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

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

The board of directors (the “Board”) of Guotai Junan International Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (together, the “Group”) for the year ended 31 December 2015 together with comparative figures for the previous financial year as follows:

FINANCIAL HIGHLIGHTS

	For the year ended		Change %
	2015	2014	
	HK\$'000	HK\$'000	
Fee and commission income			
- brokerage	719,945	501,646	43.5%
- corporate finance	281,447	287,825	-2.2%
- asset management	53,092	46,387	14.5%
Income from loans and financing	1,076,018	722,470	48.9%
Gain from investment holding and market making	146,106	98,254	48.7%
Revenue	2,276,608	1,656,582	37.4%
Profit for the year	1,015,433	801,915	26.6%
Profit attributable to equity holders of the Company	1,013,541	799,791	26.7%
Basic earnings per share (HK cents)*	14.9	13.9	7.2%
Diluted earnings per share (HK cents)*	14.6	13.7	6.6%
Dividend per share (HK cents)*	7.5	7.0	7.1%
Net asset value per share (HK\$)* (Note)	1.11	1.05	5.7%

* as adjusted for the completion of bonus issue in July 2015.

Note: Based on 6,857,378,801 shares (2014: 6,748,482,984 shares) as at 31 December 2015, being 6,934,308,201 shares issued and fully paid less 76,929,400 shares held under the Company’s share award scheme (2014: 6,821,628,384 shares issued and fully paid less 73,145,400 shares held under the Company’s share award scheme).

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

		For the year ended	
		31 December	
	<i>Notes</i>	2015	2014
		<i>HK\$'000</i>	<i>HK\$'000</i>
			<i>(Restated)</i>
Revenue	4	2,276,608	1,656,582
Other income		<u>1,899</u>	<u>4,459</u>
Revenue and other income		2,278,507	1,661,041
Staff costs	5	(505,649)	(368,622)
Commission to account executives		(118,530)	(68,477)
Other commission expenses		(34,563)	(33,747)
Performance fee expenses		(5,622)	(2,037)
Depreciation		(28,664)	(23,643)
Net impairment charge on loans and advances to customers	11	(173)	(92)
Net impairment charge on accounts receivable	12(a)	(5,335)	(2,750)
Other operating expenses		<u>(162,287)</u>	<u>(137,295)</u>
Operating profit		1,417,684	1,024,378
Finance costs	6	<u>(249,562)</u>	<u>(95,162)</u>
Profit before tax	7	1,168,122	929,216
Income tax expense	8	<u>(152,689)</u>	<u>(127,301)</u>
Profit for the year		1,015,433	801,915
Other comprehensive income for the year, net of tax			
- Exchange difference on translation of foreign exchange		<u>(125)</u>	<u>—</u>
Total comprehensive income for the year		<u><u>1,015,308</u></u>	<u><u>801,915</u></u>
Profit for the year attributable to:			
- Owners of the parent		1,013,541	799,791
- Non-controlling interests		<u>1,892</u>	<u>2,124</u>
		<u><u>1,015,443</u></u>	<u><u>801,915</u></u>
Total comprehensive income for the year attributable to:			
- Owners of the parent		1,013,416	799,791
- Non-controlling interests		<u>1,892</u>	<u>2,124</u>
		<u><u>1,015,308</u></u>	<u><u>801,915</u></u>
Earnings per share attributable to ordinary equity holders of the parent			
- Basic (in HK cents)	10(a)	14.9	13.9
- Diluted (in HK cents)	10(b)	<u>14.6</u>	<u>13.7</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 December	
		2015	2014
		<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		512,166	513,503
Intangible assets		2,823	2,823
Deferred tax assets		576	24
Other assets		5,043	5,151
Financial assets at fair value through profit or loss	13	120,141	—
Total non-current assets		640,749	521,501
Current assets			
Loans and advances to customers	11	12,375,857	9,099,164
Receivable from reverse repurchase agreements	14	509,695	—
Accounts receivable	12	1,932,119	1,001,103
Prepayments, deposits and other receivables		258,782	128,852
Financial assets at fair value through profit or loss	13	4,506,947	1,353,089
Derivative financial instruments		24,952	1,766
Tax recoverable		8,677	211
Client trust bank balances		14,662,991	9,009,909
Cash and cash equivalents		2,408,666	889,286
Total current assets		36,688,686	21,483,380
Current liabilities			
Accounts payable	15	(18,218,312)	(10,004,468)
Other payables and accrued liabilities		(259,942)	(196,665)
Derivative financial instruments		(29,766)	(1,766)
Bank borrowings	16	(4,765,662)	(3,472,719)
Debt securities in issue	17	(2,358,088)	(171,123)
- At amortised cost		(429,040)	(171,123)
- Designated as at fair value through profit or loss		(1,929,048)	—
Financial liabilities at fair value through profit or loss	18	(505,340)	—
Obligations under repurchase agreements	19	(400,517)	—
Tax payable		(44,282)	(69,718)
Total current liabilities		(26,581,909)	(13,916,459)
Net current assets		10,106,777	7,566,921
Total assets less current liabilities		10,747,526	8,088,422
Non-current liabilities			
Bank borrowings	16	(3,090,000)	(990,000)
Deferred tax liabilities		(22,269)	(33,208)
		(3,112,269)	(1,023,208)
Net assets		7,635,257	7,065,214

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	As at 31 December	
<i>Notes</i>	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Equity		
Share capital	6,004,362	5,852,194
Other reserve	(1,236,460)	(1,236,460)
Currency translation reserve	(125)	—
Share-based compensation reserve	95,417	77,580
- Share option reserve	44,469	63,696
- Share award reserve	50,948	13,884
Shares held under the share award scheme	(199,643)	(102,897)
Retained profits	<u>2,960,013</u>	<u>2,464,996</u>
Equity attributable to owners of the parent	7,623,564	7,055,413
Non-controlling interests	<u>11,693</u>	<u>9,801</u>
Total equity	<u><u>7,635,257</u></u>	<u><u>7,065,214</u></u>

NOTES TO FINANCIAL INFORMATION

1. General information

The Company was incorporated on 8 March 2010 in Hong Kong with limited liability under the Hong Kong Companies Ordinance (Cap. 622) and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 July 2010. The registered office address of the Company is 27th Floor, Low Block, Grand Millennium Plaza, 181 Queen’s Road Central, Hong Kong. The Company is an investment holding company and its subsidiaries are principally engaged in brokerage, loans and financing, corporate finance, asset management, investment holding and market making.

The Company’s immediate holding company and ultimate holding company are Guotai Junan Holdings Limited (“GJHL”) incorporated in the British Virgin Islands and Guotai Junan Securities Company Limited (“Guotai Junan”) incorporated in the People’s Republic of China, respectively.

The unaudited financial information relating to the year ended 31 December 2015 and the financial information relating to the year ended 31 December 2014 included in this preliminary announcement of annual results for the year ended 31 December 2015 does not constitute the Company’s statutory annual consolidated financial statements for those years but, in respect of the year ended 31 December 2014, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The financial statements for the year ended 31 December 2015 have yet to be reported on by the Company’s auditor and will be delivered to the Registrar of Companies in due course.

The Company has delivered the financial statements for the year ended 31 December 2014 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on these financial statements for the year ended 31 December 2014. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise stated.

2. Basis of preparation and change in accounting policies

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets and financial liabilities at fair value through profit or loss, debt securities in issue designated as at fair value through profit or loss and derivative financial instruments which have been measured at fair value.

(a) Change in accounting policy

In prior years, fees received or paid in connection with securities borrowing and lending were recorded as handling income or handling expense under the brokerage business. To align with the accounting policy of Guotai Junan, fees received or paid are reclassified into interest income or expense under the loans and financing business. The change in accounting policy has been accounted for retrospectively and these financial statements have been restated to conform with current year’s presentation. The effect of the change in accounting policy is summarised below:

	For the year ended	
	31 December	
	2015	2014
	HK\$’000	HK\$’000
Increase in interest income from securities borrowing and lending	26,549	19,910
Decrease in handling income	(26,549)	(19,910)
Increase in finance costs	1,659	1,784
Decrease in other operating expenses	<u>(1,659)</u>	<u>(1,784)</u>

Apart from the above changes, the change in accounting policy has had no impact on the other financial statement line items. Therefore, the consolidated statement of financial position as at the beginning of the earliest comparative period has not been prepared.

- (b) The Group has adopted the following revised standards for the first time for the current year’s financial statements.

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

The adoption of the above amendments has had no significant financial effect on these financial statements.

3. Operating segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's senior executive management and in accordance with HKFRSs. The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's operating segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other operating segments.

For the year ended 31 December 2014, the income arising from placing and underwriting of debt securities as well as trading and market making of debt securities and derivatives was reported under "Fixed income business". The income arising from placing and underwriting of debt securities was reclassified and included in the corporate finance segment while that from trading and market making of debt securities and derivatives was reclassified and included in the investment holding and market making segment respectively for the year ended 31 December 2015.

Details of each of the operating segments are as follows:

- (a) the brokerage segment engages in the provision of securities, futures, options and leveraged foreign exchange dealing and broking as well as insurance brokerage services to customers;
- (b) the corporate finance segment engages in the provision of advisory services, placing and underwriting services of debt and equities securities;
- (c) the asset management segment engages in asset management, including fund management and the provision of investment advisory services;
- (d) the loans and financing segment engages in the provision of margin financing and securities borrowing and lending to margin customers, initial public offering ("IPO") loans, other loans to customers and bank deposits;
- (e) the investment holding and market making segment represents fund and equity investments as well as trading and market making of debt securities and derivatives and the provision of investment products; and
- (f) the "others" segment mainly represents rental income and the provision of information channel services.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties. There was no change in the basis during the years ended 31 December 2015 and 2014.

The segment results of the Group for the years ended 31 December 2014 and 2015 are as follows:

Year ended 31 December 2015

	Brokerage	Corporate finance	Asset management	Loans and financing	Investment holding and market making	Others	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue and other income:							
Sales to external customers	719,945	281,447	53,092	1,076,018	146,106	1,899	2,278,507
Inter-segment sales	—	—	—	—	—	—	—
Total	<u>719,945</u>	<u>281,447</u>	<u>53,092</u>	<u>1,076,018</u>	<u>146,106</u>	<u>1,899</u>	<u>2,278,507</u>
Segment results	288,643	117,458	15,650	645,331	101,040	—	1,168,122
Income tax expense							(152,689)
Profit for the year							<u>1,015,433</u>
Other segment information:							
Depreciation	9,003	7,532	1,474	10,655	—	—	28,664
Finance costs	<u>21</u>	<u>—</u>	<u>—</u>	<u>204,475</u>	<u>45,066</u>	<u>—</u>	<u>249,562</u>

Year ended 31 December 2014

	Brokerage	Corporate finance	Asset management	Loans and financing	Investment holding and market making	Others	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Restated)</i>	<i>(Restated)</i>		<i>(Restated)</i>	<i>(Restated)</i>		
Segment revenue and other income:							
Sales to external customers	501,646	287,825	46,387	722,470	98,254	4,459	1,661,041
Inter-segment sales	—	—	—	—	—	—	—
Total	<u>501,646</u>	<u>287,825</u>	<u>46,387</u>	<u>722,470</u>	<u>98,254</u>	<u>4,459</u>	<u>1,661,041</u>
Segment results	200,133	164,058	15,745	466,698	82,582	—	929,216
Income tax expense							(127,301)
Profit for the year							<u>801,915</u>
Other segment information:							
Depreciation	6,986	6,146	1,266	9,245	—	—	23,643
Finance costs	<u>1</u>	<u>—</u>	<u>—</u>	<u>79,489</u>	<u>15,672</u>	<u>—</u>	<u>95,162</u>

4 Revenue

An analysis of revenue is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> <i>(Restated)</i>
Brokerage:		
Securities	628,792	435,037
Futures and options	42,946	30,395
Handling income	39,085	32,524
Leveraged foreign exchange	2,363	1,646
Insurance	<u>6,759</u>	<u>2,044</u>
	----- 719,945	----- 501,646
Corporate finance:		
Placing, underwriting and sub-underwriting commission		
- Debt securities	63,583	86,887
- Equity securities	121,844	131,815
Consultancy and financial advisory fee income	<u>96,020</u>	<u>69,123</u>
	----- 281,447	----- 287,825
Asset management:		
Management fee income	42,308	43,061
Performance fee income	<u>10,784</u>	<u>3,326</u>
	----- 53,092	----- 46,387
Loans and financing:		
Interest and handling income from margin loans	924,121	549,716
Interest and handling income from term loans	39,350	60,804
Interest income from IPO loans	5,684	5,308
Interest income from securities borrowing and lending	26,549	19,910
Interest income from reverse repurchase agreements	167	—
Interest income from banks and others	<u>80,147</u>	<u>86,732</u>
	----- 1,076,018	----- 722,470

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(Restated)</i>
Investment holding and market making:		
Net fair value gain/(loss) on financial instruments held for trading		
- Listed securities	59,274	9,466
- Unlisted securities	(2,288)	(11,641)
Net fair value (loss)/gain on financial instruments designated as at fair value through profit or loss		
- Unlisted convertible promissory note	(5,994)	33,616
- Unlisted unconsolidated fund investments	(22,853)	1,339
- Financial products	34,351	—
Interest income on financial instruments held for trading		
- Listed securities	68,400	47,169
- Unlisted securities	6,460	6,364
Interest income from financial instruments designated as at fair value through profit or loss		
- Unlisted convertible promissory note	3,092	2,985
Dividend income from listed securities held for trading	<u>5,664</u>	<u>8,956</u>
	<u>146,106</u>	<u>98,254</u>
	<u>2,276,608</u>	<u>1,656,582</u>

5. Staff costs

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Staff costs (including directors' remuneration):		
Salaries, bonuses and allowances	396,950	297,562
Share-based compensation expense		
- Share option scheme	22,130	32,685
- Share award scheme	81,484	34,568
Pension scheme contributions	<u>5,085</u>	<u>3,807</u>
	<u>505,649</u>	<u>368,622</u>

6. Finance costs

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
		<i>(Restated)</i>
Bank borrowings and overdrafts	238,270	87,120
Debt securities in issue	3,783	5,924
Securities borrowing and lending	1,659	1,784
Repurchase agreements	2,178	—
Financial instruments at fair value through profit or loss		
- Listed debt securities held for trading	2,062	—
Others	<u>1,610</u>	<u>334</u>
	<u>249,562</u>	<u>95,162</u>

7. Profit before tax

The Group's profit before tax is arrived at after charging/ (crediting):

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Auditors' remuneration		
(i) audit services	1,815	1,591
(ii) interim review	620	594
(iii) tax and other consultancy services	653	1,226
Foreign exchange differences, net	5,494	2,455
Information services expenses	16,465	12,898
Marketing, advertising and promotion expenses	4,504	6,036
Minimum lease payments under operating leases	1,642	—
Professional and consultancy fee	24,283	24,465
Repair and maintenance (including system maintenance)	29,290	18,368
Gain on disposal of property, plant and equipment	<u>(70)</u>	<u>(8)</u>

8. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current, Hong Kong		
- Charge for the year	166,018	130,304
- Overprovision in prior years	(1,838)	(1,855)
Deferred	<u>(11,491)</u>	<u>(1,148)</u>
Total tax charge for the year	<u>152,689</u>	<u>127,301</u>

9. Dividends

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim, paid — HK\$0.035 (2014(restated): HK\$0.027) per ordinary share	242,665	151,344
Less: Dividend for shares held under the Company's share award scheme	<u>(3,398)</u>	<u>(2,051)</u>
	239,267	149,293
	-----	-----
Final, proposed — HK\$0.04 (2014(restated): HK\$0.043) per ordinary share	277,372	295,604
Less: Dividend for shares held under the Company's share award scheme	<u>(3,077)</u>	<u>(3,170)</u>
	274,295	292,434*
	-----	-----
	<u>513,562</u>	<u>441,727</u>

* The Company paid a final dividend of approximately HK\$296,787,000 for the year ended 31 December 2014, as further adjusted to include the dividend for shares issued under the share option scheme amounting to approximately HK\$4,353,000.

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. Earnings per share attributable to ordinary equity holders of the parent

For the year ended 31 December 2015, the Company completed a bonus issue on the basis of 2 new shares for every 1 existing share held by the shareholders of the Company. The effect of bonus element resulting from the bonus issue has been included in the calculations of basic and diluted earnings per share and the prior period basic and diluted earnings per share amounts are adjusted in order to provide a comparable basis.

(a) Basic earnings per share

The calculation of basic earnings per share is as follows:

	2015	2014 <i>(Restated)</i>
Profit attributable to ordinary equity holders of the parent (in HK\$'000)	<u>1,013,541</u>	<u>799,791</u>
Weighted average number of ordinary shares in issue less shares held for the share award scheme (in '000)	<u>6,818,237</u>	<u>5,747,622</u>
Basic earnings per share (in HK cents)	<u>14.9</u>	<u>13.9</u>

(b) **Diluted earnings per share**

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of diluted earnings per share is as follows:

	2015	2014 <i>(Restated)</i>
Profit attributable to ordinary equity holders of the parent (in HK\$'000)	<u>1,013,541</u>	<u>799,791</u>
Weighted average number of ordinary shares in issue less shares held for the share award scheme used in the basic earnings per share calculation (in '000)	6,818,237	5,747,622
Effect of dilution — weighted average number of ordinary shares:		
Share options under the share option scheme (in '000)	76,723	60,591
Awarded shares under the share award scheme (in '000)	<u>28,077</u>	<u>24,900</u>
Number of ordinary shares for the purpose of the diluted earnings per share calculation (in '000)	<u>6,923,037</u>	<u>5,833,113</u>
Diluted earnings per share (in HK cents)	<u>14.6</u>	<u>13.7</u>

11. Loans and advances to customers

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Margin loans	11,963,214	8,406,678
Term loans to customers	<u>413,573</u>	<u>693,243</u>
Gross loans and advances to customers	12,376,787	9,099,921
Less: impairment	<u>(930)</u>	<u>(757)</u>
	<u>12,375,857</u>	<u>9,099,164</u>

The movements in provision for impairment of loans and advances to customers are as follows:

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 1 January	757	665
Impairment charged to profit or loss during the year	980	92
Impairment reversed to profit or loss during the year	<u>(807)</u>	<u>—</u>
As at 31 December	<u>930</u>	<u>757</u>

The impairment charged to profit or loss included interest income on impaired margin loans of HK\$87,000 (2014: HK\$92,000) for the year ended 31 December 2015.

Save as disclosed above, all loans and advances to customers were neither past due nor impaired as at 31 December 2015 and 2014.

12. Accounts receivable

(a) Analysis of accounts receivable

The carrying values of accounts receivable arising from the course of business of the Group are as follows:

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accounts receivable arising from brokerage		
- cash and custodian clients	89,662	113,019
- the Stock Exchange and other clearing houses	433,509	201,933
- brokers and dealers	1,292,388	541,427
Accounts receivable arising from insurance brokerage services		
- cash and custodian clients	40	—
Accounts receivable arising from securities borrowing and lending		
- brokers and dealers	69,152	119,002
Accounts receivable arising from corporate finance, asset management, investment holding and market making		
- corporate clients, investment funds and others	<u>64,283</u>	<u>37,302</u>
	1,949,034	1,012,683
Less: impairment	<u>(16,915)</u>	<u>(11,580)</u>
	<u>1,932,119</u>	<u>1,001,103</u>

The movements in provision for impairment of accounts receivable are as follows:

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 1 January	11,580	12,228
Impairment charged to profit or loss during the year	5,626	2,750
Impairment reversed to profit or loss during the year	(291)	—
Amount written off as uncollectible	<u>—</u>	<u>(3,398)</u>
As at 31 December	<u><u>16,915</u></u>	<u><u>11,580</u></u>

(b) **Accounts receivable neither past due nor impaired**

	Accounts receivable from the Accounts receivable from cash and custodian clients	Accounts receivable from the Stock Exchange and other clearing houses	Accounts receivable from brokers and dealers	Accounts receivable from corporate clients, investment funds and others	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 31 December 2015					
Neither past due nor impaired	<u>67,830</u>	<u>433,509</u>	<u>1,361,540</u>	<u>57,589</u>	<u>1,920,468</u>
As at 31 December 2014					
Neither past due nor impaired	<u>101,398</u>	<u>201,933</u>	<u>660,429</u>	<u>28,940</u>	<u>992,700</u>

(c) **Accounts receivable past due but not impaired**

	Accounts receivable from cash and custodian clients	Accounts receivable from the Stock Exchange and other clearing houses	Accounts receivable from brokers and dealers	Accounts receivable from corporate clients, investment funds and others	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 31 December 2015					
Past due less than 6 months	8,183	—	—	3,399	11,582
Past due 6 to 12 months	—	—	—	61	61
	<u>8,183</u>	<u>—</u>	<u>—</u>	<u>3,460</u>	<u>11,643</u>
As at 31 December 2014					
Past due less than 6 months	2,965	—	—	2,032	4,997
Past due 6 to 12 months	—	—	—	3,090	3,090
Past due over 12 months	—	—	—	270	270
	<u>2,965</u>	<u>—</u>	<u>—</u>	<u>5,392</u>	<u>8,357</u>

(d) **Impaired accounts receivable**

	Accounts receivable from cash and custodian clients	Accounts receivable from the Stock Exchange and other clearing houses	Accounts receivable from brokers and dealers	Accounts receivable from corporate clients, investment funds and others	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 31 December 2015					
Impaired accounts receivable	13,689	—	—	3,234	16,923
Less: impairment	(13,681)	—	—	(3,234)	(16,915)
	<u>8</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8</u>
As at 31 December 2014					
Impaired accounts receivable	8,656	—	—	2,970	11,626
Less: impairment	(8,610)	—	—	(2,970)	(11,580)
	<u>46</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>46</u>

13. Financial assets at fair value through profit or loss

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current		
Financial assets designated as at fair value through profit or loss		
- Unlisted fund investments	120,141	—
Current		
Financial assets held for trading		
- Listed equity securities	331,335	240,395
- Listed debt securities	1,331,445	774,949
- Unlisted debt securities	107,344	128,111
Financial assets designated as at fair value through profit or loss		
- Unlisted fund investments	154,944	52,443
- Unlisted convertible promissory note	152,756	157,191
- Financial products	2,429,123	—
	<u>4,506,947</u>	<u>1,353,089</u>
Total financial assets at fair value through profit or loss	<u>4,627,088</u>	<u>1,353,089</u>

14. Receivable from reverse repurchase agreements

The receivable from reverse repurchase agreements arises when the securities are bought by the Group with a concurrent agreement to resell at a specified later date and price. These securities are not recognized in the Group's consolidated statement of financial position as the counterparty retains substantially all risks and returns of the securities. The amount paid by the Group is recognized as receivable. In the event of default by the counterparty, the Group has the right to sell the underlying securities for settling the outstanding receivable.

As at 31 December 2015, the outstanding amount paid for the reverse repurchase agreements was HK\$509,695,000 (2014: Nil) and was recognized as receivable from reverse repurchase agreements. The following table specifies the fair value of financial assets received as collateral for the outstanding receivable at the year end.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Financial assets held for trading		
- Listed debt securities	<u>505,243</u>	<u>—</u>

15. Accounts payable

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accounts payable arising from brokerage		
- clients	15,214,731	9,109,373
- brokers and dealers	757,770	257,351
- the Stock Exchange and other clearing houses	29,760	228,444
Accounts payable arising from securities borrowing and lending	542,502	379,305
Accounts payable arising from corporate finance, asset management, investment holding and market making	1,673,295	29,993
Accounts payable arising from insurance brokerage services	<u>254</u>	<u>2</u>
	<u>18,218,312</u>	<u>10,004,468</u>

16. Bank borrowings

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current		
Unsecured bank borrowings	3,090,000	990,000
Current		
Secured bank borrowings	—	200,000
Unsecured bank borrowings	<u>4,765,662</u>	<u>3,272,719</u>
	<u>4,765,662</u>	<u>3,472,719</u>
Total bank borrowings	<u>7,855,662</u>	<u>4,462,719</u>

17. Debt securities in issue

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
At amortised cost		
Unlisted unsecured medium-term notes	429,040	171,123
Designated as at fair value through profit or loss		
Structured notes issued in relation to financial products	<u>1,929,048</u>	<u>—</u>
	<u>2,358,088</u>	<u>171,123</u>

18. Financial liabilities at fair value through profit or loss

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial liabilities held for trading		
- Listed equity securities	97	—
- Listed debt securities	<u>505,243</u>	<u>—</u>
	<u>505,340</u>	<u>—</u>

19. Obligations under repurchase agreements

The obligations under repurchase agreements arise when the securities are sold by the Group with a concurrent agreement to repurchase at a specified later date and price. These securities are not derecognized from the Group's consolidated statement of financial position and are retained within the appropriate financial assets classification. The amount received by the Group is recognized as liabilities as the Group retains substantially all risks and returns of the securities.

As at 31 December 2015, the outstanding amount received from repurchase agreements was HK\$400,517,000 (2014: Nil) and was recognized as obligations under repurchase agreements. The following table specifies the amount included within financial assets at fair value through profit or loss subject to repurchase agreements at the year end.

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial assets held for trading		
- Listed debt securities	147,749	—
Financial assets designated as at fair value through profit or loss		
- Financial products	<u>426,448</u>	<u>—</u>
	<u>574,197</u>	<u>—</u>

20. Operating lease commitments, capital commitments and other commitments

As at 31 December 2015, the Group had total future minimum lease payables under non-cancellable operating leases falling due as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within one year	4,841	—
In the second to fifth years, inclusive	<u>7,989</u>	<u>—</u>
	<u><u>12,830</u></u>	<u><u>—</u></u>

Capital commitments

The Group had capital commitments for system upgrade and renovation of premises of approximately HK\$1,364,000 which were contracted but not provided for as at 31 December 2015 (2014: HK\$6,681,000).

Other commitments

The Group undertakes underwriting obligations on placing, IPO, takeover and merger activities and financial obligations to loans facilities granted to customers. As at 31 December 2015, the underwriting and financial obligations were approximately HK\$1,383 million and HK\$1,272 million respectively (2014: HK\$12.3 million and HK\$763.0 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Result and overview

We are pleased to report to our shareholders that the Group achieved a remarkable result with a profit after tax of HK\$1,015.4 million (2014: HK\$801.9 million) for the year ended 31 December 2015, representing an increase of 26.6% as compared with the previous year. The promising result was due to the outstanding performance in the Group's brokerage and margin financing businesses which recognized significant growth of 44% and 68% respectively for the year ended 31 December 2015.

The Board of the Company has proposed a payment of final dividend of HK\$0.04 per share for the year ended 31 December 2015. Together with the interim dividend of HK\$0.035 per share, the dividend declared for 2015 amounts to a total of HK\$0.075 per share.

Market review

Policy issues

In 2015, against the backdrop of struggling for the designated economic growth target while at the same time adjusting the state economic structure, China has speeded up the pace to open up its capital markets. Since the launch of the Shanghai-Hong Kong Stock Connect Program and the Renminbi Qualified Foreign Institutional Investor ("RQFII"), there were more voices on the second stage of the Qualified Domestic Institutional Investor ("QDII2") trial in Free Trade-Zones. In the meantime, the inclusion of RMB in IMF's special drawing rights reserve-currency basket during the year has marked the speeding up process of internationalization of RMB.

China's A share market was extremely volatile during the year under review. With the strong boost of margin trading activities, the A share market expanded quickly both in performance and turnover in the first half of the year. The market plunged in June when the Chinese regulators strengthened control over unregulated margin trading activities. Meanwhile, market expectation on depreciation of RMB following the new exchange rate reform announced in August has speeded up the capital outflow. In response to that, the Chinese Government gradually tightened the control of cross-border capital flow, which had impacted cross border investments.

Markets

In Hong Kong, the equity market basically followed the trend in China where the market expanded rapidly in the second quarter until early July when the market collapsed. Hang Seng Index closed at 21,914 at the end of 2015, dropped by 7% when compared to the end of 2014. The average daily turnover in 2015 was HK\$105.6 billion, increased by 52% from HK\$69.5 billion in 2014. The market capitalization has reached HK\$24.7 trillion by the end of 2015, 2% lower than the previous year. The number of IPO has reached a record high of 138 newly listed companies during the year, rose by 13% from 2014.

In China, SSE Composite Index and SZSE Component Index moved up significantly in the first half of the year but deep correction took place since June. The two indices respectively closed 9.4% and 15.0% higher in 2015.

In overseas stock markets, Dow Jones Industry Average Index dropped by 2.2%. S&P 500 Index dropped by 0.7% while NASDAQ Composite Index rose by 37.7%. FTSE 100 Index dropped by 4.9%.

In foreign exchange market, US Federal Reserve raised the interest rate for the first time since 2006 in December 2015. The expectation on the rate hike has boosted the US Dollar Index up by 9.3%. Meanwhile, higher expectation on depreciation of RMB has widened the spread between CNH and CNY.

In commodities markets, price of commodities including crude oil, iron ore, coal and also precious metals all dropped significantly.

Competitive environment

Due to the open-market policy in China especially the recently launched Shanghai-Hong Kong Stock Connect Program, the mainland Chinese securities firms accelerated the pace to set up business in Hong Kong directly or indirectly through the acquisition of local securities firms. Inspired by the landmark cases in the past including CITIC Securities Company Limited's acquisition of CLSA and Haitong Securities Company Limited's acquisition of Taifook Securities Group Limited, acquisition has been a prevalent means used by Chinese securities firms to enter into the Hong Kong market. The rapid development of Chinese securities firms in Hong Kong is inevitably a new trend in the local capital market.

Business Review

The volatility of the China and Hong Kong stock markets during the year under review created business opportunities for the Group. We secured all these opportunities and transformed them into our results, for example, the increase of our average daily turnover and our market share, the increase of new accounts and active accounts and also the significant increase of our margin loan balance.

The Group's businesses include brokerage, corporate finance, asset management, loans and financing as well as investment holding and market making. With the promising growth in brokerage, loans and financing and investment holding and market making businesses, the revenue of the Group increased by 37.4% to HK\$2,276.6 million (2014: HK\$1,656.6 million) for the year ended 31 December 2015. A breakdown of the revenue is set out below:

	For the year ended 31 December			
	2015		2014	
	HK\$'000	%	HK\$'000	%
Fee and commission income				
- brokerage	719,945	31.6	501,646	30.3
- corporate finance	281,447	12.4	287,825	17.4
- asset management	53,092	2.3	46,387	2.8
Income from loans and financing	1,076,018	47.3	722,470	43.6
Gain on investment holding and market making	<u>146,106</u>	<u>6.4</u>	<u>98,254</u>	<u>5.9</u>
Total revenue	<u>2,276,608</u>	<u>100.0</u>	<u>1,656,582</u>	<u>100.0</u>

Brokerage

The high volatility of the China and Hong Kong stock markets created lots of business opportunities for the Group and we have opened over 23,000 new accounts. The average daily turnover of our trading in the Hong Kong stock market increased by 70.2% in 2015. In addition, the north-bound trade of the Shanghai - Hong Kong Stock Connect Program became the second pillar of the revenue in the Group's securities brokerage business, just behind the Hong Kong stock market trading. A breakdown of the revenue of brokerage business is set out below:

	For the year ended 31 December			
	2015		2014	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Securities	628,792	87.3	435,037	86.7
Futures and options	42,946	6.0	30,395	6.1
Handling income	39,085	5.4	32,524	6.5
Leveraged foreign exchange	2,363	0.3	1,646	0.3
Insurance	<u>6,759</u>	<u>1.0</u>	<u>2,044</u>	<u>0.4</u>
	<u><u>719,945</u></u>	<u><u>100.0</u></u>	<u><u>501,646</u></u>	<u><u>100.0</u></u>

The promising result of our brokerage business was the result of our reliable and efficient online trading system including the mobile application trading system. Currently, it supports 8 international securities markets, including Hong Kong, the United States, Japan, London, Canada, Singapore, Shanghai A and B shares and Shenzhen B shares, 21 global futures and options markets and 8 currencies pairs including CNH and up to 21 cross-currency pairs in leveraged foreign exchange trading. Our securities brokerage business also covers the stock markets in Malaysia, Korea, Australia, Taiwan and global fixed income markets. 78% of the brokerage commission was derived from trades executed from our online trading system.

Although brokerage income is directly affected by the level of market activities, we consider that the expansion of client base is crucial to the success of the business. Investment conference was regularly organized to expand our clientele and we successfully recruited over 23,000 new clients for the year ended 31 December 2015.

The volatility of the stock market encouraged turnover in futures and options in 2015. The brokerage income from futures and options increased by 41.3% to HK\$42.9 million (2014: HK\$30.4 million) for the year ended 31 December 2015. The income from leveraged foreign exchange was HK\$2.4 million (2014: HK\$1.6 million) for the year ended 31 December 2015, representing an increase of 43.6% as compared with prior year.

We are committed to develop insurance brokerage services for our clients through co-operating with other experienced market participants. The income from insurance brokerage services increased by 230.7% to HK\$6.8 million (2014: HK\$2.0 million) for the year ended 31 December 2015.

Corporate Finance

Our corporate finance business covers debt capital markets, equity capital markets, consultancy and financial advisory services. A breakdown of the revenue for corporate finance business is set out below:

	For the year ended 31 December			
	2015		2014	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Placing, underwriting and sub-underwriting commission				
- debt capital markets	63,583	22.6	86,887	30.2
- equity capital markets	121,844	43.3	131,815	45.8
Consultancy and financial advisory fee	<u>96,020</u>	<u>34.1</u>	<u>69,123</u>	<u>24.0</u>
	<u>281,447</u>	<u>100.0</u>	<u>287,825</u>	<u>100.0</u>

We endeavor to provide a range of high-quality advisory services on corporate transactions as well as debt and equity capital markets services to clients in Hong Kong, China and to international clients. Our corporate finance advisory services include acting as sponsor in the application for the listing of securities in the Main Board and the GEM Board in Hong Kong and the provision of corporate finance and compliance advisory services. The debt and equity capital markets services provide a variety of distribution channels including underwriting and placements in primary and secondary markets.

The equity capital markets activities in Hong Kong were very active in 2015. There were 138 newly listed companies in 2015, representing a record high and an increase of 13.1% when compared with the 122 newly listed companies in 2014. Funds raised through IPOs in 2015 was HK\$261.3 billion, an increase of 12.4% when compared with HK\$232.5 billion in 2014. Total funds raised in the Hong Kong equity capital market was HK\$1,109.0 billion, an increase of 17.6% when compared with HK\$942.7 billion in 2014.

We acted as the sponsor of 7 companies, bookrunner of 10 companies and placing agent of 3 companies in the primary market. In the secondary market, we acted as placing agent for 16 placing exercises. We assisted corporations to raise a total of more than HK\$28.3 billion and HK\$6.7 billion respectively in the primary and secondary markets in Hong Kong.

We have also been engaged as compliance adviser for 40 newly listed companies and as financial adviser for 26 projects.

As a result, the income generated from consultancy and financial advisory services significantly increased by 38.9% to HK\$96.0 million (2014: HK\$69.1 million) for the year ended 31 December 2015 while the income generated from equity capital markets slightly decreased by 7.6% to HK\$121.8 million (2014: HK\$131.8 million) for the year ended 31 December 2015.

In 2015, due to economic downturn and interest rate cuts in mainland China, the debt capital markets activities in Hong Kong slowed down and the demand in RMB debt issues decreased. We participated in 19 debt issue exercises, assisting corporations in raising HK\$44.2 billion through Hong Kong debt capital market. The income from our debt capital markets services was HK\$63.6 million, representing a decrease of 26.8% (2014: HK\$86.9 million) for the year ended 31 December 2015.

Asset Management

We provide a range of asset management services including portfolio management, investment advice and transaction execution, to individual clients, private and public funds. While the management fee income from asset management business decreased by 1.7% to HK\$42.3 million (2014: HK\$43.1 million), the performance fee income increased by 224.2% to HK\$10.8 million (2014: HK\$3.3 million) for the year ended 31 December 2015.

Loans and financing

Loans and financing has been our growth driver since the listing of the Group in 2010. The income from loans and financing business significantly increased by 48.9% to HK\$1,076.0 million (2014: HK\$722.5 million) for the year ended 31 December 2015. A breakdown of the revenue of loans and financing business is set out below:-

	For the year ended 31 December			
	2015		2014	
	HK\$'000	%	HK\$'000	%
Margin loans	924,121	85.9	549,716	76.1
Term loans	39,350	3.6	60,804	8.4
IPO loans	5,684	0.5	5,308	0.7
Securities borrowing and lending	26,549	2.5	19,910	2.8
Reverse repurchase agreements	167	0.1	—	—
Banks and others	<u>80,147</u>	<u>7.4</u>	<u>86,732</u>	<u>12.0</u>
	<u>1,076,018</u>	<u>100.0</u>	<u>722,470</u>	<u>100.0</u>

In supporting the development of loans and financing business, the Group has entered into a 3-year syndicated loan arrangement with a number of banks for a total facility of HK\$10.5 billion in April 2015. The average margin loan balance significantly increased by 62.3% to HK\$10,944.3 million (2014: HK\$6,743.0 million) while the income from margin loans increased by 68.1% to HK\$924.1 million (2014: HK\$549.7 million). The effective interest rate has been also increased to reflect our current risk level.

Other than margin loan business, the Group also engaged in term loan business to facilitate our customers' other financial needs. The income from term loans decreased by 35.3% to HK\$39.4 million (2014: HK\$60.8 million) while the income from IPO loans increased by 7.1% to HK\$5.7 million (2014: HK\$5.3 million) for the year ended 31 December 2015.

The Group also engaged in the securities borrowing and lending business. The interest income from the securities borrowing and lending increased by 33.3% to HK\$26.5 million (2014: HK\$19.9 million) for the year ended 31 December 2015.

Investment holding and market making

The Group holds financial assets for the purpose of business development, market making business, and for the provision of investment products. The income from investment holding and market making business were HK\$9.2 million (2014: HK\$61.9 million) and HK\$102.5 million (2014: HK\$36.4 million) respectively for the year ended 31 December 2015. To diversify the scope of financial services, the Group provided a range of investment products to the customers in 2015 and recognized an income of HK\$34.4 million (2014: Nil) for the year ended 31 December 2015.

RESULTS OF FINANCIAL POSITION

The Group's total assets increased by 69.6% to HK\$37,329.4 million (2014: HK\$22,004.9 million) as at 31 December 2015.

The Group's total liabilities increased by 98.8% to HK\$29,694.2 million (2014: HK\$14,939.7 million) as at 31 December 2015.

The equity attributable to owners of the parent increased by 8.1% to HK\$7,623.6 million (2014: HK\$7,055.4 million) as at 31 December 2015. The leveraged ratio (defined as total assets less accounts payable to clients divided by equity attributable to owners of the parent) increased by 58.5% to 2.90 times (2014: 1.83 times) as at 31 December 2015.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2015, the net current assets of the Group increased by 33.6% to HK\$10,106.8 million (2014: HK\$7,566.9 million). The Group's current ratio was 1.38 times as at 31 December 2015 (2014: 1.54 times).

In order to provide resources for the expansion of the Group's business, the Group has entered into a syndicated loan agreement with a number of financial institutions with an aggregate amount of HK\$10.5 billion for a term of 3 years in April 2015.

The Group had a cash inflow of HK\$1,519.4 million (2014: HK\$404.0 million) for the year ended 31 December 2015 and the Group's bank balance was HK\$2,408.7 million as at 31 December 2015 (2014: HK\$889.3 million). As at 31 December 2015, the Group had outstanding bank borrowings of HK\$7,855.7 million (2014: HK\$4,462.7 million) through facilities with a number of banks. During the year under review, the Group has successfully renewed the Medium Term Note Programme (the "MTN Programme") under which both listed and unlisted notes may be issued. Apart from structured notes issued in relation to financial products amounting to HK\$1,929.0 million (2014: Nil), the notes outstanding as at 31 December 2015 was

HK\$429.0 million (2014: HK\$171.1 million). The gearing ratio (defined as bank and other borrowings to equity attributable to owners of the parent) was 1.09 times as at 31 December 2015 (2014: 0.66 times). Taking into account of the unutilized facilities from various financial institutions and the significant un-issued portion of the MTN Programme, we believe our operating cash flow is adequate to finance our recurrent working capital requirements as well as any investment opportunities that may arise in the near future.

The Group monitors its capital structure in order to ensure the compliance of the capital requirements under the Securities and Futures (Financial Resources) Rules (Cap. 571N) for its licensed subsidiaries and to support the development of new business. All licensed corporations within the Group complied with their respective liquid capital requirements during the year and up to the date of this announcement.

Other than the information disclosed above, there were no other equity or debt instruments issued by the Company during the year and at the end of the year.

Outlook and Future Plans

The slowdown of economic growth and the rebalancing of the economic structure in China caused uncertainties to the Group. However, leveraging on the internationalization of RMB and the unparalleled opportunities arising from the opening up of capital markets, we are confident in our business expansion in the future.

Following the Shanghai-Hong Kong Stock Connect Program, China capital markets are in the gradually converging to international capital markets. To better serve our international investors to access to the Chinese markets, we will co-operate with Guotai Junan, our controlling shareholder, to provide comprehensive A share research reports for their investment needs. We are also expecting China to further open up its capital markets through the Shenzhen-Hong Kong Stock Connect Program or any other programs in the near future. To provide Chinese investors with more investment channels, we will perfect the online trading platform for clients for global investment in securities, futures, derivatives, options, financial products, as well as funds and insurance products.

With the China Securities Regulatory Commission tightening controls over margin trading in China, we expect that the demand for margin loan will remain strong in 2016. The Group is committed to invest resources for the expansion of loans and financing business. To broaden clients' trading strategies and to facilitate more business transactions, we will work with market participants in expanding the securities lending portfolio as well. To control our market risk exposure, we will continue to adopt prudent risk management to improve our share margin finance portfolio.

With a well-established legal and regulatory system, the Stock Exchange has become one of the preferred venues of fund raising for Chinese enterprises. Although the IPO market in China reopened in 2015, we forecast the demand for capital raising in the Hong Kong IPO market to remain keen in 2016. We will continue to collaborate with Guotai Junan to secure all different business opportunities including but not limited to corporate finance, debt and equity financing that may arise in Hong Kong.

As a result of increasing demand for asset management services, the Company has obtained approval from the Monetary Authority of Singapore to carry out asset management business in Singapore. At the same time, the Group will continue work with other market participants for the expansion of wealth management services and the provision of investment products.

FINAL DIVIDEND

The Board recommends the payment of final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2015 to the shareholders whose names appear on the register of members of the Company on 25 May 2016. The dividend will be payable on or about 10 June 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 16 May 2016 to Thursday, 19 May 2016 (both days inclusive), for the purpose of determining shareholders' entitlement to attend the forthcoming annual general meeting ("AGM"), during which period no transfer of shares of the Company will be registered. In order to qualify for attending the forthcoming AGM, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, No.183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 13 May 2016.

The register of members of the Company will be closed on Wednesday, 25 May 2016 for ascertaining shareholders' entitlement to the proposed final dividend. No transfer of shares will be registered on that date. In order to qualify for the proposed final dividend to be approved at the AGM, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, No.183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 24 May 2016.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

For the year ended 31 December 2015, the Group had not made any material acquisitions and disposal of subsidiaries and associated companies. As at 31 December 2015, the Group did not hold any significant investments.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2015 other than as an agent for the trustee of the Company's share award scheme.

CHARGES ON THE GROUP'S ASSETS

No asset of the Group was subject to any charge as at 31 December 2014 and 2015.

OPERATING LEASE COMMITMENTS, CAPITAL COMMITMENTS AND OTHER COMMITMENTS

Details of operating lease commitments, capital commitments and other commitments of the Group are set out in note 20 to the financial information.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the year ended 31 December 2015, the Company has adopted the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code of corporate governance. During the year, the Company has complied with all the code provisions as set out in the Corporate Governance Code, except for deviation from provisions A.2.1 and A.6.7. The roles of the Chairman and Chief Executive Officer of the Company are not separated and performed by two different individuals. The Directors consider that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group. Dr. Song Ming (Independent Non-executive Director and the Chairman of Nomination Committee) was unable to attend the Company's annual general meeting held on 14 May 2015 due to his other business commitment.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in the Appendix 10 of the Listing Rules regarding securities transactions by its Directors. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code. All the Directors confirmed that they have fully complied with the required standard set out in the Model Code during the period commencing from 8 July 2010 (being the date on which the shares of the Company first commenced dealings on the Stock Exchange) to the date of this announcement.

AUDIT COMMITTEE

An Audit Committee was established by the Board on 19 June 2010. The Audit Committee comprises Mr. TSANG Yiu Keung, Dr. SONG Ming and Dr. FU Tingmei. The Audit Committee is chaired by Mr. TSANG Yiu Keung. All members of the Audit Committee are independent non-executive directors. The Audit Committee has met with the external auditors of the Group to review the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of this announcement of final results of the Group for the year ended 31 December 2015.

REMUNERATION COMMITTEE

A Remuneration Committee was established by the Board on 19 June 2010. The Remuneration Committee comprises Dr. SONG Ming, Dr. FU Tingmei and Mr. TSANG Yiu Keung. The Remuneration Committee is chaired by Dr. FU Tingmei. All members of the Remuneration Committee are independent non-executive directors. The Remuneration Committee was set up to review and approve the remuneration packages of the Directors and senior management including the terms of salary and bonus schemes and other long-term incentive schemes.

NOMINATION COMMITTEE

A Nomination Committee was established by the Board on 19 June 2010. The Nomination Committee comprises Dr. YIM Fung, Dr. SONG Ming and Mr. TSANG Yiu Keung. The Nomination Committee is chaired by Dr. SONG Ming. Majority of the members of the Nomination Committee are independent non-executive directors. The Nomination Committee was set up to review the structure, size and composition of the Board on a regular basis and to make recommendation.

BOARD OF DIRECTORS

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; and three independent non-executive directors, being Dr. FU Tingmei, Dr. SONG Ming and Mr. TSANG Yiu Keung.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

This announcement of final results for the year ended 31 December 2015 is published on the websites of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> under “Latest Listed Company Information” and the Company at <http://www.gtja.com.hk>. The annual report for the year ended 31 December 2015 of the Company containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the aforesaid websites in due course.

By order of the Board
Guotai Junan International Holdings Limited
YIM FUNG
Chairman

Hong Kong, 18 March 2016