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GUOTAI JUNAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1788)

PROPOSED CHANGE OF AUDITOR

The Board announces that PricewaterhouseCoopers will retire as auditor of the Group with effect from the close of the AGM. On 9 March 2011, the Board resolved to propose the appointment of Ernst & Young as the new auditor of the Group to fill the vacancy following the retirement of PricewaterhouseCoopers and to hold office until the next annual general meeting of the Company, subject to the approval of shareholders of the Company at the AGM.

The board of directors (the “**Board**”) of Guotai Junan International Holdings Limited (the “**Company**”) announces that PricewaterhouseCoopers, Certified Public Accountants (“**PwC**”), will retire as auditor of the Company and its subsidiaries (collectively, the “**Group**”) with effect from the close of the forthcoming annual general meeting of the Company to be held on Thursday, 28 April 2011 (the “**AGM**”).

On 9 March 2011, the Board resolved to propose the appointment of Ernst & Young, Certified Public Accountants (“**EY**”), as the auditor of the Group to fill the vacancy following the retirement of PwC and to hold office until the next annual general meeting of the Company, subject to the approval of shareholders of the Company at the AGM.

EY is currently the auditor of Guotai Junan Securities Co., Ltd., the controlling shareholder of the Company. The Board resolved to propose to align with the parent company to appoint EY as auditor of the Group at the AGM so as to ensure consistency and efficiency of audit services provided to the parent company and the Group. The Board is of the view that it would be in the best interest of the Company and its shareholders as a whole to appoint EY as the auditor.

The Company has received a confirmation letter from PwC confirming that up

to the date of this announcement there are no circumstances connected with its retirement that should be brought to the attention of shareholders or creditors of the Company. The Board has confirmed that there are no circumstances in respect of the change of auditor which shall be brought to the attention of shareholders of the Company. The Board and the Company's Audit Committee have also confirmed that there is no disagreement between PwC and the Board has no unresolved issue regarding the change of auditor.

By order of the Board
LI Sang Edward
Company Secretary

Hong Kong, 18 March 2011

As at the date of this announcement, the Board comprises four executive directors, being Dr. YIM Fung, Mr. LI Guangjie, Mr. LI Sang Edward and Mr. WONG Tung Ching; one non-executive director, Dr. CHEN Geng; and three independent non-executive directors, being Dr. FU Tingmei, Dr. SONG Ming and Mr. TSANG Yiu Keung.