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Guotai Junan Securities Co., Ltd.
國泰君安証券股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02611)

ANNOUNCEMENT

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The Board of Guotai Junan Securities Co., Ltd. hereby announces that a Board meeting was held on 24 March 2020 and the following Board resolutions have been passed:

I. 2019 PROFIT DISTRIBUTION PLAN

Pursuant to the relevant requirements of the Company Law, Securities Law, Financial Rules for Financial Enterprises and the Articles of Association, and taking into accounts of factors such as interest of Shareholders, the development of the Company and various risk control indicators, the profit distribution plan of the Company for the year 2019 is proposed as follows:

Based on the total share capital of the Company on the record date for dividend distribution, the Company will distribute to A Shareholders and H Shareholders whose names appear on the register of members of the Company on the record date for the dividend distribution a cash dividend of RMB3.9 (tax inclusive) for every 10 shares. Cash dividend is denominated and declared in RMB and payable in RMB to the A Shareholders and in HKD to the H Shareholders. The actual amount declared in HKD will be converted based on the average benchmark exchange rate for RMB to HKD as announced by the People's Bank of China five business days before the date of the AGM.

As the A-share convertible corporate bonds issued by the Company in July 2017 have entered into the share conversion period since 8 January 2018 onwards, the Company is currently unable to determine the total share capital of the Company as at the record date of dividend distribution for A Shareholders. Based on the Company's total share capital of 8,907,948,159 shares as of 31 December 2019, the total amount of cash dividend distributable will be RMB3,474,099,782, representing 40.22% of the net profit attributable to owners of the parent company under the consolidated financial statements for 2019.

Cash dividends will be distributed within two months after the date of the AGM, following the approval of the profit distribution proposal for 2019 by the AGM.

The Board has resolved to submit this proposal to the AGM for consideration and approval.

II. CHANGE OF EXTERNAL AUDITORS

Pursuant to the Administrative Measures for Financial Enterprises to Appoint Accounting Firms (金融企業選聘會計師事務所管理辦法) (Cai Jin [2016] No.12) issued by the Ministry of Finance of the People's Republic of China, there is a limit on the service term of an accounting firm consecutively appointed by a financial enterprise. The service term of Ernst & Young Hua Ming LLP and Ernst & Young, the original auditors of the Company, will expire after the completion of 2019 annual audit. The Company is required to appoint new external auditors for 2020.

The Board proposed (i) to appoint KPMG Huazhen LLP and KPMG, Certified Public Accountants as the external auditors of the Company for 2020, which will provide 2020 annual and interim audits and review services in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards, respectively; (ii) to appoint KPMG Huazhen LLP as the auditor for the internal control audit of the Company for 2020; and (iii) to authorize the management of the Company to determine the fees of the auditors for 2020 provided that the total amount of the above audit and review fees shall not exceed RMB5 million after being approved at the AGM. If additional fees are incurred due to a change in scope and contents of audit or review, the Board will be authorized to determine in accordance with the actual scope and contents of the audit and review.

Ernst & Young Hua Ming LLP and Ernst & Young, being the external auditors of the Company for 2019, will continue to provide the Company with relevant services such as audit of financial statements for 2019 and audit of internal control. Ernst & Young Hua Ming LLP and Ernst & Young have confirmed that there are no matters relating to the termination of their services that need to be brought to the attention of the Shareholders. The Board has also confirmed that the Company has no disagreement or unresolved matters with Ernst & Young Hua Ming LLP and Ernst & Young, and is not aware of any matters that need to be brought to the attention of the Shareholders of the Company.

The Board would like to take this opportunity to express its gratitude to Ernst & Young Hua Ming LLP and Ernst & Young for their professional services and support in the past.

The Board has resolved to submit this proposal to the AGM for consideration and approval.

III. ADJUSTMENTS TO THE VALIDITY PERIODS OF THE RESOLUTION ON GENERAL MANDATE TO ISSUE ONSHORE AND OFFSHORE DEBT FINANCING INSTRUMENTS AND AUTHORIZATION TO ISSUE ASSETS-BACKED SECURITIES

Reference is made to the announcement of the Company dated 29 March 2018 in relation to the general mandate to issue onshore and offshore debt financing instruments and the authorization to issue asset-backed securities. The valid period of this resolution is for 36 months from the date of approval at the 2017 annual general meeting of the Company, i.e. 18 May 2018.

To effectively align the above two general mandates with the corresponding mandate under the AGM, the Board proposed that the terms of the validity period of the resolution on above two general mandates be adjusted from “36 months from the date of approval at the annual general meeting” to “to the date of the 2020 annual general meeting of the Company”.

The Board has resolved to submit this proposal to the AGM for consideration and approval.

IV. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE ADDITIONAL A SHARES AND/OR H SHARES

Pursuant to the requirements of the Company Law, the Securities Law, Hong Kong Listing Rules and the Article of Association, and in order to grasp market opportunities, ensure flexibility in issuing new shares and in line with the A+H listed company practices, the Board intends to propose to the AGM to approve the grant of a general mandate to the Board by a special resolution to authorize the Board to decide to, subject to market condition and the needs of the Company, separately or concurrently issue, allot and deal with new shares not exceeding 20% of the respective amount of A shares and/or H shares in issue at the date of the passing of such resolutions in the AGM.

The proposed grant is according to usual practice of A+H shares companies, as of the date of this announcement, the Board has no existing plan for issuing new shares pursuant to the general mandate.

Details of the General Mandate

1. Granting of a general mandate to the Board (or the director(s) authorized by the Board) to, subject to market condition and the needs of the Company, separately or concurrently issue, allot and deal with new shares of the issued A shares and H shares and make or grant offers, agreements, or options in relation to such Shares during the relevant period (as defined below).
2. The aggregate nominal value of the A shares and/or H shares to be conditionally or unconditionally allotted by the Board (whether pursuant to the exercise of options or otherwise) shall not exceed:
 - i. 20% of the nominal value of the existing A share issued as at the date of the passing of this resolution at the AGM; and/or
 - ii. 20% of the nominal value of the existing H share issued as at the date of the passing of this resolution at the AGM.
3. The Board be authorized to, when exercising its power under the General Mandate, formulate and implement detailed issuance plan, including but not limited to the class of the new shares to be issued, pricing mechanism and/or issuance price (including price range), number of shares to be issued, allottees and use of proceeds, time of issuance, period of issuance and whether to allot shares to existing Shareholders.
4. The Board be authorized to engage the services of professional advisers for share issuance related matters, and to approve and execute all acts, deeds, documents or other matters necessary, appropriate or required for the share issuances; approve and execute, on behalf of the Company, agreements related to share issuance, including but not limited to underwriting agreement and engagement agreements of professional advisers.

5. The Board be authorized to approve and execute, on behalf of the Company, statutory documents in relation to share issuance to be submitted to regulatory authorities, to carry out any necessary approval procedures as required by regulatory authorities and venues in which the Company is listed, and to complete all necessary filings, registrations and records with the relevant governmental authorities of Hong Kong and/or any other regions and jurisdictions (if applicable).
6. The Board be authorized to amend, as required by regulatory authorities within or outside the PRC, agreements and statutory documents referred to in (4) and (5) above.
7. The Board be authorized to increase the registered capital of the Company after a share issuance, and to make corresponding amendments to the Articles of Association relating to share capital and shareholdings, etc. and the operation management be authorized to carry out the relevant procedures.

Validity Period of the General Mandate

The exercising of the mandate referred to above shall only be valid in the Relevant Period, except if the Board has made or granted offers, agreements or options during the Relevant Period in relation to the issuance of A shares and/or H shares, which may require further promotion or implementation after the Relevant Period. The “Relevant Period” refers to the period from the passing of this resolution as a special resolution at the AGM until whichever is the earliest of:

1. the conclusion of the 2020 annual general meeting of the Company;
2. the expiration of the 12-month period following the passing of this resolution as a special resolution at the AGM; and
3. the revocation or variation of the authority under this resolution by passing of a special resolution at a general meeting of the Company.

The exercising of the power granted under the abovementioned General Mandate by the Board is subject to all the necessary approvals of the China Securities Regulatory Commission and/or the relevant authorities of the PRC and in accordance with the PRC Company Law and the relevant requirements under the Hong Kong Listing Rules.

At the same time, if the above resolution is passed at the AGM and unless otherwise required by applicable laws, the Board is authorized to further authorize Mr. HE Qing, chairman of the Board and executive director of the Company, Mr. WANG Song, vice chairman of the Board, executive Director and president of the Company, and Mr. YU Jian, executive director and Board secretary of the Company to jointly or individually sign, execute, modify, complete, and submit all agreements, contracts and documents relating to the allotment, issuance and disposal of shares under the General Mandate.

The Board has resolved to submit this proposal to the AGM for consideration and approval.

V. Proposed Amendments to the Articles of Association

According to the Guidelines on the Articles of Association of List Companies (2019) (《上市公司章程指引》(2019)) and the Administrative Measures on Equity Interests in Securities Company (《證券公司股權管理規定》) issued by CSRC, the Reply on Adjusting the Notice Period for Convening Shareholders' meeting by Overseas List Companies and Other Matters (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批復》) issued by the PRC State Council as well as the recent guidance from Shanghai SASAC, it is proposed to amend the relevant provisions of the Articles of Association and the Rules of Procedure for General Meetings. For detailed information of the proposed amendments please refer to annex to this announcement.

The proposed amendments to the Articles of Association and the Rules of Procedure for General Meetings are subject to the approval by Shareholders at the AGM by way of a special resolution as well as the approval by/filing with the Shanghai Bureau of the CSRC.

The Board has resolved to submit this proposal to the AGM for consideration and approval.

VI. 2019 ANNUAL GENERAL MEETING

The Board has resolved to hold the 2019 annual general meeting of the Company and authorize the chairman of the Board to determine the specific time and location of the meeting.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“AGM”	the 2019 annual general meeting to be held by the Company
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors of the Company
“China” or “PRC”	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Company Law”	The Company Law of the People's Republic of China
“Company”	Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司), a joint stock limited company incorporated in the PRC, the H share of which are listed on the main board of the Stock Exchange (stock code: 02611) and the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 601211)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)

“HKD”	Hong Kong dollars, lawful currency of Hong Kong Special Administrative Region
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in effect from time to time
“Rules of Procedure for General Meetings”	the rules of procedure for general meetings of Guotai Junan Securities Co., Ltd. set out in the appendix to the Articles of Association, as amended from time to time
“Securities Law”	the Securities Law of the People’s Republic of China
“Shanghai SASAC”	Shanghai State-owned Assets Supervision and Administration Commission
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Shanghai, the PRC
24 March 2020

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 Ms. GUAN Wei, Mr. ZHOU Lei, Mr. ZHONG Maojun, Mr. WANG Wenjie, Mr. LIN Facheng, Mr. ZHOU Hao and Mr. AN Hongjun; 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.

ANNEX-AMENDMENTS TO THE ARTICLES OF ASSOCIATION

1. Particulars of amendments to the Articles of Association of Guotai Junan Securities Co., Ltd.

Current Articles	Amended Articles
<p>Article 10 The Company shall, in accordance with the relevant provisions in the Constitution of the Communist Party of China (“CPC”), establish a CPC organization to carry out CPC’s activities. The Company shall provide necessary support to facilitate the CPC’s activities. <u>The CPC organization shall play its core political role in the Company.</u> When making decisions on material matters of the Company, especially significant operation and management matters involving national macro-control, national development strategies and national security, the board of directors shall consider the opinion of the <u>CPC organization of the Company first.</u></p>	<p>Article 10 The Company shall, in accordance with the relevant provisions in the Constitution of the Communist Party of China (“CPC”), establish a CPC organization to carry out CPC’s activities. The Company shall provide necessary support to facilitate the CPC’s activities. <u>The Party Committee shall play a leading role to maintain strategic directions, manage the overall situation and ensure effective implementation in the Company.</u> When making decisions on material matters of the Company, especially significant operation and management matters involving national macro-control, national development strategies and national security, the board of directors shall consider the opinion of the <u>Party Committee of the Company first.</u></p>
<p>Article 47 <u>No alteration of the register of shareholders due to the transfer of shares shall be registered within 30 days before the convention of shareholders’ general meetings or 5 days before the base day of which the Company decides to distribute dividends.</u></p> <p><u>Provisions otherwise provided by securities regulatory authorities where the shares of the Company are listed shall prevail.</u></p>	<p>Article 47 <u>If relevant laws, regulations, listing rules or securities regulatory authorities where the shares of the Company are listed have provisions on the period of closure of the register of shareholders prior to a shareholders’ general meeting or the base day of which the Company decides to distribute dividends, such provisions shall prevail.</u></p>
	<p>Addition: “Section 6 Administration of Shares of Securities Company” to Chapter 2</p>
<p>–</p>	<p><u>Article 52 The office of the board of directors of the Company is the organ that handles the Company’s share administration matters, which organizes and implements the work related to share administration matters.</u></p> <p><u>The chairman of the board of directors of the Company is the first responsible person for handling share administration matters of the Company. The secretary of the board of directors of the Company shall assist the chairman and is the direct responsible person for handling share administration matters.</u></p>

Current Articles	Amended Articles
-	<p><u>Article 53 The shareholding period of a shareholder of the Company shall comply with laws, administrative regulations and relevant provisions of CSRC.</u></p> <p><u>The actual controllers of the shareholders of the Company shall abide by the same lock-up period as the shareholders of the Company with respect to the shares of the Company under their control, except for the cases approved by CSRC in accordance with relevant laws.</u></p>
-	<p><u>Article 54 Shareholders of the Company shall not pledge the shares of the Company held by them during the lock-up period. After the expiry of the lock-up period, the proportion of the Company’s shares held by a shareholder of the Company that is pledged shall not exceed 50% of the shares held by such shareholder in the Company. Where shareholders pledge their shares, they shall not prejudice the interests of other shareholders and the Company or maliciously circumvent the requirement of lock-up period, and shall not agree to exercise the shareholder’s rights such as voting rights by the pledgee or other third parties, and shall not transfer the control over the Company’s shares in a disguised form.</u></p>
-	<p><u>Article 55 If a shareholder has illegal or improper conducts related to share administration matters in violation of laws, administrative regulations and regulatory requirements, the Company shall have the right to impose restrictions on the exercise of the shareholder’s right by the shareholder under the Articles of Association in accordance with the provisions of the relevant laws and regulations and the Articles of Association, and shall report to CSRC’s local offices in a timely manner. If the Company or person responsible for share administration matters and related personnel has illegal or improper conducts related to share administration matters in violation of laws, administrative regulations and regulatory requirements, the Company shall have the right to investigate in a timely manner in accordance with the provisions of the relevant laws, regulations and the Articles of Association, and the board of directors shall agree on corrective measures and accountability plans.</u></p>

Current Articles	Amended Articles
<p>Article 58 Shareholders of ordinary shares of the Company shall have the following obligations:</p> <p>(I) to abide by laws, administrative regulations and the Articles of Association;</p> <p><u>(II) to pay for the shares based on the shares subscribed for and the manners in which they became shareholder;</u></p> <p>(III) not to surrender the shares unless required by laws and regulations;</p> <p>.....</p>	<p>Article 62 Shareholders of ordinary shares of the Company shall have the following obligations:</p> <p>(I) to abide by laws, administrative regulations and the Articles of Association;</p> <p><u>(II) to fulfill their capital contribution obligations in strict compliance with laws, regulations, and the CSRC’s rules, and use their self-owned funds to acquire shares of the Company, the source of which shall be legal, while funds other than self-owned funds such as entrusted funds are prohibited for such shares acquisition unless otherwise provided by laws and regulations;</u></p> <p>(III) not to surrender the shares unless required by laws and regulations;</p> <p>.....</p>
<p>Article 60 No entities or individuals are allowed to directly or indirectly hold 5% or more of the shares of the Company without approval from the CSRC. Otherwise, rectification shall be made within a prescribed period of time, <u>and any voting rights in respect of such shares may not be exercised prior to such rectification.</u></p>	<p>Article 64 No entities or individuals are allowed to directly or indirectly hold 5% or more of the shares of the Company without approval from the CSRC. Otherwise, rectification shall be made within a prescribed period of time. <u>A shareholder who has not obtained the approval from or has not made due filings with the appropriate regulatory authority or has not completed mandatory rectification process is prohibited to exercise such rights including the right to request for convening a shareholders meeting, the voting right, the nomination right, the proposal right and the right to dispose its shares.</u></p>

Current Articles	Amended Articles
<p>–</p>	<p><u>Article 65 Where the changes in registered capital or equity ownership shall be subject to CSRC’s approval, the relevant agreement shall not take effect unless such an approval is granted. Prior to being approved by the CSRC, provided that such an approval is statutorily required, the transferors shall continue to independently exercise their voting rights in proportion to their shareholdings. In addition, the transferor shall not recommend relevant persons of the transferee as members to the board of directors, board of supervisors, or senior management of the Company, nor shall the transferor transfer its voting right in any disguised form.</u></p>
<p>Article 61 The controlling shareholders and actual controller of the Company shall not use their affiliation to jeopardize the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.</p> <p>The controlling shareholders and actual controllers of the Company shall have fiduciary duties towards the Company and its public shareholders. The controlling shareholders shall exercise their rights as contributors in strict compliance with the laws, shall not infringe the legitimate rights and interests of the Company and its public shareholders through profit distribution, asset restructuring, foreign investment, appropriation of capital, offering security for loans, and shall not make use of their controlling status to jeopardize the interests of the Company and its public shareholders.</p>	<p>Article 66 The controlling shareholders and actual controller of the Company shall not use their affiliation to jeopardize the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.</p> <p>The controlling shareholders and actual controllers of the Company shall have fiduciary duties towards the Company and its public shareholders. The controlling shareholders shall exercise their rights as contributors in strict compliance with the laws, shall not infringe the legitimate rights and interests of the Company and its public shareholders through profit distribution, asset restructuring, foreign investment, appropriation of capital, offering security for loans, and shall not make use of their controlling status to jeopardize the interests of the Company and its public shareholders.</p> <p><u>Substantial shareholders and controlling shareholders shall replenish the capital of the Company when necessary.</u></p>
<p>–</p>	<p><u>Article 68 A shareholder who has made false statements, abused its rights as a shareholder or infringed on the interests of the Company in other ways is prohibited to exercise such rights including the right to request for convening a shareholders meeting, the voting right, the nomination right, the proposal right and the right to dispose its shares.</u></p>

Current Articles	Amended Articles
<p>Article 74 <u>Where the Company convenes a shareholders' general meeting, it shall issue a written notice forty-five (45) days prior to the holding of the meeting informing all the registered shareholders of the matters to be considered as well as the date and venue of the meeting. The content, format and procedure of the notice shall meet the requirements of the Rules of Procedures for Shareholders' General Meetings. Shareholders who intend to attend the shareholders' general meeting shall deliver their written replies to the Company at least twenty (20) days prior to the convening of the meeting.</u></p>	<p>Article 80 <u>The convener shall issue a notice to each shareholder 20 days prior to the date of the annual general meeting (or the date as required by the place where the shares of the Company are listed, whichever is earlier), while the convener shall issue a notice to each shareholder 15 days prior to the date of the extraordinary general meeting (or the date as required by the place where the shares of the Company are listed, whichever the earlier). The content, format and procedure of the notice shall meet the requirements of the Rules of Procedures for Shareholders' General Meetings.</u></p>
<p>Article 75 <u>The Company shall, based on the written replies received 20 days before the date of the shareholders' general meeting, calculate the number of voting shares represented by the shareholders intending to attend the meeting. If the number of voting shares represented by the shareholders intending to attend the meeting is one-half or more of the total number of the Company's voting shares, the Company may hold the shareholders' general meeting. If not, the Company shall within 5 days notify the shareholders again by issuing an announcement of the matters to be considered and the date and venue of the meeting, and upon the publication of the announcement, the Company may then convene the shareholders' general meeting.</u></p>	<p>This Article shall be deleted.</p>

Current Articles	Amended Articles
<p>Article 106 When the Company is to hold a class meeting, <u>it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and venue of the meeting.</u> Shareholders who intend to attend the meeting shall, within 20 days prior to the day of the meeting, deliver their written replies regarding their attendance to the Company.</p> <p><u>If the number of the voting shares represented by the shareholders intending to attend the meeting is more than one half of the total number of voting shares of that class at the meeting, the Company may hold the class meeting. If not, the Company shall within 5 days inform the shareholders once again of the matters to be considered at the meeting and the date and venue of the meeting in the form of a public announcement. Upon notification by a public announcement, the Company may hold the class meeting.</u></p> <p>If there are any special requirements under listing rules of the place where the shares of the Company are listed, such requirements shall prevail.</p>	<p>Article 111 When the Company is to hold a class meeting, <u>the convener shall issue a notice to each shareholder 20 days prior to the date of the annual class meeting (or the date as required by the place where the shares of the Company are listed, whichever the earlier), while the convener shall issue a notice to each shareholder 15 days prior to the date of extraordinary class meeting (or the date as required by the place where the shares of the Company are listed, whichever the earlier).</u></p> <p>If there are any special requirements under listing rules of the place where the shares of the Company are listed, such requirements shall prevail.</p>

Current Articles	Amended Articles
<p>Article 110 Directors shall be elected or changed by the shareholders' general meeting and serve a term of 3 years unless it is otherwise stipulated hereof. A director may serve consecutive terms if re-elected upon the expiry of his/her term.</p> <p>.....</p> <p><u>Prior to the expiration of a director's term, his appointment shall not be terminated by the shareholders' general meeting without reasons. The shareholders' general meeting shall remove a director before expiration of his/her term by an ordinary resolution in accordance with relevant laws and administrative regulations (however, any claim which may be raised in accordance with any contract will not be affected).</u></p> <p>.....</p>	<p>Article 115 Directors shall be elected or changed by the shareholders' general meeting and serve a term of 3 years unless it is otherwise stipulated hereof. A director may serve consecutive terms if re-elected upon the expiry of his/her term.</p> <p>.....</p> <p><u>Prior to the expiration of a director's term, his appointment may be terminated by the shareholders' general meeting. The shareholders' general meeting shall remove a director before expiration of his/her term by an ordinary resolution in accordance with relevant laws and administrative regulations (however, any claim which may be raised in accordance with any contract will not be affected).</u></p> <p>.....</p>
<p>Article 123 The board of directors shall establish the strategy committee, the remuneration appraisal and nomination committee, the audit committee and the risk control committee.</p> <p>The committees under the board of directors shall be accountable to the board of directors <u>and perform the duties as granted by relevant laws and regulations and the board of directors.</u></p> <p>All members of the committees under the board of directors shall be directors, and shall be nominated by the chairman and approved by the board of directors.</p>	<p>Article 128 The board of directors shall establish special committees such as the strategy committee, the remuneration appraisal and nomination committee, the audit committee and the risk control committee.</p> <p>The committees under the board of directors shall be accountable to the board of directors <u>and perform the duties as granted by relevant laws and regulations and the board of directors, and their proposals shall be submitted to the Board for consideration and approval.</u></p> <p><u>All members of the special committees under the board of directors shall be directors and shall be nominated by the chairman and approved by the board of directors. Independent directors shall be the majority in the audit committee and the remuneration appraisal and nomination committee and shall act as their conveners. The convener of the audit committee shall be an accounting professional. The Board is responsible for formulating the working procedures of the special committees and regulating their operation.</u></p>

Current Articles	Amended Articles
<p>Article 140 The qualifications of president and other senior management shall comply with the provisions of relevant laws and regulations and the Articles of Association.</p> <p><u>Article 111 in relation to the fiduciary duties of directors and items (IV) to (VI) of Article 112 in relation to the diligent duties of directors of the Articles of Association shall apply to the senior management.</u></p> <p><u>A person who holds an office other than that of the director and the supervisor in the controlling shareholder or beneficial controller of the Company shall not act as a senior management of the Company.</u></p>	<p>Article 145 The qualifications of president and other senior management shall comply with the provisions of relevant laws and regulations and the Articles of Association.</p> <p><u>Article 117 in relation to the fiduciary duties of directors and items (IV) to (VI) of Article 118 in relation to the diligent duties of directors of the Articles of Association shall apply to the senior management.</u></p> <p><u>A person who holds an administrative position other than director and supervisor in the controlling shareholder of the Company shall not act as a senior management of the Company.</u></p>

2. Rules of Procedure for General Meetings of Guotai Junan Securities Co., Ltd.

Current Articles	Amended Articles
<p>Article 20 <u>Where a shareholders' general meeting is convened by the Company, it shall issue a written notice 45 days prior to the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and place of the meeting. Shareholders who intend to attend the shareholders' general meeting shall deliver their written replies to the Company 20 days prior to the convening of the meeting.</u></p>	<p>Article 20 <u>The convener shall issue a notice to each shareholder 20 days prior to the date of the annual general meeting (or the date as required by the place where the shares of the Company are listed, whichever is earlier), while the convener shall issue a notice to each shareholder 15 days prior to the date of the extraordinary general meeting (or the date as required by the place where the shares of the Company are listed, whichever the earlier).</u></p>
<p>Article 22 <u>The Company shall calculate the number of voting shares represented by the shareholders who intend to attend the meeting in accordance with the written replies received 20 days prior to the convening of the shareholders' general meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half of the total number of the Company's voting shares, the Company shall convene the shareholders' general meeting. If not, the Company shall within 5 days notify the shareholders again by publishing an announcement stating the matters to be considered as well as the date and place of the meeting. Upon notifying by the announcement, the Company is entitled to convene the shareholders' general meeting.</u></p>	<p>This Article shall be deleted.</p>

Current Articles	Amended Articles
<p>Article 26 Unless otherwise stipulated by the Articles of Association, the notice of a shareholders' general meeting shall be served to shareholders (regardless of whether they are entitled to vote at the shareholders' general meeting) either by hand or by post in a prepaid mail, addressed to such shareholders at their registered addresses as shown in the register of shareholders. For holders of domestic shares, the notice of a shareholders' general meeting may also be given by publishing an announcement.</p> <p><u>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority under the State Council within a period of 45 to 50 days before convening the meeting. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice in relation to the shareholders' general meeting.</u></p>	<p>Article 26 Unless otherwise stipulated by the Articles of Association, the notice of a shareholders' general meeting shall be served to shareholders (regardless of whether they are entitled to vote at the shareholders' general meeting) either by hand or by post in a prepaid mail, addressed to such shareholders at their registered addresses as shown in the register of shareholders. For holders of domestic shares, the notice of a shareholders' general meeting may also be given by publishing an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority under the State Council. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice in relation to the shareholders' general meeting.</p>
<p>Article 47 Shareholders who attend the shareholders' general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through <u>Shanghai-Hong Kong Stock Connect</u>, make declarations according to the intention of actual holders.</p> <p>.....</p>	<p>Article 46 Shareholders who attend the shareholders' general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain, unless securities registration and settlement institutions, as the nominal holders of shares that can be traded through the <u>Transaction Interconnection Mechanism for the Mainland and Hong Kong Stock Markets</u>, make declarations according to the intention of actual holders.</p> <p>.....</p>
<p>Article 60 When the Company is to hold a class meeting, <u>it shall issue a written notice 45 days prior to date of the meeting informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and venue of the meeting. Shareholders who intend to attend the meeting shall, within 20 days prior to the date of the meeting, deliver their written replies regarding their attendance to the Company.</u></p>	<p>Article 59 When the Company is to hold a class meeting, <u>the convener shall issue a notice to each shareholder 20 days prior to the date of the annual class meeting (or the date as required by the place where the shares of the Company are listed, whichever the earlier), while the convener shall issue a notice to each shareholder 15 days prior to the date of extraordinary class meeting (or the date as required by the place where the shares of the Company are listed, whichever the earlier).</u></p>

Current Articles	Amended Articles
<p>Article 60 <u>If the number of the voting shares represented by the shareholders intending to attend the meeting is more than one half of the total number of voting shares of that class at the meeting, the Company may hold the class meeting. If not, the Company shall within 5 days inform the shareholders once again of the matters to be considered at the meeting and the date and venue of the meeting in the form of a public announcement. Upon notification by a public announcement, the Company may hold the class meeting.</u></p>	<p>This Article shall be deleted.</p>