-management activities, while the decline in the classified loan ratio indicates that the banking sector's overall asset quality remained manageable. The HKMA nevertheless identified tighter global financial conditions, geopolitical tensions, tariff risks and uncertainty regarding the sustainability of the artificial-intelligence investment cycle as material external risks. These factors may affect market valuations, capital-raising activity, funding costs and counterparty credit quality. We have therefore taken into account both the supportive liquidity and financial-system indicators and the continuing external and interest-rate risks in assessing the sustainability of the potential benefits to the Group.

We have also considered US monetary policy and its transmission to Hong Kong under the Linked Exchange Rate System. On 16 September 2026, the Federal Open Market Committee raised the target range for the federal funds rate by 25 basis points to 3.75%-4.00%, noting that economic activity continued to expand at a solid pace while inflation remained elevated.[5] The Federal Reserve's September 2026 Summary of Economic Projections showed median projections for the federal funds rate of 4.1% at

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2 Census and Statistics Department, "Gross Domestic Product by Expenditure Component – Second Quarter 2026", 14 August 2026, https://www.censtatd.gov.hk/en/wbr.html?ecode=B10300012026QQ02.

3 Census and Statistics Department, "Gross Domestic Product by Economic Activity – Second Quarter 2026", 18 September 2026, https://www.censtatd.gov.hk/en/wbr.html?ecode=B10300042026QQ02.

4 Hong Kong Monetary Authority, "Half-Yearly Monetary and Financial Stability Report", September 2026, published 29 September 2026, https://www.hkma.gov.hk/media/eng/publication-and-research/bulletin/202609/E_Half-yearly_202609.pdf.

5 Board of Governors of the Federal Reserve System, "Federal Reserve issues FOMC statement", 16 September 2026, https://www.federalreserve.gov/newsevents/pressreleases/monetary20260916a.htm.

the end of both 2026 and 2027, compared with 3.8% and 3.6%, respectively, in its June 2026 projections.[6] The upward revisions indicate that US interest rates may remain higher for longer and that, depending on incoming inflation, employment and economic data, the possibility of a further rate increase remains. This is consistent with the HKMA's observation in October 2026 that persistent above-target inflation could leave room for further action by the Federal Reserve and that another rate increase may be required between the remainder of 2026 and the first half of 2027.[7] Following the September 2026 increase, the HKMA raised Hong Kong's Base Rate by 25 basis points to 4.25%.[8] The HKMA further noted that a wider Hong Kong dollar-US dollar interest-rate differential could encourage carry trades, exert easing pressure on the Hong Kong dollar and create uncertainty in Hong Kong interbank rates, while banks' deposit and lending rates would continue to depend on Hong Kong-dollar liquidity, funding demand and their respective funding-cost structures. For the Group, a higher-for-longer or further-rising interest-rate environment may increase the funding costs of margin financing, underwriting commitments and other balance-sheet-intensive activities, dampen leveraged investment demand, place pressure on asset valuations and transaction activity, and increase borrower and counterparty risks. Conversely, higher benchmark rates may support interest income or financing spreads where the Group is able to reprice its lending and financing exposures promptly while maintaining prudent liquidity and credit controls. Given the uncertainty as to the timing and extent of any further Federal Reserve action and the corresponding pass-through to Hong Kong interbank and customer rates, we would not assume that higher policy rates would result in a net earnings benefit to the Group.

Latest Hong Kong capital-market statistics

According to HKEX, for the first nine months of 2026, the average daily turnover of the Hong Kong securities market amounted to HK$272.9 billion, representing an increase of 6% over the corresponding period in 2025. During the same period, IPO funds raised amounted to HK$388.0 billion, representing a year-on-year increase of 106%; 118 companies were newly listed, representing a year-on-year increase of 71%; and total funds raised amounted to HK$724.0 billion, representing a year-on-year increase of 60%.[9] The substantially higher growth rates in IPO funds raised, the number of newly listed companies and total funds raised, as compared with securities-market turnover, indicate that the improvement was more pronounced in the primary market. We consider that the increases in both transaction numbers and funds raised provide evidence of improved execution conditions for issuers and a larger potential pool of sponsorship, underwriting, placing and advisory mandates for the Group's Corporate Finance business. The increase in securities-market turnover is also generally supportive of brokerage commission income, securities-financing demand and client activity under the Group's Wealth Management and Institutional Investor Services businesses.

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6 Board of Governors of the Federal Reserve System, "Summary of Economic Projections", 16 September 2026, https://www.federalreserve.gov/monetarypolicy/fomcprojtabl20260916.htm.

7 Hong Kong Monetary Authority, "Recent trend in the Hong Kong dollar", 6 October 2026, https://www.hkma.gov.hk/eng/news-and-media/insight/2026/10/20261006/.

8 Hong Kong Monetary Authority, "Adjustment of Base Rate", 17 September 2026, https://www.hkma.gov.hk/eng/news-and-media/press-releases/2026/09/20260917-3/.

9 Hong Kong Exchanges and Clearing Limited, "HKEX Monthly Market Highlights – September 2026", https://www.hkex.com.hk/Market-Data/Statistics/Consolidated-Reports/HKEX-Monthly-Market-Highlights?sc_lang=en.

The latest monthly statistics nevertheless indicate a moderation in secondary-market and cross-border trading activity following the comparatively strong levels recorded in the first half of 2026. Average daily securities-market turnover decreased from HK$253.4 billion in August 2026 to HK$201.9 billion in September 2026, representing a month-on-month decrease of 20.3%, while Southbound Stock Connect average daily turnover decreased from HK$107.3 billion to HK$84.4 billion, representing a month-on-month decrease of 21.3%.[10] Notwithstanding the monthly decrease, average daily securities-market turnover for the first nine months of 2026 remained 6% higher than that for the corresponding period in 2025. In our view, these statistics indicate that, although the overall level of trading activity improved on a year-on-year basis, secondary-market and cross-border trading volumes may fluctuate materially from month to month and the comparatively strong activity recorded in the first half of 2026 should not be assumed to continue at the same level without taking into account subsequent market development. Southbound Stock Connect turnover in September 2026 was equivalent to approximately 41.8% of the overall securities-market average daily turnover for that month. Although the abovementioned two market turnover figures capture different types of trading activities and should not be combined, the comparison provides a broad indication of the significance of Mainland investor participation in the Hong Kong securities market. Continued Mainland participation may support trading volumes, securities-financing demand and demand for products providing access to the Hong Kong and Mainland markets. Any benefit to the Group will, however, depend on its ability to attract and retain clients, maintain competitive pricing and product capability, and manage the related credit, liquidity and market risks.

Translation of the market recovery to the Group's principal business segments

Wealth management: The Management expects the Group's wealth management related businesses to benefit from improved secondary market turnover, continued Stock Connect participation and broader client demand for investment products. In our view, higher equity market turnover is generally positive for brokerage commission income, client acquisition and margin financing demand, while a broader range of listed products and exchange-traded products may support client activity and product penetration. This is consistent with the Group's latest published financial performance, under which brokerage commission income increased during FY2025 and 1H2026.

Nevertheless, we note that the Wealth Management business is inherently cyclical, as its revenue is closely correlated with securities trading activity and investor sentiment. According to market data published by HKEX, average daily turnover on the Main Board decreased from HK$166.7 billion in 2021 to HK$124.9 billion in 2022, representing a decrease of approximately 25.1% and further to HK$105.0 billion in 2023, representing a decrease of 15.9% before rebounding to HK$249.8 billion in 2025 and to HK$283.0 billion in 1H2026. The Group's commission income from securities brokerage broadly followed the same trend, decreasing from HK$806.0 million in FY2021 to HK$481.3 million in FY2022 and HK$436.8 million in FY2023, before recovering to HK$801.4 million in FY2025 and HK$496.8 million in 1H2026. In our view, the historical correlation between market turnover and the Group's securities brokerage commission income indicates that the recent revenue growth of the segment was supported, at least in part, by favourable market conditions and should not, without evidence of sustained market activity, be assumed to continue at the same growth rate going forward.

[10] Hong Kong Exchanges and Clearing Limited, "HKEX Monthly Market Highlights – September 2026", https://www.hkex.com.hk/Market-Data/Statistics/Consolidated-Reports/HKEX-Monthly-Market-Highlights?sc_lang=en.

We also note that the performance of the Wealth Management business is sensitive to movements in interest rates and investor demand for structured products. The impact of an interest-rate change is two-sided and depends principally on the relative effect on the yields earned from bank deposits and margin financing, the Group's funding costs and clients' demand for leveraged investment. The Group's 1H2026 results indicate that changes in interest yields may have an effect on the relevant income streams, as the Group's interest income under the Wealth Management business decreased slightly from HK$569.1 million in 1H2025 to HK$554.4 million. A decline in HIBOR or other relevant benchmark rates may reduce the yield earned on cash deposits and margin balances. Conversely, an elevated interest-rate environment, including the increase in the HKMA Base Rate to 4.25% in September 2026, may raise clients' borrowing cost, weaken retail investor risk appetite and reduce demand for leveraged equity financing trading and margin financing facilities. Accordingly, the net effect of an interest-rate change on the Wealth Management business will depend on whether any increase or decrease in interest income and financing spreads is sufficient to offset the corresponding effect on client borrowing demand, trading activity and funding costs. Taking the above into account, we consider that any benefit arising from the higher market turnover may be partly offset by lower interest yields, reduced financing demand, increased credit losses or weaker demand for structured products, depending on the prevailing market and interest-rate environment.

We further note that the Hong Kong securities brokerage market remains highly competitive, with traditional brokerage firms, bank-affiliated platforms and online or fintech-enabled brokers competing on commission rates, financing costs, execution capability and client incentives. Such competition has continued to exert downward pressure on brokerage commission rates and may limit the extent to which an increase in securities-market turnover translates into a corresponding improvement in revenue and operating margins. Accordingly, although stronger secondary market activity and continued Stock Connect participation may support the transaction volume and client activity of the Group's Wealth Management business, the resulting earnings benefit will depend on, among other factors, the Group's ability to maintain its market share, pricing and cost efficiency. On this basis, we do not consider the improvement in market activity provide assurance of a proportionate or sustained increase in the earnings of the Wealth Management business.

Institutional Investor Services and Investment Management: The Management expects the Group's institutional investor services and investment management business to benefit from policy initiatives promoting Hong Kong as an offshore Renminbi, fixed-income and risk management centre, including Southbound Bond Connect, Stock Connect, Bond Connect and Cross-boundary Wealth Management Connect.[11] These initiatives may support client demand for structured products, derivatives, fixed-income products and cross-border investment solutions.

[11] See: (i) HKMA, 'New Measures to Support the Development of Hong Kong's Fixed Income and Currency Market and Offshore RMB Business', released on 7 July 2026, https://www.hkma.gov.hk/eng/news-and-media/press-releases/2026/07/20260707-3/; and (ii) HKMA, 'Cross-boundary Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area', last updated on 11 December 2025, https://www.hkma.gov.hk/eng/key-functions/international-financial-centre/wealth-management-connect/.

Nevertheless, we note that the Institutional Investor Services and Investment Management business are balance-sheet and capital intensive and required continued access to wholesale funding. As disclosed in the Group's interim results for 1H2026, the expansion of client-driven financial products contributed to an increase in the Group's total assets to HK$217.0 billion, while financial liabilities under repurchase agreements and debt securities in issue amounted to HK$65.38 billion and HK$66.26 billion respectively. Accordingly, the extent to which the Group can expand these businesses, and the profitability of such expansion, will depend in part on the availability and cost of wholesale funding, repo financing spreads, access to the debt capital markets and the Group's ability to deploy capital within applicable regulatory requirements.

These businesses are also exposed to market-price and valuation fluctuations. In this regard, the Investment Management segment recorded an operating loss before tax of HK$244.2 million in 1H 2026, as compared with an operating profit before tax of HK$265.9 million in 1H 2025, amid fluctuations in equity and debt prices. This year-on-year movement illustrates that earnings from investment and client-driven activities may vary materially notwithstanding the potential support provided by policy initiatives and the continued development of cross-border investment channels.

Corporate Finance: The Management expects the Group's corporate finance business to be supported by the recovery in Hong Kong's primary market and the return of fundraising activity. As noted in the sub-section headed "Latest Hong Kong capital market statistics" above, HKEX reported a substantial year-on-year increase in IPO funds raised in the first half of 2026, indicating a more constructive backdrop for sponsorship, underwriting, placing and advisory mandates. However, corporate finance revenue remains transaction-driven and may fluctuate materially depending on the pace of new listings, market valuation levels, investor demand, interest rate expectations and geopolitical developments. As discussed under the section headed "Macroeconomic and monetary environment" above, the interest-rate outlook remains uncertain, while tighter global financial conditions, geopolitical tensions and tariff risks may adversely affect market valuations, investor risk appetite and capital-raising activity. These factors may affect the timing and completion of transactions and, therefore, the extent to which an enlarged potential mandate pool translates into realised fee income. Accordingly, while the Group may benefit from improved primary market activity, we do not consider such improvement to provide assurance of stable or recurring earnings growth.

Our assessment of the Group's outlook

Having considered the above, we are of the view that the prevailing operating environment is generally more favourable to the Group than that during the corresponding period in 2025. In particular, the growth of the PRC's services and financial-intermediation sectors, the continued expansion of Hong Kong economy, the relative outperformance of Hong Kong's financing and insurance sector and the liquidity and asset-quality indicators of the Hong Kong banking system provide a generally supportive macroeconomic and financial backdrop. The increases in IPO activity, funds raised and securities-market turnover, together with the continued significance of Southbound participation, also indicate that the improvement in Hong Kong's capital markets was reflected across a number of market indicators. In our view, these developments may broaden the Group's business opportunities available to the Group, particularly in Corporate Finance and cross-border financial services businesses.

Nevertheless, the recovery remained uneven and subject to uncertainties. The improvement in FY2025 and 1H2026 followed the multi-year downturn in Hong Kong capital-market activity during 2022 and 2023, when the Hang Seng Index traded at multi-year lows of approximately 14,800 to 17,000 points, annual cash-market average daily turnover decreased to HK$105.0 billion and annual IPO funds raised decreased to HK$46.3 billion in 2023, representing a decrease of 85% as compared with 2021. While the subsequent recovery represents a market improvement from those depressed levels, the latest macroeconomic and market data indicate some moderation in momentum. In particular, the PRC economic growth moderated during the second quarter of 2026, Hong Kong's GDP decreased by 0.6% on a seasonally adjusted quarter-to-quarter basis, secondary-market and Southbound trading activity each declined by more than 20% month-on-month in September 2026, and the global interest-rate outlook remained uncertain following the increase in the Fed Rate in September 2026. Accordingly, we consider that the recent improvement should be assessed in the context of both the low comparative base and the continuing volatility in economic and market conditions, and should not be assumed to represent a sustained structural expansion.

We further note that the market and banking-system statistics referred to above describe the external operating environment and do not directly measure the Group's market share, project pipeline, pricing, funding mix or asset quality. Although the Management was able to capitalise on the improvement in market conditions and the Group recorded year-on-year profit growth of 287% in FY2025, the continuation of such growth is subject to a number of Group specific constraints as described in the sub-section headed "Group specific constraints: competitive dynamics, execution risks and earnings cyclicality" below. The timing and completion of corporate finance transactions are also inherently transactional and dependent on prevailing market windows. Any incremental revenue may also be partly offset by fee compression, higher funding and operating costs, additional capital usage or credit losses. On balance, while we consider that the Group's business opportunities have improved, the available market data do not provide assurance that the recent rate of earnings growth will continue on an uninterrupted, proportionate or recurring basis.

Group specific constraints: competitive dynamics, execution risks and earnings cyclicality

We also note that the Hong Kong brokerage and financial services is highly competitive. According to statistics published by the SFC, as at mid-2026, there were 3,517 licensed corporations in Hong Kong, of which 1,507 were licensed to conduct Type 1 (dealing in securities) regulated activity and 282 were licensed to conduct Type 6 (advising on corporate finance) regulated activity. In addition, statistics from HKEX cash market transaction surveys indicate that securities-market turnover was concentrated among a relatively small number of exchange participants, with Category A participants, comprising the 14 participants with the highest market shares, accounting for approximately 72% of total market turnover and Category B participants, comprising those ranked 15th to 65th, accounting for approximately 25%. The remaining turnover was shared among Category C participants. In our view, these statistics indicate that the Group operates in a market with a large number of licensed competitors and a comparatively high concentration of securities-market among leading participants.

Against this backdrop, market participants compete on, among other matters, commission rates, financing costs, execution capability, client coverage, product access, margin financing terms, digital service channels and advisory capabilities. The availability of low-commission and flat-fee trading services offered by digital and fintech-enabled platforms may further exert downward pressure on brokerage commission rates. At the same time, compliance, cybersecurity and technology requirements may result in continuing operating expenditure. Accordingly, an increase in market turnover may not translate into a proportionate improvement in the revenue or operating margins of individual intermediaries, and the resulting benefit to the Group will depend on its ability to maintain its market share, pricing, service capability and cost efficiency.

The Group's financial performance is also subject to execution and financial risks that differs across its principal business segments. Wealth management revenue may fluctuate with securities market turnover and investor sentiment, financing demand and pricing pressure. Corporate Finance revenue is transaction-driven and depends on the availability of suitable mandates, prevailing market windows and the successful completion of transactions. Institutional Investor Services and Investment Management earnings may be affected by market and valuation movements, funding costs, product demand, counterparty exposures and changes in regulatory requirements. These factors may affect both the timing and extent to which an improvement in the external operating environment is reflected in the Group's earnings. The Group's operations are capital intensive principally because its margin financing, client-driven financial products and other balance-sheet activities involve the deployment of substantial capital and funding in the ordinary course of business, together with the maintenance of liquidity and regulatory capital. On balance, we consider that the recent improvement in the Group's revenue and profitability should be assessed in the context of the competitive, execution dependent, cyclical and capital-intensive nature of its businesses and should not, without evidence of sustained market activity and successful execution, be assumed to continue at the same rate.

Implications for our analysis and recommendation

Having considered the Management's view on the outlook, the market indicators and the factors described above, we have taken into account the outlook of the Group in our analysis and recommendation in the following manner. First, we have considered the Group's improved financial performance and the recovery in market activity when assessing the trading performance of the Shares, including whether the market price of the Shares before the Joint Announcement had already reflected investors' expectations regarding the Group's earnings recovery and business prospects. Secondly, in our comparable company analysis, we have selected comparable companies with businesses exposed to similar brokerage, fee and commission income, interest income and Hong Kong financial market activities, so that their trading multiples would also reflect prevailing market expectations for companies operating in a similar market environment. Thirdly, we have also taken into account the competitive and cyclical nature of the Group's principal businesses when assessing whether Scheme Shareholders should accept a fixed cash exit at the Cancellation Price rather than continue to remain exposed to market and execution risks. On this basis, we consider that the Proposal provides the Takeovers Code Disinterested Shareholders with an opportunity to realise their investment at a valuation which reflects the benefits of the recent market recovery and the Group's improved financial performance, compensating for potential loss of dividend while providing an avenue to reduce their exposure to uncertainties associated with the Group's business outlook where, for example, profit growth rate had moderated as observed in 1H2026.

3. RATIONALE OF THE PROPOSAL

We have considered the rationale of the Proposal mainly from the perspectives of Takeovers Code Disinterested Shareholders and our analysis is as follows.

3.1 From the perspective of Takeovers Code Disinterested Shareholders

Opportunity to sell Shares at premium over prevailing market prices

The Cancellation Price represents a substantial premium over the historical market trading price of Shares as analysed in the section headed "4.1 Historical price performance of the Shares" below. Such market prices represented the prevailing market valuation of the Shares at the relevant times, having regard to the publicly available information relating to the Group and the then prevailing market conditions. We note that notwithstanding the notable improvement in the Group's financial performance in FY2025, including the increase in consolidated profit attributable to shareholders of the Company rebounded to HK$1,345.4 million as announced in March 2026, the secondary market valuation of the Shares appeared constrained where from the beginning of 2026 to the Last Trading Day, the market price of Shares had declined by 21.2% from HK$2.640 as at January 2, 2026 to HK$2.080 as of the Last Trading Day. In November 2025, the Bond Issuer issued the Exchangeable Bonds and the Offeror entered into the Stock Lending Agreements, which appeared to have created short-selling pressure in the Shares during that period. We are not able to ascertain the extent of the short-selling effects on the price of Shares over time and quantitatively as we have no information as to how the 800,000,000 Shares under the Stock Lending Agreements were traded over the period, viz-a-viz market expectations on the Group's profitability and outlook as further explained in the section headed "4.1 Historical price performance of the Shares" below.

In this regard, the Proposal, which the Offeror had been contemplating since July 2026 and had put it forward to the Board on July 22, 2026, addresses the market valuation disconnect by enabling Takeovers Code Disinterested Shareholders to monetise their holdings at attractive implied multiples, being PB Ratio (as defined below) of approximately 1.76 times and 1.80 times (based on the unaudited and audited consolidated net asset value per Share of HK$1.70 and HK$1.66 as at June 30, 2026 and December 31, 2025 respectively) and an implied PE Ratio (as defined below) of approximately 21.3 times (based on the FY2025 earnings). As further detailed in the paragraph headed "4.3 Comparable Analysis," these implied multiples are higher than those of the Comparables (as defined below), which have a median PB Ratio of 0.48 times and a PE Ratio of 10.3 times.

In assessing the fairness of the Proposal, we have taken into account the Group's improved financial performance and its potential growth as detailed under the paragraph headed "1.2 Historical financial performance of the Group". We are of the view that, as market prices reflect public financial results alongside investors' expectations and market sentiment of the Company, the trading price of the Shares leading up to the Joint Announcement has already digested the Group's recent financial recovery and perceived growth. As such, our comparison of the Cancellation Price against the prevailing and historical market prices measures the value offered against priced-in growth expectations as well as financial fundamentals.

We are of the view that the valuation accorded by the Cancellation Price represents a favorable opportunity for Takeovers Code Disinterested Shareholders to capture potential value that the secondary public market has not reflected. Shareholders should therefore consider the premium offered under the Proposal together with our detailed share price analysis in the section headed "4.1 Historical price performance of the Shares" below. In addition, the Scheme provides Takeovers Code Disinterested Shareholders with the certainty to fully realise their entire investment in cash at a fixed price.

3.2 For the Offeror and the Company

As disclosed under the section headed "7. Reasons for and benefits of the Proposal" of the Scheme Document, through the Proposal, Guotai Haitong aims to streamline its Hong Kong operations, accelerate international expansion, and strengthen cross-market synergies without the pressure of short-term market fluctuations. This can simplify decision-making and align offshore incentives, allowing the Offeror to enhance risk management, optimise capital deployment. The Management is of the view that the Proposal gives the Group the flexibility to focus on long-term Hong Kong and global expansion, free from short-term market pressures.

Our observations

In assessing the Proposal, we recognise the commercial benefits of strategic realignment, organisational simplification, and operating synergies from the point of view of the Offeror and the Company. Such group-level initiatives however may not directly align with the immediate concerns of the Takeovers Code Disinterested Shareholders, and we believe the fundamental consideration for the Takeovers Code Disinterested Shareholders shall rest on the financial merits (such as fairness and reasonableness of the Cancellation Price) and certainty of the exit opportunity presented to them.

In this context, the Cancellation Price delivers an immediate realisation of value at pricing levels and valuation multiples that are more attractive than those of the secondary market, while comparing favorably against the prevailing market comparables valuation environment.

By means of the Proposal, Takeovers Code Disinterested Shareholders can secure complete cash realisation, whilst transferring future integration, governance, and market risks entirely to the Offeror. Accordingly, we consider the terms of the Proposal and the Scheme to be fair and reasonable so far as the Takeovers Code Disinterested Shareholders are concerned.

Takeovers Code Disinterested Shareholders should note that the proposed privatisation is conducted by way of a Scheme. Once all Conditions are fulfilled or waived (as applicable), the Scheme will become effective and binding on all Shareholders, resulting in the cancellation of all Scheme Shares. If the Scheme is not approved or the Proposal lapses, the Offeror will be subject to the standard 12-month restriction under the Takeovers Code before any new offer can be made, except with the consent of the Executive.

4. THE CANCELLATION PRICE

The Cancellation Price of HK$3.00 in cash for every Scheme Share represents:

(i) a premium of approximately 44.2% over the closing price of HK$2.08 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 44.1% over the average closing price of approximately HK$2.08 per Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 5 trading days up to and including the Last Trading Day;

(iii) a premium of approximately 46.5% over the average closing price of approximately HK$2.05 per Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Day;

(iv) a premium of approximately 37.7% over the average closing price of approximately HK$2.18 per Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Day;

(v) a premium of approximately 1.4% over the closing price of approximately HK$2.96 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;

(vi) a premium of approximately 80.3% over the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK$1.66 as at December 31, 2025; and

(vii) a premium of approximately 76.5% over the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK$1.70 as at June 30, 2026.

As disclosed in the Joint Announcement, the Cancellation Price has been determined by the Offeror after taking into account, among other things, the recent and historical trading prices and trading volume of the Shares, the publicly available financial information of the Company, and other privatisation transactions relating to companies listed on the Hong Kong Stock Exchange in recent years.

Shareholders should note that the Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders, Share Option Holders, and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed under the Takeovers Code to increase the Cancellation Price.

4.1 Historical price performance of the Shares

Set out below is a chart illustrating the historical closing prices of the Shares as quoted on the Hong Kong Stock Exchange during the period commencing from July 23, 2024, being two-year prior to the Last Trading Day ("**Pre-Announcement Period**"), and subsequently up to and including the Latest Practicable Date ("**Post-Announcement Period**") (collectively, the "**Review Period**").

For this analysis, in addition to the typical 12-month period before the Last Trading Day, we have extended the analysis to a period of approximately two years to illustrate the price movements of the Shares for comprehensiveness. We recognise that the initial period from mid-2024 to mid-2025 was more outdated and is for the purpose of a clearer picture as explained below, and we have placed more emphasis on the latter period from mid-2025 to the Latest Practicable Date. A longer period is illustrated considering:

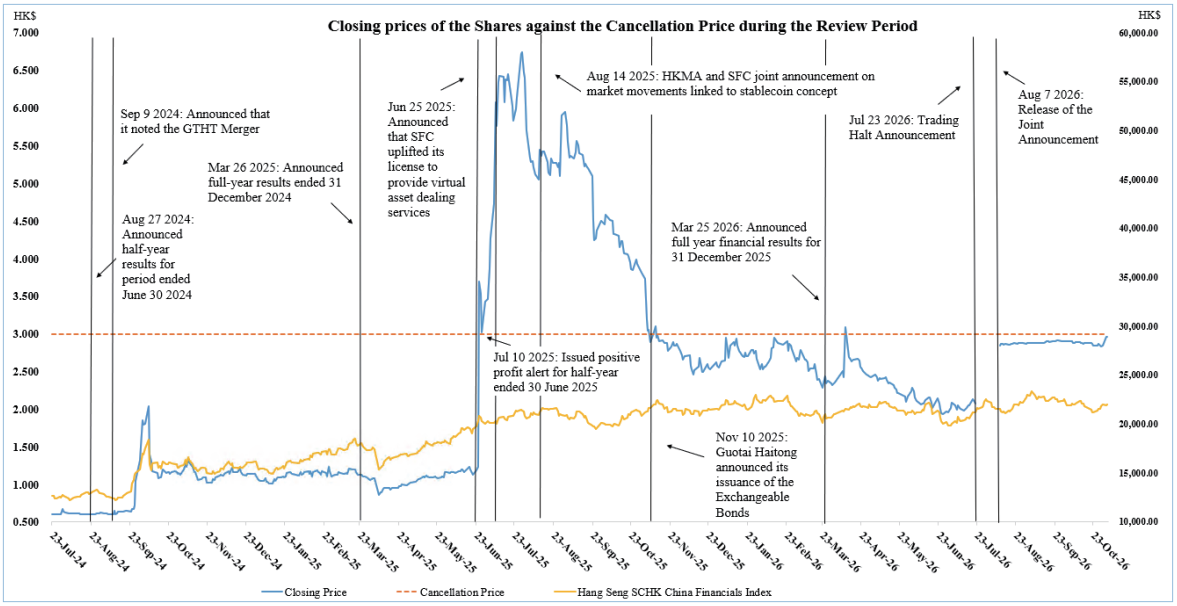
(i) those significant events such as recent marked improvements in financial performance and changing market outlook and prospects that may have affected Share price trend and liquidity analysis;

(ii) market and investors' reaction towards the recent developments of the Group, including the merger by way of absorption and share exchange between Guotai Junan Securities Co., Ltd, its then majority Shareholder and Haitong Securities Co., Ltd. ("**GTHT Merger**") and the Group obtaining the licence for virtual asset dealing services;

(iii) changing market outlook and prospects as well as prevailing stock market sentiments; and

(iv) the extreme price volatility observed where prices of Shares increased more than ten-fold during a period and subsequently decreased by more than 70%, likely resulted in a temporary distortion of the trading price of the Shares.

We are of the view that this allows us to conduct a meaningful comparison between the closing prices of the Shares and the Cancellation Price where an extended Review Period enabled us to illustrate the general financial market trends and the full picture of the volatility and possible triggering events. For comparison as further elaborated below, we have included the Hang Seng SCHK China Financials Index ("**H-FIN Index**") in the chart.



Source: The Stock Exchange website (www.hkex.com.hk) and Bloomberg

During the Review Period, the lowest and highest closing prices of the Shares were HK$0.60 per Share recorded on several trading days in July and August 2024 and HK$6.74 per Share recorded on July 29, 2025, respectively.

As illustrated in the graph above, the Cancellation Price is above the closing prices of the Shares for a substantial part of the Review Period of 550 total trading days, except for 96 trading days during the period of June 25, 2025 to mid-November 2025, and briefly on April 10, 2026. Given volatility of Share price during the Review Period, the Cancellation Price represented a premium of approximately 400.0% (to the lowest closing price of HK$0.60 per Share) and a discount of approximately 55.5% (to the highest closing price of HK$6.74 per Share).

Pre-Announcement Period

At the beginning of the Review Period (i.e. July 23, 2024), the closing price of the Share was HK$0.60 per Share. From this date to September 26, 2024, closing price of Shares traded within a stable range of HK$0.60 and HK$0.72. During this period, on August 27, 2024 the Company had announced its interim results for half-year ended June 30, 2024 which had shown that the Group recorded 41% increase in revenue and 63% increase in profit attributable to ordinary equity holders compared to the previous period. On September 9, 2024 it announced that it noted the GTHT Merger, but stated there was no inside information relevant to the Company that needed to be announced.

Shortly after that from September 27, 2024, closing price of Shares increased abruptly reaching a high of HK$2.04 on October 7, 2024, before abruptly decreasing and stabilised at the range of HK$0.90 and HK$1.30 for close to nine months up until June 24, 2025. During this period, the Company had announced its full-year results ended December 31, 2024 which had shown that the Group recorded 37% increase in revenue and 73% increase in profit attributable to ordinary equity holders.

Closing price of Shares surged from HK$1.24 to HK$3.70 on June 25, 2025 apparently related to its announcement at noon of June 25, 2025 that its subsidiary has received official approval from the SFC for it to provide virtual asset dealing services under an omnibus account arrangement with SFC-licensed platforms. In this respect, the Group has established a platform for the trading of virtual assets and income from this business has been insignificant (i.e. less than 0.02% of the total revenue for each of FY2025 and 1H2026). Closing price of Shares recorded further significant increases in the month of July 2025 to above HK$6 level reaching HK$6.74 on July 29, 2025. This appeared to be augmented by the release of a positive profit alert announcement on July 10, 2025. Such price level did not sustain long as closing price of Shares dropped below HK$6 level by the time it announced its interim results for the six months ended June 30, 2025 which showed the Group recorded 30% revenue increase and 182% increase in profit attributable to ordinary equity holders compared to the six months ended June 30, 2024.

Closing price of the Shares continued a downward trend from then onwards, trading below the Cancellation Price of HK$3.00 by mid-November 2025. The closing price of Shares did not rise above HK$3.00 thereafter save for closing at HK$3.09 on one trading day on April 10, 2026.

During this period, between November 4, 2025 and November 10, 2025, when the Shares decreased abruptly from HK$3.70 level to closed at HK$3.02, the Bond Issuer issued the Exchangeable Bonds (with initial exchange price of HK$4.24 per Share) and the Offeror entered into certain stock lending arrangements in connection with the Exchangeable Bonds. We noted that this Exchangeable Bond issuance may entail the Offeror's shareholding in the Company potentially reducing by 9.6% of the then issued share capital of the Company and the stock lending arrangements appeared to have created short-selling pressure in the Shares during the above short period. Also, on March 25, 2026, the Group had announced its full-year results for the year ended December 31, 2025 where the Group recorded 41% increase in revenue and 287% increase in profit attributable to ordinary equity holders compared to the previous year. Notwithstanding the substantial profitability improvement as a continuation from the increased profit recorded during 1H2025, we observed that this announcement had limited impact on the price of Shares. The closing prices of Shares during this period were relatively less volatile with moderate downward trend, which could be due to broader market slowdown, news of positive financial performance having been digested, investors revising down their expectation on Company's prospects after recent significant profit growth, coupled with uncertainties related to the Exchangeable Bond issuance. The Joint Announcement was then made on August 7, 2026.

We have analysed the periods where large swings of closing prices of Shares were observed. Shortly after the announcement regarding the Group's virtual asset dealing licence which may have prompted the dramatic price surge, the SFC and HKMA jointly published a statement on August 14, 2025 regarding stablecoin-related market movement where SFC and HKMA "*noted recent* ***abrupt market movements linked to stablecoin concept***". They further stated that "*Given the significant uncertainties surrounding the outcomes of these preliminary plans or applications, the abrupt market movements noted, often* ***driven by excitement or speculation****, highlight the need to stay vigilant in these frenetic situations. This heightened volatility in share prices can lead to* ***irrational decisions, thereby exposing investors to undue risks***". We believe the above joint statement validated our observation that the drastic increase and subsequent drastic decrease in closing price of Shares were caused by irrational exuberance which resulted in price of Shares substantially deviating from its underlying value.

In respect of the Exchangeable Bond issuance and related stock lending arrangements; we note that on one hand, the impression that the Offeror's shareholding in the Company would reduce may have created negative sentiments, while short-selling hedging trades may have created downward pressure which suppressed the Share price during the initial and certain other periods. On the other hand, subscriptions by certain investors of the Exchangeable Bonds at an exchange price of HK$4.24 above the then closing Share price may indicate their confidence in the potential upside of the Shares. The 800,000,000 Shares under the Stock Lending Arrangements represented less than 5% of the total Shares traded since the arrangements were put in place up to the Latest Practicable Date. We believe Share price movements would still fundamentally be dependent on the Group's financial performance and prospects, and we are not able to ascertain the extent of the short-selling effects on the price of Shares over time and quantitatively viz-a-viz market expectations on the Group's profitability and outlook.

Post-Announcement Period

Following the publication of the Joint Announcement and resumption of trading at 9:00 a.m. on August 10, 2026, the price of Shares substantially increased and closed HK$2.845 per Share, reacting to the Proposal. Since then, the closing price of Shares had been relatively stable during the Post-Announcement Period with highest and lowest closing prices of HK$2.960 per Share recorded on November 2 and 3, 2026 and HK$2.830 per Share on October 29, 2026, and HK$2.960 per Share at Latest Practicable Date. We are of the view that the closing price of the Shares being at levels close to the Cancellation Price during the Post-Announcement Period is underpinned by the presence and expectations of the Proposal.

Continuous buyback of Shares by the Company during the Review Period

We observed that the Company had continuously conducted buyback of Shares in the market during the Review Period. For example, from the start of the Review Period on July 23, 2024 up to June 24, 2025 before the spike in price of Shares described above, the Company had conducted buyback of Shares from the market on over 60 trading days for over 34 million Shares at prices between HK$0.6047 and HK$1.2061, signalling to the market the Board's view that the Shares appeared underpriced and such buyback may have provided some support to price of Shares during those periods. Based on public information, the Company has not conducted any buyback of Shares after June 2025 up to the Latest Practicable Date.

Our observations

Overall, we analysed the historical closing price of Shares in several phases and stronger emphasis is placed on Phase 3 when prices of Shares were more stabilised. The first phase ("**Phase 1**") from the beginning of Review Period to June 25, 2025 appeared to reflect a stabilisation and gradual improvement in financial performance and market outlook as Shares gradually traded up from HK$0.60 level to HK$1.30 level, save for a short-lived uptick when the GTHT Merger was announced. The second phase ("**Phase 2**") started on June 25, 2025 where closing price of Shares dramatically surged by over 5 times to above HK$6 level within one to two months, exacerbated by speculative hype surrounding stablecoin and FinTech developments, and augmented by signs of significant improvements in the Group's financial performance and outlook. As the irrational sentiments subsequently subsided and after issuance of the Exchangeable Bonds with certain stock lending arrangements, closing prices of Share entered the third phase ("**Phase 3**") from November 12, 2025 onwards as they retraced and trended downwards below the Cancellation Price, settling around the HK$2 level as at the Last Trading Day before the Joint Announcement. This price level in Phase 3 was higher than during Phase 1, likely reflecting the fundamental improvements in the Group's profitability and prospects over time.

To analyse the possible effects of the Group's improving financial performance and the extent of irrational exuberance of the price of Shares relative to the general market during the Review Period, we have benchmarked the Share prices against the H-FIN Index, which is an index that capture performance of PRC financial stocks listed in Hong Kong. As observed in the chart, H-FIN Index was on a general uptrend during the Review Period increasing from 12,500 level in at the start of Review period in July 2024, increasing over 80% to reach high levels of about 23,000 in February 2026 and September 2026, and currently hovered at 22,000 level as at the Latest Practicable Date. We believe this trend exemplified investors' expectations on the general improvements in profitability and prospects of the financial industry (including the Group) during the Review Period. The extent of increase of price of Shares from HK$1 level in early part of Review Period in September 2024 to HK$2 level on the Last Trading Day is generally consistent with the H-FIN Index. Meanwhile, comparing with H-FIN Index shows that the drastic movements of price of Shares during Phase 2 was indeed anomalous.

In respect of the effects of the Group's improved financial performance on the price of Shares during the Review Period, we note that the profits attributable to owners of the Company had first recorded improvements of about 73% from FY2023 to FY2024, consistent with the increase in Share price from HK$0.60 level in August/September 2024 (being the period when the Company first announced its 1H2024 results providing an inkling of financial performance improvements in FY2024) to the HK$1.00 to HK$1.30 range which Share price hovered for the bulk of first half of 2025. By the time the Company announced its 1H2025 results in August/September 2025 where profits attributable to owners of the Company recorded more than 180% indicating possible significant improvement in financial performance for FY2025, Share price had spiked more than 400% to above HK$5 level. The percentage increase in Share price substantially overshadowed the improvement rate of financial performance where profits attributable to owners of the Company increased more than 280% in FY2025 compared with FY2024, supporting our view that there existed irrational exuberance beyond expectation of improved profitability and prospects. We observed that as the explosive growth of financial market and profitability of market players moderated, as evidenced by the subsequent lower rate of about 23% increase in profits attributable to owners of the Company during 1H2026 compared with 1H2025, Share price also moderated. From the above observations, if the short period of anomalous volatility is disregarded, market trading price of Shares had generally reflected the fundamental improvements in the Group's profitability and prospects during the Review Period.

If we disregard the more outdated Phase 1 and anomalous prices of Shares during Phase 2, the average closing price per Share over Phase 3 (being from November 12, 2025 to the Last Trading Day) would be approximately HK$2.50 per Share and the Cancellation Price of HK$3.00 per Share would represent a premium of 20.0% over such average of closing price during Phase 3.

Considering that (i) the Cancellation Price is higher than the price of Shares since mid-November 2025 after normalisation from extreme price volatility; (ii) the Cancellation Price is at a premium of 20.0% over the average closing price during Phase 3; and (iii) the Group's operational and financial performance improvements since mid-2024 may have been fairly digested and reflected in market prices, we are of the view that the Cancellation Price is fair and reasonable from perspective of the historical market trading price performance of the Shares.

4.2 Trading liquidity of the Shares

The table below sets out the average daily trading volume of the Shares in each month during the Review Period and the respective percentage of the average daily trading volume of the Shares, calculated on a trading-day-weighted basis, as compared to the total number of issued Shares and Shares held by the Shareholders other than the Offeror ("**Public Shareholders**").

Month	Number of trading days	Average daily trading volume of the Shares per trading day during the month	Average daily volume as a percentage of the total issued Shares as at the relevant month end *(Note 1)*	Average daily volume as a percentage of the total number of Shares held by the Public Shareholders as at the relevant month end
Pre-Announcement				
2024				
July 2024 (from July 23, 2024)	7	15,828,500	0.17%	0.63%
August 2024	22	11,280,416	0.12%	0.45%
September 2024	19	110,197,775	1.15%	4.42%
October 2024	21	214,943,763	2.25%	8.61%
November 2024	21	59,542,538	0.62%	2.39%
December 2024	20	34,936,206	0.37%	1.40%
2025				
January 2025	19	20,060,075	0.21%	0.81%
February 2025	20	45,804,753	0.48%	1.84%
March 2025	21	32,495,873	0.34%	1.31%
April 2025	19	24,474,252	0.26%	0.98%
May 2025	20	20,330,509	0.21%	0.82%
June 2025	21	852,993,317	8.96%	34.60%
July 2025	22	1,010,625,074	10.61%	40.86%
August 2025	21	279,426,295	2.93%	11.28%
September 2025	22	148,010,992	1.55%	5.97%
October 2025	20	53,955,742	0.57%	2.17%
November 2025	20	91,273,686	0.96%	3.67%
December 2025	21	68,268,012	0.72%	2.75%
2026				
January 2026	21	122,445,364	1.28%	4.93%
February 2026	17	82,077,052	0.86%	3.30%
March 2026	22	91,654,618	0.96%	3.69%
April 2026	19	184,367,352	1.93%	7.42%
May 2026	19	54,938,747	0.58%	2.21%
June 2026	21	55,401,140	0.58%	2.23%
July 2026 (up to and including July 22, 2026)	15	50,246,444	0.53%	2.02%

Month	Number of trading days	Average daily trading volume of the Shares per trading day during the month	Average daily volume as a percentage of the total issued Shares as at the relevant month end *(Note 1)*	Average daily volume as a percentage of the total number of Shares held by the Public Shareholders as at the relevant month end
Post-Announcement				
2026				
Remaining of July	7	Trading halt	N/A	N/A
August 2026 (from August 10, 2026)	16	89,736,096	0.94%	3.61%
September 2026	22	14,628,621	0.15%	0.59%
October 2026	20	20,390,017	0.21%	0.82%
November (up to and including the Latest Practicable Date)	2	86,172,500	0.90 %	3.47%
Review Period				
Mean		145,746,737	1.53%	5.88%
Max		1,010,625,074	10.61%	40.86%
Min		11,280,416	0.12%	0.45%

Source: The website of the Stock Exchange (www.hkex.com.hk) and Bloomberg

Note:

1. Based on the total number of issued Shares at the respective month-end as disclosed on the Stock Exchange.

As illustrated in the above table, the percentage of average daily trading volume to (i) the total number of issued Shares; and (ii) the total number of issued Shares held by the Public Shareholders, ranged from 0.12% to 10.61% and 0.45% to 40.86%. The average daily trading volume of the Shares during the Pre-Announcement Period was approximately 158,822,353 Shares, representing 1.67% of total number of issued Shares and approximately 6.41% of the total number of issued Shares held by the Public Shareholders as at the Last Trading Day.

Trading liquidity of Shares during Phase 1 was generally stable and lower than Phase 2, save for during a period of few weeks surrounding the news of GTHT Merger where for example, daily trading volume on 30 September 2024 reached 1.48 billion Shares and was above 200 million Shares on 10 trading days. During Phase 1, average daily trading volume in each month was generally below 1% of the total number of issued Shares save for being 1.15% in September 2024 and 2.25% in October 2024. In terms of total number of issued Shares held by the Public Shareholders, the average daily trading volume during these two months reached 4.42% and 8.61%.

During Phase 2, the price upsurge on 25 June 2025 was accompanied by extreme increase in trading activities where 6.48 billion Shares (which was about two times the number of Shares held by Public Shareholders) were traded on that day. Active trading of the Shares continued in the month of July 2025 where the average daily trading volume in the month of July 2025 was 10.61% of the total number of issued Shares and 40.86% of the total number of issued Shares held by Public Shareholders, reflecting market turnover driven by virtual asset and FinTech-related speculation.

The relatively higher trading volume in Phase 2 normalised by end October 2025 and closing price of Shares retraced along with such normalisation of trading activities. During Phase 3 for the months from November 2025 up to July 2026 before the Announcement, average daily trading volume represented between 0.53% and 1.93% for the total number of issued Shares. Compared with total number of issued Shares held by the Public Shareholders, the range of percentages were between 2.02% and 7.42%.

Trading volume of Shares increased after the publication of the Joint Announcement where during the Post-Announcement Period, the average daily trading volume of Shares amounted to approximately 38,962,542 Shares, representing approximately 0.41% of the total number of issued Shares and approximately 1.57% of the total number of issued Shares held by the Public Shareholders as at the Latest Practicable Date.

Our observations

We are of the view that the Shares maintained reasonable trading liquidity during the Review Period. During September and October 2024 and from late June to August 2025, we observed higher liquidity in trading activities but they coincided with significant Share price volatility. Hence, there remains uncertainty as the exact prices that Shareholders can realise when they dispose of their Shares is not guaranteed. In particular, when significant blocks of Shares are being disposed of, it may cause downward price pressure. Meanwhile, the Proposal provides the Public Shareholders with an exit opportunity at a fixed sale price and certainty in terms of number of Shares.

4.3 Comparable analysis

Comparable analysis involves determining the relative value of a company by comparing it to other companies in the similar industries and of similar scale.

We have reviewed the Company's business nature, corporate structure and financial performance to obtain an understanding of its principal operations and revenue sources, geographical coverage and overall financial position, to establish the selection criteria of the relevant companies for comparable analysis purpose (the "**Comparable(s)**").

Based on the Company's FY2025 revenue breakdown, geographical segments and corporate structure, we noted that the Company is the international arm of an established PRC financial institution (i.e. Guotai Haitong) which is based in Hong Kong, and derived majority of its revenue (comprising mainly brokerage, fee and commission income, and interest income) in Hong Kong.

We have set the following selection criteria for the purpose of identifying Comparables:

(i) over 50% of revenue reported in its latest published annual report was derived from brokerage, fee and commission income, asset management, corporate finance, investment and interest income,

(ii) over 50% of revenue reported in its latest published annual report was derived from Hong Kong,

(iii) being an international financial platform of established PRC enterprise/financial group or institution which can benefit from parent's brand names, financial support and credit ratings, referral and cross-selling as well as resource sharing, and

(iv) company whose shares are listed on the Stock Exchange.

Based on the above criteria, we have identified four Comparables, being (i) BOCOM International Holdings Company Limited; (ii) China Industrial Securities International Financial Group Limited; (iii) CMBC Capital Holdings Limited; and (iv) Shenwan Hongyuan (H. K.) Limited. We have also identified Bright Smart Securities and Commodities Group Limited ("**Bright Smart**") but have excluded it from the comparable company analysis as Bright Smart was historically a local Hong Kong brokerage majority-owned by an individual founder. Its acquisition by Chinese multinational fintech conglomerate, Ant Group Co., Ltd., was completed only recently in March 2026 and we are of the view that its historical financial metrics do not reflect the operational scale, synergy, or track record of an established PRC enterprise platform.

The Comparables we identified are exhaustive based on those selection criteria above. Cognisant that there exists no company which can be of exactly the same business model, scale of operation, trading prospect, target markets, product mix and capital structure as the Company, while we have not conducted any in-depth investigation into the business and operations of the Comparables save for the aforesaid selection criteria, we believe that the Comparables selected are appropriate to serve as a benchmark reference for our comparables analysis purpose, which reflects the prevailing market sentiment towards similar companies in the industry.

In terms of financial valuation yardstick to assess the fairness and reasonableness of the Cancellation Price, we have performed analysis on the Comparables' price-to-earnings ratio ("**PE Ratio**") and price-to-book ratio (the "**PB Ratio**"). Both are commonly used valuation multiples where (i) as the Company and the Comparables' businesses generate regular earnings from financial market activities, PE Ratio measures one's profitability relative to its market valuation; and (ii) as the Company and the Comparables' businesses typically hold large pool of liquid assets, client collaterals, margin loan portfolio and financial investments on their balance sheet, PB Ratio measures one's underlying assets relative to its market valuation. The use of both yardsticks allows for cross-checking in case of anomalous or sudden events which can cause valuation deviations.

Our relevant findings are summarised in the following table:

Stock code	Company Name	Principal business and ownership	Market capitalisation[(1)] *(HK$ billion)*	Net asset value[(2)] *(HK$ million)*	PE Ratio[(3)] *(times)*	PB Ratio[(4)] *(times)*
3329	BOCOM International Holdings Company Limited	Engaged in securities brokerage, margin financing, corporate finance and underwriting, investment and loans, asset management and advisory businesses. Majority-owned by Bank of Communications Co., Ltd.	1.41	938	Loss making	1.50x
6058	China Industrial Securities International Financial Group Limited	Engaged in the provision of wealth management services, corporate finance services, asset management services and financial products and investments. Majority-owned by Industrial Securities Co., Ltd.	1.76	3,428	14.6x	0.51x
1141	CMBC Capital Holdings Limited	Engaged in the provision of brokerage and related services, and loan financing services. Majority-owned by China Minsheng Bank.	0.69	1,628	4.6x	0.42x

Stock code	Company Name	Principal business and ownership	Market capitalisation[1] *(HK$ billion)*	Net asset value[2] *(HK$ million)*	PE Ratio[3] *(times)*	PB Ratio[4] *(times)*
218	Shenwan Hongyuan (H. K.) Limited	Engaged in the businesses of brokerage, corporate finance, asset management, financing and loans, investments. Majority-owned by Shenwan Hongyuan Group Co., Ltd.	1.24	2,751	10.3x	0.45x
				Minimum	**4.6x**	**0.42x**
				Maximum	**14.6x**	**1.50x**
				Mean	**9.8x**	**0.72x**
				Median	**10.3x**	**0.48x**
1788	**The Company**	Engaged in the businesses of brokerage, corporate finance, asset management, financing and loans, investments. Majority-owned by Guotai Haitong	**28.59**	**15,859**	**21.3x**	**1.80x**

Source: Bloomberg and the website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Market capitalisation is calculated based on the price of shares times the total number of shares in issue as at the Latest Practicable Date. Market capitalisation of the Company implied by the Cancellation Price is calculated based on the Cancellation Price times the total number of Shares in issue as at the Latest Practicable Date.

2. Net profit and net asset value figures are extracted from the respective latest published annual report prior to the Latest Practicable Date.

3. PE Ratio is calculated by dividing the market capitalisation (as described in Note 1) by the net profit attributable to company's shareholders (as described in Note 2).

4. PB Ratio is calculated by dividing the market capitalisation (as described in Note 1) by the net asset value attributable to company's shareholders (as described in Note 2).

Our observations

From the table above, the PE Ratios of the Comparables range from 4.6 times to 14.6 times with mean and median of 9.8 times and 10.3 times. By applying the Cancellation Price of HK$3.00 per Share, the resultant implied PE Ratio of the Company would be 21.3 times, which is higher than the aforesaid range, the mean and median. Based on the PE Ratio yardstick, the Cancellation Price is fair.

The PB Ratios of the Comparables range from 0.42 times to 1.50 times with mean and median of 0.72 times and 0.48 times. The PB Ratio of the Company as implied by the Cancellation Price would be 1.80 times, which is higher than all Comparables and the aforesaid mean and median. Based on the PB Ratio yardstick, the Cancellation Price is therefore fair.

Having considered both valuation yardsticks, we are of the view that from comparable analysis perspective, the Cancellation Price is fair and reasonable.

4.4 Exchangeable Bonds and Stock Lending Arrangements

For details of the terms of the Exchangeable Bonds and Stock Lending Arrangements, please refer to the paragraph headed "4. Exchangeable Bonds and Stock Lending Arrangements" of Part VII – Explanatory statement of the Scheme Document.

In assessing whether the Initial Exchange Price of HK$4.24 affects the fairness of the Cancellation Price, we have considered the following:

Timing

The Exchangeable Bonds were issued on November 10, 2025, when the Shares closed at HK$3.02. The Initial Exchange Price of HK$4.24 represented a premium of 40.4% over the then market price. The Proposal was made on 22 July 2026, which the Cancellation Price of HK$3.00 represented a 44.2% premium over the Last Trading Day closing price of HK$2.08.

Debt instrument versus all-cash exit

The Exchangeable Bonds are long-term debt instruments (due 2032) carrying structured bondholder rights, including fixed redemption options, de-listing put options, and principal protection. The Initial Exchange Price of HK$4.24 reflects long-term conversion option pricing over a 7-year period. The Proposal, by contrast, offers immediate 100% cash certainty to all disinterested shareholders without market exposure.

We consider the Initial Exchange Price of HK$4.24 as a historical reference point for a structured bond product rather than a benchmark for an immediate all-cash privatisation. As such, we are of the view that the Initial Exchange Price is not relevant when assessing the fairness of the Cancellation Price. Instead, the fairness of the Cancellation Price shall be determined with reference factors such as the Company's historical Share price performance and comparable companies' multiples (please refer to the section headed "4 Cancellation Price" for the factors we have considered in determining the fairness of the Cancellation Price).

While Exchangeable Bonds Holders possess the right to exchange their bonds into Shares at HK$4.24 prior to the Scheme Record Date and participate in the Scheme, doing so would result in an immediate financial loss against the Cancellation Price of HK$3.00 per Share. Consequently, Exchangeable Bonds Holders are expected to either hold their bonds or exercise their contractual early redemption. As such, we are of the view that the Exchangeable Bonds have no adverse impact on the terms or implementation of the Proposal.

In respect of the Stock Lending Arrangements, if any Borrowed Shares are not returned prior to the Scheme Record Date, such Borrowed Shares will form part of the Scheme Shares, and the holders of certain Borrowed Shares will be entitled to vote at the Court Meeting as Takeovers Code Disinterested Shares. Accordingly, we are of the view that regardless of whether the Borrowed Shares are returned prior to the Scheme Record Date, the Stock Lending Arrangements have no adverse impact on the terms or implementation of the Proposal.

5. PRIVATISATION PRECEDENTS

While we consider analysis of privatisation precedents less relevant for the reasons explained below, for illustrative purposes and for the Disinterested Shareholders' reference only, we have set out our observations from a list of successful privatisations. We have conducted a search for privatisation transactions of companies listed on the Stock Exchange based on the following selection criteria: (i) privatisation transactions conducted by way of a scheme of arrangement with cash consideration only (which is the case for the Proposal); and (ii) initial privatisation announcements published during the period from August 7, 2025 (being approximately one year prior to the date of the Joint Announcement) up to the Latest Practicable Date, and which had been completed as at the Latest Practicable Date. The list is exhaustive based on these criteria.

	Initial announcement date of the privatisation proposal	Stock code	Company name	Principal business	Premium/(discount) represented by the cancellation/ offer price over closing share price on the last full trading day or undisturbed date as extracted from the respective scheme document/ circular	Premium/ (discount) of cancellation price over/to the respective then latest NAV attributable to shareholders
					%	%
1	12 August 2025	9997	Kangji Medical Holdings Limited	Design, development, manufacture and sale of a comprehensive suite of minimally invasive surgical instruments and accessories	21.7	293.6
2	9 October 2025	11	Hang Seng Bank Limited	Engaged in the provision of banking and related financial services	30.3	70.9
3	23 October 2025	230	Minmetals Land Limited	Engaged in real estate development, specialised construction and property investment.	185.7	179.0
4	14 November 2025	8257	Genes Tech Group Holdings Company Limited	Provision of turnkey solution and trading of parts and used semiconductor manufacturing equipment	122.7	12.4

	Initial announcement date of the privatisation proposal	Stock code	Company name	Principal business		Premium/(discount) represented by the cancellation/ offer price over closing share price on the last full trading day or undisturbed date as extracted from the respective scheme document/ circular	Premium/ (discount) of cancellation price over/to the respective then latest NAV attributable to shareholders
						%	%
5	9 December 2025	459	Legend Upstar Holdings Limited	Provision of property agency services in respect of commercial and industrial properties and shops, properties investment, credit business and securities investment in Hong Kong		77.3	(77.7)
6	30 March 2026	1143	China Energy Storage Technology Development Limited	Engaged in electronic manufacturing services, equity investment, property agency service and other operations, real estate advisory service and real estate purchase service and energy storage products and provision of loan services		15.4	(81.0)
7	17 July 2026	64	Get Nice Holdings Limited	Engaged in broking, securities margin financing, money lending, corporate finance, asset management, financial instruments investments, property investments and auction business		17.6	(62.8)
					High end	**185.7**	**293.6**
					Low end	**15.4**	**(81.0)**
					Median	**30.3**	**12.4**
		1788	**The Company – Cancellation Price**			**44.2**	**76.5**

Among the seven completed privatisation transactions, the cancellation prices represented a premium of 15.4% to 185.7% over their last full trading day prices, with an average of 67.2% and a median of 30.3%, and a premium of 293.6% to a discount of 81.0% over their latest net asset value, with an average of 47.8% and a median of 12.4%. The Cancellation Price's 44.2% premium over the closing price on the Last Trading Day falls within this range and is above the median of 30.3%, while its 76.5% premium over the latest unaudited net asset value also falls within range and exceeds the median of 12.4%. Among the seven privatisation transactions, Hang Seng Bank Limited and Get Nice Holdings Limited serve as relatively more comparable companies, as they also operate in the financial services sector. While Hang Seng Bank Limited's cancellation price premiums, relative to both market price and net asset value, align closely with those of the Company's Cancellation Price, Get Nice Holdings Limited's cancellation price, relative to both market price and net asset value, is lower than that of the Company's. Overall, the Company's premiums are consistent with recent precedent transactions.

We are of the view that past privatisation transactions of companies listed on the Stock Exchange are less of a reference for assessing the fairness and reasonableness of the Cancellation Price considering these companies are from different industries, which therefore have different market fundamentals and prospects compared to those faced by the Group at this moment. In addition, the fact that past privatisation transactions were conducted at periods of different economic, industry, and financial market cycles, and depending on the outlook at that point in time, will result in different considerations for their respective shareholders at that time. There are also variations in terms of scale of operations, financial performance and position, as well as trading prospects, and hence differences in risk premiums afforded by the market. Accordingly, we consider that the analysis in other sections in this letter to be more directly relevant for the Disinterested Shareholders to make an informed assessment on the fairness and reasonableness of the Cancellation Price.

6. THE SHARE OPTION OFFER

As at the Latest Practicable Date, there are 4,850,000 Share Options granted and outstanding under the Share Option Scheme and all of such Share Options are exercisable, each giving the Share Option Holder the right to subscribe for one new Share per Share Option. The relevant exercise price applicable to each outstanding Share Option ranges from HK$1.45 to HK$2.44 per Share Option. The Share Option Scheme expired on June 19, 2020, and no further Share Option had been granted under the Share Option Scheme thereafter.

Other than Dr. Yim Fung, being a director of the Offeror and therefore an Offeror Concert Party, who holds 2,300,000 Share Options, none of the Offeror, Guotai Haitong or the Offeror Concert Parties hold any outstanding Share Options as at the Latest Practicable Date. Details of the outstanding Share Options are set out in the "Explanatory Statement" as contained in the Scheme Document.

The exercise of all outstanding Share Options in full would result in the issue of 4,850,000 new Shares, representing approximately 0.05% of the issued share capital of the Company as at the Latest Practicable Date. The Offeror is making an appropriate offer to the Share Option Holders in accordance with Rule 13 of the Takeovers Code.

Under the Share Option Offer, the Offeror is to offer the Share Option Holders the "see-through" price, being the Cancellation Price minus the relevant exercise price of the relevant outstanding Share Option, for the cancellation of each outstanding Share Option they hold in accordance with Rule 13 of the Takeovers Code.

On the basis of our analysis that the Cancellation Price is fair and reasonable, we consider the Share Option Offer at the "see-through" price to be fair and reasonable so far as the Share Option Holders are concerned.

Share Option Holders are requested to note that:

In the event that any of the outstanding Share Options are exercised on or prior to the Options Latest Exercise Time in accordance with the rules of the Share Option Scheme and the Scheme Document, any Shares issued as a result of the exercise of such outstanding Share Options will be subject to and eligible to participate in the Scheme as Scheme Shares. Any Scheme Shares issued on or prior to the Meeting Record Date, other than those beneficially held by Offeror Concert Parties, will be eligible to vote and be counted towards the votes of the Takeovers Code Disinterested Shares at the Court Meeting.

Please see the section headed "2.2 The Share Option Offer" of "Part VII – Explanatory Statement" of the Scheme Document for further details.

If the requisite approval in respect of the Scheme is obtained at the Court Meeting and the EGM and any Share Option Holder does not: (i) exercise his or her outstanding Share Options before the Option Latest Exercise Time to become a Scheme Shareholder before the Scheme Record Date in accordance with the rules of the Share Option Scheme and the Scheme Document; or (ii) accept the Share Option Offer, his or her Share Options will lapse upon the expiry of the Options Latest Exercise Time subject to the Scheme becoming effective without any payment made to him or her in accordance with the rules of the Share Option Scheme.

The Share Option Offer will be conditional on the Scheme becoming effective. If any of the Conditions is not satisfied or waived (where applicable) on or before the Conditions Long Stop Date and the Proposal lapses, the Share Option Offer will also lapse.

RECOMMENDATIONS

1. The Proposal and the Scheme

In summary, having considered the following principal factors and reasons:

(i) we consider that, although the external operating environment and the Group's business opportunities have improved as illustrated by the fact that the Group recorded growth in its financial performance during FY2024 and FY2025 and the moderation in profit growth in 1H2026, the timing, extent and sustainability of the resulting earnings benefits remain uncertain, and having regard to uneven market momentum, competition, earnings cyclicality, execution, funding, capital, leverage, market and credit risks as described in the section headed "2. Outlook" above, the recent rate of earnings growth should not be assumed to continue;

(ii) although the Company's dividend payout ratio returned to approximately 50% in FY2025, following comparatively higher payout ratios in prior financial years, no interim dividend will be paid in respect of the first half of 2026 prior to the Effective Date;

(iii) from the perspective of the Takeovers Code Disinterested Shareholders, the all-cash consideration provides an opportunity to realise their investments for cash with certainty and immediate liquidity, thereby enabling them to redeploy the proceeds to other investment opportunities having regard to their respective investment objectives and risk appetites;

(iv) the Cancellation Price is higher than the price of Shares since mid-November 2025 after normalisation from extreme price volatility and is at a premium of 20.0% over the average closing price during Phase 3;

(v) the Cancellation Price represents a premiums of 80.3% and 76.5% over the audited and unaudited consolidated net asset value as at December 31, 2025 and June 30, 2026, respectively, attributable to the Shareholders, which is favourable to the Takeovers Code Disinterested Shareholders;

(vi) the Scheme provides the Takeovers Code Disinterested Shareholders with an immediate and certain opportunity to realise their entire shareholdings for cash at a fixed price, irrespective of the size of their shareholdings; and

(vii) based on the Comparable companies analysis, the implied (a) PE Ratio of the Company is higher than the range of the Comparables and above both the mean and median; and (b) P/B Ratio of the Company is higher than all the Comparables as well as the mean and median. We consider that these comparisons support the reasonableness of the valuation of the Company implied by the Cancellation Price relative to the Comparables generally,

having considered the principal factors and reasons set out above, we are of the opinion that the terms of the Proposal and the Scheme are fair and reasonable so far as the Takeovers Code Disinterested Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise (i) the Takeovers Code Disinterested Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting; and (ii) the Shareholders (including the Takeovers Code Disinterested Shareholders) to vote in favour of the resolution(s) relating to the implementation of the Proposal at the EGM.

As different Shareholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Shareholders who may require advice in relation to any aspect of the Scheme Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Takeovers Code Disinterested Shareholders are reminded to make their decisions to dispose or retain their investments or exercise their rights in the Shares with regard to their own circumstances and investment objectives, and are reminded to closely observe and monitor the market price and liquidity of the Shares during the offer period (in particular, when the closing price of the Shares are trading quite close to the Cancellation Price) and to consider selling their Shares in the open market, where possible, if the net proceeds (after deducting all transaction costs) exceed the net amount to be received under the Scheme.

2. Share Option Offer

On the basis of our analysis that the Cancellation Price is fair and reasonable, we consider the Share Option Offer at the "see-through" price to be fair and reasonable so far as the Share Option Holders are concerned. Accordingly, we recommend the Independent Board Committee to recommend the Share Option Holders to accept the Share Option Offer.

As different Share Option Holders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Share Option Holders who may require advice in relation to any aspect of the Share Option Offer set out in the Scheme Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Share Option Holders are reminded to make their decisions to exercise their rights in the Share Options with regard to their own circumstances and investment objectives, and are reminded to closely monitor the market price and liquidity of the Shares during the offer period and consider exercising their Share Options and in turn selling their Shares in the open market, where possible, if the net proceeds (after deducting all transaction costs) exceed the net amount to be received under the Scheme.

Yours faithfully,
For and on behalf of
Altus Capital Limited

Jeanny Leung	**Leo Tam**
Responsible Officer	*Responsible Officer*

*Ms. Jeanny Leung ("**Ms. Leung**") is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

*Mr. Leo Tam ("**Mr. Tam**") is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. He has over ten years of experience in corporate finance and advisory in Hong Kong, in particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions. Mr. Tam is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*

This Explanatory Statement constitutes the statement required under section 671 of the Companies Ordinance.

1. INTRODUCTION

On July 22, 2026 (after trading hours), the Offeror requested the Board to, subject to the satisfaction of the Pre-Condition, put forward the Proposal to the Scheme Shareholders which, if approved and implemented, will result in the Company being privatised by way of a scheme of arrangement under Section 673 of the Companies Ordinance and the withdrawal of listing of the Shares from the Hong Kong Stock Exchange.

Upon completion of the Proposal and assuming none of the Exchangeable Bonds are exchanged into Shares after the Scheme Record Date, the Company will become a wholly-owned subsidiary of the Offeror. In the event that any Exchangeable Bonds Holder exercises the exchange right after the Scheme Record Date, such Exchangeable Bonds Holder will become a Shareholder holding unlisted Shares, and the Company will not be wholly owned by the Offeror.

On October 30, 2026, the Offeror and the Company jointly announced that the Pre-Condition has been satisfied.

The purpose of this Explanatory Statement is to explain the terms and effects of the Proposal (including the Scheme and the Share Option Offer) and to provide Scheme Shareholders and the Share Option Holders with other relevant information in relation to the Proposal.

2. TERMS OF THE PROPOSAL

Subject to the Conditions being satisfied or (if applicable) waived on or before the Conditions Long Stop Date, the privatisation of the Company will be implemented by way of a scheme of arrangement under section 673 of the Companies Ordinance.

2.1 The Scheme

If the Scheme is approved and implemented:

(a) all the Scheme Shares will be cancelled and extinguished on the Effective Date in exchange for the Cancellation Price of HK$3.00 in cash, less Dividend Adjustment (if any), for each Scheme Share;

(b) on the Effective Date, the issued share capital of Company will be reduced by the cancellation and extinguishment of the Scheme Shares in issue on the Scheme Record Date and, immediately after such cancellation and extinguishment, the issued share capital of the Company will be restored to the amount immediately before such cancellation and extinguishment by the allotment and issue by the Company to the Offeror of such number of new Shares (credited as fully-paid by applying the reserve created as a result of such cancellation, extinguishment and reduction) as is equal to the number of the Scheme Shares cancelled and extinguished on the Effective Date;

(c) the Company will become a wholly-owned subsidiary of the Offeror (assuming none of the Exchangeable Bonds are exchanged into Shares after the Scheme Record Date); and

(d) the listing of the Shares on the Hong Kong Stock Exchange will be withdrawn in accordance with Rule 6.15(2) of the Hong Kong Listing Rules.

Cancellation Price

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all the Scheme Shares will be cancelled in exchange for the payment by the Offeror of the Cancellation Price:

For every Scheme Share cancelled . . . . . HK$3.00 in cash (less Dividend Adjustment, if any)

As at the Latest Practicable Date, there is no Dividend Adjustment. If, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Cancellation Price will be reduced by the Dividend Adjustment, in which case any reference in the Joint Announcement, this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. The Company does not intend to declare or pay any further dividend or other distribution or return of capital after the Latest Practicable Date and on or before the Effective Date.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders, Share Option Holders, and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed under the Takeovers Code to increase the Cancellation Price.

Comparison of value

The Cancellation Price of HK$3.00 in cash for every Scheme Share represents:

(i) a premium of approximately 44.2% over the closing price of HK$2.08 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 44.1% over the average closing price of approximately HK$2.08 per Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 5 trading days up to and including the Last Trading Day;

(iii) a premium of approximately 46.5% over the average closing price of approximately HK$2.05 per Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 30 trading days up to and including the Last Trading Day;

(iv) a premium of approximately 37.7% over the average closing price of approximately HK$2.18 per Share based on the daily closing prices as quoted on the Hong Kong Stock Exchange for the 60 trading days up to and including the Last Trading Day;

(v) a premium of approximately 1.4% over the closing price of HK$2.96 per Share as quoted on the Hong Kong Stock Exchange on the Latest Practicable Date;

(vi) a premium of approximately 80.3% over the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK$1.66 as at December 31, 2025; and

(vii) a premium of approximately 76.5% over the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK$1.70 as at June 30, 2026.

Basis for determining the Cancellation Price

Prior to making the request to the Board to put forward the Proposal, the Offeror had been contemplating the Proposal since July 2026. The Cancellation Price has been determined by the Offeror after taking into account, among other things, identifiable acquisition costs of the Scheme Shareholders, the recent and historical trading prices and trading volume of the Shares, the publicly available financial information of the Company, and other privatisation transactions relating to companies listed on the Hong Kong Stock Exchange in recent years.

(i) Privatisation Transactions in Recent Years

The Cancellation Price was determined with reference to the median premium offered in recent privatisation transactions. Based on the selection criteria of (i) privatizations of Hong Kong listed companies by way of scheme of arrangement, (ii) transactions completed since January 2023, and (iii) total consideration amounts exceeding HK$1 billion, the Offeror selected and reviewed a complete set of 20 scheme of arrangement transactions. To mitigate the impact of outliers, the median premium rather than the average premium was used for the assessment of the Cancellation Price. The median premium represented by the cancellation prices in such transactions over the closing price on the last trading day, and over the average closing prices for the last 5, 30 and 60 trading days, were approximately 30.52%, 34.14%, 38.21% and 39.53%, respectively.

As disclosed in the section headed "Comparison of Value" of this Explanatory Statement, the Cancellation Price represents a premium ranging from 37.7% to 46.5% over the closing price of the Shares on the Last Trading Day and the average closing prices for the last 5, 30 and 60 trading days.

(ii) Recent and Historical Trading Prices and Trading Volume of the Shares

The historical trading prices and volume of the Shares were also taken into consideration. The Cancellation Price represents a significant premium over the average closing prices and Volume Weighted Average Prices ("**VWAP**") from the financial years of 2021 to 2024, ranging from 140% to 362%.

The Cancellation Price represents a discount of approximately 33% to the FY2025 VWAP, and a premium of approximately 14% over the FY2026 VWAP up to and including the Last Trading Day. The table below shows the respective average closing prices and VWAP for each of the financial years of 2021-2026, and the percentage of premium or discount represented by the Cancellation Price.

Period	Average Closing Price (HK$)	Average daily trading volume of the Shares per trading day during the period (shares)	VWAP (HK$)	Premium Over Average Closing Price	Premium Over VWAP
FY2021	1.21	9,507,414	1.25	147%	140%
FY2022	0.80	5,343,773	0.80	274%	273%
FY2023	0.65	5,351,100	0.65	362%	360%
FY2024	0.74	41,349,891	1.17	305%	156%
FY2025	2.81	229,513,386	4.48	7%	-33%
June 25 to September 25, 2025 (inclusive)	5.36	731,776,337	4.83	-44%	-38%
FY2025 (excluding June 25 to September 25, 2025)	1.88	45,350,304	2.40	60%	25%
FY2026 (up to and including the Last Trading Day)	2.44	92,888,064	2.62	23%	14%

The Offeror notes that, during the period from June 25, 2025 to September 25, 2025, the average daily trading volume of the Shares was approximately 731,776,337 Shares, exceeding the average daily trading volume of the Shares for FY2025 excluding such period by approximately 1,514%, and the VWAP of the Shares for such period was HK$4.83, approximately 101% higher than the VWAP of the Shares for FY2025 excluding such period. The surge was mainly driven by the news that the Company has obtained SFC's approval to provide virtual asset dealing services under an omnibus account arrangement with SFC-licensed platforms.

The Offeror is of the view that the surge in trading volume and share price during June 2025 was caused by irrational market speculation, and therefore should not be taken into consideration when evaluating the Cancellation Price, having regard to the fact that the uplift of license to conduct virtual asset-related activities (i) has not resulted in any material improvement in the Company's financial performance; and (ii) is not scarce, as the provision of virtual asset dealing services under an omnibus account arrangement has been obtained by more than 97 institutions in Hong Kong as of October 9, 2026.

(iii) Publicly Available Financial Information of the Company

The Cancellation Price was benchmarked to the fundamental financials of the Company. It implies a P/B multiple ranging from 1.76x to 1.94x for the financial years from 2021 to 2025 and the first half of 2026, representing a premium of approximately 76.5% to 93.6% over the consolidated net asset value per Share attributable to the Shareholders for the respective periods.

In light of the above and the factors set out in the section headed "7. *Reasons for and Benefits of the Proposal*" in this Explanatory Statement, the Offeror is of the view that the Cancellation Price is fair and reasonable.

Highest and lowest prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK$3.09 per Share on April 10, 2026, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK$1.94 per Share on June 26, 2026.

2.2 The Share Option Offer

As at the Latest Practicable Date, a total of 4,850,000 Share Options are outstanding under the Share Option Scheme, each relating to one Share, of which (a) 2,250,000 Share Options have an exercise price of HK$1.45, (b) 1,000,000 Share Options have an exercise price of HK$1.72, and (c) 1,600,000 Share Options have an exercise price of HK$2.44. All such outstanding Share Options have been vested and are exercisable as at the Latest Practicable Date. The Share Option Scheme expired on June 19, 2020, and no further Share Option had been granted under the Share Option Scheme thereafter.

In accordance with Rule 13 of the Takeovers Code, the Offeror is making the Share Option Offer to the Share Option Holders to cancel every outstanding Share Option, under which, conditional upon the Scheme becoming effective, the Offeror is offering the Share Option Holders the "see-through" Option Offer Price (being the Cancellation Price minus the relevant exercise price of the outstanding Share Option) for the cancellation of every Share Option.

Exercise price per Share Option	Number of outstanding Share Options	"See-through" Option Offer Price
HK$1.45	2,250,000	HK$1.55
HK$1.72	1,000,000	HK$1.28
HK$2.44	1,600,000	HK$0.56

Details of the Share Option Holders as at the Latest Practicable Date are set out in the section headed "*6. Shareholding Structure of the Company*" of the Explanatory Statement set out in Part VII of this Scheme Document. Other than Dr. YIM Fung, being a director of the Offeror and therefore an Offeror Concert Party, who holds 2,300,000 Share Options, none of the Offeror, Guotai Haitong or the Offeror Concert Parties hold any outstanding Share Options as at the Latest Practicable Date.

In the event that any of the outstanding Share Options are exercised on or prior to the Options Latest Exercise Time in accordance with the rules of the Share Option Scheme and this Scheme Document, any Shares issued as a result of the exercise of such outstanding Share Options will be subject to and eligible to participate in the Scheme as Scheme Shares. Any Shares issued on or prior to the Meeting Record Date as a result of the exercise of the Share Options, other than those Shares beneficially held by Offeror Concert Parties and does not fulfill the criteria set out in the definition of "Takeovers Code Disinterested Shares" in this Scheme Document, will be eligible to vote and be counted towards the votes of the Takeovers Code Disinterested Shares at the Court Meeting.

If the requisite approval in respect of the Scheme is obtained at the Court Meeting and the EGM and any Share Option Holder does not: (i) exercise his or her outstanding Share Options before the Options Latest Exercise Time to become a Scheme Shareholder before the Scheme Record Date in accordance with the rules of the Share Option Scheme and this Scheme Document; or (ii) accept the Share Option Offer, his or her Share Options will lapse upon the expiry of the Options Latest Exercise Time subject to the Scheme becoming effective without any payment made to him or her in accordance with the rules of the Share Option Scheme.

3. PRE-CONDITION AND CONDITIONS OF THE PROPOSAL AND THE SCHEME

3.1 Pre-Condition of the Proposal and the Scheme

The making of the Proposal was subject to the satisfaction of the Pre-Condition:

- the approval, review, filing or registration (as applicable) by (1) the National Development and Reform Commission of the PRC, and (2) Shanghai SASAC or its local authorities or authorised units having been obtained or completed without which would prohibit the Offeror from making the Proposal.

On October 30, 2026, the Pre-Condition has been satisfied.

3.2 Conditions of the Proposal and the Scheme

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all the Scheme Shareholders, subject to the satisfaction or waiver (where applicable) of the following Conditions:

(a) the approval of the Scheme at the Court Meeting (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all the Companies Ordinance Disinterested Shares, provided that:

(i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Takeovers Code Disinterested Shares held by the Takeovers Code Disinterested Shareholders that are cast either in person or by proxy at the Court Meeting; and

(ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Takeovers Code Disinterested Shares held by the Takeovers Code Disinterested Shareholders;

(b) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting, in person or by proxy, at the EGM (and otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled and extinguished;

(c) the sanction of the Scheme (with or without modifications) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under Part 2 of the Companies Ordinance;

(d) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;

(e) all necessary Authorisations which are material in the context of the Group taken as a whole and other registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;

(f) no government, court, or governmental, quasi-governmental, statutory or regulatory body or agency in any jurisdiction having taken or instituted any action, proceeding or suit (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms); and

(g) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms.

Conditions (a) to (d) are not waivable. The Offeror reserves the right (but is not obliged) to waive any of the Conditions (e) to (g), to the extent permissible by applicable laws and regulations, either in whole or in respect of any particular matter. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

In respect of Condition (e), as at the Latest Practicable Date, neither the Offeror nor the Company is aware of any requirement for such Authorisations other than those set out in the Conditions in paragraphs (a) to (d) and the approval by the Hong Kong Stock Exchange of the withdrawal of listing of the Company.

In respect of Condition (f), as at the Latest Practicable Date, neither the Offeror nor the Company is aware of any such action, proceeding, suit, investigation, statute, regulation, demand or order.

In respect of Condition (g), as at the Latest Practicable Date, neither the Offeror nor the Company is aware of any such legal or regulatory requirement other than those set out in the Conditions in paragraphs (a) to (d) and the approval by the Hong Kong Stock Exchange of the withdrawal of listing of the Company.

As at the Latest Practicable Date, none of the Conditions had been satisfied or waived.

WARNINGS: Shareholders, Share Option Holders and potential investors of the Company should be aware that the implementation of the Proposal is subject to the satisfaction or waiver (where applicable) of the Conditions, and thus the Proposal (including the Scheme and the Share Option Offer) may or may not be implemented, and the Scheme may or may not become effective. Shareholders, Share Option Holders, and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

4. EXCHANGEABLE BONDS AND STOCK LENDING ARRANGEMENTS

4.1 Exchangeable Bonds

General information

On November 10, 2025, the Bond Issuer issued zero coupon exchangeable bonds due 2032 guaranteed by the Offeror and listed on the Hong Kong Stock Exchange (stock code: 6013), in which 915,094,339 Shares (rounded down to the nearest Share in accordance with the terms of the Exchangeable Bonds), representing approximately 9.60% of the issued share capital of the Company, can be exchanged and delivered by the Offeror to the Exchangeable Bonds Holders upon exercise of the exchange right of the Exchangeable Bonds. As at the Latest Practicable Date, the entire HK$3,880,000,000 principal amount of the Exchangeable Bonds is outstanding and exchangeable.

The major terms of the Exchangeable Bonds are summarized as below:

Bond Issuer	Guotai Junan Holdings Limited, a wholly-owned subsidiary of the Offeror
Guarantor	the Offeror
Issue Date	November 10, 2025
Maturity Date	November 10, 2032
Issue Price	103.50% of the principal amount
Redemption Price	100.00% of the principal amount
Initial Exchange Price	HK$4.24 per Share
Exchange Property	915,094,339 Shares held by the Offeror

Exchange Period	At any time during the period from (and including) December 21, 2025 up to (and including) the close of business on the date which falls seven days prior to the maturity date, unless previously redeemed, repurchased and cancelled or exchanged.
Redemption at the option of the Bond Issuer	The Exchangeable Bonds can be redeemed at the option of the Bond Issuer (i) at any time after November 2028 if the closing price of the Shares reaches certain level of increase as compared to the exchange price for 20 trading days out of 30 consecutive trading days; (ii) at any time if 90% or more in the principal amount of the Exchangeable Bonds has been exchanged, redeemed or purchased and cancelled; or (iii) at any time if the Bond Issuer or the Offeror is obligated to pay any additional tax amount in respect of the Exchangeable Bonds and such obligation cannot be avoided after taking reasonable measures.
Redemption at the option of the Exchangeable Bonds Holders	The Exchangeable Bonds can also be redeemed at the options of the Exchangeable Bonds Holders (i) on November 10, 2028 and November 10, 2030, respectively; (ii) if there is a change of control in relation to the Bond Issuer, the Offeror, or the Company, or (iii) if the Shares cease to be listed (a "**De-listing Event**"); or are suspended for trading for 30 consecutive trading days or more (collectively, "**Bond Holders' Early Redemption Rights**").
Final redemption	Unless previously exchanged, redeemed or purchased and cancelled, the Exchangeable Bonds will be redeemed at their principal amount on the maturity date.

The Exchangeable Bonds are represented by a global certificate ("**Global Certificate**") in registered form, which is registered in the name of The Bank of New York Depository (Nominees) Limited, a nominee of the common depositary on behalf of Euroclear Bank SA/NV and Clearstream Banking S.A. Such nominee is the registered holder of the Exchangeable Bonds. Beneficial interests in the Global Certificate are held through chains of custody and are constantly traded on the secondary market in real time. As there is no register of beneficial interests maintained by the Bond Issuer, the Bond Issuer does not have direct visibility into, and has no independent means to verify, the identities and number of the ultimate beneficial owners of the Exchangeable Bonds. Notwithstanding that the identity of the beneficial owners is not available to the Bond Issuer, the Exchangeable Bonds are intended for purchase by professional investors (as defined in Chapter 37 of the Hong Kong Listing Rules) only and have been listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Bond Issuer expects that the Exchangeable Bonds will be held by professional investors.

The Cancellation Price has been determined with reference to the Company's fundamental value under prevailing market conditions, without taking into account the exchange price of the Exchangeable Bonds, given that: (1) the issuance of the Exchangeable Bonds and the Proposal are two separate transactions in nature, with different pricing mechanisms and transaction structures; and (2) the prevailing market conditions, with reference to the trading price of the Shares, differed materially at the time of the issuance of the Exchangeable Bonds and the Proposal.

Impact of the Proposal on the Exchangeable Bonds Holders

The Proposal will not affect the rights of the Exchangeable Bonds Holders under the terms and conditions of the Exchangeable Bonds, including their exercise rights and redemption rights. Specifically, the Exchangeable Bonds Holders have the following options:

(a) exercising the exchange rights in accordance with the terms and conditions of the Exchangeable Bonds as set out in the following paragraphs (i) on or prior to the Meeting Record Date to attend and vote at the Court Meeting and the EGM; (ii) on or prior to the Scheme Record Date to participate in the Scheme; or (iii) after the Scheme Record Date to hold unlisted Shares, for which there will be no open market for trading;

Procedures to exercise the exchange rights

To exercise the exchange rights, the Exchangeable Bonds Holders must complete and execute a notice, together with a copy of the applicable signed transfer document(s) (the "**Transfer Instrument**") (each in the then current form obtainable from the specified office of The Bank of New York Mellon, London Branch (the "**Principal Paying and Exchange Agent**") (such notice and such copy of the Transfer Instrument, collectively, the "**Exchange Notice**"), and deliver at such Exchangeable Bonds Holder's own expense such Exchange Notice to the Principal Paying and Exchange Agent, and any certificates and payment required by the terms and conditions of the Exchangeable Bonds, during usual business hours (being between 9:00 a.m. and 3:00 p.m. (London time)) on any business day in the place of the specified office of such Principal Paying and Exchange Agent.

An Exchange Notice, once given, is irrevocable and may not be withdrawn without the consent in writing of the Bond Issuer.

The Shares to which the exchanging Exchangeable Bonds Holder is entitled upon exchange will be delivered not later than the settlement date, being the date falling 15 trading days after the relevant exchange date. Shares will be delivered to such Exchangeable Bonds Holder through CCASS unless such holder otherwise specifies in its exchange notice. The "exchange date" applicable to an Exchangeable Bond is the exchange business day immediately following the date of receipt of an exchange notice by the Principal Paying and Exchange Agent.

(b) selling the Exchangeable Bonds in the secondary market;

(c) exercising the Bond Holders' Early Redemption Rights in accordance with the terms and conditions of the Exchangeable Bonds as set out in the following paragraphs. If a holder exercises its redemption right, its exchange right will lapse at the close of business in Hong Kong on the date immediately preceding the giving of such redemption notice.

Procedures to exercise the Bond Holders' Early Redemption Rights

(i) Redemption following a De-listing Event

Within seven Hong Kong business days following the occurrence of a De-listing Event (being the date on which the withdrawal of listing of the Shares on the Hong Kong Stock Exchange, i.e. currently expected to be 4:00 p.m. on Monday, February 1, 2027), the Bond Issuer shall give notice to the trustee and the agents in writing and to the Exchangeable Bonds Holders in accordance with the terms and conditions of the Exchangeable Bonds (the "**De-listing Event Notice**").

Following the occurrence of a De-listing Event, the holder of each Exchangeable Bond will have the right to require the Bond Issuer to redeem all or some only of such Exchangeable Bonds Holder's Bonds on the date falling 30 Hong Kong business days after the expiry of the De-listing Event Period at their principal amount (the "**De-listing Event Put Date**"). The "**De-listing Event Period**" means the period commencing on and including the date of the occurrence of a De-listing Event and ending on and including 60 days following the De-listing Event or, if later, 60 days following the date on which a De-listing Event Notice is given to Exchangeable Bonds Holders.

To exercise such right, the holder of the relevant Exchangeable Bond must deliver the Exchangeable Bond certificate to the specified office of any paying agent during usual business hours (being between 9.00 a.m. (London time) and 3.00 p.m. (London time) Monday to Friday except for public holidays), together with a duly completed and signed notice of exercise in the form for the time being obtainable from the specified office of any paying agent (a "**De-listing Event Put Exercise Notice**"), at any time during the De-listing Event Period.

Payment in respect of any such Exchangeable Bond shall be made by transfer to a Hong Kong dollar account as specified by the relevant Exchangeable Bonds Holder in the relevant De-listing Event Put Exercise Notice.

A De-listing Event Put Exercise Notice, once delivered, shall be irrevocable and the Bond Issuer shall redeem all Exchangeable Bonds that are the subject of the De-listing Event Put Exercise Notices delivered as aforesaid on the De-listing Event Put Date.

(ii) Redemption at the option of Bondholders

To exercise the early redemption rights on November 10, 2028 and November 10, 2030 (each an "**Optional Put Date**"), the Exchangeable Bonds Holder must deliver the certificate to the specified office of the paying agent during usual business hours (being between 9:00 a.m. and 3:00 p.m. (London time) Monday to Friday except for public holidays), together with a duly completed and signed notice of exercise in the form for the time being obtainable from the specified office of the paying agent (an "**Optional Put Exercise Notice**"), not earlier than 60 days and not later than 30 days prior to the relevant Optional Put Date.

Payment in respect of any such Exchangeable Bond shall be made by transfer to a Hong Kong dollar account as specified by the relevant Exchangeable Bonds Holder in the relevant Optional Put Exercise Notice.

An Optional Put Exercise Notice, once delivered, shall be irrevocable and the Bond Issuer shall redeem all Exchangeable Bonds that are the subject of the Optional Put Exercise Notices delivered as aforesaid on the relevant Optional Put Date.

(iii) Redemption following a Change of Control

Within seven Hong Kong business days following the occurrence of a Change of Control (as defined in the terms and conditions of the Exchangeable Bonds), the Bond Issuer shall give notice to The Bank of New York Mellon, London Branch, as the trustee and the agents in writing and to the Exchangeable Bonds Holders in accordance with the terms and conditions of the Exchangeable Bonds (the "**Change of Control Notice**").

Following the occurrence of a Change of Control, the holder of each Exchangeable Bond will have the right to require the Bond Issuer to redeem all or some only of such holder's bonds on the 14th calendar day after the expiry of the Change of Control Period at their principal amount. The "Change of Control Period" means the period commencing on and including the date of the occurrence of a Change of Control and ending on and including 60 days following the Change of Control or, if later, on and including 60 days following the date on which a Change of Control Notice is given to the Exchangeable Bonds Holders.

To exercise such right, the holder of the relevant Exchangeable Bond must deliver the relevant bond to the specified office of the paying agent during usual business hours (being between 9.00 a.m. (London time) and 3.00 p.m. (London time) Monday to Friday except for public holidays), together with a duly completed and signed notice of exercise in the form for the time being obtainable from the specified office of any paying agent (a "**Change of Control Put Exercise Notice**"), at any time during the Change of Control Period.

Payment in respect of any such Exchangeable Bond shall be made by transfer to a Hong Kong dollar account as specified by the relevant Exchangeable Bonds Holder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Bond Issuer shall redeem all Exchangeable Bonds that are the subject of the Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control put date.

(d) holding the Exchangeable Bonds until the maturity date and receiving principal amount.

The Exchangeable Bonds are not expected to materially affect the implementation of the Scheme, save for the impact on the number of Scheme Shares (including the number of the Companies Ordinance Disinterested Shares and the Takeovers Code Disinterested Shares eligible to vote on the Scheme) and the financial resources required to fulfil the payment obligations under the Proposal. If any Exchangeable Bonds are exchanged for Shares prior to the Scheme Record Date, such Shares will form part of the Scheme Shares and be cancelled in exchange for the Cancellation Price. An additional amount of HK$2,745,283,017 will be paid by the Offeror in the event that the Exchangeable Bonds are exchanged in full for 915,094,339 Shares prior to the Scheme Record Date. The Offeror, after taking into account the scenario that the Exchangeable Bonds are exchanged for Shares in full, has prepared sufficient financial resources to satisfy the payment obligations in respect of the full implementation of the Proposal. Therefore, regardless of whether the Exchangeable Bonds are exchanged, there will not be any adverse impact on the implementation of the Proposal.

4.2 Stock Lending Arrangements

General information

In connection with the Exchangeable Bonds, the Offeror (as lender) entered into the Stock Lending Agreements on November 3, 2025, pursuant to which a maximum of 800,000,000 Shares, representing approximately 8.40% of the total issued Shares in the Company, were made available for lending for the purpose of facilitating hedging for the Exchangeable Bonds Holders.

Pursuant to the Stock Lending Agreements:

(a) *Shares available for borrowing but not yet borrowed:* Shares which were made available by the Offeror for borrowing under the Stock Lending Agreements, and which were not borrowed by HTIS or UBS but remained subject to the Stock Lending Agreements, will remain in a designated account with HTIS or UBS (each a "**Designated Account**"), with the beneficial ownership of such Shares vested with the Offeror (the "**Designated Account Shares**");

(b) *Shares borrowed but not yet on-lent:* upon HTIS or UBS borrowing such Shares and such Shares being transferred out of the respective Designated Accounts, title and beneficial interests in the Shares borrowed by HTIS or UBS will pass on to HTIS or UBS, with the Offeror retaining no control over the exercise of the voting rights in such borrowed Shares;

(c) *Shares on-lent and not returned:* Shares which were borrowed by HTIS or UBS under the Stock Lending Agreements may be on-lent to other financial institutions (for further on-lending) or the Exchangeable Bonds Holders pursuant to stock borrowing arrangements entered into between HTIS or UBS (as the case may be) with such on-borrowers, with the title and beneficial interests in such on-lent Shares passed on to the on-borrowers, and HTIS or UBS (as the case may be) retaining no control over the exercise of the voting rights in such on-lent Shares; and

(d) *Shares returned:* Shares on-lent by HTIS or UBS which were returned to HTIS or UBS may: (i) continue to be held by HTIS or UBS for further on-lending, with title and beneficial interests in the Shares retained by HTIS or UBS, and the Offeror retaining no control over the exercise of the voting rights in such on-lent Shares; (ii) be deposited by HTIS or UBS into the Designated Account of HTIS or UBS, with the beneficial ownership of such Shares vested with the Offeror and such Shares continuing to be subject to the Stock Lending Agreements; or (iii) be returned by HTIS or UBS to the Offeror and cease to be subject to the Stock Lending Agreements, with the Offeror retaining control over the exercise of the voting rights in such returned Shares.

As at the Latest Practicable Date:

(a) there were no Designated Account Shares (i.e. Shares which were made available by the Offeror for borrowing under the Stock Lending Agreements, and which were not borrowed by HTIS or UBS, but remained subject to the Stock Lending Agreements);

(b) the Borrowed Shares (i.e. Shares being lent by but not yet returned to the Offeror) amount to 800,000,000 Shares;

(c) there were 200,000,000 Shares which were lent by the Offeror to HTIS, and in turn on-lent by HTIS, among which:

(i) 100,000,000 Shares were on-lent by HTIS to GTJAS and were fully on-lent by GTJAS to parties which are not associates (within the meaning of section 667 of the Companies Ordinance) of the Offeror or Offeror Concert Parties (the "**GTJAS On-Lent Shares**");

(ii) there were no Shares which were lent by HTIS to GTJAS but remained in the hands of GTJAS (including Shares which were returned to GTJAS but were not yet returned to HTIS, and Shares which were not further on-lent by GTJAS) (the "**GTJAS Loan Shares**");

(iii) 67,147,500 Shares were on-lent by HTIS to other on-borrowers which are not associates (within the meaning of section 667 of the Companies Ordinance) of the Offeror or the Offeror Concert Parties (the "**HTIS On-Lent Shares**");

(d) there were 32,852,500 Shares which were borrowed by HTIS but remained in the hands of HTIS (including Shares which were returned to HTIS but were not yet returned to the Offeror or to the Designated Accounts, and Shares which were not further on-lent by HTIS) (the "**HTIS Loan Shares**");

It is expected that the number of Shares which were lent by the Offeror to UBS, and (i) on-lent by UBS (the "**UBS On-Lent Shares**"); or (ii) remained in the hands of UBS (including Shares which were returned to UBS but were not yet returned to the Offeror or to the Designated Accounts, and Shares which were not further on-lent by UBS) (the "**UBS Loan Shares**") will be confirmed as at the Meeting Record Date.

As the Stock Lending Agreements and the related stock lending arrangements continue to remain in place, the number of Designated Account Shares, GTJAS On-Lent Shares, GTJAS Loan Shares, HTIS On-Lent Shares, HTIS Loan Shares, UBS Loan Shares and UBS On-Lent Shares may be subject to changes subsequent to the Latest Practicable Date.

For the purpose of the Scheme, the categorization of the Designated Account Shares and the various types of Borrowed Shares in the context of the voting requirement under section 674(2)(a)(ii) of the Companies Ordinance and the voting requirements under Rule 2.10 of the Takeovers Code are as follows:

(a) ***Scheme Shares:*** The Designated Account Shares (if any) as at the Scheme Record Date will not form part of the Scheme Shares. The Shares being lent by but not yet returned to the Offeror (i.e. Borrowed Shares), which will include the HTIS Loan Shares, the HTIS On-Lent Shares, the GTJAS Loan Shares (if any), the GTJAS On-Lent Shares, the UBS Loan Shares and the UBS On-Lent Shares, each as at the Scheme Record Date, will constitute Scheme Shares;

(b) ***Companies Ordinance Disinterested Shares:***

(i) the HTIS On-Lent Shares, the GTJAS On-Lent Shares and the UBS On-Lent Shares as at the Meeting Record Date will constitute Companies Ordinance Disinterested Shares as they are not held by the Offeror or associates (within the meaning of section 667 of the Companies Ordinance) of the Offeror;

(ii) the GTJAS Loan Shares and the HTIS Loan Shares as at the Meeting Record Date will not constitute Companies Ordinance Disinterested Shares as such Shares will be beneficially held by GTJAS or HTIS (as the case may be), each of which is a member of the Guotai Haitong Group and therefore an associate (within the meaning of section 667 of the Companies Ordinance) of the Offeror; and

(iii) the UBS Loan Shares as at the Meeting Record Date will not constitute Companies Ordinance Disinterested Shares as UBS may be regarded as an associate (within the meaning of section 667 of the Companies Ordinance) of the Offeror.

(c) ***Takeovers Code Disinterested Shares:***

(i) the HTIS On-Lent Shares, the GTJAS On-Lent Shares, the UBS On-Lent Shares and the UBS Loan Shares as at the Meeting Record Date will constitute Takeovers Code Disinterested Shares as they are not beneficially held by any Offeror Concert Parties; and

(ii) the GTJAS Loan Shares and the HTIS Loan Shares as at the Meeting Record Date will not constitute Takeovers Code Disinterested Shares as such Shares will be beneficially held by GTJAS or HTIS (as the case may be), each of which is an Offeror Concert Party, and are not held by GTJAS or HTIS (as the case may be) on behalf of Disinterested Beneficial Owner(s).

For completeness, as the Designated Account Shares (if any) will not form part of the Scheme Shares, any Designated Account Shares as at the Meeting Record Date will not be eligible to be voted at the Court Meeting.

Please refer to the summary of the details of the composition of the Scheme Shares, the Companies Ordinance Disinterested Shares and the Takeovers Code Disinterested Shares as set out in the section headed "*6. Shareholding Structure of the Company*" in this Explanatory Statement in this Scheme Document.

Impact of the Proposal on the stock lending arrangements

The Proposal is not expected to materially affect the Stock Lending Agreements entered into between the Offeror and the respective borrowers, and such agreements will continue in full effect in accordance with their respective terms. In particular, the recall and redelivery rights of the Offeror and the borrowers, as the case may be, under the relevant Stock Lending Agreements will remain unaltered. The Offeror, Guotai Haitong and the Offeror Concert Parties will not take the initiative to exercise the recall and redelivery rights under the relevant Stock Lending Agreements other than those (a) between the Offeror and the Offeror Concert Parties, and (b) among the Offeror Concert Parties.

The Stock Lending Agreements are not expected to materially affect the implementation of the Scheme, save for the impact on the number of Scheme Shares (including the number of the Companies Ordinance Disinterested Shares and the Takeovers Code Disinterested Shares eligible to vote on the Scheme as set out above) and the financial resources required to fulfil the payment obligations under the Proposal. If any Borrowed Shares are not returned to the Offeror or to the Designated Account of HTIS or UBS prior to the Scheme Record Date, such Borrowed Shares will form part of the Scheme Shares and be cancelled in exchange for the Cancellation Price. The Offeror, after taking into account the scenario that none of the Borrowed Shares are returned to the Offeror or to the Designated Account of HTIS or UBS prior to the Scheme Record Date, has prepared sufficient financial resources to satisfy the payment obligations in respect of the full implementation of the Proposal. Therefore, regardless of whether the Borrowed Shares are returned to the Offeror or to the Designated Account of HTIS or UBS prior to the Scheme Record Date, there will not be any adverse impact on the implementation of the Proposal.

The holders of the Borrowed Shares are reminded that they should carefully consider their obligations and rights under the relevant stock lending arrangements and, having regard to their own circumstances and investment objectives, determine the appropriate action to be taken in respect of the Borrowed Shares, including the return of the Borrowed Shares in accordance with the relevant stock lending arrangements or, where applicable, participation in the Scheme.

5. CONFIRMATION OF FINANCIAL RESOURCES

As at the Latest Practicable Date, (1) there are 9,529,944,707 Shares in issue, of which 3,285,067,641 Shares (including 800,000,000 Borrowed Shares) will form the Scheme Shares, representing approximately 34.47% of the issued share capital of the Company, and (2) there are 4,850,000 outstanding Share Options.

On the basis of the Cancellation Price of HK$3.00 per Scheme Share, the number of Scheme Shares as at the Latest Practicable Date and full acceptance of the Share Option Offer, approximately HK$9,860,866,423 in cash will be required to implement the Proposal.

Assuming that (a) all the outstanding Share Options are exercised and new Scheme Shares have been issued by the Company on or before the Scheme Record Date, (b) all the exchange rights underlying the Exchangeable Bonds are exercised by the Exchangeable Bonds Holders and the Shares have been transferred from the Offeror to the Exchangeable Bonds Holders upon exercise of the Exchangeable Bonds in accordance with its terms on or before the Scheme Record Date, (c) all the Borrowed Shares are not returned to the Offeror or to the Designated Account of HTIS or UBS prior to the Scheme Record Date and still form part of the Scheme Shares on the Scheme Record Date, and (d) there is no other change in the shareholding and issued share capital of the Company before the Scheme Record Date, an additional amount of HK$2,754,169,517 in cash will be required to implement the Proposal.

Accordingly, the maximum amount of cash required for the implementation of the Proposal is approximately HK$12,615,035,940. If none of the outstanding Share Options and the Exchangeable Bonds mentioned in paragraphs (a) and (b) above are exercised prior to the Scheme Record Date, the amount of cash required to implement the Proposal would remain approximately HK$9,860,866,423.

The Offeror is financing the entire cash amount required for the Proposal through External Financing.

Somerley Capital, the Joint Financial Adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the payment obligations in respect of the full implementation of the Proposal in accordance with its terms.

6. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

(a) the issued share capital of the Company comprises 9,529,944,707 Shares;

(b) a total of 4,850,000 Share Options are outstanding;

(c) save as disclosed in sub-paragraphs (a) and (b) above, the Company has no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into the Shares;

(d) the Offeror, Guotai Haitong and the Offeror Concert Parties hold 6,346,423,521 Shares, representing approximately 66.59% of the issued share capital of the Company; and the Offeror, Guotai Haitong and the Offeror Concert Parties hold 2,300,000 Share Options, exercisable into 2,300,000 Shares which represent approximately 0.02% of the issued share capital of the Company;

(e) save as disclosed in sub-paragraph (d) above and any holdings in the relevant securities of the Company which were held by members of the Guotai Haitong Group on a non-discretionary basis on behalf of their clients, the Offeror, Guotai Haitong and the Offeror Concert Parties do not hold or have control or direction over any other Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company;

(f) save for a total of 915,094,339 Shares which may be exchanged under the Exchangeable Bonds issued by a wholly-owned subsidiary of the Offeror as disclosed in the section headed "*4.1 Exchangeable Bonds*" in this Explanatory Statement, none of the Offeror, Guotai Haitong or the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company;

(g) save for a total of 800,000,000 Borrowed Shares lent by the Offeror under the relevant stock lending arrangements as disclosed in the section headed "*4.2 Stock Lending Arrangements*" in this Explanatory Statement and the GTJAS On-Lent Shares, the HTIS Loan Shares and the HTIS On-Lent Shares in connection therewith, none of the Offeror, Guotai Haitong or the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and

(h) all Shares (other than those beneficially held by Offeror, Guotai Haitong and the Offeror Concert Parties, provided that any Scheme Share(s) held by any member of the Guotai Haitong Group shall constitute Takeovers Code Disinterested Share(s) if such member holds Scheme Share(s) on behalf of a Disinterested Beneficial Owner) are considered as Takeovers Code Disinterested Shares for the purpose of the Takeovers Code.

Upon completion of the Proposal and assuming none of the Exchangeable Bonds are exchanged into Shares after the Scheme Record Date, the Company will become a wholly-owned subsidiary of the Offeror.

On the assumption that there is no other change in the shareholding structure of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Latest Practicable Date, and immediately before the implementation of the Proposal and upon completion of the Proposal:

Shareholders	As at the Latest Practicable Date		Assuming that after the Latest Practicable Date and prior to the Scheme Record Date, (i) none of the outstanding Share Options are exercised, (ii) none of the Exchangeable Bonds are exchanged, and (iii) all of the Shares being on-lent are returned to the Offeror		Assuming that after the Latest Practicable Date and prior to the Scheme Record Date, (i) the outstanding Share Options are exercised in full, (ii) the Exchangeable Bonds are exchanged for Shares in full, and (iii) all of the Shares being on-lent are returned to the Offeror		Assuming that after the Latest Practicable Date and prior to the Scheme Record Date, (i) the outstanding Share Options are exercised in full, (ii) the Exchangeable Bonds are exchanged for Shares in full, and (iii) none of the Shares being on-lent are returned to the Offeror or Offeror Concert Parties	
			Immediately before the implementation of the Proposal	Immediately upon completion of the Proposal	Immediately before the implementation of the Proposal	Immediately upon completion of the Proposal	Immediately before the implementation of the Proposal	Immediately upon completion of the Proposal
	No. of Shares	*Approximate % (Note 1)*	*No. of Shares*	*Approximate % (Note 1)*	*No. of Shares*	*Approximate % (Note 1)*	*No. of Shares*	*Approximate % (Note 1)*	*No. of Shares*	*Approximate % (Note 1)*
(A) Offeror	6,244,877,066 *(Note 2)*	65.53%	7,044,877,066 *(Note 3)*	73.92%	9,529,944,707	100.00%	6,129,782,727	64.29%	9,534,794,707	100.00%	5,329,782,727	55.90%	9,534,794,707	100.00%
Designated Account Shares *(Note 11)*	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
(B) Offeror Concert Parties (subject to the Scheme) *(Notes 4, 6 and 7)*	101,546,455	1.07%	68,693,955	0.72%	0	0.00%	70,993,955	0.74%	0	0.00%	103,946,455	1.09%	0	0.00%
Fullgeal Fund* *(Note 5)*	147,000	0.00%	147,000	0.00%	0	0.00%	147,000	0.00%	0	0.00%	147,000	0.00%	0	0.00%
Dr. YIM Fung (a director of the Offeror and an executive Director) *(Note 8)*	68,546,955	0.72%	68,546,955	0.72%	0	0.00%	70,846,955	0.74%	0	0.00%	70,846,955	0.74%	0	0.00%
HTIS Loan Shares	32,852,500	0.34%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	32,852,500	0.34%	0	0.00%
GTJAS Loan Shares	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Lead Financial Adviser to the Offeror*	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
(C) Offeror and Offeror Concert Parties (A)+(B)	6,346,423,521	66.59%	7,113,571,021	74.64%	9,529,944,707	100.00%	6,200,776,682	65.03%	9,534,794,707	100.00%	5,433,629,182	56.99%	9,534,794,707	100.00%
(D) Takeovers Code Disinterested Shareholders (subject to the Scheme) (F)-(C)	3,183,521,186	33.41%	2,416,373,686	25.36%	0	0.00%	3,334,018,025	34.97%	0	0.00%	4,101,165,525	43.01%	0	0.00%
Ms. QI Haiying (an executive Director) *(Note 8)*	6,012,000	0.06%	6,012,000	0.06%	0	0.00%	8,312,000	0.09%	0	0.00%	8,312,000	0.09%	0	0.00%
Dr. FU Tingmei (an independent non-executive Director)	1,512,096	0.02%	1,512,096	0.02%	0	0.00%	1,512,096	0.02%	0	0.00%	1,512,096	0.02%	0	0.00%
Share Option Holders (other than Dr. YIM Fung and Ms. QI Haiying)* *(Note 8)*	0	0.00%	0	0.00%	0	0.00%	250,000	0.00%	0	0.00%	250,000	0.00%	0	0.00%
GTJAS On-Lent Shares*	100,000,000	1.05%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	100,000,000	1.05%	0	0.00%
HTIS On-Lent Shares*	67,147,500	0.70%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	67,147,500	0.70%	0	0.00%
Aggregate of UBS Loan Shares and UBS On-Lent Shares* *(Note 9)*	600,000,000	6.30%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	600,000,000	6.29%	0	0.00%
Exchangeable Bonds Holders*	0	0.00%	0	0.00%	0	0.00%	915,094,339	9.60%	0	0.00%	915,094,339	9.60%	0	0.00%
Other Scheme Shareholders*	2,408,849,590	25.28%	2,408,849,590	25.28%	0	0.00%	2,408,849,590	25.26%	0	0.00%	2,408,849,590	25.26%	0	0.00%
(E) Aggregate number of Scheme Shares (B)+(D)	3,285,067,641	34.47%	2,485,067,641	26.08%	0	0.00%	3,405,011,980	35.71%	0	0.00%	4,205,011,980	44.10%	0	0.00%
(F) Total number of Shares in issue	9,529,944,707	100.00%	9,529,944,707	100.00%	9,529,944,707	100.00%	9,534,794,707	100.00%	9,534,794,707	100.00%	9,534,794,707	100.00%	9,534,794,707	100.00%
Total Shares held in public hands*	3,176,144,090	33.33%	2,408,946,590	25.28%	0	0.00%	3,329,940,929	34.87%	0	0.00%	4,091,4808,429	42.91%	0	0.00%

Notes:

* *Shares held in public hands as defined under the Hong Kong Listing Rules.*

(1) The shareholding percentages in the table are subject to rounding adjustment.

(2) Such Shares represent the strategic shareholding of the Company held by the Offeror (excluding 800,000,000 Borrowed Shares) as at the Latest Practicable Date. For the avoidance of doubt, under the SFO, the Offeror is deemed to be interested in a total of 7,044,877,066 Shares, which includes the 800,000,000 Borrowed Shares.

(3) Assuming no Shares have been transferred by the Offeror to the Exchangeable Bonds Holders as a result of the exercise of the Exchangeable Bonds in accordance with its terms prior to the Scheme Record Date and all the Shares being lent by but not yet returned to the Offeror have been returned to the Offeror or to the Designated Account of HTIS or UBS prior to the Scheme Record Date, such 7,044,877,066 Shares will not constitute Scheme Shares and will not be cancelled under the Scheme. The share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares, and contemporaneously with the cancellation and extinguishment of the Scheme Shares, the share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of Shares as is equal to the number of Scheme Shares cancelled and extinguished.

(4) Shanghai SASAC has confirmed on October 15, 2026 in writing that (a) Shanghai SASAC, as the state-owned contributor of capital of SIG, does not interfere with the day-to-day operations and decision-making process of SIG other than fulfilling its responsibility as a contributor of capital and provision of oversight over the use of state-owned assets; (b) SIG, as a substantial shareholder and the de facto controller of Guotai Haitong, makes independent decisions and exercises its rights as a shareholder of Guotai Haitong (including exercising the voting power at Guotai Haitong's general meetings) based on its own interests in accordance with laws, regulations, and applicable governance documents; and (c) regarding matters pertaining to Guotai Haitong, Shanghai SASAC shall not give any instructions on matters independently decided by SIG (including exercising the voting power at Guotai Haitong's general meetings) in accordance with laws, regulations, and applicable governance documents, and in all circumstances, the independent decisions by SIG shall prevail. In light of the above, Shanghai SASAC is not "acting in concert" with SIG (an associated company of the Offeror) for the purpose of the Takeovers Code in respect of matters of, including the exercising of voting power in, the Offeror.

(5) As at the Latest Practicable Date, Fullgoal Fund, which is owned as to 27.78% by Guotai Haitong and is an associated company of the Offeror, holds 147,000 Shares in its ordinary course of business.

(6) An application has been made by BNP Paribas Group to rebut the presumption that BNP Paribas Group is "acting in concert" with the Offeror under Class (1) of the definition of "acting in concert" under the Takeovers Code. As at the Latest Practicable Date, the BNP Paribas Group has obtained the Executive's ruling that it is not considered as acting in concert with the Offeror for the purpose of the Proposal.

(7) As at the Latest Practicable Date, each of Somerley Capital (the Joint Financial Adviser to the Offeror in connection with the Proposal) and persons controlling, controlled by or under the same control as Somerley Capital does not hold any Shares.

(8) As at the Latest Practicable Date, a total of 4,850,000 Share Options are outstanding.

Details of the Share Option Holders and their outstanding Share Options as at the Latest Practicable Date are set out in the tables below.

Share Option Holders	Number of Outstanding Share Options Held	Exercise period of the Outstanding Share Options Held	Exercise price per Share *(HK$)*
Directors of the Company			
Dr. YIM Fung	800,000	13/07/2018–12/07/2027	HK$2.44
	500,000	04/07/2019–03/07/2028	HK$1.72
	1,000,000	11/09/2020–10/09/2029	HK$1.45
Ms. QI Haiying	800,000	13/07/2018–12/07/2027	HK$2.44
	500,000	04/07/2019–03/07/2028	HK$1.72
	1,000,000	11/09/2020–10/09/2029	HK$1.45
Two employees of the Company	250,000	11/09/2020–10/09/2029	HK$1.45
Total	4,850,000		

(9) As set out in the section headed "*4.2 Stock Lending Arrangements*" in this Explanatory Statement, it is expected that the number of UBS Loan Shares and the UBS On-Lent Shares will be confirmed as at the Meeting Record Date.

(10) Holdings, borrowings or lendings of relevant securities in the Company by members of the Guotai Haitong Group and the Group in this Scheme Document excludes any holdings, borrowings or lendings on a non-discretionary basis for and on behalf of their clients. As at the Latest Practicable Date, members of the Guotai Haitong Group (including the Group) collectively held 6,356,677,684 Shares on a non-discretionary basis for and on behalf of their clients (among which 6,244,877,066 Shares are held by GTJAS on behalf of the Offeror as a custodian).

Any Scheme Shares held by the Guotai Haitong Group (including the Group) will be voted at the Court Meeting if: (i) the relevant entities in the Guotai Haitong Group or the Group holds the Shares as a custodian for and on behalf of Disinterested Beneficial Owners; and (ii) the Disinterested Beneficial Owner gives a voting instructions on the Shares (and if no instructions are given, then no votes shall be cast for the relevant Shares held by the relevant members of the Guotai Haitong Group and the Group). If any non-discretionary investment client gives a voting instruction on the Shares to the members of the Guotai Haitong Group (including the Group), such client will be deemed to have acknowledged that it is not an Offeror Concert Party, and in such case, such Shares will be counted towards the Takeovers Code Disinterested Shares for the purposes of determining whether the thresholds under Rule 2.10 of the Takeovers Code have been met.

As disclosed in the section headed "*21. Court Meeting and EGM*" in this Explanatory Statement below, as at the Latest Practicable Date, (a) each of the Offeror, Fullgoal Fund and Dr. YIM Fung (each being an Offeror Concert Party holding Shares) has given an undertaking to the High Court that it/he will not attend or vote (or give instructions to vote) at the Court Meeting; and (b) each of GTJAS and HTIS (each being an Offeror Concert Party which holds Shares on a non-discretionary basis on behalf of its clients as at the Latest Practicable Date) has given undertakings to the High Court that it will not attend or vote (or give instructions to vote) at the Court Meeting with respect to the Shares held by it as a holder of Shares, save for any Shares which it holds on behalf of a Disinterested Beneficial Owner, and in respect of such Shares held on behalf of such Disinterested Beneficial Owner, if (and only if) express instructions are given by such Disinterested Beneficial Owner, it will attend and vote at the Court Meeting or give instructions to vote at the Court Meeting in accordance with such express instructions.

(11) The Designated Account Shares will not form part of the Scheme Shares.

(12) Details of the composition of the Scheme Shares, the Companies Ordinance Disinterested Shares and the Takeovers Code Disinterested Shares are as follows:

Shareholders	**Shareholding as at the Latest Practicable Date**		**Scheme Shares**	**Companies Ordinance Disinterested Shares (to the extent such holder holds any Scheme Shares or such category of holding exists as at the Meeting Record Date)**	**Takeovers Code Disinterested Shares (to the extent such holder holds any Scheme Shares or such category of holding exists as at the Meeting Record Date)**
	No. of Shares	*Approximate % (Note 1)*			
Offeror	6,244,877,066 *(Note 2)*	65.53%	No	N/A	N/A
Designated Account Shares	0	0.00%	No	N/A	N/A
Fullgoal Fund *(Note 5)*	147,000	0.00%	Yes	Yes	No
Dr. YIM Fung (a director of the Offeror and an executive Director) *(Note 8)*	68,546,955	0.72%	Yes	Yes	No
HTIS Loan Shares	32,852,500	0.34%	Yes	No	No
GTJAS Loan Shares	0	0.00%	Yes	No	No
Lead Financial Adviser to the Offeror	0	0.00%	Yes	No	No
Joint Financial Adviser to the Offeror *(Note 7)*	0	0.00%	Yes	Yes	No
Ms. QI Haiying (an executive Director) *(Note 8)*	6,012,000	0.06%	Yes	Yes	Yes
Dr. FU Tingmei (an independent non-executive Director)	1,512,096	0.02%	Yes	Yes	Yes
Share Option Holder (other than Dr. YIM Fung and Ms. QI Haiying)	0	0.00%	Yes (to the extent such holder exercises his/her Share Options and holds Shares as at the Scheme Record Date)	Yes	Yes
GTJAS On-Lent Shares	100,000,000	1.05%	Yes	Yes	Yes
HTIS On-Lent Shares	67,147,500	0.70%	Yes	Yes	Yes
UBS Loan Shares	N/A	N/A	Yes	No	Yes
UBS On-Lent Shares	N/A	N/A	Yes	Yes	Yes
Exchangeable Bonds Holders	0	0.00%	Yes (to the extent such holder holds Shares as at the Scheme Record Date)	Yes	Yes
Other Scheme Shareholders	2,408,849,590	25.28%	Yes	Yes	Yes

Notes: Please refer to the notes under the shareholding table immediately above this table.

7. REASONS FOR AND BENEFITS OF THE PROPOSAL

7.1 The Proposal offers Scheme Shareholders an opportunity to realise their investments at an attractive price in current uncertain market conditions

Considering the prevailing uncertain market conditions influenced by volatile sentiment in the broader Hong Kong equity markets, despite the fact that the Group's revenue for the year ended December 31, 2025 has increased by 40.9% to HK$6.2 billion and the Group's profit for the year ended December 31, 2025 has increased by 284% to HK$1.3 billion, the Company's closing price has decreased by 21.2% since the beginning of 2026, from HK$2.64 per Share as of January 2, 2026 to HK$2.08 per Share as of the Last Trading Day.

While the Company's financial performance has strengthened over the past three years, such improvement is in line with the industry trends against the backdrop of rebounding capital market sentiment in Hong Kong. Following the publication of the Company's 2025 annual results in March 2026, and taking into account the underlying market liquidity, the Offeror is of the view that the stabilized share price before the Last Trading Day has already fully reflected the Company's enhanced financial position and underlying fundamentals.

The Cancellation Price represents a premium of approximately 44.2% over the closing price of HK$2.08 per Share as at the Last Trading Day, a premium of approximately 1.4% over the closing price of HK$2.96 per Share as at the Latest Practicable Date, as well as a premium of approximately 46.5% and 37.7% over the average closing price of approximately HK$2.05 and HK$2.18 per Share for the 30 and 60 trading days up to and including the Last Trading Day, respectively. Furthermore, the Cancellation Price represents an implied 2025 P/B (price-to-book) multiple of 1.80x (representing a premium of approximately 80.3%) and 2026 1H P/B (price-to-book) multiple of 1.76x (representing a premium of approximately 76.5%), which is calculated as the Cancellation Price divided by the audited consolidated net asset value per Share attributable to the Shareholders as at December 31, 2025 and the unaudited consolidated net asset value per Share attributable to the Shareholders as at June 30, 2026, respectively.

Therefore, the Offeror views the Proposal as a proactive initiative to offer the Shareholders a compelling opportunity to realise and enhance their return on investment in the Company at a premium to the prevailing Share price and at an attractive P/B valuation multiple, particularly considering the cyclical nature of the business and historical share price volatility of the Company. By offering an attractive premium over prevailing market prices and valuation multiples during a period of stable business growth, the Proposal allows the Shareholders to secure a guaranteed cash return and avoid potential exposure to speculative market fluctuations unrelated to the Company's fundamentals.

7.2 In line with Guotai Haitong's established strategy of international business

The Proposal would provide more flexibility for Guotai Haitong to execute business development strategies across its overseas subsidiaries after the Company ceases to be a public company.

Since the establishment of Guotai Haitong post-merger in 2025, the Group has been carefully reviewing multiple strategic options with regard to the alignment of its international business subsidiaries. The Proposal is intended to strengthen synergies among its subsidiaries through future realignment of various overlapping business, and to facilitate the deployment of financial and client resources across domestic and overseas markets by a more direct governance structure. As a result, the Proposal represents an important milestone for Guotai Haitong Group's transformation into an investment bank with both domestic and international competitiveness and market influence, bringing the Company under one single listing entity structure and brand name, mirroring the structure of most leading investment banks globally.

By privatising the Company, Guotai Haitong, through future organizational restructuring, can simplify the structure of its Hong Kong operations, further align the economic incentives among its various offshore entities and simplify decision making processes. It will also enable Guotai Haitong to take a more comprehensive approach in overall risk management and capital efficiency and deployment through the combination of certain mid and back-office functions. As a privately-owned business, the Company can enjoy more flexibility to conduct long-term investment to strengthen its Hong Kong business and expand its global presence, free from the pressures of rapidly changing market conditions and short-term capital market fluctuations.

8. IMPACT OF THE PROPOSAL ON THE NON-COMPETITION UNDERTAKING

Reference is made to the circular published by Guotai Junan Securities Co., Ltd. (currently known as Guotai Haitong, the parent company of the Offeror) dated November 22, 2024. Guotai Junan Securities Co., Ltd. issued a non-competition undertaking letter in favour of the Company undertaking that it shall, within five years from the closing of the merger of Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd., resolve any competition concerns between relevant subsidiaries of the post-merger company (i.e. Guotai Haitong) and the Group through methods including but not limited to asset restructuring and business consolidation.

The non-competition undertaking will automatically terminate upon occurrence of any of the following: (1) the shares of the Company are no longer listed on the Hong Kong Stock Exchange; or (2) Guotai Haitong is no longer a controlling shareholder of the Company as defined under the Hong Kong Listing Rules.

Following the completion of the Proposal, the withdrawal of listing of the Shares on the Hong Kong Stock Exchange will result in the termination of the non-competition undertaking in accordance with its terms.

9. SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE AND THE TAKEOVERS CODE

Scheme of Arrangement under Section 673 of the Companies Ordinance and the Court Meeting

Under section 670 of the Companies Ordinance, where an arrangement is proposed to be entered into by a company with the members, or any class of the members, of the company, the High Court may, on an application made by the company, any of the members or any member of that class, order a meeting of those members or of that class of members, as the case may be, to be summoned in any manner that the High Court directs.

Under section 673 of the Companies Ordinance, if the members or the class of members with whom the arrangement is proposed to be entered into agree or agrees to the arrangement, the High Court may, on application by the company, any of the members or any member of that class, as the case may be, sanction the arrangement. An arrangement sanctioned by the High Court as aforesaid is binding on the company and the members or the class of members with whom the arrangement is proposed to be entered into.

The Scheme is a takeover offer under section 674 of the Companies Ordinance. Under section 674 of the Companies Ordinance, where the arrangement involves a takeover offer, the members or the class of members agree or agrees to the arrangement if, at a meeting summoned as directed by the High Court as aforesaid, members representing at least 75% of the voting rights of the members or the class of members, as the case may be, present and voting, in person or by proxy, agree to the arrangement and the votes cast against the arrangement at the meeting do not exceed 10% of the total voting rights attached to all Companies Ordinance Disinterested Shares in the company or of the class in the company, as the case may be.

As at the Latest Practicable Date, without taking into account the UBS On-Lent Shares, there were 2,652,215,141 Companies Ordinance Disinterested Shares in issue (representing approximately 27.83% of the total issued share capital of the Company). The number of UBS On-Lent Shares (which will constitute Companies Ordinance Disinterested Shares) will be confirmed as at the Meeting Record Date.

Additional requirements as imposed by Rule 2.10 of the Takeovers Code

In addition to satisfying any requirements imposed by law as summarized above, Rule 2.10 of the Takeovers Code requires, except with the consent of the Executive, that the Scheme may only be implemented if:

(a) the Scheme is approved by at least 75% of the votes attaching to the Takeovers Code Disinterested Shares that are cast either in person or by proxy at the Court Meeting; and

(b) the number of votes cast against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Takeovers Code Disinterested Shares.

As at the Latest Practicable Date, there were 3,183,521,186 Takeovers Code Disinterested Shares in issue (representing approximately 33.41% of the total issued share capital of the Company).

As at the Latest Practicable Date:

(a) as set out in the section headed "*6. Shareholding Structure of the Company*" of this Explanatory Statement above, Dr. YIM Fung, an executive Director, holds 68,546,955 Shares (which constitute Scheme Shares) and 2,300,000 Share Options which are exercisable into 2,300,000 Shares. In addition, Dr. YIM Fung is also a director and the general manager of the Offeror and a director of certain subsidiary of the Offeror;

(b) as set out in the section headed "*6. Shareholding Structure of the Company*" of this Explanatory Statement above, Ms. QI Haiying, an executive Director, holds 6,012,000 Shares (which constitute Scheme Shares) and 2,300,000 Share Options which are exercisable into 2,300,000 Shares;

(c) Ms. YU Xuping, a non-executive Director, is a director of the Offeror and is also the general manager of the risk management department of Guotai Haitong, the parent company of the Offeror;

(d) Mr. DONG Boyang, a non-executive Director, is a director of the Offeror, and is also the general manager of the strategic development department, the head of digital transformation office and the deputy head of integration office of Guotai Haitong, the parent company of the Offeror;

(e) Mr. ZOU Hua, a non-executive Director, is the general manager of the legal and compliance department of Guotai Haitong, the parent company of the Offeror, and is also a non-executive director of various subsidiaries within the Guotai Haitong Group;

(f) Dr. FU Tingmei, an independent non-executive Director, holds 1,512,096 Shares (which constitute Scheme Shares).

Each of Dr. YIM Fung, Ms. YU Xuping, Mr. DONG Boyang and Mr. ZOU Hua is regarded as materially interested in the Proposal and has abstained from voting on the board resolution(s) of the Company approving the Proposal in accordance with the relevant requirements of the articles of association of the Company. Each of Ms. QI Haiying and Dr. FU Tingmei, who does not hold any interest in the Scheme other than as a Scheme Shareholder, is not regarded as materially interested in the Proposal and is not required to abstain from voting on the board resolution(s) of the Company approving the Proposal under the articles of association of the Company. If the Scheme becomes effective and the Share Option Offer becomes unconditional, (a) each of Dr. YIM Fung, Ms. QI Haiying and Dr. FU Tingmei will receive the Cancellation Price for the Scheme Shares held by them; and (b) each of Dr. YIM Fung and Ms. QI Haiying will receive the Option Offer Price for any Share Option held by him/her which are validly tendered for acceptance under the Share Option Offer.

10. BINDING EFFECT OF THE SCHEME

Notwithstanding the fact that there may be a dissenting minority, if the Scheme is approved at the Court Meeting in accordance with the requirements of section 673 of the Companies Ordinance and Rule 2.10 of the Takeovers Code and is sanctioned by the High Court and the other Conditions are either fulfilled or (to the extent permitted) waived, then the Scheme will become binding on the Company and all the Scheme Shareholders.

If the Scheme becomes effective:

(a) all the Scheme Shares in issue on the Scheme Record Date will be cancelled and extinguished whereupon the issued share capital of the Company shall be reduced and all share certificates for those Scheme Shares cancelled and extinguished will thereafter cease to have effect as documents or evidence of title;

(b) the issued share capital of the Company will then be restored to the amount immediately before such cancellation and extinguishment by the creation of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished;

(c) the reserve created in the Company's books of account as a result of the said reduction of capital will be applied in paying up in full the new Shares created and such new Shares will be so allotted and issued, credited as fully paid, to the Offeror; and

(d) the Offeror will pay the Cancellation Price of HK$3.00 in cash, less Dividend Adjustment (if any), to the Scheme Shareholders for each Scheme Share held by them on the Scheme Record Date.

11. INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Hong Kong with limited liability on August 10, 2007 and is principally engaged in the business of investment holding. As at the Latest Practicable Date, the Offeror is interested in 7,044,877,066 Shares (including the Borrowed Shares), representing approximately 73.92% of the total issued Shares.

The Offeror is a wholly-owned subsidiary of Guotai Haitong. Guotai Haitong is a joint stock company incorporated in the PRC with limited liability, whose A shares and H shares are listed and traded on the Shanghai Stock Exchange (stock code: 601211) and the Main Board of the Hong Kong Stock Exchange (stock code: 02611), respectively. The principal businesses of the Guotai Haitong Group are wealth management, investment banking, institution and transaction, investment management, finance lease and other business. Guotai Haitong does not have any controlling shareholder (as defined under the Hong Kong Listing Rules). SIG is the only substantial shareholder (as defined under the Hong Kong Listing Rules) of Guotai Haitong, directly and indirectly holding an aggregate of approximately 20.46% equity interests in Guotai Haitong. The ultimate beneficial owner of SIG is Shanghai SASAC.

Implications under Hong Kong Listing Rules for Guotai Haitong

As the highest applicable percentage ratio under the Hong Kong Listing Rules in respect of the Proposal is less than 5%, the Proposal does not constitute a notifiable transaction for Guotai Haitong under Chapter 14 of the Hong Kong Listing Rules.

As Dr. YIM Fung, Ms. QI Haiying and Dr. FU Tingmei (being directors of the Company and connected persons of Guotai Haitong at the subsidiary level) hold an aggregate of approximately 0.8% of the total issued Shares, the transactions contemplated under the Proposal will, to the extent the Cancellation Price is paid to these connected persons, constitute connected transactions for Guotai Haitong under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio under the Hong Kong Listing Rules in respect of the payment to connected persons under the Proposal is less than 1%, such transactions are fully exempt from the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Hong Kong Listing Rules. Save as disclosed above, as at the Latest Practicable Date, to the best of Guotai Haitong's knowledge, it is not aware of any of its connected persons who are currently holding Shares.

12. INFORMATION ON THE COMPANY

The Company is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1788). The Company is an investment holding company. The operations of the Group are mainly based in Hong Kong and its principal businesses include wealth management, institutional investor services, corporate finance services, investment management and other business.

Your attention is also drawn to Appendices I to II to this Scheme Document for further information on the Group.

13. INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

As at the Latest Practicable Date, the Offeror intends for the Group to continue carrying on its existing brokerage-focused businesses following the implementation of the Proposal and does not have any plan to make any material changes to the existing principal businesses of the Group (including any major redeployment of the fixed assets of the Group) and the continued employment of the employees of the Group (other than changes made in the ordinary course of business of the Group).

The Offeror will conduct a strategic review of the assets, corporate structure, capitalisation, operations, properties, policies and management of the Group to determine if any changes would be appropriate and desirable following the implementation of the Proposal with a view to continue focusing on conventional securities business, facilitating internal integration and organizational restructuring within the Guotai Haitong Group, and may make any changes as the Offeror deems necessary, appropriate or beneficial for the Group in light of its review of the Group or any future development.

14. PROPOSED WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and extinguished and the share certificates for the Scheme Shares will thereafter cease to have effect as evidence of title.

The Offeror does not intend to maintain the Company's listing status on the Hong Kong Stock Exchange. The Company will make an application for the listing of the Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.15(2) of the Hong Kong Listing Rules subject to the Scheme becoming effective.

The Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange will become effective. An indicative expected timetable in relation to the Proposal is included in Part III of this Scheme Document.

15. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions described in the section headed "*3. Pre-Condition and Conditions of the Proposal and the Scheme*" of this Explanatory Statement has not been fulfilled or waived, as applicable, on or before the Conditions Long Stop Date. The listing of the Shares on the Hong Kong Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on the Offeror making subsequent offers, to the effect that none of the Offeror, Guotai Haitong or any person who acted in concert with any of them in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

16. COSTS OF THE SCHEME

Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee or not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Proposal shall be borne by the Offeror. Given that the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, Rule 2.3 of the Takeovers Code is not applicable.

17. DIRECTORS' INDICATIONS AS TO VOTING AND ACCEPTANCE OF THE SHARE OPTION OFFER

As at the Latest Practicable Date, (a) each of Ms. QI Haiying and Dr. FU Tingmei, who held or is beneficially interested in the Shares (see the section headed "*6. Shareholding Structure of the Company*" in this Explanatory Statement for further details), had indicated that those Shares held by him or her or in which he or she is beneficially interested will be voted in favour of (i) the resolution(s) to approve the Scheme at the Court Meeting; and (ii) the resolution(s) to be proposed at the EGM to implement the Proposal, including the allotment and issue to the Offeror of such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled to maintain the issued share capital of the Company; and (b) Dr. YIM Fung (who is an Offeror Concert Party) has indicated that those Shares held by him in which he is beneficially interested will be voted in favour of the resolution(s) to be proposed at the EGM to implement the Proposal, including the allotment and issue to the Offeror of such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled to maintain the issued share capital of the Company.

As at the Latest Practicable Date, each Share Option Holder who is a Director, had indicated that he or she intends to accept the Share Option Offer in respect of the outstanding Share Options held by him or her (see the section headed "*6. Shareholding Structure of the Company*" in this Explanatory Statement for further details).

18. REGISTRATION AND PAYMENT

Entitlements of the Scheme Shareholders to receive the Cancellation Price

Assuming that the Scheme Record Date falls on Friday, January 29, 2027, it is proposed that the Register will be closed from Monday, January 11, 2027 onwards (or such other date as the Shareholders may be notified by announcement) in order to determine the entitlements of the Scheme Shareholders to receive the Cancellation Price.

In order to qualify for such entitlements to receive the Cancellation Price under the Scheme, all transfers accompanied by the relevant share certificates must be lodged at the office of the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on Friday, January 8, 2027.

Payment of Cancellation Price to the Scheme Shareholders

Upon the Scheme becoming binding and effective, payment of the Cancellation Price will be made to the Scheme Shareholders whose names appear on the Register as at the Scheme Record Date as soon as possible but in any event no later than seven Business Days after the Effective Date. On the basis that the Scheme becomes binding and effective on Friday, January 29, 2027, the cheques for the payment of the Cancellation Price to the Scheme Shareholders (other than HKSCC Nominees), and payment of the Cancellation Price to HKSCC Nominees by electronic bank transfer, are expected to be despatched or made on or before Thursday, February 11, 2027.

If payment is made by way of cheques, such cheques will be despatched by ordinary post in postage pre-paid envelopes addressed to the Scheme Shareholders (other than HKSCC Nominees) at their respective addresses as appearing on the Register as at the Scheme Record Date or, in the case of joint holders, at the address appearing on the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.

All such cheques will be posted at the risk of the persons entitled thereto and none of the Offeror, the Company, Haitong International, Somerley Capital, Altus Capital and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in transmission.

On or after the day being six calendar months after the posting of such cheques, the Offeror (or its nominee) shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee).

The Offeror (or its nominee) shall hold such monies for those entitled under the terms of this Scheme until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror (or its nominee) shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Scheme. The Offeror (or its nominee) shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror (or its nominee) to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six (6) years from the Effective Date, the Offeror (and, if applicable, its nominee) shall be released from any further obligation to make any payments under this Scheme and the Offeror (and, if applicable, its nominee) shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the abovementioned deposit account, including accrued interest subject to any deduction required by law and expenses incurred.

Settlement of the Cancellation Price to which the Scheme Shareholders are entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

Assuming that the Scheme becomes effective, the Register will be updated accordingly to reflect the cancellation of all the Scheme Shares and the share certificates for the Scheme Shares will thereafter cease to have effect as evidence of title as from the Effective Date.

Shareholders are recommended to consult their professional advisers if they are in doubt as to the above procedures.

Payment of the Option Offer Price to the Share Option Holders

Upon the Scheme becoming binding and effective, payment of the applicable cash entitlements to Share Option Holders under the Share Option Offer are expected to be despatched or made as soon as possible but in any event no later than seven Business Days after the Effective Date. On the basis that the Scheme becomes binding and effective on Friday, January 29, 2027, the cheques for the payment of the Option Offer Price under the Share Option Offer are expected to be despatched on or before Thursday, February 11, 2027.

Payment will be made by way of cheques by ordinary post in pre-paid envelopes addressed to the Share Option Holders at their respective last known addresses as notified by the Share Option Holders to the Group.

All such cheques will be posted at the risk of the addressees and none of the Offeror, the Company, Haitong International, Somerley Capital, Altus Capital and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in transmission.

On or after the day being six calendar months after the posting of such cheques, the Offeror (or its nominee) shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee).

The Offeror (or its nominee) shall hold such monies for those entitled under the terms of this Share Option Offer until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror (or its nominee) shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Share Option Offer. The Offeror (or its nominee) shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror (or its nominee) to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six (6) years from the Effective Date, the Offeror (and, if applicable, its nominee) shall be released from any further obligation to make any payments under the Share Option Offer and the Offeror (and, if applicable, its nominee) shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the abovementioned deposit account, including accrued interest subject to any deduction required by law and expenses incurred.

Settlement of cash payments to which any Share Option Holder is entitled under the Share Option Offer will be implemented in full in accordance with the terms of the Share Option Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Share Option Holder.

19. OVERSEAS SCHEME SHAREHOLDERS AND SHARE OPTION HOLDERS

This Scheme Document and the accompanying forms of proxy and Form of Acceptance have been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Hong Kong Listing Rules. The information disclosed may not be the same as that which would have been disclosed if this Scheme Document and the accompanying forms of proxy and Form of Acceptance had been prepared in accordance with the laws of any other jurisdictions.

This Scheme Document and the accompanying forms of proxy and Form of Acceptance are not intended to and do not constitute, or form part of, any offer to purchase or subscribe for or an invitation to purchase or subscribe for any securities of the Offeror or the Company or the solicitation of any vote or approval in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction, nor shall there be any sale, issuance or transfer of securities of the Offeror or the Company in any jurisdiction in contravention of applicable law.

The availability of the Proposal (including the Scheme and the Share Option Offer) to Scheme Shareholders and Share Option Holders (as the case may be) who are not residents in Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdictions. Any Scheme Shareholders and Share Option Holders who are not residents in Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions. The Offeror and the Company do not represent that this Scheme Document and the accompanying forms of proxy and Form of Acceptance may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Offeror and the Company which is intended to permit a public offering or the distribution of this Scheme Document and the accompanying forms of proxy and Form of Acceptance in any jurisdiction (other than Hong Kong) where action for that purpose is required. Accordingly, it is prohibited to (a) copy, distribute or publish all or part of this Scheme Document and the accompanying forms of proxy and Form of Acceptance or any advertisement or other offering material in any jurisdiction (other than Hong Kong); or (b) use information contained therein for any purpose other than assessment of the Proposal (including the Scheme and the Share Option Offer), unless the information is already publicly available in another form in compliance with the laws of the relevant jurisdiction.

It is the responsibility of any overseas Scheme Shareholders and Share Option Holders wishing to take any action in relation to the Proposal (including the Scheme and the Share Option Offer) (as the case may be) to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from such shareholder in such jurisdiction. It is emphasised that none of the Offeror, the Company, Haitong International, Somerley Capital, Altus Capital and any of their respective directors, officers, employees, agents, affiliates or advisers or any other person involved in the Proposal (including the Scheme and the Share Option Offer) accepts any responsibility in relation to the above.

Any action taken by overseas Scheme Shareholders or Share Option Holders in respect of the Share Option Offer or the Scheme (as the case may be) will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Haitong International, Somerley Capital and Altus Capital, that those laws and regulatory requirements have been complied with.

If you are in doubt as to your position, you should consult your professional advisers.

As at the Latest Practicable Date, there was one Scheme Shareholder whose address as shown in the Register was outside Hong Kong, and such Scheme Shareholder held 500 Shares (representing approximately 0.00% of the total number of Shares in issue). Such Scheme Shareholder had a registered address in the PRC. Such Scheme Shareholder will receive the Cancellation Price in cash only, and no shares, securities or other non-cash consideration are being or will be offered or issued to such Scheme Shareholder under the Proposal. The Directors had been advised by the local counsel in the aforementioned jurisdictions that, on the basis of the foregoing, there is no restriction under the applicable laws or regulations of the relevant jurisdiction against extending the Scheme automatically or despatching this Scheme Document to the overseas Shareholder. The Scheme will apply to and this Scheme Document will be despatched to the overseas Shareholder.

20. TAXATION

As the cancellation and extinguishment of the Scheme Shares upon the Scheme becoming binding and effective does not involve the sale and purchase of any Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) in this respect.

Shareholders, whether in Hong Kong or in other jurisdictions, are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal and, in particular, whether the receipt of the Cancellation Price will make them liable to taxation in Hong Kong or in other jurisdictions.

It is emphasised that none of the Offeror, the Company, Haitong International, Somerley Capital, or Altus Capital, nor any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any persons as a result of their approval or disapproval of the Proposal.

21. COURT MEETING AND EGM

Court Meeting

The High Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

The Scheme will be subject to the approval by holders of Scheme Shares, whose names appear on the Register as at the Meeting Record Date, at the Court Meeting in accordance with the requirements imposed by section 673 of the Companies Ordinance and Rule 2.10 of the Takeovers Code, and in the manner referred to in the paragraphs headed "*3. Pre-Condition and Conditions of the Proposal and the Scheme*" of this Explanatory Statement.

Only holders of Scheme Shares whose names appear on the Register as at the Meeting Record Date will be eligible to vote at the Court Meeting. Further, for the purpose of ascertaining whether the voting requirement under section 674(2)(a)(ii) of the Companies Ordinance has been met, the votes cast against the Scheme at the Court Meeting must not exceed 10% of the total voting rights attached to all the Companies Ordinance Disinterested Shares, and only Shares held by the Takeovers Code Disinterested Shareholders will be taken into account for the purpose of ascertaining whether the voting requirements under Rule 2.10 of the Takeovers Code for approving the Scheme have been satisfied.

For the avoidance of doubt, Shares which do not form part of the Scheme Shares are not eligible to be voted at the Court Meeting.

As at the Latest Practicable Date, (a) each of the Offeror, Fullgoal Fund and Dr. YIM Fung has undertaken to the High Court that it/he will not attend or vote (or give instructions to vote) at the Court Meeting with respect to the Shares held by it/him as a holder of the Shares; and (b) each of GTJAS and HTIS (each being an Offeror Concert Party which holds Shares on a non-discretionary basis on behalf of its clients as at the Latest Practicable Date) has undertaken to the High Court that it will not attend or vote (or give instructions to vote) at the Court Meeting with respect to the Shares held by it as a holder of the Shares, save for any Shares which it holds on behalf of a Disinterested Beneficial Owner, and in respect of such Shares held on behalf of such Disinterested Beneficial Owner, if (and only if) express instructions are given by such Disinterested Beneficial Owner, it will attend and vote at the Court Meeting or give instructions to vote at the Court Meeting in accordance with such express instructions.

As at the Latest Practicable Date, none of the Offeror, Guotai Haitong and the Offeror Concert Parties had received an irrevocable commitment to vote for or against the Scheme at the Court Meeting.

Notice of the Court Meeting is set out in Appendix IV to this Scheme Document. The Court Meeting will be held at 10:00 a.m. on Monday, November 30, 2026 at Chatham room, Level 7, Conrad Hotel, 88 Queensway, Admiralty, Hong Kong.

The EGM

The EGM will be held for the purpose of considering and, if thought fit, passing a special resolution to give effect to the Scheme, including the approval of the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled and extinguished.

All Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to attend and vote at the EGM.

As at the Latest Practicable Date, none of the Offeror, Guotai Haitong and the Offeror Concert Parties had received an irrevocable commitment to vote for or against the special resolution to be proposed at the EGM.

Notice of the EGM is set out in Appendix V to this Scheme Document. The EGM will be held at 10:30 a.m. (or, if later, immediately after the conclusion, postponement or adjournment of the Court Meeting) on Monday, November 30, 2026 at Chatham room, Level 7, Conrad Hotel, 88 Queensway, Admiralty, Hong Kong.

Results of the Court Meeting and the EGM

A joint announcement will be made by the Company and the Offeror on the results of the Court Meeting and the EGM no later than 7:00 p.m. on Monday, November 30, 2026.

If all of the resolutions are passed at the Court Meeting and the EGM, further announcement(s) will be made in relation to, among other things, the outcome of the Court Hearing if the Scheme is sanctioned, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Hong Kong Stock Exchange, in accordance with the requirements of the Takeovers Code and the Hong Kong Listing Rules.

22. ACTIONS TO BE TAKEN

The summary of actions to be taken by the Shareholders, the Beneficial Owners and Share Option Holders can be found in Part II of this Scheme Document.

23. EXERCISE YOUR RIGHT TO VOTE

If you are a Shareholder or a Beneficial Owner, the Offeror and the Company strongly encourage you to exercise your right to vote or give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and at the EGM.

If you are a Beneficial Owner whose Shares are deposited in CCASS, the Offeror and the Company encourage you to provide HKSCC Nominees with instructions or make arrangements with HKSCC Nominees in relation to the manner in which those Shares should be voted at the Court Meeting and at the EGM without delay and/or arrange for some or all of such Shares to be withdrawn from CCASS and transferred and registered in your name (as detailed in the paragraph headed "*3. Actions to be taken by Beneficial Owners whose Shares are deposited in CCASS*" in Part II of this Scheme Document).

If you are a Registered Owner holding Shares on behalf of Beneficial Owners, the Offeror and the Company would be grateful if you would inform the relevant Beneficial Owners about the importance of arranging for such Shares to be voted.

If the Scheme becomes effective, it will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

If you are in doubt as to the contents of this Scheme Document, any aspect of the Proposal or any action to be taken, you are encouraged to consult a licensed securities dealer or registered institution in securities, stockbroker, bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.

24. RECOMMENDATION

Your attention is drawn to the following:

(a) the paragraph headed "*15. Recommendations*" in the letter from the Board set out in Part IV of this Scheme Document;

(b) the letter from the Independent Board Committee set out in Part V of this Scheme Document; and

(c) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document.

25. FURTHER INFORMATION

Further information is set out in the appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Statement.

Shareholders, Scheme Shareholders and Share Option Holders should rely only on the information contained in this Scheme Document and the accompanying forms of proxy and (if applicable) Form of Acceptance and letter to the Share Option Holder. None of the Offeror, the Company, Haitong International, Somerley Capital, Altus Capital and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal (including the Scheme and the Share Option Offer) have authorised anyone to provide you with information that is different from that contained in this Scheme Document.

26. LANGUAGE

In case of any inconsistency, the English language texts of this Scheme Document and the accompanying forms of proxy and Form of Acceptance shall prevail over their respective Chinese language texts.

27. GENERAL

Given that the Proposal will be implemented by way of the Scheme, compulsory acquisition is not applicable and the Offeror has no powers of compulsory acquisition in relation to the Proposal.

28. ENQUIRY HOTLINE AND EMAIL

The Company has set up an enquiry hotline and email box to provide information in relation to the Proposal. The enquiry hotline and email box will be in operation from the issuance date of this Scheme Document until the date of the EGM, which will be held on November 30, 2026. Shareholders can reach out to Computershare Asia Services Limited via the following ways within the office hours. Computershare Asia Services Limited will only handle enquiries that are purely administrative or procedural in nature. If an enquiry, whether submitted by telephone or email, falls outside this scope, Computershare Asia Services Limited will not provide a response and will instead advise the investor to seek professional advice from a qualified adviser.

Local Phone Number: 2862 8690

Mainland China Toll-Free Phone Number: 400 1201372

Email: GuotaiJunan@Computershare.com.hk

Office hours: 9:00 a.m. to 6:00 p.m. Mondays to Fridays (excluding weekends and public holidays in Hong Kong)

This hotline is managed by an external service provider, Computershare Asia Services Limited. For the avoidance of doubt, the designated phone line account cannot and will not: (i) provide any information not available in the public domain nor any advice on the merits or risks of the Proposal; or (ii) give any financial or legal advice. If you are in doubt as to any aspect of this Scheme Document or action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional advisers.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the consolidated financial information of the Group for each of the years ended December 31, 2023, December 31, 2024 and December 31, 2025 and for each of the six months ended June 30, 2025 and June 30, 2026. The financial information for the years ended December 31, 2023 and December 31, 2024 is extracted from the annual report of the Company for the year ended December 31, 2024, the financial information for the year ended December 31, 2025 is extracted from the annual report of the Company for the year ended December 31, 2025, and the financial information for the six months ended June 30, 2025 and June 30, 2026 is extracted from the interim report of the Company for the six months ended June 30, 2026.

	For the six months ended June 30,		For the years ended December 31,		
	2026 (unaudited)	2025 (unaudited)	2025 (audited)	2024 (audited)	2023 (audited)
	HK$'000			*HK$'000*	
Revenue	3,870,872	2,825,044	6,230,008	4,421,609	3,217,372
Other (loss)/income	(65,210)	(56,504)	(17,888)	5,428	12,722
Revenue and other income	**3,805,662**	**2,768,540**	**6,212,120**	**4,427,037**	**3,230,094**
Staff costs	(489,806)	(444,253)	(1,005,210)	(794,802)	(781,340)
Commission to account executives	(105,082)	(103,906)	(242,575)	(167,540)	(122,538)
Depreciation	(37,031)	(37,211)	(73,392)	(82,028)	(85,352)
Net impairment charge	(66,837)	(5,006)	(24,543)	(26,271)	(59,490)
Other operating expenses	(642,981)	(317,613)	(767,248)	(559,658)	(494,952)
Operating profit	2,463,925	1,860,551	4,099,152	2,796,738	1,686,422
Finance costs	(1,663,980)	(1,223,753)	(2,376,328)	(2,430,107)	(1,495,006)
Profit before tax	799,945	636,798	1,722,824	366,631	191,416
Income tax (expense)/ credit	(122,925)	(85,388)	(376,103)	(15,934)	14,689
Profit for the period/year	**677,020**	**551,410**	**1,346,721**	**350,697**	**206,105**
Other comprehensive income for the period/year, net of tax					
Items that may be reclassified subsequently to profit and loss:					

	For the six months ended June 30,		For the years ended December 31,		
	2026 (unaudited)	2025 (unaudited)	2025 (audited)	2024 (audited)	2023 (audited)
	HK$'000			*HK$'000*	
– Investments at fair value through other comprehensive income	(137,384)	87,943	142,797	(50,461)	4,741
– Exchange difference on translation of foreign exchange	1,925	28,346	19,552	(29,008)	5,750
Item that will not be reclassified to profit and loss:					
– Investments at fair value through other comprehensive income	(20,565)	62,202	100,581	25,438	9,284
Total comprehensive income for the period/year	520,996	729,901	1,609,651	296,666	225,880
Profit for the period/ year attributable to:	**677,020**	**551,410**	**1,346,721**	**350,697**	**206,105**
Owners of the Company	674,860	550,089	1,345,354	347,783	201,261
Non-controlling interests	2,160	1,321	1,367	2,914	4,844
Total comprehensive income for the period/year attributable to	**520,996**	**729,901**	**1,609,651**	**296,666**	**225,880**
Owners of the Company	518,087	728,417	1,609,923	300,067	223,852
Non-controlling interests	2,909	1,484	(272)	(3,401)	2,028

	For the six months ended June 30,		For the years ended December 31,		
	2026 (unaudited)	2025 (unaudited)	2025 (audited)	2024 (audited)	2023 (audited)
	HK$'000			*HK$'000*	
Earnings per share attributable to ordinary equity holders of the parent					
– Basic (in HK cents)	7.08	5.77	14.1	3.6	2.1
– Diluted (in HK cents)	7.08	5.77	14.1	3.6	2.1
Dividends declared	–	475,950	666,949	304,991	191,078
Total dividends per share (in HK cents)	–	5.00	7.0	3.2	2.0

Save as disclosed above, there was no item of any income or expense which was material in respect of the consolidated financial statements of the Group for each of the years ended December 31, 2023, 2024 and 2025, and the unaudited consolidated financial results for the six months ended June 30, 2025 and the six months ended June 30, 2026.

The auditor's reports issued by the auditor of the Company, KPMG, in respect of the audited consolidated financial statements of the Group for the three years ended December 31, 2023, December 31, 2024 and December 31, 2025 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

2. CONSOLIDATED FINANCIAL STATEMENTS

The Group is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended December 31, 2025 (the "**2025 Financial Statements**"), (ii) the audited consolidated financial statements of the Group for the year ended December 31, 2024 (the "**2024 Financial Statements**"), (iii) the audited consolidated financial statements of the Group for the year ended December 31, 2023 (the "**2023 Financial Statements**"), (iv) the unaudited interim condensed consolidated financial statements of the Group for the period ended June 30, 2026 (the "**2026 Interim Financial Statements**"), and (v) the unaudited interim condensed consolidated financial statements of the Group for the period ended June 30, 2025 (the "**2025 Interim Financial Statements**"), together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2025 Financial Statements are set out on pages 119 to 258 of the annual report of the Company for the year ended December 31, 2025 (the "**Annual Report 2025**"). The Annual Report 2025 is posted on the Company's website at www.gtjai.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk on April 29, 2026. Please also see below the direct links to the Annual Report 2025:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0429/2026042901072.pdf

The 2024 Financial Statements are set out on pages 119 to 262 of the annual report of the Company for the year ended December 31, 2024 (the "**Annual Report 2024**"). The Annual Report 2024 is posted on the Company's website at www.gtjai.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk on April 29, 2025. Please also see below the direct links to the Annual Report 2024:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042902660.pdf

The 2023 Financial Statements are set out on pages 119 to 267 of the annual report of the Company for the year ended December 31, 2023 (the "**Annual Report 2023**"). The Annual Report 2023 is posted on the Company's website at www.gtjai.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk on April 29, 2024. Please also see below the direct links to the Annual Report 2023:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042902462.pdf

The 2026 Interim Financial Statements are set out on pages 40 to 101 of the interim report of the Company for the period ended June 30, 2026 (the "**Interim Report 2026**"). The Interim Report 2026 is posted on the Company's website at www.gtjai.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk on September 10, 2026. Please also see below the direct links to the Interim Report 2026:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0910/2026091000877.pdf

The 2025 Interim Financial Statements are set out on pages 40 to 97 of the interim report of the Company for the period ended June 30, 2025 (the "**Interim Report 2025**"). The Interim Report 2025 is posted on the Company's website at www.gtjai.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk on September 22, 2025. Please also see below the direct links to the Interim Report 2025:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0922/2025092200342.pdf

The 2023 Financial Statements, the 2024 Financial Statements, the 2025 Financial Statements, the 2025 Interim Financial Statements and the 2026 Interim Financial Statements (but not any other parts of the Annual Report 2023, the Annual Report 2024, the Annual Report 2025, the Interim Report 2025 and the Interim Report 2026 in which they appear respectively) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

3. INDEBTEDNESS STATEMENT

As at the close of business on August 31, 2026, being the latest practicable date for the purpose of preparation of this indebtedness statement prior to the issuance of this Scheme Document, the indebtedness of the Group was as follows:

Unsecured bank borrowings

As at August 31, 2026, the Group had total outstanding unsecured and unguaranteed bank borrowings of approximately HK$23,066,134,000.

Debt securities in issue – At amortised cost

As at August 31, 2026, the Group had total outstanding unsecured and unguaranteed debt securities in issue – at amortised cost of approximately HK$16,188,555,000. In addition to the outstanding amount of debt securities in issue – at amortised cost, as at August 31, 2026, the Group has outstanding authorised but unissued medium-term note of approximately HK$18,811,445,000.

Lease liabilities

As at August 31, 2026, the Group had lease liabilities amounting to approximately HK$27,020,000. All lease payments are unsecured and unguaranteed.

Save as disclosed above and apart from intra-group liabilities, intra-group guarantees, and normal trade payables in the normal course of business, as of August 31, 2026, the Company did not have other debt securities at amortised cost issued and outstanding or agreed to be issued, other finance lease or hire purchase commitments, bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities.

4. MATERIAL CHANGE

The Directors confirm that, save and except for the following, there had been no material change in the financial or trading position or outlook of the Group since December 31, 2025, being the date to which the latest published audited consolidated financial statements of Company were made up, up to and including the Latest Practicable Date:

(1). As mentioned in the interim report for the six months ended June 30, 2026 (the "**1H2026 Interim Report**"), the Group has driven comprehensive growth across all operations. As a result of (i) a 92% surge in funds raised through Hong Kong equity capital market initial public offerings, (ii) high trading turnovers in the stock market, and (iii) the Group's asset allocation toward high-rated and liquid fixed income instruments, the Group recorded a total revenue of approximately HK$3,870.9 million in the six months ended June 30, 2026 ("**1H2026**"), as compared to HK$6,230.0 million for the year ended December 31, 2025 ("**FY2025**").

(2). As mentioned in the 1H2026 Interim Report, as the Group's business scale and transaction volume increased during 1H2026, higher commission and fee income drove up handling charges, increasing other operating expenses up to approximately HK$643.0 million for 1H2026, as compared to HK$767.2 million recorded in FY2025.

(3). As mentioned in the 1H2026 Interim Report, finance costs amounted to approximately HK$1,664.0 million in 1H2026, as compared to HK$2,376.3 million for FY2025. The relatively higher amount recorded during 1H2026 was primarily driven by the expansion of the Group's balance sheet. Between December 31, 2025 and June 30, 2026, (i) total interest-bearing borrowings increased from approximately HK$12.1 billion as at December 31, 2025 to HK$19.5 billion as at June 30, 2026; (ii) obligations under repurchase agreements increased from approximately HK$35.2 billion as at December 31, 2025 to HK$65.4 billion as at June 30, 2026; and (iii) debt securities in issue at amortised cost increased from HK$14.7 billion as at December 31, 2025 to HK$16.6 billion as at June 30, 2026.

1. RESPONSIBILITY STATEMENT

This Scheme Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information with regard to the Proposal (including the Scheme and the Share Option Offer), the Offeror and the Group.

As at the Latest Practicable Date, the Board comprises Dr. YIM Fung (Chairman) and Ms. QI Haiying as executive Directors; Ms. YU Xuping, Mr. DONG Boyang and Mr. ZOU Hua as non-executive Directors; and Dr. FU Tingmei, Professor CHAN Ka Keung Ceajer and Mr. LIU Chung Mun as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than the information relating to the Offeror and Guotai Haitong) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than the opinions expressed by the directors of the Offeror and Guotai Haitong in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

As at the Latest Practicable Date, the board of directors of the Offeror comprises Mr. NIE Xiaogang, Mr. XIE Lebin, Dr. YIM Fung, Ms. YU Xuping and Mr. DONG Boyang.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than the information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than the opinions expressed by the Directors in their capacities as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

As at the Latest Practicable Date, the board of directors of Guotai Haitong comprises Mr. ZHU Jian and Mr. NIE Xiaogang as the executive directors; Mr. ZHOU Jie, Ms. GUAN Wei, Mr. ZHONG Maojun, Mr. CHEN Hangbiao, Ms. LV Chunfang, Ms. HA Erman, Mr. SUN Minghui and Mr. CHEN Yijiang as the non-executive directors; Mr. WU Hongwei as the employee director; and Mr. LI Renjie, Mr. WANG Guogang, Mr. PU Yonghao, Mr. MAO Fugen, Mr. CHEN Fangruo and Mr. JIANG Xian as independent non-executive directors.

The directors of Guotai Haitong jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than the information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than the opinions expressed by the Directors in their capacities as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date,

(a) the issued share capital of the Company comprised 9,529,944,707 Shares;

(b) all Shares in issue were fully paid or credited as fully paid and rank pari passu in all respects with each other, including, as to rights to capital, dividends and voting;

(c) no Shares had been issued by the Company since December 31, 2025 (being the end of the last financial year of the Company) up to the Latest Practicable Date;

(d) a total of 4,850,000 Share Options were outstanding, and

(e) other than the 4,850,000 Share Options that were outstanding, there were no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into the Shares.

3. MARKET PRICES

The table below shows the closing market prices of the Shares as quoted on the Hong Kong Stock Exchange (i) on the Latest Practicable Date; (ii) on the Last Trading Day and (iii) on the last Business Day of each of the calendar months during the Relevant Period:

Date	**Closing Price** *(HK$)*
February 27, 2026	2.80
March 31, 2026	2.32
April 30, 2026	2.42
May 29, 2026	2.17
June 30, 2026	1.96
July 22, 2026 (the Last Trading Day)	2.08
July 31, 2026	2.08
August 31, 2026	2.87
September 30, 2026	2.90
October 30, 2026	2.845
November 3, 2026 (the Latest Practicable Date)	2.96

During the Relevant Period, the highest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK$3.09 per Share on April 10, 2026, and the lowest closing price of the Shares as quoted on the Hong Kong Stock Exchange was HK$1.94 per Share on June 26, 2026.

4. DISCLOSURE OF INTERESTS IN THE SHARES

As at the Latest Practicable Date:

(a) the Offeror, Guotai Haitong and the Offeror Concert Parties hold 6,346,423,521 Shares, representing approximately 66.59% of the issued share capital of the Company; and the Offeror, Guotai Haitong and the Offeror Concert Parties hold 2,300,000 Share Options, exercisable into 2,300,000 Shares which represent approximately 0.02% of the issued share capital of the Company;

(b) save as disclosed in sub-paragraph (a) above and any holdings in the relevant securities of the Company which were held by members of the Guotai Haitong Group on a non-discretionary basis for and on behalf of their clients, the Offeror, Guotai Haitong and the Offeror Concert Parties do not hold or have control or direction over any other Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company;

(c) save for a total of 915,094,339 Shares which may be exchanged under the Exchangeable Bonds issued by a wholly-owned subsidiary of the Offeror as disclosed in the section headed "*4.1 Exchangeable Bonds*" of the Explanatory Statement set out in Part VII of this Scheme Document, none of the Offeror, Guotai Haitong or the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company;

(d) save for a total of 800,000,000 Borrowed Shares lent by the Offeror under the relevant stock lending arrangements as disclosed in the section headed "*4.2 Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of this Scheme Document and the GTJAS On-Lent Shares, the HTIS Loan Shares and the HTIS On-Lent Shares in connection therewith, none of the Offeror, Guotai Haitong or the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

(e) save as disclosed in sub-paragraphs (a) and (b) above and in the section headed "*6. Shareholding Structure of the Company*" of the Explanatory Statement set out in Part VII of this Scheme Document, none of the Offeror or the directors of the Offeror owned or had control or direction over or was interested (within the meaning of Part XV of the SFO) in any Shares or convertible securities, warrants, options or derivatives in respect of any Shares;

(f) save as disclosed in the section headed "*6. Shareholding Structure of the Company*" of the Explanatory Statement set out in Part VII of this Scheme Document, none of the Directors was interested (within the meaning of Part XV of the SFO) in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

(g) other than any holdings in the relevant securities of the Company which were held by members of the Group on a non-discretionary basis on behalf of their clients, no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

(h) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of "associate" under the Takeovers Code, and any other person;

(i) no fund manager connected with the Company managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis;

(j) neither the Company nor any Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares (except as disclosed in the section headed "*4.2 Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of this Scheme Document).

5. DEALINGS IN THE SHARES

During the Relevant Period:

(a) save for the dealings in the Shares disclosed below, none of the Offeror, Guotai Haitong and the Offeror Concert Parties (including the directors of the Offeror) had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

Entity	Date of transaction	Nature of transaction [Note]	Number of Shares involved	Price per Share
Fullgoal Fund	March 12, 2026	Buy	18,000	HKD 2.50
Fullgoal Fund	March 13, 2026	Buy	4,000	HKD 2.48
Fullgoal Fund	March 17, 2026	Buy	8,000	HKD 2.60
Fullgoal Fund	March 18, 2026	Buy	3,000	HKD 2.62
Fullgoal Fund	March 20, 2026	Buy	14,000	HKD 2.40
Fullgoal Fund	March 23, 2026	Buy	4,000	HKD 2.33
Fullgoal Fund	March 25, 2026	Buy	11,000	HKD 2.43
Fullgoal Fund	March 26, 2026	Buy	3,000	HKD 2.43
Fullgoal Fund	March 27, 2026	Buy	3,000	HKD 2.38
Fullgoal Fund	March 30, 2026	Buy	17,000	HKD 2.33

Entity	Date of transaction	Nature of transaction [Note]	Number of Shares involved	Price per Share
Fullgoal Fund	March 31, 2026	Buy	2,000	HKD 2.37
Fullgoal Fund	April 2, 2026	Buy	6,000	HKD 2.35
Fullgoal Fund	April 8, 2026	Buy	2,000	HKD 2.49
Fullgoal Fund	June 30, 2026	Buy	29,000	HKD 1.98
Fullgoal Fund	July 2, 2026	Buy	2,000	HKD 2.03
Fullgoal Fund	July 7, 2026	Buy	17,000	HKD 2.04
Fullgoal Fund	July 15, 2026	Buy	4,000	HKD 2.04

Note: the dealings above were conducted as part of the relevant entity's ordinary course of fund management business.

(b) no Director had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of Shares;

During the period commencing on August 7, 2026 (being the commencement date of the Offer Period) and ending on the Latest Practicable Date:

(a) other than any dealings on a non-discretionary basis on behalf of clients of the Group, no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

(b) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (i) the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" or with any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of "associate" under the Takeovers Code had any dealings in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares, or (ii) the Offeror, Guotai Haitong or the Offeror Concert Parties had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and

(c) no fund manager (other than exempt fund managers) connected with the Company who managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

6. DISCLOSURE OF INTERESTS IN THE OFFEROR'S SHARES

As at the Latest Practicable Date, none of the Company or any Directors owned, had control or direction over, or was interested (within the meaning of Part XV of the SFO) in, any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror.

7. DEALINGS IN OFFEROR'S SHARES

During the Relevant Period, neither the Company nor any Directors had dealt for value in any shares of the Offeror, or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror.

8. ARRANGEMENTS IN CONNECTION WITH THE PROPOSAL

As at the Latest Practicable Date:

(a) there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal and the Offeror had no intention to transfer, charge or pledge any Shares to be acquired pursuant to the Proposal to any other person;

(b) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, Guotai Haitong or the Offeror Concert Parties on the one hand, and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or dependence upon the Proposal;

(c) there was no agreement or arrangement to which any of the Offeror, Guotai Haitong or the Offeror Concert Parties was a party which relates to the circumstances in which the Offeror may or may not invoke or seek to invoke a Condition;

(d) none of the Offeror, Guotai Haitong and the Offeror Concert Parties had received an irrevocable commitment to vote for or against the Scheme, or to accept or reject the Share Option Offer;

(e) save for the Cancellation Price and the Option Offer Price, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, Guotai Haitong and the Offeror Concert Parties (i) to the Scheme Shareholders in relation to the Scheme Shares or (ii) to the Share Option Holders in relation to the Share Options;

(f) there was no arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or Shares which might be material to the Proposal (as referred to in Note 8 to Rule 22 of the Takeovers Code); and

(g) there was no agreement, arrangement or understanding between (i) any Shareholder and (ii) (a) the Offeror, Guotai Haitong and the Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies which constituted a special deal under Rule 25 of the Takeovers Code.

9. ARRANGEMENTS AFFECTING THE DIRECTORS

As at the Latest Practicable Date:

(a) no benefit (other than statutory compensation required under applicable laws) would be given to any Director as compensation for loss of office or otherwise in connection with the Proposal;

(b) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Proposal or otherwise connected with the Proposal; and

(c) there was no material contract entered into by the Offeror in which any Director has a material personal interest.

10. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, save for the renewal of the service contracts of Dr. YIM Fung and Ms. QI Haiying in 2026 (the details of which is set out below), none of the Directors had entered into any other service contracts with the Company or any of its subsidiaries or associated companies which are in force and which (a) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the commencement of the Offer Period; (b) was a continuous contract with a notice period of 12 months or more; or (c) was a fixed term contract with more than 12 months to run irrespective of the notice period.

Name of Director	Commencement date of the service contract	Expiry date of the service contract	Amount of fixed remuneration payable under the contract
Dr. YIM Fung *(Note)*	April 1, 2026	March 31, 2027	HK$4,320,000 per annum
Ms. QI Haiying *(Note)*	June 1, 2026	May 31, 2027	HK$4,002,000 per annum

Note: Each of Dr. YIM Fung and Ms. QI Haiying is entitled to receive discretionary bonuses and other benefits as may be decided by the remuneration committee of the Company, having regard to his or her performance, duties, the Company's performance and profitability, and the prevailing market conditions.

11. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in, or may become a party to, any litigation, arbitration or claim of material importance, and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

12. MATERIAL CONTRACTS

There were no material contracts entered into by the Company or any of its subsidiaries after the date which was two years before the commencement of the Offer Period up to and including the Latest Practicable Date, other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries.

13. PROFESSIONAL ADVISERS AND CONSENTS

The following are the qualifications of the experts who have given opinion or advice which is contained in this Scheme Document:

Name	Qualification
Haitong International	a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities under the SFO
Somerley Capital	a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Altus Capital	a corporation licensed to carry on 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, each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion therein of its opinion and/or letter (as the case may be) and/or the references to its name and/or its opinion and/or letter in the form and context in which they respectively appear.

14. MISCELLANEOUS

(a) Information regarding the Offeror and the principal members of the Offeror Concert Parties is set out below:

(i) The Offeror is a company incorporated in Hong Kong with limited liability and is wholly-owned by Guotai Haitong.

(ii) As at the Latest Practicable Date, the board of directors of the Offeror comprises Mr. NIE Xiaogang, Mr. XIE Lebin, Dr. YIM Fung, Ms. YU Xuping and Mr. DONG Boyang.

(iii) Guotai Haitong Securities Co., Ltd. is a joint stock company incorporated in the PRC on August 18, 1999, whose A shares and H shares are listed and traded on the Shanghai Stock Exchange (stock code: 601211) and the Main Board of the Hong Kong Stock Exchange (stock code: 02611).

(iv) As at the Latest Practicable Date, the board of directors of Guotai Haitong comprises Mr. ZHU Jian and Mr. NIE Xiaogang as the executive directors; Mr. ZHOU Jie, Ms. GUAN Wei, Mr. ZHONG Maojun, Mr. CHEN Hangbiao, Ms. LV Chunfang, Ms. HA Erman, Mr. SUN Minghui and Mr. CHEN Yijiang as the non-executive directors; Mr. WU Hongwei as the employee director; and Mr. LI Renjie, Mr. WANG Guogang, Mr. PU Yonghao, Mr. MAO Fugen, Mr. CHEN Fangruo and Mr. JIANG Xian as independent non-executive directors.

(v) The registered office of the Offeror is Room 1506-08, 15/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong.

(vi) The registered office of Guotai Haitong is No. 768 Nanjing West Road, Jing'an District, Shanghai.

(b) The registered office of the Company is 27/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong.

(c) The registered office of Haitong International is Suites 3001-3006 and 3015-3016, One International Finance Centre, No.1 Harbour View Street, Central, Hong Kong.

(d) The registered office of Somerley Capital is 20/F, China Building, 29 Queen's Road Central, Hong Kong.

(e) The registered office of Altus Capital is 21 Wing Wo Street, Central, Hong Kong.

15. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection on the website of the Company at www.gtjai.com and on the website of the SFC at www.sfc.hk from the date of this Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is the earlier:

(a) the articles of association of the Offeror;

(b) the articles of association of the Company;

(c) the annual reports of the Company for each of the years ended December 31, 2023, December 31, 2024 and December 31, 2025;

(d) the interim reports of the Company for the six months ended June 30, 2025 and June 30, 2026;

(e) the letter from the Board, the text of which is set out in Part IV of this Scheme Document;

(f) the letter from the Independent Board Committee, the text of which is set out in Part V of this Scheme Document;

(g) the letter from the Independent Financial Adviser, the text of which is set out in Part VI of this Scheme Document;

(h) the service contracts referred to in the section headed "*10. Directors' Service Contracts*" in this Appendix II;

(i) the written consents referred to in the section headed "*13. Professional Advisers and Consents*" in this Appendix II; and

(j) this Scheme Document.

HCMP No. 1797/2026

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 1797 OF 2026

IN THE MATTER OF
GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED
國泰君安國際控股有限公司

AND

IN THE MATTER OF
SECTION 670 OF THE COMPANIES ORDINANCE,
CHAPTER 622 OF THE LAWS OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION

SCHEME OF ARRANGEMENT
Under Section 673 of the Companies Ordinance,
Chapter 622 of the Laws of the Hong Kong Special Administrative Region

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

"Authorisations"	all necessary authorisations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals required from the applicable governments or governmental bodies, regulatory bodies, or courts (including but not limited to the SFC and the Hong Kong Stock Exchange), or other third parties which are necessary for any member of the Group to carry on its business
"Beneficial Owner(s)"	any beneficial owner(s) of the Shares whose Shares are registered in the name of the Registered Owner(s) other than himself/herself/itself
"Board"	the board of Directors
"Business Day"	a day on which the Hong Kong Stock Exchange is open for the transaction of business
"Cancellation Price"	the cancellation price of HK$3.00 for every Scheme Share cancelled and extinguished pursuant to the Scheme, which amount (less Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash

"Company"	Guotai Junan International Holdings Limited (國泰君安國際控股有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1788)
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Companies Ordinance Disinterested Share(s)"	has the meaning ascribed to "disinterested shares" in section 674(3) of the Companies Ordinance
"Condition(s)"	the condition(s) to the implementation of the Proposal and the effectiveness of the Scheme, as set out in paragraph 5 below
"Conditions Long Stop Date"	February 15, 2027, being the date extended from December 31, 2026 agreed by the Offeror and the Company in view of the High Court timetable (or such later date as the Offeror and the Company may agree in writing and, to the extent applicable, as the High Court on application of the Company may allow and in all cases, as permitted by the Executive)
"Court Meeting"	a meeting of the holders of Scheme Shares convened at the direction of the High Court at Chatham room, Level 7, Conrad Hotel, 88 Queensway, Admiralty, Hong Kong on November 30, 2026 at 10:00 a.m., or any adjournment thereof for the purpose of considering, and if thought fit, approving the Scheme
"Director(s)"	the director(s) of the Company
"Disinterested Beneficial Owner(s)"	a Beneficial Owner on whose behalf any member of the Guotai Haitong Group holds Scheme Share(s), which: (a) controls or directs the exercise of the voting rights attaching to such Scheme Share(s), and none of the Offeror, Guotai Haitong or any Offeror Concert Party has any discretion in respect of the exercise of such voting rights; (b) if such Scheme Share(s) are voted, is the party which gives the instructions as to how such Scheme Share(s) are to be voted; and (c) is not the Offeror, Guotai Haitong or an Offeror Concert Party

"Dividend Adjustment"	an amount by which the Cancellation Price will be reduced in the event that (a) any dividend, distribution and/or other return of capital is announced, declared or paid in respect of the Shares after the date of the Joint Announcement and (b) the record date for determining the entitlements to any such dividend, distribution and/or return of capital (as the case may be) falls on a day which is after the date of the Joint Announcement and before the Effective Date
"Effective Date"	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
"EGM"	an extraordinary general meeting of the Company convened at Chatham room, Level 7, Conrad Hotel, 88 Queensway, Admiralty, Hong Kong on November 30, 2026 at 10:30 a.m. (or, if later, immediately after the conclusion, postponement or adjournment of the Court Meeting) for the purpose of, among other matters, approving the reduction and restoration of the share capital of the Company involved in the Scheme and implementation of the Scheme
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Explanatory Statement"	the explanatory statement in relation to the Proposal, the text of which is set out in Part VII of the Scheme Document, which constitutes the statement required under section 671 of the Companies Ordinance
"Fullgoal Fund"	Fullgoal Fund Management Co., Ltd.(富國基金管理有限公司), a limited liability company incorporated in the PRC, which is owned as to 27.78% by Guotai Haitong and is an associated company of the Offeror
"Group"	the Company and its subsidiaries
"GTJAS"	Guotai Junan Securities (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Company. GTJAS is a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities as at the Latest Practicable Date

"Guotai Haitong"	Guotai Haitong Securities Co., Ltd.(國泰海通證券股份有限公司), a joint stock company incorporated in the PRC on August 18, 1999, whose A shares and H shares are listed and traded on the Shanghai Stock Exchange (stock code: 601211) and the Main Board of the Hong Kong Stock Exchange (stock code: 02611), and the parent company of the Offeror
"Guotai Haitong Group"	Guotai Haitong and its subsidiaries, including the Offeror and the Company
"Haitong International"	Haitong International Capital Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, the lead financial adviser to the Offeror in relation to the Proposal. Haitong International is an indirect wholly-owned subsidiary of Guotai Haitong and a fellow subsidiary of the Offeror and the Company
"High Court"	the High Court of Hong Kong
"HTIS"	Haitong International Securities Company Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Guotai Haitong. HTIS is a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) as at the Latest Practicable Date
"HTIS Loan Shares"	has the meaning ascribed to it in the section headed "*4.2 Stock Lending Arrangements*" of the Explanatory Statement set out in Part VII of the Scheme Document
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	the independent committee of the Board formed to advise the Takeovers Code Disinterested Shareholders in respect of the Proposal and the Scheme and the Share Option Holders in respect of the Share Option Offer as required by the Takeovers Code, comprising Dr. FU Tingmei, Professor CHAN Ka Keung Ceajer and Mr. LIU Chung Mun

"Independent Financial Adviser"	Altus Capital Limited, a corporation licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, the independent financial adviser appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Proposal (including the Scheme and the Share Option Offer), as required by the Takeovers Code
"Joint Announcement"	the joint announcement dated August 7, 2026 issued by the Offeror and the Company in relation to the Proposal
"Latest Practicable Date"	November 3, 2026, being the latest practicable date prior to the date of the Scheme Document for the purpose of ascertaining certain information contained in the Scheme Document
"Offeror"	Guotai Haitong Financial Holdings Limited(國泰海通金融控股有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Guotai Haitong
"Offeror Concert Party(ies)"	any party(ies) acting in concert, or presumed to be acting in concert, with the Offeror and/or Guotai Haitong under the definition of "acting in concert" under the Takeovers Code
"PRC"	the People's Republic of China
"Proposal"	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, the implementation of the Share Option Offer, and the withdrawal of listing of the Shares from the Hong Kong Stock Exchange, subject to the Conditions and on the terms set out in the Scheme Document
"Register"	the register of members of the Company
"Registered Owner"	any person registered as a holder of Shares in the Register
"Registrar of Companies"	the Registrar of Companies appointed under the Companies Ordinance
"Scheme"	a scheme of arrangement which is proposed under section 673 of the Companies Ordinance for the implementation of the Proposal, involving the cancellation and extinguishment of all the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation and extinguishment of the Scheme Shares by the issue by the Company to the Offeror, credited as fully paid, of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished on the Effective Date

"Scheme Document"	the composite scheme document dated November 6, 2026 jointly issued by the Offeror and the Company in connection with the Proposal containing, among other things, each of the letters, statements, appendices and notices in it
"Scheme Record Date"	Friday, January 29, 2027, or such other date as shall be announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme
"Scheme Share(s)"	all of the Shares which are not beneficially held by the Offeror as at the Scheme Record Date
"Scheme Shareholder(s)"	registered holder(s) of the Scheme Shares
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	registered holder(s) of the Shares
"Share Option(s)"	the outstanding share option(s) granted under the Share Option Scheme from time to time
"Share Option Holder(s)"	the holder(s) of the Share Option(s)
"Share Option Offer"	the offer being made by the Offeror to the Share Option Holders for the cancellation of all outstanding Share Options in accordance with the Takeovers Code and the terms set out in the Scheme Document
"Share Option Offer Record Date"	Friday, January 8, 2027, or such other date as shall be announced to the Share Option Holders, being the record date for determining entitlements of the Share Option Holders under the Share Option Offer
"Share Option Scheme"	the share option scheme adopted by the Company on June 19, 2010
"Share Registrar"	Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, being the share registrar of the Company

"Somerley Capital"	Somerley Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the joint financial adviser to the Offeror in relation to the Proposal
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers (as revised, supplemented or otherwise modified from time to time)
"Takeovers Code Disinterested Share(s)"	Share(s), other than those beneficially held by the Offeror, Guotai Haitong and the Offeror Concert Parties. For the avoidance of doubt, any Scheme Share(s) held by any member of the Guotai Haitong Group shall constitute Takeovers Code Disinterested Share(s) if such member holds Scheme Share(s) on behalf of a Disinterested Beneficial Owner
"Takeovers Code Disinterested Shareholder(s)"	the holder(s) of the Takeovers Code Disinterested Share(s), including any member of the Guotai Haitong Group in its capacity as a holder of Scheme Share(s) on behalf of a Disinterested Beneficial Owner

(B) As at the Latest Practicable Date, (i) the issued share capital of the Company comprised 9,529,944,707 Shares; and (ii) the Company had 4,850,000 outstanding Share Options.

(C) As at the Latest Practicable Date, the Scheme Shares comprised a total of 3,285,067,641 Shares (which include the Shares held by the Offeror Concert Parties), representing approximately 34.47% of the total issued Shares.

(D) As at the Latest Practicable Date, the holding of Offeror Concert Parties *(Note 1)* in the Scheme Shares were registered as follows:

Name	**Registered holder of the Shares**	**Number of Shares**
Fullgoal Fund *(Note 2)*	HKSCC Nominees	147,000
Dr. YIM Fung *(Note 3)*	HKSCC Nominees	68,546,955
HTIS (i.e. the HTIS Loan Shares)	HKSCC Nominees	32,852,500

Notes:

1. Shares which are beneficially held by the Offeror as at the Scheme Record Date will not form part of the Scheme Shares. The other Shares in issue as at the Scheme Record Date will form part of the Scheme Shares.

2. As at the Latest Practicable Date, Fullgoal Fund is owned as to 27.78% by Guotai Haitong, and is therefore an associated company of the Offeror and an Offeror Concert Party.

3. As at the Latest Practicable Date, Dr. YIM Fung is a director of the Offeror and is therefore an Offeror Concert Party. Dr. YIM Fung is also an executive Director.

4. As at the Latest Practicable Date, members of the Guotai Haitong Group (including the Group) collectively held 6,356,677,684 Shares on a non-discretionary basis on behalf of their clients (among which 6,244,877,066 Shares are held by GTJAS on behalf of the Offeror as a custodian).

(E) The primary purpose of this Scheme is to privatise the Company by cancelling and extinguishing all the Scheme Shares in issue on the Scheme Record Date in exchange for the payment by or on behalf of the Offeror to each Scheme Shareholder the Cancellation Price of HK$3.00 (less Dividend Adjustment, if any) in cash for each Scheme Share cancelled and extinguished. Subject to and forthwith upon the cancellation and extinguishment of the Scheme Shares, the share capital of the Company will be restored to the amount immediately before such cancellation and extinguishment by the allotment and issue to the Offeror, credited as fully paid, of such number of new Shares as is equal to the number of the Scheme Shares cancelled and extinguished.

(F) The Offeror has agreed to undertake to the High Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed and/or done by it for the purpose of giving effect to this Scheme.

(G) Pursuant to Rule 13 of the Takeovers Code, the Offeror is also making the Share Option Offer to each Share Option Holder to cancel all his/her outstanding Share Options held by him/her as at the Share Option Offer Record Date. The Share Option Offer is conditional upon the Scheme becoming effective.

THE SCHEME
PART I
CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES

1. On the Effective Date:

   (a) the issued share capital of the Company be reduced by cancelling and extinguishing all the Scheme Shares;

   (b) subject to and forthwith upon such reduction of the share capital taking effect, the issued share capital of the Company be restored to the amount immediately before the cancellation and extinguishment of the Scheme Shares by the creation of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished; and

   (c) the Company shall apply all the reserve created in its books of account as a result of the reduction of its share capital in paying up in full the new Shares to be created as set out in paragraph 1(b) above, and such new Shares shall be allotted and issued, credited as fully paid, to the Offeror.

PART II
CONSIDERATION FOR CANCELLATION AND EXTINGUISHMENT OF THE SCHEME SHARES

2. Subject to this Scheme becoming binding and effective in accordance with its terms, in consideration for the cancellation and extinguishment of the Scheme Shares, the Offeror shall pay or cause to be paid to each Scheme Shareholder whose name appears on the Register on the Scheme Record Date the Cancellation Price of HK$3.00 (less Dividend Adjustment, if any) in cash for each Scheme Share cancelled and extinguished.

PART III
GENERAL APPLICATION

3. (a) As soon as possible but in any event no later than the seventh (7th) Business Day after the Effective Date, the Offeror shall (i) post or cause to be posted to the Scheme Shareholders (other than HKSCC Nominees) cheques in respect of the sums payable to such Scheme Shareholders; and (ii) pay or cause the payment of such sums payable to HKSCC Nominees by electronic bank transfer, each pursuant to paragraph 2 of this Scheme.

(b) All such cheques shall be sent by ordinary post in postage pre-paid envelopes addressed to such Scheme Shareholders (other than HKSCC Nominees) at their respective registered addresses as appearing in the Register as at the Scheme Record Date, or in the case of the joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.

(c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 3(b) of this Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be good discharge to the Offeror for the moneys represented thereby.

(d) All cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, Haitong International, Somerley Capital, the Independent Financial Adviser and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal shall be responsible for any loss or delay in the despatch of the same.

(e) On or after the day being six (6) calendar months after the posting of the cheques pursuant to paragraph 3(b) of this Scheme, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee). The Offeror shall hold such monies until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 of this Scheme to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror (or its nominee) shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Scheme. The Offeror (or its nominee) shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

(f) On the expiry of six (6) years from the Effective Date, the Offeror (and, if applicable, its nominee) shall be released from any further obligation to make any payments under this Scheme and the Offeror shall be absolutely entitled to keep the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of this Scheme, including accrued interest subject to any deduction required by law and expenses incurred.

(g) Paragraph 3(f) of this Scheme shall take effect subject to any prohibition or condition imposed by law.

4. As from and including the Effective Date:

(a) all certificates for the Scheme Shares in issue on the Scheme Record Date shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such certificates to the Company or to any person appointed by the Company to receive the same for cancellation;

(b) all instruments of transfer validly subsisting as at the Scheme Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and

(c) all mandates or other instructions to the Company in force as at the Scheme Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.

5. Subject to the following Conditions having been satisfied or (if applicable) waived on or before the Conditions Long Stop Date, this Scheme shall become binding and effective on the Company and all the Scheme Shareholders as soon as an office copy of the order of the High Court sanctioning this Scheme (with or without modification) and confirming the reduction of the share capital of the Company provided for by this Scheme together with a minute and a return that comply with subsections (2) and (3) of section 230 of the Companies Ordinance shall have been delivered and registered by the Registrar of Companies in Hong Kong:

(a) the approval of the Scheme at the Court Meeting (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all the Companies Ordinance Disinterested Shares, provided that:

(i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Takeovers Code Disinterested Shares held by the Takeovers Code Disinterested Shareholders that are cast either in person or by proxy at the Court Meeting; and

(ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Takeovers Code Disinterested Shares held by the Takeovers Code Disinterested Shareholders;

(b) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting, in person or by proxy, at the EGM (and otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled and extinguished;

(c) the sanction of the Scheme (with or without modifications) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under Part 2 of the Companies Ordinance;

(d) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;

(e) all necessary Authorisations which are material in the context of the Group taken as a whole and other registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;

(f) no government, court, or governmental, quasi-governmental, statutory or regulatory body or agency in any jurisdiction having taken or instituted any action, proceeding or suit (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms); and

(g) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms.

Conditions (a) to (d) are not waivable. The Offeror reserves the right (but is not obliged) to waive any of the Conditions (e) to (g), to the extent permissible by applicable laws and regulations, either in whole or in respect of any particular matter. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

6. Unless this Scheme shall have become binding and effective on or before the Conditions Long Stop Date, this Scheme shall lapse.

7. The Company and the Offeror may jointly consent for and on behalf of all parties concerned to any modification of or addition to this Scheme (provided that any such modification or addition would not directly or indirectly have any material adverse effect on the interests of any Scheme Shareholder under the Scheme) or to any condition which the High Court may see fit to approve or impose.

8. Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee or is not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company in connection with the Scheme will be borne by the Offeror. Since the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, Rule 2.3 of the Takeovers Code is not applicable.

November 6, 2026

HCMP No. 1797/2026

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 1797 OF 2026

IN THE MATTER OF
GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED
國泰君安國際控股有限公司

AND

IN THE MATTER OF
SECTION 670 OF THE COMPANIES ORDINANCE,
CHAPTER 622 OF THE LAWS OF
THE HONG KONG SPECIAL ADMINISTRATIVE REGION

SCHEME OF ARRANGEMENT
Under Section 673 of the Companies Ordinance,
Chapter 622 of the Laws of the Hong Kong Special Administrative Region

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order dated October 29, 2026 (the "**Order**") made in the above matters, the High Court of the Hong Kong Special Administrative Region (the "**High Court**") has directed a meeting (the "**Meeting**" or the "**Court Meeting**") to be convened of the holders of the Scheme Shares (as defined in the Scheme referred to below) for the purpose of considering and, if thought fit, approving, with or without modification, a scheme of arrangement (the "**Scheme**") proposed to be made between Guotai Junan International Holdings Limited (the "**Company**") and the Scheme Shareholders (as defined in the Scheme) as at the Scheme Record Date (as defined in the Scheme), and that such Meeting will be held at 10:00 a.m. on Monday, November 30, 2026 at Chatham room, Level 7, Conrad Hotel, 88 Queensway, Admiralty, Hong Kong.

A copy of the Scheme and a copy of the explanatory statement explaining the effect of the Scheme (the "**Explanatory Statement**"), required to be furnished pursuant to section 671 of the abovementioned Ordinance, are incorporated in the scheme document (the "**Scheme Document**") of which this Notice forms part, which has been despatched by prepaid surface mail to the Scheme Shareholders having their registered addresses in Hong Kong and by airmail to the overseas Scheme Shareholder having his/her registered address outside Hong Kong. A copy of the Scheme Document can also be obtained by any person entitled to attend the Meeting during usual business hours on any day prior to the day appointed for the said meeting (other than a Saturday, a Sunday or a public holiday in Hong Kong) from the Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The Scheme Document is also available for inspection on (a) the website of the Company at www.gtjai.com and (b) the website of Hong Kong Stock Exchange at www.hkexnews.hk from November 6, 2026 onwards.

Only Scheme Shares are eligible for voting thereat. Scheme Shares which are not Takeovers Code Disinterested Shares will not be voted at the Meeting.

The above-mentioned Scheme Shareholders may vote at the Meeting in person or by proxy. A Scheme Shareholder is entitled to appoint one (or if the Scheme Shareholder holds two or more Scheme Shares) one or more proxies to attend and vote at the Meeting instead of such Scheme Shareholder. A proxy need not be a member of the Company. A pink form of proxy to be used for the purpose of the Meeting is enclosed with the Scheme Document. If more than one proxy is appointed by the same Scheme Shareholder, the number of Shares in respect of which each such proxy is so appointed must be specified in the relevant form of proxy.

In the case of joint holders of a Share, the vote of the most senior holder who tenders a vote at the Meeting, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) tendered by any other joint holder(s) of that Share and for this purpose, the seniority of joint shareholders shall be determined by the order in which their names stand in the register of members of the Company in respect of the Share.

It is requested that forms of proxy (in the case of a corporation either under its common seal or under the hand of an attorney or officer duly authorised on its behalf and to the satisfaction of the directors of the Company) (if signed by an attorney, together with the power of attorney or other authority under which they have been signed or a notarially certified copy thereof) be lodged at the Company's Share Registrar as stated above no later than 10:00 a.m. on Thursday, November 26, 2026 or not less than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for any adjourned Court Meeting (as the case may be). If the pink form of proxy is not so lodged, it may alternatively be handed to the chairman of the Court Meeting (who will have absolute discretion as to whether or not to accept it) at the Court Meeting. Forms of proxy sent electronically or by any other data transmission process will not be accepted.

Completion and return of a form of proxy will not preclude a Scheme Shareholder from attending and voting in person at the Meeting or at any adjourned meeting thereof if such Scheme Shareholder shall subsequently so wish, and in such event, any proxy appointment made by that Scheme Shareholder shall be deemed to be revoked.

The register of members of the Company will be closed, for the purpose of determining the entitlement to attend and vote at the Meeting, from Wednesday, November 25, 2026 to Monday, November 30, 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the Meeting, all transfer documents, accompanied by the relevant share certificates, should be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. (Hong Kong time) on Tuesday, November 24, 2026.

By the same order, the High Court has appointed Dr. FU Tingmei, or failing him, Professor CHAN Ka Keung Ceajer or Mr. LIU Chung Mun, to act as Chair of the Meeting and has directed the Chair of the Meeting to report the result thereof to the High Court.

If approved at the Meeting, the Scheme will be subject to the subsequent sanction of the High Court as set out in the Explanatory Statement contained in the Scheme Document.

Dated the 6th day of November 2026.

Clifford Chance
Solicitors for the Company
27th Floor, Jardine House
One Connaught Place, Central
Hong Kong

Notes:

(i) Unless otherwise defined in this notice or the context otherwise requires, terms defined in the Scheme Document shall have the same meanings when used in this notice.

(ii) Voting at the Meeting will be determined by way of a poll.

(iii) If Typhoon Signal No.8 or above is or is expected to be hoisted or a Black Rainstorm Warning Signal or "Extreme Conditions" after super typhoons or other adverse weather conditions announced by the HKSAR Government is or is expected to be in force at any time at or after 7:00 a.m. on the day of the Meeting, then the Meeting will be adjourned and the Scheme Shareholders will be informed of the date, time and venue of the adjourned meeting by a supplementary notice to be posted on the Company's website (www.gtjai.com) and the website of Hong Kong Stock Exchange (www.hkexnews.hk).

The Meeting will be held as scheduled when Typhoon Signal No.3 or below is hoisted or an Amber or a Red Rainstorm Warning Signal is in force.

Scheme Shareholders should carefully consider the risk of physical attendance at the Meeting under bad weather conditions having regard to their personal circumstances and if they should choose to do so, they are advised to exercise due care and caution.

As at the date hereof, the Board comprises Dr. YIM Fung (Chairman) and Ms. QI Haiying as executive Directors; Ms. YU Xuping, Mr. DONG Boyang and Mr. ZOU Hua as non-executive Directors; and Dr. FU Tingmei, Professor CHAN Ka Keung Ceajer and Mr. LIU Chung Mun as independent non-executive Directors.

GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1788)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Guotai Junan International Holdings Limited (the "**Company**") will be held at 10:30 a.m. on Monday, November 30, 2026 (or, if later, immediately after the conclusion, postponement or adjournment of the meeting of the holders of the Scheme Shares (as defined in the Scheme referred to below) convened at the direction of the High Court of the Hong Kong Special Administrative Region (the "**High Court**") for the same day and place) at Chatham room, Level 7, Conrad Hotel, 88 Queensway, Admiralty, Hong Kong for the purpose of considering and, if thought fit, passing the following as a special resolution:

SPECIAL RESOLUTION

"**THAT**:

(A) the scheme of arrangement dated November 6, 2026 (the "**Scheme**") between the Company and the Scheme Shareholders (as defined in the Scheme) as at the Scheme Record Date (as defined in the Scheme), in the form of the print contained in the scheme document dated November 6, 2026 (the "**Scheme Document**"), which has been produced to the EGM and for the purpose of identification signed by the Chair of the EGM, with any modification of or addition to it, or any condition, as may be approved or imposed by the High Court, be and is hereby approved;

(B) for the purpose of giving effect to the Scheme, on the date on which the Scheme becomes binding and effective in accordance with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Effective Date**"):

(i) the issued share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares in issue on the Scheme Record Date;

(ii) subject to and forthwith upon such reduction of capital taking effect, the issued share capital of the Company be restored to its former amount by the creation of such number of new shares in the capital of the Company (the "**Shares**") as is equal to the number of Scheme Shares cancelled and extinguished; and

(iii) the Company shall apply the reserve created in its books of account as a result of the said reduction of capital in paying up in full the Shares to be created as aforesaid, and such new Shares shall be allotted and issued, credited as fully paid, to Guotai Haitong Financial Holdings Limited (the "**Offeror**"), and the directors of the Company be and are hereby unconditionally authorised to allot and issue the same accordingly;

(C) the listing of the Shares on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") be withdrawn, subject to the Scheme taking effect; and

(D) the directors of the Company be and are hereby unconditionally authorised to do all acts and things and/or sign such documents as considered by them to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation):

(i) the making of an application to the Hong Kong Stock Exchange for the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange, subject to the Scheme taking effect;

(ii) the reduction of capital referred to above;

(iii) the allotment and issue of the Shares referred to above; and

(iv) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the High Court may see fit to impose and to do all other acts and things and/or sign such documents as considered by them to be necessary or desirable in connection with the implementation of the Scheme and in relation to the proposal for the privatisation of the Company by the Offeror by way of the Scheme as a whole."

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

Hong Kong, November 6, 2026

Registered Office:
27/F Low Block,
Grand Millennium Plaza,
No. 181 Queen's Road Central,
Hong Kong

Notes:

1. Unless otherwise defined in this notice or the context otherwise requires, terms defined in the Scheme Document shall have the same meanings when used in this notice.

2. In accordance with Rule 13.39(4) of the Hong Kong Listing Rules, at the EGM, the Chair of the EGM will put the above resolution to be voted by way of a poll pursuant to Article 71 of the articles of association of the Company.

3. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend, speak and vote on his/her behalf. A member of the Company who holds two or more Shares may appoint one or more proxies. A proxy need not be a member of the Company.

4. Where there are joint registered holders of any Share(s), any one of such persons may vote at the EGM, either personally or by proxy, in respect of such Share(s) as if he/she is solely entitled thereto, but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share(s) shall alone be entitled to vote in respect thereof.

5. In order to be valid, the proxy form (in the case of a corporation either under its common seal or under the hand of an attorney or officer duly authorised on its behalf and to the satisfaction of the directors of the Company), together with any power of attorney (if any) or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event no later than 10:30 a.m. on Thursday, November 26, 2026 or not less than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for any adjourned EGM (as the case may be). Forms of proxy sent electronically or by any other data transmission process will not be accepted. Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof should the Shareholder so wish, and in such event any proxy appointment made by that Shareholder shall be deemed to be revoked.

6. The register of members of the Company will be closed from Wednesday, November 25, 2026 to Monday, November 30, 2026 (both days inclusive), for ascertaining Shareholders' right to attend and vote at the EGM. During this period, no transfer of Shares will be registered. In order to be entitled to attend the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, November 24, 2026. The record date for ascertaining Shareholders' right to attend and vote at the EGM is November 30, 2026.

7. If Typhoon Signal No.8 or above is or is expected to be hoisted or a Black Rainstorm Warning Signal or "Extreme Conditions" after super typhoons or other adverse weather conditions announced by the HKSAR Government is or is expected to be in force at any time at or after 7:00 a.m. on the day of the EGM, then the EGM will be adjourned and the Shareholders will be informed of the date, time and venue of the adjourned meeting by a supplementary notice to be posted on the Company's website (www.gtjai.com) and the website of Hong Kong Stock Exchange (www.hkexnews.hk).

   The EGM will be held as scheduled even when Typhoon Signal No.3 or below is hoisted, or an Amber or a Red Rainstorm Warning Signal is in force.

   Shareholders should carefully consider the risk of physical attendance at the EGM under bad weather conditions having regard to their personal circumstances and if they should choose to do so, they are advised to exercise due care and caution.

As at the date hereof, the Board comprises Dr. YIM Fung (Chairman) and Ms. QI Haiying as executive Directors; Ms. YU Xuping, Mr. DONG Boyang and Mr. ZOU Hua as non-executive Directors; and Dr. FU Tingmei, Professor CHAN Ka Keung Ceajer and Mr. LIU Chung Mun as independent non-executive Directors.

Set out below is a form of the Option Offer Letter being sent to the Share Option Holders in connection with the Share Option Offer.

國泰海通金融控股
GUOTAI HAITONG FINANCIAL HOLDINGS

GUOTAI HAITONG FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

November 6, 2026

To the Share Option Holders

Dear Sir or Madam,

SHARE OPTION OFFER IN RELATION TO THE PROPOSAL FOR THE PRIVATISATION OF GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE

INTRODUCTION

A scheme document dated the same date as this letter issued jointly by the Offeror and the Company (the "**Scheme Document**") and a form of acceptance of the Share Option Offer (the "**Form of Acceptance**") are provided to you together with this letter. Terms used but not defined in this letter shall have the same meanings as defined in the Scheme Document. This letter should be read in conjunction with the Scheme Document.

On July 22, 2026 (after trading hours), the Offeror requested the Board to, subject to the satisfaction of the Pre-Condition, put forward the Proposal to the Scheme Shareholders which, if approved and implemented, will result in the Company being privatised by way of a scheme of arrangement under Section 673 of the Companies Ordinance and the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange.

As stated in the Joint Announcement, as part of the Proposal, the Offeror will make (or procure to be made on its behalf) the Share Option Offer to the Share Option Holders in accordance with Rule 13 of the Takeovers Code to cancel every outstanding Share Option, conditional upon the Scheme becoming effective.

WARNINGS: Share Option Holders should be aware that the implementation of the Proposal is subject to the satisfaction or waiver (where applicable) of the Conditions, and thus the Proposal (including the Scheme and the Share Option Offer) may or may not be implemented, and the Scheme may or may not become effective. Share Option Holders should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This letter explains the terms of the Share Option Offer and the actions you may take in relation to any outstanding Share Options held by you. You are advised to refer to the Scheme Document when considering them.

Your attention is also drawn to the terms and conditions of the documentation under which your Share Options were granted (including the terms of the Share Option Scheme, as the case may be).

TERMS OF THE SHARE OPTION OFFER

The Offeror is making the Share Option Offer, which is conditional upon the Scheme becoming effective, to the Share Option Holders at the "see-through" Option Offer Price (being the Cancellation Price minus the relevant exercise price of the outstanding Share Option) for the cancellation of every Share Option held by the Share Option Holders at the Share Option Offer Record Date.

The table below sets out the exercise price and the corresponding "see-through" price for the outstanding Share Options under the Share Option Offer:

Exercise price per Share Option	**Number of outstanding Share Options**	**"See-through" Option Offer Price**
HK$1.45	2,250,000	HK$1.55
HK$1.72	1,000,000	HK$1.28
HK$2.44	1,600,000	HK$0.56

You may accept the Share Option Offer by lodging a completed Form of Acceptance in respect of the Share Option Offer by the prescribed deadline and, if the Share Option Offer becomes unconditional, you will be entitled to the "see-through" Option Offer Price.

Subject to the Scheme becoming effective, in respect of Share Options that have not been accepted in the Share Option Offer or exercised before the Options Latest Exercise Time, they shall lapse upon the expiry of the Options Latest Exercise Time.

In consideration for our agreement to pay you the "see-through" Option Offer Price set out above (as applicable to your holdings of Share Options), all rights and obligations under your Share Options will be immediately cancelled by the Offeror and the Company upon your acceptance, subject to the Share Option Offer becoming unconditional.

Conditions to the Share Option Offer

The Share Option Offer is conditional upon the Scheme becoming effective. The Share Option Offer will become unconditional immediately upon the Scheme becoming effective, which will be prior to the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange.

The Conditions are set out in the section headed "*3. Pre-Condition and Conditions of the Proposal and the Scheme*" of the Explanatory Statement set out in Part VII of the Scheme Document. You are further advised to refer to the sections headed "*18. Registration and Payment*", "*19. Overseas Scheme Shareholders and Share Option Holders*" and "*20. Taxation*" of the Explanatory Statement set out in Part VII of the Scheme Document.

COURSES OF ACTION AVAILABLE TO SHARE OPTION HOLDERS

In summary, the choices available to you in respect of your outstanding Share Options are:

(A) Accept the Share Option Offer

The Share Option Offer shall apply to each outstanding Share Option that you hold as at the Share Option Offer Record Date.

You may choose to accept the Share Option Offer on the terms (including all declarations and undertakings) as set out in the Scheme Document, this letter and the enclosed Form of Acceptance, by ticking the "**Accept**" box on the Form of Acceptance and completing, signing and returning it in accordance with the instructions set out below. Such acceptance of the Share Option Offer will be in respect of all Share Options held by you on the Share Option Offer Record Date.

(B) Reject the Share Option Offer

If you choose to reject the Share Option Offer, please tick the "**Reject**" box on the enclosed Form of Acceptance and return it in accordance with the instructions set out below. Such rejection of the Share Option Offer shall apply to all Share Options held by you as at the Share Option Offer Record Date.

If you reject the Share Option Offer, you will not be entitled to the cash consideration offered by the Offeror under the Share Option Offer in respect of any outstanding Share Options you may hold. All outstanding Share Options shall lapse upon the expiry of the Options Latest Exercise Time subject to the Scheme becoming effective in accordance with the terms of the Share Option Scheme.

Following receipt of this letter, if you (i) choose to do nothing (including by not returning a Form of Acceptance) or (ii) fail to tick either the "Accept" or "Reject" box on a returned Form of Acceptance, and the Scheme becomes effective, you will be treated as having returned a duly executed Form of Acceptance with the "Reject" box ticked in respect of all outstanding Share Options held by you on the Share Option Offer Record Date and your Share Options will lapse upon the expiry of the Options Latest Exercise Time subject to the Scheme becoming effective in accordance with the rules of the Share Option Scheme without any payment made to you if the requisite approval in respect of the Scheme is obtained at the Court Meeting and the EGM.

(C) Become a Scheme Shareholder

If any of the outstanding Share Options you hold is exercised at the relevant exercise price in accordance with the terms of the Share Option Scheme on or before the Options Latest Exercise Time and, as a result, the corresponding Shares are issued to you prior to the Scheme Record Date, such Shares will form part of the Scheme Shares and will be cancelled if the Scheme becomes effective. Accordingly, if the Scheme becomes effective, you will be entitled to receive the Cancellation Price for the Scheme Shares held by you as at the Scheme Record Date.

Scheme Shareholders and Shareholders as at the Meeting Record Date will be entitled, subject to the Takeovers Code, to attend and vote at the Court Meeting and the EGM, respectively, whereas a Share Option Holder will not have such right to attend and vote at the Court Meeting and/or the EGM. Please see Part II "Actions to be Taken" of the Scheme Document, the section headed "*21. Court Meeting and EGM*" of the Explanatory Statement set out in Part VII of the Scheme Document and the notices of the Court Meeting and the EGM in Appendices IV and V to the Scheme Document for further details.

HOW TO RETURN THE FORM OF ACCEPTANCE

You should complete and return the duly completed and executed Form of Acceptance together with the relevant certificate(s), document(s) of title or entitlement in respect of the Share Options and/or any other document(s) (if applicable) evidencing the grant of the Share Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) for your holding of the Share Options, so as to reach the Company at 27/F., Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong, for the attention of the Office of the Board and marked "Guotai Junan International – Share Option Offer", by 4:30 p.m. on Friday, January 8, 2027 (Hong Kong time) (or such other time and/or date as may be notified to you by the Offeror and the Company).

Before returning the Form of Acceptance to the Company, please ensure that you have completed and signed the Form of Acceptance and that your signature has been witnessed.

No acknowledgment of receipt of the Form of Acceptance or any other documents will be given.

PAYMENTS UNDER THE SHARE OPTION OFFER

Upon the Scheme becoming binding and effective, payment of the applicable cash entitlements to Share Option Holders under this Share Option Offer are expected to be despatched or made as soon as possible but in any event no later than seven Business Days after the Effective Date. On the basis that the Scheme becomes binding and effective on Friday, January 29, 2027, the cheques for the payment of the Option Offer Price under this Share Option Offer are expected to be despatched on or before Thursday, February 11, 2027.

Payment will be made by way of cheques by ordinary post in pre-paid envelopes addressed to the Share Option Holders at their respective last known addresses as notified by the Share Option Holders to the Company.

All such cheques will be posted at the risk of the addressees and none of the Offeror, the Company, Haitong International, Somerley Capital, Altus Capital and the Share Registrar and their respective directors, employees, officers, agents, advisers, associates and affiliates and any other persons involved in the Proposal will be responsible for any loss or delay in transmission.

On or after the day being six calendar months after the posting of such cheques, the Offeror (or its nominee) shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror (or its nominee) with a licensed bank in Hong Kong selected by the Offeror (or its nominee).

The Offeror (or its nominee) shall hold such monies for those entitled under the terms of this Share Option Offer until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums to persons who satisfy the Offeror (or its nominee) that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror (or its nominee) shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to this Share Option Offer. The Offeror (or its nominee) shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror (or its nominee) to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

On the expiry of six (6) years from the Effective Date, the Offeror (and, if applicable, its nominee) shall be released from any further obligation to make any payments under this Share Option Offer and the Offeror (and, if applicable, its nominee) shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the abovementioned deposit account, including accrued interest subject to any deduction required by law and expenses incurred.

Settlement of cash payments to which any Share Option Holder is entitled under the Share Option Offer will be implemented in full in accordance with the terms of the Share Option Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Share Option Holder.

OUTSTANDING SHARE OPTIONS

Information on the Share Options held by you can be obtained by contacting the Office of the Board of the Company.

LAPSED SHARE OPTIONS

Please note that nothing in this letter or the Scheme Document serves to extend the life of a Share Option which lapses, will lapse, or has already lapsed, under the Share Option Scheme or grant. You cannot accept the Share Option Offer in respect of a Share Option which has lapsed or will have lapsed by the Share Option Offer Record Date.

For an acceptance of the Share Option Offer to be valid, the Share Options in respect of which the relevant Share Option Holder intends to accept the Share Option Offer must remain subsisting and must not have lapsed as at the date of receipt of such acceptance by the Company (irrespective of the date of delivery of such acceptance).

RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE

Your attention is drawn to the letter from the Independent Board Committee set out in Part V of the Scheme Document and the letter from the Independent Financial Adviser set out in Part VI of the Scheme Document which contain the recommendation of the Independent Board Committee and of the Independent Financial Adviser, respectively, in relation to the Proposal (including the Scheme and the Share Option Offer).

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the terms of the Share Option Offer are fair and reasonable so far as the Share Option Holders are concerned, and accordingly, it advises the Independent Board Committee to recommend to the Share Option Holders to accept the Share Option Offer.

The Independent Board Committee, having been so advised, considers that the terms of the Share Option Offer are fair and reasonable so far as the Share Option Holders are concerned. Accordingly, the Independent Board Committee recommends the Share Option Holders to accept the Share Option Offer.

PROFESSIONAL ADVICE

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take in respect of the Share Option Offer.

If you are in any doubt as to any aspect of this letter, the Scheme Document, the Form of Acceptance or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

DECLARATION

By signing and returning the Form of Acceptance, you:

(a) confirm that you have read, understood and agreed to the terms and conditions of the Share Option Offer (including without limitation those set out in the Scheme Document, this letter and the Form of Acceptance), and that you have received the Scheme Document, this letter and the Form of Acceptance;

(b) warrant and confirm that each Share Option held by you in respect of which you accept the Share Option Offer is valid and subsisting, free from all liens, charges, mortgages, encumbrances and third-party interests of any nature whatsoever and you acknowledge that any option certificate or document in respect of such Share Option shall become void once that Share Option has been cancelled as a result of your acceptance of this Share Option Offer pursuant to the Form of Acceptance;

(c) confirm that you have observed and are permitted under all applicable laws and requirements to receive and accept the Share Option Offer and any revision thereof, and that you have obtained all requisite governmental, exchange control or other consents and made all registrations or filings required in compliance with all necessary formalities and regulatory or legal requirements, and have paid all issue, transfer or other taxes, duties or other required payments due from you in connection with such acceptance in any jurisdiction, and that you have not taken or omitted to take any action which will or may result in the Offeror, the Company or their respective advisers, including Haitong International, Somerley Capital, Altus Capital and the Share Registrar, or any other person, acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Share Option Offer or your acceptance thereof and such acceptance, surrender and/or cancellation shall be valid and binding in accordance with all applicable laws and regulations;

(d) acknowledge and agree that you shall cease to have any rights or entitlements, and waive all rights and claims against any party (including the Offeror and the Company), in respect of such Share Option(s) held by you for which you accept the Share Option Offer, and that all rights and entitlements under all such Share Option(s) will be cancelled;

(e) agree, in consideration for the Share Option Offer, to release and waive all present and future claims, demands, actions and/or proceedings (whether contractual, statutory or otherwise and whether such claims are known or could be known or are in your contemplation at the time of signing the Form of Acceptance and to the maximum extent not prohibited by law) against any party (including the Offeror and the Company and their officers and respective advisers) arising out of or in connection with the Share Options and/or the Share Option Offer;

(f) confirm that any acceptance of the Share Option Offer cannot be withdrawn or altered;

(g) authorise the Offeror, and the Company, jointly and severally, or any director or officer of the Offeror or the Company or any agent of such person to do all acts and things and to execute any document as may be necessary or desirable to give effect to or in consequence of your acceptance of the Share Option Offer, and you hereby undertake to execute any further assurance that may be required in respect of such acceptance (including but not limited to consenting to the Company, the Board or the Offeror, as applicable, exercising its rights to amend the terms of your Share Options to enable such outstanding Share Options to be cancelled in exchange for the payment by the Offeror of the cash considerations);

(h) authorise the Company to transfer any personal data which may identify you (including but not limited to your name, date of birth, contact details, nationality, identity or passport number, tax residency, social security number (or equivalent), bank account details and details of your Share Options) to the Offeror and to authorise the Offeror to collect, use and process such personal data for all matters directly or indirectly connected with the implementation of the Share Option Offer. You agree to execute any further documents as may be required by the Company or the Offeror to give effect to such authorisation; and

(i) undertake to confirm and ratify any action properly or lawfully taken on your behalf by any attorney or agent appointed by or pursuant to this letter or the Form of Acceptance.

GENERAL

All communications, notices, Form of Acceptance, cheques, certificates and other documents of any nature to be delivered by or sent to or from Share Option Holders or their designated agents by post shall be posted at their risk, and none of the Offeror, the Company, Haitong International, Somerley Capital, Altus Capital and the Share Registrar, and their respective ultimate beneficial owners, directors, employees, officers, agents, advisers, associates and affiliates and any other person involved in the Proposal, the Scheme or the Share Option Offer accepts any liability for any loss, delay or any other liabilities whatsoever which may arise as a result thereof. This letter shall be taken as having been received by you within two Business Days of its despatch.

The provisions set out in the Form of Acceptance form part of the terms and conditions of the Share Option Offer.

The accidental omission to despatch the Scheme Document, the forms of proxy, the letter to Share Option Holders and/or Form of Acceptance or any of them to any person to whom the Share Option Offer is made will not invalidate the Share Option Offer in any way.

The Share Option Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of any person will constitute the agreement of such person that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Share Option Offer.

Due execution of the Form of Acceptance in respect of the Share Option Offer will constitute an authority to the Offeror, and the Company, jointly and severally, or any director or officer of the Offeror or the Company or their respective agents (including the Share Registrar) or persons as any of them may direct to complete, amend and execute any document on behalf of the accepting Share Option Holder(s) and to do any other act that may be necessary or desirable for the purpose of cancelling all outstanding Share Options which are the subject of such acceptance.

The delivery of the Form of Acceptance, duly signed, may, if the Offeror determines it appropriate, be as effective as if it were duly completed and received notwithstanding that it is not completed or received strictly in accordance with the instructions set out in the Form of Acceptance and this letter, including the date specified for receipt or the requirement for the Form of Acceptance to be witnessed.

By accepting the Share Option Offer in respect of your Share Options, you irrevocably and at your own risk elect to authorise the Offeror to send to you, or procure the sending to you of, any cash to which you are entitled.

Any acceptance of the Share Option Offer and the receipt of cash consideration under the Share Option Offer may trigger taxes subject to withholding obligations of the Offeror. Any cash consideration under the relevant Share Option Offer will be paid to you net of such applicable taxes, if any. All Share Option Holders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the Share Option Offer.

Unless otherwise expressly stated in the Scheme Document, this letter and/or Form of Acceptance, none of the terms of the Share Option Offer or any terms contained in the aforementioned documents will be enforceable, under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong), by any person other than the Offeror and the accepting Share Option Holder(s).

The English language text of the Scheme Document and the accompanying forms of proxy, Form of Acceptance and this letter shall prevail over their respective Chinese language texts for the purpose of interpretation.

RESPONSIBILITY STATEMENTS

The issue of this letter has been approved by the directors of the Offeror, who jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter (other than opinions expressed by the directors of the Company in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

The issue of this letter has been approved by the directors of Guotai Haitong, who jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter (other than opinions expressed by the directors of the Company in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

The issue of this letter has been approved by the directors of the Company, who jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than information relating to the Offeror and Guotai Haitong) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter (other than opinions expressed by the directors of the Offeror in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

Yours faithfully,
For and on behalf of
Guotai Haitong Financial Holdings Limited
NIE Xiaogang