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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)

**ANNOUNCEMENT IN RELATION TO THE ADJUSTMENT OF
THE CONVERSION PRICE OF A SHARE CONVERTIBLE CORPORATE BONDS**

1. BASIS OF THE ADJUSTMENT OF THE CONVERSION PRICE

Guotai Junan Securities Co., Ltd. (the “**Company**”) considered and approved the 2018 profit distribution plan at the 2018 annual general meeting of the Company held on 24 June 2019, and approved to distribute to the holders of A shares and holders of H shares whose names appear on the register of members of the Company on the record date for the dividend distribution a cash dividend of RMB2.75 (tax inclusive) for every 10 shares based on the total share capital of the Company on the record date for dividend distribution. Cash dividend is denominated and declared in RMB and payable in RMB to the holders of A shares of the Company and in Hong Kong dollars to the holders of H shares of the Company. This distribution will not involve capitalization of capital reserve fund.

Pursuant to relevant regulations and the terms of issuance set out in the Offering Circular in Relation to the Public Issuance of the A Share Convertible Corporate Bonds by Guotai Junan Securities Co., Ltd. (the “**Offering Circular**”) published on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the Company's website (www.gtja.com) on 5 July 2017, after the Company's A share convertible corporate bonds (the “**Guojun Convertible Bonds**”) are issued, the current conversion price of Guojun Convertible Bonds should be adjusted according to the formula as set below when the Company's cash dividends are paid.

2. FORMULA OF THE ADJUSTMENT ON THE CONVERSION PRICE

Pursuant to the terms of issuance set out in the Offering Circular, the Company will adjust the conversion price of Guojun Convertible Bonds according to the following formula:

Distribution of cash dividend: $P1=P0-D$;

Where: P0 is the initial conversion price, D is the cash dividend per share and P1 is the adjusted conversion price.

As the Company will implement the 2018 profit distribution plan (for A shares) on 9 August 2019 (the record date for the dividend distribution of A shares), the conversion price of Guojun Convertible Bonds will be adjusted from RMB19.67 per share to RMB19.40 per share from 12 August 2019 (the elimination date for the dividend distribution for holders of A shares). The calculation process is as follows:

$$P1=P0-D=19.67-0.275=RMB19.40 \text{ per share}^*$$

* *The calculation result is rounded off to RMB0.01*

The adjustment on conversion price of Guojun Convertible Bonds complies with the terms under the Offering Circular.

The shares conversion of Guojun Convertible Bonds will be suspended on 2 August 2019 and will be resumed on 12 August 2019. The adjusted price of Guojun Convertible Bonds will become effective from 12 August 2019.

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

Shanghai, the PRC

2 August 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, Mr. ZHONG Maojun, Mr. ZHOU Lei, Mr. WANG Wenjie, Mr. LIN Facheng and Mr. 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.