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GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

國泰君安國際控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 1788)

**INSIDE INFORMATION ANNOUNCEMENT
IN RELATION TO A POSSIBLE ACQUISITION**

This announcement is made by Guotai Junan International Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

POSSIBLE ACQUISITION

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company (the “Shareholders”) that the Company is in an active negotiation in relation to a proposed acquisition of a majority interest in a company (the “Target Company”) in Vietnam (the “Possible Acquisition”). The Target Company is principally engaged in the provision of financial services.

CONSIDERATION

The consideration for the Possible Acquisition will be determined through negotiations between the Company and the Target Company on an arms’ lengths basis, and will be settled in cash.

REASONS FOR, AND BENEFITS OF, THE POSSIBLE ACQUISITION

The Company is the first Mainland-owned securities brokerage house with China Securities Regulatory Commission approval to list its shares through initial public offering on the Main Board of the Stock Exchange of Hong Kong Limited. Based in Hong Kong, the Group provides diversified integrated financial services. The five core business areas are (i) brokerage, (ii) corporate finance, (iii) asset management, (iv) loans and financing, and (v) financial products, market making and investments.

The Board considers that the Possible Acquisition (if materialised) will enable the Company to further expand its business presence in Southeast Asia following its establishment in Singapore, which allows the Group to seize opportunities under the “One Belt, One Road” initiative adopted by the PRC government and will be beneficial in maintaining the Group’s international competitiveness and enhancing its reputation. On this basis, the Board considers that the Possible Acquisition is in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

Should the Possible Acquisition materialize, based on preliminary calculations, the Possible Acquisition will not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. As at the date of this announcement, to the best knowledge, information and belief of the directors of the Company after making all reasonable enquiries, the Target Company is a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

The Board wishes to emphasize that no legally binding agreement in relation to the Possible Acquisition has been entered into as at the date of this Announcement. The Possible Acquisition may or may not proceed and is subject to, among other things, due diligence review on the assets, liabilities, operations, financial and legal affairs of the Target Company by the Company to its satisfaction, further negotiations between the Company and the Target Company, and necessary approvals. Potential investors of the Company and Shareholders are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 3 July 2018

As at the date of this announcement, the Board comprises four executive directors, being Dr. YIM Fung (Chairman), Mr. WONG Tung Ching, Ms. QI Haiying and Mr. LI Guangjie; two non-executive directors, being Mr. XIE Lebin and Mr. LIU Yiyong; and three independent non-executive directors, being Dr. FU Tingmei, Dr. SONG Ming and Mr. TSANG Yiu Keung.