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**國泰君安證券股份有限公司**  
**Guotai Junan Securities Co., Ltd.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 02611)**

**PLACING OF NEW H SHARES UNDER GENERAL MANDATE**

**Global Coordinator**



**Joint Bookrunners and Placing Agents**



The Board is pleased to announce that on 9 April 2019, the Company entered into the Placing Agreement with the Placing Agents in relation to the Placing, on a best effort basis, of 194,000,000 new H Shares at the Placing Price of HK\$16.34 per H Share.

Without taking into consideration the potential diluting effect of the conversion of the Convertible Bonds to the issued share capital of the Company, the Placing Shares represent approximately 16.20% and 2.23%, respectively, of the total existing issued H Shares and the total existing issued share capital of the Company as at the date of this announcement, and approximately 13.94% and 2.18%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will be sold to no less than six (6) Placees on a best effort basis, subject to termination in certain events, as set out below under the heading “Termination”.

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$3,170 million and the aggregate net proceeds (after deducting all applicable costs and expenses, including commissions and legal fees) from the Placing are expected to be approximately HK\$3,122 million. The Company intends to use the net proceeds from the Placing to supplement the Company’s capital base, replenish its working capital and support its business development.

The Placing Shares will be allotted and issued under the General Mandate.

**Since completion of the Placing is subject to the satisfaction of certain conditions precedent and the Placing Agents’ termination rights, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**

## THE PLACING AGREEMENT

Date: 9 April 2019

Parties: (i) the Company, and  
(ii) the Placing Agents

## PLACING

Pursuant to the Placing Agreement, the Placing Agents have severally (but not jointly nor jointly and severally) agreed to act as the agents of the Company to procure, on a best effort basis, professional, institutional and other investors to subscribe for 194,000,000 new H Shares.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, saved for Guotai Junan Securities (Hong Kong) Limited, a subsidiary of the Company (which is indirectly interested as to 65.59% by the Company as at the date of the announcement), each of the Placing Agents, and their respective ultimate beneficial owners, are third parties independent of the Company and not connected persons of the Company.

## **THE PLACEES**

The Placing Agents will place the Placing Shares to no less than six (6) Placees, who will be professional, institutional or other investors. The Placing Agents shall use their reasonable endeavours, based on the information available to the Placing Agents, the information provided by the Company and/or the confirmations from the Placees procured by the Placing Agents, to ensure that each Placee procured by the Placing Agents is not a connected person of the Company. It is expected that none of the individual Placees will become a substantial shareholder of the Company immediately after the completion of the Placing.

## **NUMBER OF PLACING SHARES**

The Placing Shares comprise 194,000,000 new H Shares to be allotted and issued by the Company.

Without taking into consideration of the potential diluting effect of the conversion of the Convertible Bonds to the issued share capital of the Company, the Placing Shares represent approximately 16.20% and 2.23%, respectively, of the total existing issued H Shares and the total existing issued share capital of the Company as at the date of this announcement and approximately 13.94% and 2.18%, respectively, of the total issued H Shares and the total issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

## **PLACING PRICE**

The Placing Price of HK\$16.34 per Placing Share represents:

- (i) a discount of approximately 7.37% to the closing price of HK\$17.64 per H Share as quoted on the Stock Exchange on 9 April 2019, being the last trading day preceding the publication of this announcement;

- (ii) a discount of approximately 8.52% to the average closing price of HK\$17.86 per H Share as quoted on the Stock Exchange for the last five trading days up to and including 9 April 2019; and
- (iii) a discount of approximately 7.11% to the average closing price of HK\$17.59 per H Share as quoted on the Stock Exchange for the last ten trading days up to and including 9 April 2019.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agents which has taken into account the recent market price of the H Shares and the current market conditions.

### **CONDITIONS TO THE PLACING**

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares), the approvals of the relevant PRC government agencies (including the CSRC and Shanghai SASAC) in respect of the Placing remaining valid and effective as at the Closing Date. If any of the conditions to the Placing shall not have been fulfilled at or prior to 8:00 a.m. (Hong Kong time) on the Closing Date, the Placing Agents and the Company shall have no obligations or liabilities to each other under the Placing and neither the Company nor the Placing Agents shall have any claim against the other for costs, damages, compensation or otherwise arising under the Placing Agreement save for antecedent breaches under the Placing Agreement.

### **TERMINATION**

The Placing Agreement may be terminated by the Placing Agents without liability to the Company by giving notice in writing to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date, in accordance with the terms of the Placing Agreement, such as on the grounds of material breach of any of the representations, warranties and undertakings by the Company as set out in the Placing Agreement or the occurrence of certain force majeure events.

### **COMPLETION OF THE PLACING**

The Placing is expected to be completed on the Closing Date.

**Since completion of the Placing is subject to the satisfaction of certain conditions precedent and the Placing Agents' termination rights, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**

## EFFECT ON SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company as at the date of the Placing Agreement and immediately after completion of the Placing on the Closing Date:

|                              | As at the date of the Placing Agreement |  | Immediately after Completion of the Placing (without taking into consideration the conversion of the Convertible Bonds) |  | Immediately after Completion of the Placing (assuming the Convertible Bonds are fully converted) (Note 2) |  |
|------------------------------|---|--|---|--|---|--|
|                              | No. of shares                           | Approximate percentage of issued share capital | No. of shares   | Approximate percentage of issued share capital | No. of shares   | Approximate percentage of issued share capital |
| International Group (Note 1) | 2,846,325,457                           | 32.66%   | 2,846,325,457   | 31.95%   | 2,867,202,224   | 30.96%   |
| Places                       | —                                       | —  | 194,000,000   | 2.18%  | 194,000,000   | 2.09%  |
| Public A Shareholders        | 4,821,792,833                           | 55.33%   | 4,821,792,833   | 54.13%   | 5,154,439,601   | 55.65%   |
| Other Public H Shareholders  | 1,045,827,180                           | 12.00%   | 1,045,827,180   | 11.74%   | 1,045,827,180   | 11.29%   |
| <b>Total Issued Shares</b>   | <b>8,713,945,470</b>                    | <b>100%</b>                                    | <b>8,907,945,470</b>  | <b>100%</b>                                    | <b>9,261,469,005</b>  | <b>100%</b>                                    |

### Notes:

- As at the date of this announcement, without taking into consideration of the Convertible Bonds held by International Group, it controls 32.66% interest of the Company in aggregate directly and indirectly through its subsidiaries Shanghai State-owned Assets Operation Co., Ltd.(上海國有資產經營有限公司), Shanghai Sitico Assets Management Co., Ltd. (上海上國投資資產管理有限公司), Shanghai International Group Asset Management Co., Ltd. (上海國際集團資產管理有限公司), and Shanghai International Group Asset Operation Co., Ltd. (上海國際集團資產經營有限公司), which comprise 2,694,325,457 A Shares and 152,000,000 H Shares.

In addition, International Group directly and indirectly through Shanghai State-owned Assets Operation Co., Ltd. (上海國有資產經營有限公司) held the Convertible Bonds amounted to RMB413,360,000, which are convertible into 20,876,767 A Shares based on the current conversion price of RMB19.8 per Share if fully converted.

- Assuming the Convertible Bonds amounted to RMB7 billion are fully converted into A Shares based on the current conversion price of RMB19.8 per A Share.

## LOCK-UP UNDERTAKING

The Company has undertaken to the Placing Agents that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, neither the Company nor any person acting on its behalf will, except for the Placing Shares, sell, transfer, dispose of, allot or issue or offer to sell, transfer, dispose of, allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any H Shares or any interests in H Shares or

any securities convertible into or exercisable or exchangeable for or substantially similar to any H Shares or interest in H Shares, or agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect or announce any intention to enter into or effect any such transaction without first having obtained the written consent of each of the Placing Agents.

## **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be issued and allotted by the Company pursuant to the General Mandate, under which the Board is authorized to allot, issue and/or deal with new H Shares the nominal value of which representing up to 20% of that of the H Shares in issue as at the date of passing such resolution at the annual general meeting of the Company for the year of 2017 (i.e. 18 May 2018), being 239,565,436 new H Shares in total.

As at the date of this announcement, the Company has not issued any new H Shares pursuant to the General Mandate.

## **REGULATORY AND CORPORATE APPROVALS**

The Company has obtained all necessary PRC regulatory approvals in respect of the Placing, including the approvals from Shanghai SASAC and the CSRC.

The Placing Shares will be issued and allotted by the Company pursuant to the General Mandate. The Placing is not subject to the approval of the Shareholders.

## **RANKING OF THE PLACING SHARES**

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing H Shares in issue as at the Closing Date including the right to receive all dividends declared, made or paid after the Closing Date.

## **REASONS FOR AND BENEFITS OF THE PLACING**

The Directors consider that the Placing represents an opportunity to raise capital for the Company for its business development and to broaden the Shareholder base of the Company.

The Directors are of the opinion that the terms of the Placing Agreement, including but not limited to the Placing Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The maximum amount of net proceeds (after deducting all applicable costs and expenses, including commissions and legal fees) of approximately HK\$3,122 million from the Placing is intended to be used to fund to supplement the Company's capital base, replenish its working capital and support its business development. The net price (after deducting all applicable costs and expenses, including commissions and legal fees) raised per H Share upon completion of the Placing will be approximately HK\$16.09.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

There has not been any fund raising activity involving the issue of equity securities of the Company in the 12 months preceding the date of this announcement.

## **APPLICATION FOR LISTING**

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in the Placing Shares on the Main Board of the Stock Exchange.

## **DEFINITIONS**

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

|                |  |
|----------------|--|
| “A Share(s)”   | the domestic ordinary share(s) of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi  |
| “Board”        | the board of Directors   |
| “Business Day” | any day (excluding Saturday, Sunday and public holidays in Hong Kong) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong   |
| “Closing Date” | the Business Day after the date on which the conditions to completion of the Placing as set out in the Placing Agreement are fulfilled (expected to be no later than 17 April 2019), or such other date as the Placing Agents and the Company may agree in writing |

|                           |   |
|---------------------------|---|
| “Company”                 | Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, (shares of which are listed on the Shanghai Stock Exchange with stock code 601211, and on the Main Board of the Stock Exchange with stock code 02611) or Guotai Junan Securities Co., Ltd. and its subsidiaries, where applicable |
| “connected person”        | has the meaning ascribed to it under the Listing Rules  |
| “controlling shareholder” | has the meaning ascribed to it under the Listing Rules  |
| “Convertible Bonds”       | the convertible corporate bonds (which can be converted into the A Shares) amounting to RMB7 billion issued by the Company on 7 July 2017 and listed on the Shanghai Stock Exchange on 24 July 2017, with the current conversion price of RMB19.8 per Share   |
| “CSRC”                    | China Securities Regulatory Commission (中國證券監督管理委員會)  |
| “Directors”               | the directors of the Company  |
| “General Mandate”         | the general mandate granted by the Shareholders to the Directors to issue new H Shares at the annual general meeting of the Company for the year of 2017 held on 18 May 2018  |
| “HK\$”                    | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the PRC  |
| “H Share(s)”              | overseas share(s) of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars  |
| “International Group”     | Shanghai International Group Co., Ltd. (上海國際集團有限公司), the controlling shareholder of the Company and interested in 32.66% of the issued share capital of the Company as at the date of this announcement   |
| “Listing Rules”           | The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited  |



|                           |  |
|---------------------------|--|
| “Placee(s)”               | any professional, institutional and/or other investor(s) procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement |
| “Placing”                 | placement of the Placing Shares pursuant to the Placing Agreement  |
| “Placing Agents”          | Guotai Junan Securities (Hong Kong) Limited and UBS AG Hong Kong Branch  |
| “Placing Agreement”       | placing agreement entered into on 9 April 2019 between the Company and the Placing Agents in respect of the Placing  |
| “Placing Price”           | price payable for the Placing Shares at HK\$16.34 per H Share  |
| “Placing Shares”          | 194,000,000 new H Shares to be issued under the Placing Agreement  |
| “PRC”                     | the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau and Taiwan   |
| “RMB”                     | Renminbi, the lawful currency of the PRC   |
| “Securities Act”          | the United States Securities Act of 1933, as amended   |
| “Shanghai SASAC”          | Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會)   |
| “Shareholder(s)”          | the shareholder(s) of the Company  |
| “Shares”                  | A Shares and H Shares  |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited  |
| “substantial shareholder” | has the meaning ascribed to it under the Listing Rules   |

“%”

per cent

By order of the Board  
**Guotai Junan Securities Co., Ltd.**  
**Yang Dehong**  
*Chairman*

Shanghai, the PRC  
10 April 2019

*As at the date of this announcement, the executive directors of the Company are Mr. YANG Dehong, Mr. WANG Song and Mr. YU Jian; the non-executive directors of the Company are Mr. FU Fan, Ms. LIU Ying, Mr. ZHONG Maojun, Mr. ZHOU Lei, Mr. WANG Yongjian, Mr. LIN Facheng and ZHOU Hao; and the independent non-executive directors of the Company are Mr. XIA Dawei, Mr. SHI Derong, Mr. CHEN Guogang, Mr. LING Tao, Mr. JIN Qingjun and Mr. Lee Conway Kong Wai.*