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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)

**2024 Action Plan of “Improving Quality, Increasing Efficiency
and Achieving Returns”**

The board of directors (the “**Board**”) of Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司) (the “**Company**”) hereby announces that, in order to actively implement Several Opinions of the State Council on Strengthening Regulation, Forestalling Risks and Promoting the High-Quality Development of the Capital Market (《國務院關於加強監管防範風險推動資本市場高質量發展的若干意見》), fully promote the high-quality development of the Company, consolidate and enhance the Company’s influence in the industry and accelerate the establishment of a first-class investment bank, the Company has proposed the action plan of “improving quality, increasing efficiency and achieving returns” in 2024 from the aspects of operation management, corporate governance, information disclosure, investor returns, based on the characteristics of the industry, its own development stage and investor demands. The details of the action plan are as follows:

I. Properly handling the relationship between functionality and profitability, and continuously enhancing the quality and efficiency of serving economic and social development

(1) Actively serving the major development strategies of the country and Shanghai

With the goal of building a “strong financial nation”, the Company firmly fulfills its original mission of serving the real economy and satisfying people’s wealth management, and has solidly completed the five major subjects on “technology finance, green finance, inclusive finance, pension finance and digital finance”. In addition, the Company actively serves Shanghai’s major tasks such as the “three major tasks”, “four major functions” and “five centers”, and strives to promote its high-quality development in serving the real economy and satisfying the wealth management needs of residents.

(2) Deepening the implementation of the “investor-oriented” philosophy

The Company adheres to long-term principles and fiduciary obligations, accelerates the improvement of professional capabilities such as asset allocation, and provides customers with professional wealth management services with better experience and greater sense of access. The Company sets up a special department for investor rights protection and regards the protection of the legitimate rights and interests of small and medium-sized investors as an important core task of the Company. The Company also continues to strengthen investor education, and strives to guide investors to cultivate the concept of value investment, rational investment and long-term investment, so as to facilitate the stability and development of the capital market.

(3) *Facilitating the improvement of the quality of listed companies*

The Company earnestly performs its duties as a “gatekeeper” in the capital market, strictly controls the IPO entry, and continuously improves the sponsorship capability and practice quality. The Company actively builds an industrial investment bank, strengthens the linkage of “investment banking-investment-investment and research”, and actively cultivates comprehensive capabilities such as pricing that meet the requirements of a comprehensive registration system, so as to promote the accelerated development of new productive forces and high-level technological self-reliance and self-improvement. The Company also strives to improve its professional service capabilities such as mergers and acquisitions, restructuring and equity incentives, and promotes the continuous improvement of the quality and investment value of listed companies.

II. Promoting the overall improvement of business competitiveness and accelerating the establishment of a first-class investment bank

(4) *Promoting the construction of three types of customer service system with high quality*

The Company dynamically optimizes the “customer-centric” organizational structure, systematically builds a hierarchical and classified retail customer service system, refines an open and collaborative institutional customer service system, and accelerates the breakthrough of the enterprise customer service system. In addition, the Company vigorously develops cross-border business, upgrades and builds a comprehensive and collaborative service model for the three types of customers, accelerates the improvement of the core competitiveness of various businesses, and continues to improve the strategic layout to achieve the goal of “increasing quantity, expanding coverage, improving quality and efficiency” for its customers.

III. Promoting the acceleration and effectiveness of digital transformation, and continuously consolidating the advantages of digital technology to lead the development

(5) *Comprehensively promoting digital transformation*

Focusing on the four aspects of growth, efficiency, experience and security, the Company fully realizes the online business process, accelerates the digitization of behavioral process results, and steadily explores the intelligentization of management decision-making and customer experience, so as to enhance customer experience externally and strengthen management empowerment internally.

(6) Strengthening technological leading

The Company ensures the safe and stable operation of the trading system and clearing and settlement system by continuously improving the construction of financial technology infrastructure. The Company better leverages the leading role of financial technology and continues to improve its application system delivery and agile iteration capabilities, to accelerate the exploration of leading technologies and applications such as AI large model and blockchain, and proactively implement information innovation requirements. The Company continues to build the “open securities” ecosystem and promote the integration of the Company’s financial technology ecosystem with external parties.

IV. Strengthening management improvement, improving the quality and efficiency through refined management

(7) Improving the closed-loop management mechanism of the strategic whole chain

Through actively implementing the medium and long-term strategic path of the “three-year three-step” strategy, refining the “construction drawings” for strategic planning, acting as the “baton” of assessment and evaluation, properly backtracking strategic feedback, the Company continues to build its three core capability pillars of “comprehensive service platform, leading digital technology, and robust compliance culture”.

(8) Improving the refinement level of management

The Company comprehensively strengthens business awareness, enhances cost control, standardizes expense management, strictly enforces financial discipline, accelerates system construction, and promotes cost reduction and efficiency improvement. The Company implements a more precise and flexible allocation of assets and liabilities, allocates funds reasonably according to changes in business structure, assesses the input-output benefits of each position over a long period of time from the perspective of the Group, and continuously improves the efficiency of asset allocation.

(9) Strengthening group intensive management and control

The Company strengthens intensive management by researching and implementing the centralized procurement, promoting the 2.0 application of financial sharing center and centralized operation in subsidiaries, so as to continuously improve the efficiency of the Group’s resource utilization. In accordance with the principle of “overall standardization and moderate differentiation”, the management mechanism of subsidiaries shall be improved to enhance the competitiveness of subsidiaries in the complex market environment. In accordance with the principles of “professional operation, coordinated development, intensive operation, classified management, efficient services and effective management and control”, the management level of subsidiaries is further improved.

(10) Building a core capability pillar of “robust compliance culture”

The Company adheres to the bottom line of compliance by actively adapting to the requirements of “strict supervision and management”, and comprehensively building the three lines of defense of “business units, compliance and risk control, check and audit”, and promotes the formation of a compliance risk management and control system with complete systems, unified standards, hierarchical management, efficient communication and strong supervision to firmly adhere to the bottom line of avoiding systemic financial risks.

V. Continuously improving corporate governance and enhancing governance efficiency

(11) Continuously improving the construction of governance entities

The Company faces the needs of improving its governance system and governance efficiency, grasps the new trend of board of directors’ governance in first-class investment banks, and integrates value creation throughout the whole process of corporate governance and corporate operation decision-making. The Company adheres to the diversification policy, promotes the re-election of members of the Board and special committees of the Board, and simultaneously selects professional managers. The Company strengthens the training of directors, enhances their ability to perform duties, strengthens the advisory and suggestion functions of the special committees of the Board, and continues to enhance the strategic decision-making and strategic management capabilities of the Board. The Company further implements the requirements of the Measures for the Administration of Independent Directors of listed companies, establishes a special meeting system for independent directors, improves the special meeting mechanism for independent directors and the work process of independent directors’ duty performance, and further exerts the functions of independent directors. The Company also revises the corresponding system in accordance with the regulatory requirements, continues to improve the corporate governance system, and continues to promote the connection of party building responsibilities with operating responsibilities and the in-depth integration of party building work with production and operation within state-owned enterprises, so as to continuously improve the level of corporate governance and promote the comprehensive implementation of corporate strategies.

VI. Strengthening communication and attaching importance to shareholders’ demands and investors’ voices

(12) Further strengthening investor communication

The Company continues to implement the “investor-oriented” concept, continuously improves the investor relationship management system, enhances the quality of domestic and overseas information disclosure, and further strengthens the initiative and targeted communication with stakeholders such as shareholders, investors and analysts. Through diversified forms of communication, the Company expands the coverage of investor services and continues to improve the protection mechanism for minority investors.

VII. Valuing shareholder returns and enhancing investor perception

(13) Building a sustainable shareholder return mechanism

The Company continues to implement the development concept of “investor-oriented”, fully protects the rights and interests of investors, and creates a “long-term, stable and sustainable” shareholder value return mechanism. The Board has assessed the feasibility of multiple dividend distributions according to the requirements of the regulatory rules on dividend distribution, and proposed amendments to the Articles of Association to authorize the board of directors to formulate an interim dividend distribution plan to increase the frequency of dividend distribution.

VIII. Strengthening the responsibilities of “key minorities”

(14) Continuing to strengthen communication with the “key minorities”

The Company tracks the performance of the relevant parties’ commitments, continuously strengthens the awareness of responsibility and performance of the relevant parties. The Company also continues to organize relevant parties to participate in various trainings organized by the China Securities Regulatory Commission and the stock exchanges, and regularly disseminates information such as regulatory updates and regulatory developments, so as to strengthen the understanding of the relevant laws and regulations and professional knowledge of the capital market by the “key minorities”. In this way, the self-discipline awareness of the key minorities has been continuously promoted, which has promoted the Company’s standardized operation.

(15) Promoting the deepening and implementation of cultural construction

The Company vigorously promotes the industry culture of “compliance, integrity, professionalism and stability”, strictly assesses and motivates professional managers and key core talents, educates and guides employees, especially the core talents who are the key minorities, to strengthen professional ethics, and earnestly adheres to the principle of “being honest and trustworthy, not crossing the bottom line, making profits with justice, not being greedy for money, being stable and prudent, not eager for quick success, being upright and innovative, not straying from reality into fiction, complying with laws and regulations, and not doing anything reckless” to build a strong financial talent pool and cultivate a financial culture with Chinese characteristics.

The Company focuses on business development and cost reduction and efficiency enhancement, and strives to fulfill its responsibilities and obligations as a listed company through good performance, standard corporate governance and stable returns to investors, so as to return investors' trust, maintain the Company's market image and promote the smooth operation of the capital market. The Company continues to evaluate the implementation of the action plan for "improving quality, increasing efficiency and achieving returns" and fulfills the obligation of information disclosure in a timely manner.

By order of the Board
Guotai Junan Securities Co., Ltd.
ZHU Jian
Chairman

Shanghai, the PRC
29 April 2024

As at the date of this announcement, the executive directors of the Company are Mr. ZHU Jian, Mr. LI Junjie and Mr. YU Jian; the non-executive directors are Mr. LIU Xinyi, Ms. GUAN Wei, Mr. ZHONG Maojun, Mr. CHEN Hua, Mr. SUN Minghui, Mr. ZHANG Manhua, Mr. ZHANG Yipeng, and Mr. AN Hongjun; and the independent non-executive directors are Mr. DING Wei, Mr. LI Renjie, Mr. BAI Wei, Mr. WANG Guogang, Mr. YIM, Chi Hung Henry and Mr. PU Yonghao.