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

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

**REPURCHASE AND CANCELLATION OF PART OF  
THE RESTRICTED A SHARES**

We refer to the (i) announcements dated 7 June 2020, 30 June 2020, 17 September 2020, 2 November 2020, 19 July 2021 and 24 August 2021, respectively; (ii) circular of extraordinary general meeting dated 24 July 2020; and (iii) poll results announcement dated 12 August 2020 of Guotai Junan Securities Co., Ltd. (the “**Company**”), in relation to, among other things, the adoption of the Restricted Share Incentive Scheme of A Shares (the “**Scheme**”), relevant adjustments of the Scheme and the First Grant and the Reserved Grant under the Scheme. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the above announcements and the circular.

According to the Scheme, the Company granted 79 million Restricted A Shares to 440 Incentive Participants with 17 September 2020. After such First Grant, certain Incentive Participants resigned from the Company and are therefore no longer qualified as Incentive Participants, thus the Company proposes to repurchase and cancel the Restricted A Shares granted to such Incentive Participants in accordance with the rules of the Scheme (the “**Repurchase and Cancellation**”).

**I. PARTICULARS OF THE REPURCHASE AND CANCELLATION**

**1. Reasons for the Repurchase and Cancellation**

From the First Grant to 8 September 2021, a total of eleven Incentive Participants (“**Repurchase Participants**”) of the First Grant are no longer qualified as Incentive Participants due to termination of their employment contracts upon mutual agreement with the Company or the expiration thereof. According to the provisions under Chapter 14 of the rules of the Scheme, the Restricted A Shares granted to these Repurchase Participants not yet unlocked will be repurchased and cancelled by the Company.

**2. Repurchase Price**

According to the rules of the Scheme, in case of expiration or termination upon mutual agreement with the Company of employment contracts of the Incentive Participants during the term of the Scheme, the Restricted A Shares granted to the Incentive Participants not yet unlocked will be repurchased and cancelled by the Company at the Grant Price. After the completion of registration of the Restricted A Shares granted to the Incentive Participants, if any dividends are distributed, the Company should make corresponding adjustments to the applicable Grant Price then when calculating the repurchase price of the Restricted A Shares not yet unlocked.

The Grant Price of Restricted A Shares granted to the Repurchase Participants was RMB7.64 per share and the Company distributed the dividends for 2020 of RMB5.6 per 10 shares in cash on 20 August 2021. According to the authorization granted by the shareholders' general meeting to the Board, the Grant Price applicable to the Repurchase and Cancellation will be adjusted from RMB7.64 per share to RMB7.08 per share.

### 3. Number of A Shares under the Repurchase and Cancellation

The Company proposes to repurchase and cancel an aggregate of 1,778,000 Restricted A Shares, representing approximately 2.25% of the Restricted A Shares granted under the First Grant and approximately 0.02% of the total share capital of the Company before the Repurchase and Cancellation.

### 4. Total Amount and Source of Funds for the Repurchase

A total amount of RMB12,588,240 will be used to effect the Repurchase and Cancellation, which will be sourced from internal funds of the Company.

## II. SHARE CAPITAL AFTER COMPLETION OF THE REPURCHASE AND CANCELLATION

The share capital of the Company before and after the Repurchase and Cancellation (if implemented) will be as follows<sup>1</sup>:

Class of shares	Before the Repurchase		Increase/ decrease	After the Repurchase	
	Number of shares	Percentage (%)		Number of shares	Percentage (%)
A Shares <sup>Note 2</sup>					
– Shares not subject to selling restrictions	7,437,622,343	83.49	–	7,437,622,343	83.51
– Shares subject to selling restrictions	79,000,000	0.89	-1,778,000	77,222,000	0.87
H Shares	1,391,827,180	15.62	–	1,391,827,180	15.63
<b>Total</b>	<b>8,908,449,523</b>	<b>100.00</b>	<b>-1,778,000</b>	<b>8,906,671,523</b>	<b>100.00</b>

Notes:

- Any discrepancy in the decimal figures between the total percentages and the direct summation of breakdown figures in the table above is due to rounding.
- The above capital structure reflects the share capital of the Company as of 31 August 2021. From 1 September 2021 to the date of this announcement, the capital structure of the Company may change as a result of the conversion of A Share convertible bonds. Changes in the share structure following the Repurchase and Cancellation is subject to the share capital chart to be issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited after the completion of the Repurchase and Cancellation.

The Repurchase and Cancellation will not result in any change in the controlling shareholder of the Company. The Company's shareholding structure will remain in compliance with relevant requirements under the listing rules of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. The Repurchase and Cancellation will not have any material impact on the operating results and financial conditions of the Company.

### **III. OPINION OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

The independent non-executive Directors are of the view that (1) the Repurchase and Cancellation complies with the Administrative Measures and other relevant laws, regulations and regulatory documents as well as the relevant rules of the Scheme, will not affect the continuous implementation of the Scheme or lead to any changes in the controlling shareholders of the Company, and the Company's shareholding structure will remain in compliance with the listing conditions. It will not affect the operating results and financial conditions of the Company nor will it harm the interests of the Company or the shareholders; (2) the adjustment of the repurchase price complies with the Administrative Measures and other relevant laws, regulations and regulatory documents as well as the relevant rules of the Scheme and the authorization by the shareholders' general meeting to the Board; and (3) the independent non-executive Directors agree with the Repurchase and Cancellation and submitting it to the shareholders' general meeting, A Share class meeting and H Share class meeting for consideration and approval.

### **IV. OPINION OF THE SUPERVISORY COMMITTEE**

As eleven Incentive Participants of the First Grant are no longer qualified as Incentive Participants, Restricted A Shares granted to them but not yet unlocked shall be repurchased and cancelled by the Company. The Repurchase and Cancellation complies with the Administrative Measures and other relevant laws, regulations, regulatory documents and Articles of Association as well as relevant rules of the Scheme. The Repurchase and Cancellation will not harm the interests of the Company or the shareholders. The Supervisory Committee agrees with the Company to repurchase and cancel 1,778,000 Restricted A Shares granted to a total of eleven Incentive Participants not yet unlocked at the price of RMB7.08 per share.

### **V. THE CONCLUSION OF THE LEGAL OPINION**

Haiwen & Partners, the legal advisor of the Company issued the legal opinion. Their conclusion is that the Company has obtained the required approval and authorization in relation to the Repurchase and Cancellation and it complies with the Administrative Measures and relevant rules of the Scheme; the Repurchase and Cancellation is subject to relevant follow-up procedures, including but not limited to the appropriate approval by the shareholders' general meeting of the Company; and the reasons for the Repurchase and Cancellation, the repurchase quantity and the repurchase price of the Restricted A Shares comply with the Scheme and relevant rules of Administrative Measures.

### **VI. PROPOSED ADJUSTMENTS TO THE REGISTERED SHARE CAPITAL OF THE COMPANY AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Following the completion of the Repurchase and Cancellation, the registered share capital of the Company is expected to decrease by RMB1,778,000 and corresponding amendments will also be made to the articles in relation to the registered share capital in the Articles of Association. After the approval of the general meeting, the Company will authorize the management of the Company to deal with the procedures for the proposed reduction of the registered share capital and file with the industry and commerce authorities for change of our registered share capital.

## VII. EXTRAORDINARY GENERAL MEETING

The resolution in relation to the Repurchase and Cancellation, including the proposed adjustment to the registered capital and proposed amendments to the Articles of Association, still requires to be submitted to the shareholders' general meeting, A Share class meeting and H Share class meeting of the Company for consideration and approval. A circular for the shareholders' general meeting containing, among other things, the information of the Repurchase and Cancellation, will be dispatched to the shareholders in due course.

By order of the Board  
**Guotai Junan Securities Co., Ltd.**  
**He Qing**  
*Chairman*

Shanghai, the PRC  
15 September 2021

*As at the date of this announcement, the executive directors of the Company are Mr. HE Qing, Mr. WANG Song and Mr. YU Jian; the non-executive directors of the Company are Mr. LIU Xinyi, Ms. GUAN Wei, Mr. ZHONG Maojun, Mr. CHEN Hua, Mr. WANG Wenjie, Mr. ZHANG Zhan and Mr. AN Hongjun; and the independent non-executive directors of the Company are Mr. XIA Dawei, Mr. DING Wei, Mr. LI Renjie, Mr. BAI Wei and Mr. LEE Conway Kong Wai.*