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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)**

**REDEMPTION 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, 24 August 2021, 15 September 2021 and 29 September 2021, respectively; (ii) circulars of extraordinary general meetings dated 24 July 2020 and 5 November 2021, respectively; and (iii) poll results announcements dated 12 August 2020 and 25 November 2021, respectively, 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 to the Scheme and the First Grant and Reserved Grant of the Restricted A Shares and redemption and cancellation of part of the Restricted A Shares 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 circulars.

According to relevant requirements of the Scheme, certain Incentive Participants (the “**Redemption Participants**”) are no longer qualified as Incentive Participants due to resignation or termination of their employment contracts. Pursuant to the Scheme, the Articles of Association of the Company and other relevant requirements, the Company has considered and approved the resolutions on the redemption and cancellation of the Restricted A Shares granted to the Redemption Participants (the “**Redemption and Cancellation**”) at the extraordinary general meeting and the A Share Class Meeting and the H Share Class Meeting of the Company held on 25 November 2021 and fulfilled the procedure of informing its creditors according to laws. As of the date of this announcement, none of the creditors has claimed their rights against the Company, demanded repayment of debts due or requested provision of guarantees.

## **I. PARTICULARS OF THE REDEMPTION AND CANCELLATION**

### **1. Reasons for the Redemption and Cancellation**

Since the First Grant of the Restricted A Shares of the Company to 8 September 2021, a total of 11 Incentive Participants under the First Grant are no longer qualified as Incentive Participants due to expiration or termination of their employment contracts upon mutual agreement with the Company. According to the Scheme, the Restricted A Shares granted to such Incentive Participants but not yet unlocked shall be redeemed by the Company at the Grant Price and cancelled according to the Company Law.

### **2. Redemption Participants and Redemption of Number of Shares Subject to the Redemption and Cancellation**

A total of 11 Incentive Participants were subject to the Redemption and Cancellation. The Company proposes to redeem and cancel 1,778,000 Restricted A Shares in aggregate. Upon completion of the Redemption and Cancellation, there will be 87,221,990 Restricted A Shares remaining.

### **3. Arrangement for the Redemption and Cancellation**

The Company has opened a special securities account for redemption (account number: B883301187) with the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited and applied for the redemption and cancellation procedures. The cancellation of the above 1,778,000 Restricted A Shares is expected to be completed on 27 January 2022.

## II. CHANGES IN THE SHAREHOLDING STRUCTURE AFTER THE REDEMPTION AND CANCELLATION

The shareholding structures of the Company before and after the Redemption and Cancellation are as follows:

Class of shares	Before the Redemption and Cancellation		Increase/decrease	After the Redemption and Cancellation	
	Number of shares	Percentage (%)		Number of shares	Percentage (%)
A Shares <sup>Note</sup>	7,516,622,451	84.38	-1,778,000	7,514,844,451	84.37
– Shares not subject to selling restrictions	7,427,622,461	83.38	–	7,427,622,461	83.39
– Shares subject to selling restrictions	88,999,990	1.00	-1,778,000	87,221,990	0.98
H Shares	1,391,827,180	15.62	–	1,391,827,180	15.63
<b>Total</b>	<b><u>8,908,449,631</u></b>	<b><u>100.00</u></b>	<b><u>-1,778,000</u></b>	<b><u>8,906,671,631</u></b>	<b><u>100.00</u></b>

*Note:* The above shareholding structure is based on the share capital of the Company as of 21 January 2022. The information is derived from the share capital structure table issued by the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited.

## III. STATEMENTS AND UNDERTAKINGS

The decision-making procedures and information disclosure for the Redemption and Cancellation are in compliance with the requirements of laws, regulations, the Administrative Measures and the arrangement of the Scheme and the grant agreement of the Restricted A Shares, without prejudice to the legitimate rights and interests of the Incentive Participants or the interests of the creditors of the Company.

The Company undertakes that it has verified and assured the truthfulness, accuracy and completeness of the information in respect of the Incentive Participants, number of shares and cancellation date regarding the Redemption and Cancellation, and has duly informed the Redemption Participants of the Redemption and Cancellation, who have not raised any objection against the Redemption and Cancellation. In case of any dispute between the Redemption Participants and the Company due to the Redemption and Cancellation, the Company shall bear the relevant legal liability arising therefrom on its own.

#### IV. THE CONCLUSION OF THE LEGAL OPINION

Haiwen & Partners, the legal adviser to the Company, has issued a legal opinion on the Redemption and Cancellation and concluded as follows: the Company has obtained the required approval and authorisation in relation to the Redemption and Cancellation, and satisfied relevant requirements of the Administrative Measures and the Scheme. The reasons, number of shares redeemed, and the Redemption price of the Redemption and Cancellation are in compliance with the Scheme without violating relevant provisions of the Administrative Measures.

#### V. IMPACTS OF THE REDEMPTION AND CANCELLATION ON THE CONVERSION PRICE OF THE CONVERTIBLE CORPORATE BONDS

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.* (《國泰君安證券股份有限公司公開發行A股可轉換公司債券募集說明書》) published on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.gtja.com) on 5 July 2017, after the issuance of the A Share Convertible Corporate Bonds of the Company (the “**Guojun Convertible Bonds**”), upon events that affect the share capital of the Company, including distribution of share dividend, capitalisation, issuance of new shares or rights issue and distribution of cash dividend (excluding any increase in the share capital as a result of the conversion of the convertible bonds), the conversion price of Guojun Convertible Bonds will be adjusted accordingly.

In the event that the creditor’s rights and benefits of the holders of convertible bonds derived from the issuance are affected by the change in the Company’s share class, quantity and/or shareholders’ interest due to the possible share redemption, consolidation, subdivision or any other circumstances which may occur, the Company will adjust the conversion price based on the actual situation and in accordance with the principles of fairness, justice, equality and full protection of the interests of the holders of convertible bonds. The adjustment contents and operation methods of the conversion price will be formulated based on the relevant PRC laws and regulations and the relevant provisions of the securities regulatory authorities of that time.

Upon the completion of the Redemption and Cancellation, the share capital of the Company will be changed. According to the relevant terms of the conversion price adjustment of the Guojun Convertible Bonds and taking into account the particulars of the Redemption and Cancellation, the conversion price of the Guojun Convertible Bonds remains unchanged. The calculation process is as follows:

$$P1 = (P0 + A \times k)/(1 + k) \approx \text{RMB}18.45/\text{share} \text{ (rounded to two decimal places)}$$

where:  $P0 = \text{RMB}18.45/\text{share}$ ,  $A = \text{RMB}7.08/\text{share}$ ,  $k = -1,778,000/8,908,449,631 \approx -0.02\%$

where P0 is the conversion price before adjustments, k is the ratio of issuance of new shares or rights issue, A is the price of issuance of new shares or rights issue and P1 is the adjusted conversion price.

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

Shanghai, the PRC  
24 January 2022

*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, Mr. ZHANG Yipeng 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, Mr. LEE Conway Kong Wai and Mr. CHAI Hongfeng.*