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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)**

**ANNOUNCEMENT**

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The Board of Guotai Junan Securities Co., Ltd. hereby announces that a board meeting was held on 28 March 2024 and the following board resolutions have been passed:

**I. 2023 PROFIT DISTRIBUTION PLAN**

Pursuant to the relevant requirements of the Company Law, the Securities Law, the Financial Rules for Financial Enterprises (《金融企業財務規則》), the Regulatory Guidelines for Listed Companies No. 3 – Distribution of Cash Dividends of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》), the Guidelines No. 1 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Standard Operation (《上海證券交易所上市公司自律監管指引第1號 – 規範運作》) and the Articles of Association, and taking into account 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 2023 is proposed as follows:

Based on the total share capital amount 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 RMB4.0 (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.

Based on the total share capital amount of 8,904,610,816 shares as of 31 December 2023, the total amount of cash dividend distributable will be RMB3,561,844,326, representing 38.0% of the net profit attributable to equity holders of the Company under the consolidated financial statements for 2023.

Cash dividends will be distributed within two months after the date of the AGM, following the approval of the profit distribution proposal for 2023 by the AGM.

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

## **II. GENERAL MANDATE TO ISSUE ONSHORE AND OFFSHORE DEBT FINANCING INSTRUMENTS**

We refer to the announcement and circular of the Company dated 25 March 2021 and 27 May 2021, respectively, in relation to the adjustments to the validity periods of the general mandate to issue onshore and offshore debt financing instruments. Since such general mandate will expire on the date of the AGM, the Board has resolved to propose a resolution to the AGM regarding the general mandate to issue the Onshore and Offshore Debt Financing Instruments through public offerings or private placements on a one-off, multiple or multi-tranche basis.

Details of the general mandate to issue the Onshore and Offshore Debt Financing Instruments by the Company or its subsidiaries are as follows:

### **1. Issuing Entity**

The Company or its onshore and offshore wholly-owned subsidiary(ies) shall be the issuing entity(ies) of the Onshore and Offshore Debt Financing Instruments. If asset-backed securities are issued, the Company or its onshore and offshore wholly-owned subsidiary(ies) acts as the original equity holder and asset service agencies. The Onshore and Offshore Debt Financing Instruments, subject to the approval of or the filing with CSRC and other relevant authorities in accordance with relevant regulations, shall be issued on a one-off or multiple issuances or multi-tranche issuances basis through public offerings in the PRC and overseas or through private placements to investors or through other ways permitted by the regulatory authorities.

## **2. Size of Issue**

The size of the Onshore and Offshore Debt Financing Instruments in total shall not exceed 350% of the Company's net assets at the end of the latest financial period, calculated based on the aggregate balance outstanding on the issued instruments (including the current issued Onshore and Offshore Debt Financing Instruments) and, in the case of an instrument denominated in a foreign currency, based on the median price of the exchange rate announced by The People's Bank of China on the date of each issuance. The actual size of issuance of the Onshore and Offshore Debt Financing Instruments shall be in compliance with the requirements prescribed in the relevant laws and regulations on the maximum amount of the debt financing instruments to be issued and related requirements for various risk control indicators.

## **3. Method of Issuance**

Detailed method of issuance shall be determined in accordance with relevant laws and regulations and the advices and recommendations of the regulatory authorities, the Company's actual capital needs and the then prevailing market conditions.

## **4. Type**

Types of the Onshore and Offshore Debt Financing Instruments based on actual conditions of issuance include but are not limited to: short-term financing bills issued by domestic securities companies, short-term corporate bonds, financial bonds, corporate bonds, beneficiary certificates, subordinated bonds, subordinated debts, perpetual or renewable bonds, exchangeable bonds, write-down bonds, loan, and other onshore debt financing instruments that the Company or the onshore and offshore wholly-owned subsidiary(ies) of the Company can issue as approved by, registered with, filed with, permitted by or registered with regulatory and other relevant authorities; offshore RMB or foreign currency bonds issued outside of the PRC, subordinate bonds, subordinated debts, medium-term bill plans, bills (including but not limited to commercial bills), perpetual or renewable bonds, exchangeable bonds, write-down bonds and loans or syndicated loans, etc. which are foreign debt financing instruments as approved, filed with, or recognized by relevant regulatory authorities.

If asset-backed securities are issued, the Company, as the original equity holder, transfers the underlying assets to the special purpose vehicle. The underlying assets of a special purpose vehicle are property rights or property that meets the requirements of laws and regulations, has clear ownership, generates independent and predictable cash flows and can be specified, including, but not limited to, property or property rights such as credit assets formed by financing funds, stock-pledged repurchase of credit assets and other property or property rights recognized by regulatory authorities.

The Onshore and Offshore Debt Financing Instruments involved in this resolution shall not contain any provision for conversion into the Shares, and shall not be linked to the shares and any equity derivatives of the Company.

The types of the Onshore and Offshore Debt Financing Instruments and the priorities for repayment of creditors shall be determined according to the relevant regulations and the then prevailing market conditions at the time of issuance.

## **5. Term**

The term of the Onshore and Offshore Debt Financing Instruments shall be no longer than 15 years (including 15 years), except for issuance of categories without fixed terms, such as perpetual or renewable bonds which can be with a single term or hybrid type with multiple terms, the specific term composition and the size of each term type are determined in accordance with relevant regulations and market conditions at the time of issuance.

## **6. Interest Rate**

The Onshore and Offshore Debt Financing Instruments can be at fixed interest rate and/or floating interest rate and the interest rate of the Onshore and Offshore Debt Financing Instruments as well as the method of calculation and payment thereof shall be determined together with the lead underwriter(s) or the sponsor(s) in accordance with the then prevailing market conditions at the time of issuance of the Onshore and Offshore Debt Financing Instruments and the relevant laws and regulations.

## **7. Security and other Arrangements**

The issuance of the Onshore and Offshore Debt Financing Instruments by the Company can be carried out by the Company or the wholly-owned subsidiary(ies) of the Company as the issuing entity. If asset-backed securities are issued, the Company or its wholly-owned subsidiary(ies) acts as the original equity holder and asset service agencies, the guarantee and other credit enhancement arrangements shall be determined lawfully according to the characteristics and the issuance requirements of the Onshore and Offshore Debt Financing Instruments.

The Company or its wholly-owned subsidiary(ies) can provide guarantees (or counter-guarantees), letters of support and/or keepwell deed, for the Onshore and Offshore Debt Financing Instruments issued by the onshore and offshore wholly-owned subsidiary(ies) of the Company (including wholly-owned subsidiaries with an debt to assets ratio of more than 70%), depending on the structure of each issuance. The scope of the guarantee includes the debt financing principal, the corresponding interests and other expenses, etc. The guarantee method includes warranty, mortgage, pledge and other methods permitted by relevant laws and regulations.

The amount of a single guarantee provided by the Company or its wholly-owned subsidiary(ies) for the Onshore and Offshore Debt Financing Instruments issued by the domestic and foreign wholly-owned subsidiary(ies) of the Company (including wholly-owned subsidiary(ies) with an debt to assets ratio of more than 70%) shall not exceed 10% of the Company's latest audited net assets and the total guarantee amount shall not exceed 30% of the Company's latest audited net assets (the total guarantee amount shall be the guarantee balance corresponding to the outstanding debt to be repaid).

## **8. Use of Proceeds**

The proceeds raised from the issuances of the Onshore and Offshore Debt Financing Instruments shall be used to, among other things, meet the business operation needs of the Company, adjust the debt structure of the Company, repay debts due, replenish the capital funds or working capital of the Company and/or make project investments, and for other purposes permitted by relevant laws and regulations and/or regulatory authorities (if relevant regulatory authorities have specific requirements on the use of proceeds, such requirements shall prevail), including but not limited to used for a single purpose within the aforementioned scope.

## **9. Issue Price**

The issue price of the Onshore and Offshore Debt Financing Instruments and the method for pricing thereof shall be determined according to the then prevailing market conditions at the time of each issuance and the relevant laws and regulations.

## **10. Targets of Issuance and Placement Arrangements to Shareholders**

The targets to which the Onshore and Offshore Debt Financing Instruments are issued shall be investors which satisfy the conditions for subscription provided by relevant laws and regulations. The specific issue targets shall be lawfully determined according to relevant laws and regulations, market conditions and other specific matters related to the issuance.

The Onshore and Offshore Debt Financing Instruments issued may be placed to the Shareholders. Specific placement arrangements (including whether to make such placements and the placement proportion, etc.) shall be lawfully determined after taking into account market conditions and other specific matters related to the issuance.

## **11. Listing of the Onshore and Offshore Debt Financing Instruments**

Relevant matters involved in the application for the listing of the Onshore and Offshore Debt Financing Instruments shall be determined based on domestic and foreign laws and regulations and requirements of regulatory authorities and according to market conditions and other specific matters related to the issuance.

## **12. Debt Repayment Protective Measures for Onshore and Offshore Debt Financing Instruments**

In the event of an anticipated failure to repay principal and interest of Onshore and Offshore Debt Financing Instruments as scheduled or in the event of a failure to repay principal and interest of Onshore and Offshore Debt Financing Instruments as scheduled when they fall due, pursuant to relevant requirements of domestic and foreign regulations and regulatory authorities, the following repayment protective measures, as a minimum, will be adopted:

- i. not to distribute any profits to Shareholders;
- ii. to suspend the implementation of any material capital expenditure projects such as external investments and mergers and acquisitions;
- iii. to reduce or cease to release salaries and bonuses to the directors and senior management of the Company; and

- iv. key responsible persons must not be redeployed.

### **13. Authorization in relation to the Issuance of Onshore and Offshore Debt Financing Instruments**

To ensure effective coordination of the specific matters for the issuance of the Onshore and Offshore Debt Financing Instruments, a proposal is presented to the AGM to authorize the Board and give consent to the Board to further authorize the chairman of the Board and the president of the Company, and give consent to the chairman of the Board and the president of the Company to further authorize other senior management of the Company according to the importance of the authorized matters, to jointly or individually handle all matters in respect of the issuance of the Onshore and Offshore Debt Financing Instruments at its sole discretion in accordance with the requirements of the relevant laws and regulations, advices and recommendations of the regulatory authorities, under the framework and principles considered and approved in the AGM of the Company, and based on the principles of protecting the maximized benefits of the Company. Such authorization includes but not limit to:

- i. formulation and adjustment of specific plans for the issuance of the Onshore and Offshore Debt Financing Instruments in accordance with the applicable laws, regulations and relevant provisions of the regulatory authorities as well as the relevant resolutions passed at the AGM and based on the actual conditions of the Company and the relevant debt markets, including but not limited to the suitable issuing entities, timing of issuance, specific amount and method of issuance, terms of issuance, targets and duration of issuance, whether to issue by one-off or multiple issuances or multi-tranche issuances or multiple-category issuances, the size and term of each issuance, tranche and category, issuance price, repayment order, the ways in which the nominal value and interest rate are determined, the currency (including offshore RMB), pricing method, issuance arrangements, guarantee (including the guarantee amount, term, type of guaranteed debt, type of guarantee, guarantee object, etc.) and other credit enhancement arrangement, credit rating arrangement, actual subscription method, whether to set redemption provision, rate adjustment, sell-back clauses are incorporated, write-down clause, actual placing arrangement, use of proceeds, registration, listing and listing venue of the Onshore and Offshore Debt Financing Instruments, measures to mitigate repayment risks, measures to ensure debt repayment, repayment methods of principal and interest and all the matters relating to the issuance of the Onshore and Offshore Debt Financing Instruments;
- ii. determining and engaging intermediary agencies, signing, executing, amending and completing all agreements and documents relating to the issuances of the Onshore and Offshore Debt Financing Instruments (including without limitation, underwriting agreement, guarantee and other credit enhancement agreement, bond indenture, agreement on engagement with intermediary agencies, trust management agreement, liquidation management agreement, registration and custody agreement, listing agreement and other legal documents) and disclosing the relevant information in accordance with the relevant laws, regulations and the listing rules of the exchanges on which the Company's securities are listed (including but not limited to the preliminary and final offering memoranda of the Onshore and Offshore Debt Financing Instruments, and the announcements and circulars in relation to the issuance of the Onshore and Offshore Debt Financing Instruments);



- iii. selecting and engaging trustee(s) and clearance/settlement manager(s) for the issuance of the Onshore and Offshore Debt Financing Instruments, signing the trust management agreement(s) and clearance/settlement management agreement(s), and formulating the rules for meetings of the holders of the Onshore and Offshore Debt Financing Instruments;
- iv. handling all reporting and listing matters relating to the issuance of the Onshore and Offshore Debt Financing Instruments, including but not limited to the preparation, revision and submission of reporting materials in respect of the issuance and listing of the Onshore and Offshore Debt Financing Instruments and the Company and the issuing entities in accordance with requirements of relevant regulatory authorities, and signing the relevant reporting documents and other legal documents; and handling the determination and transfer of the underlying assets, application, issuance, filing, listing and transfer of each asset-backed project;
- v. making relevant adjustments to matters relating to the issuance of the Onshore and Offshore Debt Financing Instruments according to the opinions and changes in the policies of the regulatory authorities or the changes in market conditions, or determining whether to continue with all or part of the work in respect of the issuance of the Onshore and Offshore Debt Financing Instruments in accordance with the actual situations, except for matters which require re-approval by Shareholders at the AGM pursuant to the relevant laws, regulations and the Articles of Association; and
- vi. handling other relevant matters in relation to the issuance of the Onshore and Offshore Debt Financing Instruments.

The above-mentioned authorization shall be effective from the date of approval by the AGM until the lapse of the resolution of the AGM of the Company on the issuance of the Onshore and Offshore Debt Financing Instruments or until the completion of the above-mentioned authorized matters (depending on whether the issuance of the Onshore and Offshore Debt Financing Instruments has been fully completed).

#### **14. Validity Period of the Resolution**

The Shareholder's resolution regarding the issuance of Onshore and Offshore Debt Financing Instruments shall be valid until the date of the 2026 annual general meeting of the Company.

If the Board and/or its authorized person has determined the issuance or partial issuance of the Onshore and Offshore Debt Financing Instruments during the valid authorization period, and the Company has obtained or completed the approval, filing, permission or registration from the regulatory authority during the valid authorization period, the Company may complete the issuance or partial issuance of the Onshore and Offshore Debt Financing Instruments within the valid period as confirmed by such approval, filing, permission or registration. For matters relating to the issuance or partial issuance, the valid period of the above-mentioned authorization shall be extended to the date of completion of such issuance or partial issuance.

This resolution shall come into effect upon approval by the AGM.

### III. POTENTIAL RELATED PARTY TRANSACTIONS INVOLVED IN THE PROPOSED ISSUANCE OF ONSHORE AND OFFSHORE DEBT FINANCING INSTRUMENTS

As set out above, the Company proposed to issue Onshore and Offshore Debt Financing Instruments. Such issuances may involve one-off or multiple private issuances to the related shareholders and/or other related parties of the Company and potentially involve related party transactions.

The Board has resolved to present the following matters for approval at the AGM:

1. Upon the approval at the general meeting on the Resolution on the Authorization to Issue of Onshore and Offshore Debt Financing Instruments, the Company may, within the range of the Onshore and Offshore Debt Financing Instruments and the term of the authorizations as set out in the resolutions, privately issue the Onshore and Offshore Debt Financing Instruments on an one-off, multiple issuances or multi-tranche issuances basis to related parties in an aggregate amount of no more than 35% (inclusive) of the net assets of the Company as at the end of the latest financial period (the “**Related Party Transactions**”). All calculations are based on the aggregate balances outstanding which were issued and to be repaid (including the issued and not repaid amount of the Related Party Transactions). In the case of an instrument denominated in a foreign currency, the calculations are based on the median rate of exchange announced by the People’s Bank of China on the date of each issuance.
2. The Board will be authorized to determine, and to further authorize the chairman of the Board, the president of the Company and agree that the chairman of the Board and the president of the Company may further authorize other senior management of the Company (the chairman of the Board, the president of the Company and other senior management as aforesaid being referred to as the “**Authorized Persons**”), as appropriate, based on the importance of the authorized matters as its authorized persons to determine, together or individually, specific matters concerning the Related Party Transactions. The Related Party Transactions shall be conducted in accordance with the applicable general market practice (if any) and on normal commercial terms; and the interest rate, term, price and other specific conditions of the Onshore and Offshore Debt Financing Instruments will be determined in accordance with, among other things, the relevant PRC laws, regulations, market conditions and the capital supply and demand relationships at the time of issuance, and based on the market interest rate, price, term, market fee rates (if any) as may be then applicable to independent counterparties of the Onshore and Offshore Debt Financing Instruments of such type as well as in accordance with the fair market price after negotiation.



3. The authorized persons will be authorized to enter into the subscription agreements and other relevant agreements and documents with the related parties to subscribe for the Onshore and Offshore Debt Financing Instruments to be issued by the Company, and complete the relevant formalities.
4. The Company shall, when entering into the subscription agreements and other relevant agreements and documents with the related parties, disclose relevant matters regarding the Related Party Transactions in accordance with listing rules of the exchanges where the Company's securities are listed.

#### **IV. PROPOSED AMENDMENTS TO WORKING RULES OF THE AUDIT COMMITTEE**

Pursuant to the Guidelines for Internal Audit of Securities Companies (《證券公司內部審計指引》), and in conjunction with the actual situation of the Company, the Board resolved to amend the relevant articles of Working Rules of the Audit Committee.

Please refer to the appendix to this announcement for details of the proposed amendments to Working Rules of the Audit Committee.

#### **V. GENERAL MANDATE TO ISSUE ADDITIONAL A SHARES AND/OR H SHARES**

Pursuant to the requirements of 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 proposes to approve the grant of an unconditional and general mandate to the Board by a special resolution at the AGM 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 resolution at 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 additional shares in the share capital 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 aggregate nominal value of the existing A shares issued as at the date of the passing of this resolution at the AGM; and/or
  - ii. 20% of the aggregate nominal value of the existing H shares 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 a 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 place shares to existing Shareholders.
4. The Board be authorized to engage intermediate agencies for share issuance related matters, and to approve and execute all acts, deeds, documents or other matters necessary, appropriate, desirable or associated with the share issuances; approve and execute, on behalf of the Company, agreements related to share issuance, including but not limited to placing and underwriting agreement and engagement agreements of intermediate agencies.
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 relevant 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 the aggregate 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 2024 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 CSRC and/or the relevant authorities of the PRC and in accordance with the 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. ZHU Jian, chairman of the Board and executive director of the Company, Mr. LI Junjie, 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.

## **VI. 2023 ANNUAL GENERAL MEETING, 2024 SECOND A SHARE CLASS MEETING AND 2024 SECOND H SHARE CLASS MEETING**

The Board has resolved to hold the 2023 annual general meeting, 2024 second A share class meeting and 2024 second H share class 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 shall have the following meanings in this announcement:

“AGM”	the 2023 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 shares of which are listed on the main board of the Stock Exchange (stock code: 2611) 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
“Implementation Rules of Share Repurchase”	the Implementation Rules of Shanghai Stock Exchange for Share Repurchase by Listed Companies (《上海證券交易所上市公司回購股份實施細則》)
“Onshore and Offshore Debt Financing Instruments”	onshore and offshore debt financing instruments issued by the Company under the general mandate to be granted at the AGM
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	share (s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Working Rules of the Audit Committee”	The Working Rules of the Audit Committee under the Board of the Company (as amended from time to time)

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

Shanghai, the PRC  
28 March 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 of the Company 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 of the Company are Mr. DING Wei, Mr. LI Renjie, Mr. BAI Wei, Mr. WANG Guogang, Mr. YIM, Chi Hung Henry and Mr. PU Yonghao.*

**Comparison Table of Amendments to  
the Working Rules of the Audit Committee**

Original Article	Amended Article
<p><b>Rule 8</b> The specific functions and duties of the Audit Committee in areas of auditing and internal control are as follows:</p> <p>(I) to supervise the system and implementation of internal audit work, to propose to the Board of Directors employment or replacement of external auditors, to advise on the remuneration and terms of employment of external auditors, to supervise the conduct of practice of external auditors, and to be responsible for communication between internal auditors and external auditors.</p> <p>(II) to audit the Company's financial information and the disclosure thereof, including supervision of annual audits, making judgment on the authenticity, accuracy and completeness of information of audited financial reports, and submit the same to the Board of Directors for review;</p> <p>(III) to review and supervise whether the external auditors are independent and objective and whether the audit procedures are valid according to applicable standards; the Audit Committee shall discuss the nature and scope of the audit and the relative reporting responsibility with external auditors before commencement of the audit;</p> <p>(IV) to formulate and implement policies in respect of provision of non-auditing services by external auditors. The Audit Committee shall report to the Board of Directors and make recommendations on any matter requiring actions or improvements;</p>	<p><b>Rule 8</b> The specific functions and duties of the Audit Committee in areas of auditing and internal control are as follows:</p> <p><b><u>(I) to supervise and evaluate the internal audit work of the Company, to be responsible for reviewing the important internal audit system, to discuss the medium- and long-term planning of internal audit and annual audit plan, to supervise the rectification of major issues identified during internal audit, to listen to the work report of internal audit, to assess and evaluate the performance of the internal audit, and to put forward relevant suggestions;</u></b></p> <p><b><u>(II) to propose to the board of directors the engagement or change of the external auditor, to make recommendations on the remuneration and terms of engagement of the external auditor, to supervise the practice of the external auditor, and to be responsible for the communication between the internal audit and the external audit;</u></b></p> <p>(III) to audit the Company's financial information and the disclosure thereof, including supervision of annual audits, making judgment on the authenticity, accuracy and completeness of information of audited financial reports, and submit the same to the Board of Directors for review;</p> <p>(IV) to review and supervise whether the external auditors are independent and objective and whether the audit procedures are valid according to applicable standards; the Audit Committee shall discuss the nature and scope of the audit and the relative reporting responsibility with external auditors before commencement of the audit;</p>

Original Article	Amended Article
<p>(V) to monitor the integrity of the financial statements, annual reports and accounts, interim reports and quarterly reports of the Company, and to review significant judgement relating to financial reporting contained therein. Before submitting the relevant statements and reports to the Board, the Committee shall focus review particularly on:</p> <p>any changes in the accounting policies and practices;</p> <p>major judgmental areas;</p> <p>significant adjustments resulting from audit;</p> <p>the going concern assumptions and any qualifications;</p> <p>compliance with accounting standards; and</p> <p>compliance with the listing rules and legal requirements in relation to financial reporting.</p> <p>The Committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts, and shall give due consideration to any matters that have been raised by the Company’s staff responsible for the accounting and financial reporting function, compliance officers or external auditors;</p> <p>(VI) to be empowered by the authorization of the Board of Directors to supervise and inspect the Company’s internal control system;</p>	<p>(V) to formulate and implement policies in respect of provision of non-auditing services by external auditors. The Audit Committee shall report to the Board of Directors and make recommendations on any matter requiring actions or improvements;</p> <p>(VI) to monitor the integrity of the financial statements, annual reports and accounts, interim reports and quarterly reports of the Company, and to review significant judgement relating to financial reporting contained therein. Before submitting the relevant statements and reports to the Board, the Committee shall focus review particularly on:</p> <p>any changes in the accounting policies and practices;</p> <p>major judgmental areas;</p> <p>significant adjustments resulting from audit;</p> <p>the going concern assumptions and any qualifications;</p> <p>compliance with accounting standards; and</p> <p>compliance with the listing rules and legal requirements in relation to financial reporting.</p> <p>The Committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts, and shall give due consideration to any matters that have been raised by the Company’s staff responsible for the accounting and financial reporting function, compliance officers or external auditors;</p>



Original Article	Amended Article
<p>(VII) to have power to fully discuss issues in board meetings relating to contents of finance and internal control of the Company; to have power to request the management of the Company to explain, answer and accept queries of relevant questions, and on this basis make relevant recommendation to the Board of Directors so as to ensure that the management has performed its duty to establish and maintain an effective internal control system. The discussion shall include the adequacy of resources, staff qualifications and experience, training programs received by staff and the budget of the Company’s accounting and financial reporting function;</p> <p>(VIII) to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management’s response to these findings;</p> <p>(IX) to ensure coordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;</p> <p>(X) to review the financial and accounting policies of the Company and its implementation;</p> <p>(XI) to review the “Explanatory Statement on Auditing” from external auditor to the management, any significant queries raised by the auditor to the management about accounting records, financial accounts or control systems and management’s response;</p> <p>(XII) to ensure that the Board of Directors will provide a timely response to the issues raised in the “Explanatory Statement on Auditing” of external auditors to the management; and</p> <p>(XIII) to report to the Board of Directors on matters set out above.</p>	<p>(VII) to be empowered by the authorization of the Board of Directors to supervise and inspect the Company’s internal control system;</p> <p>(VIII) to have power to fully discuss issues in board meetings relating to contents of finance and internal control of the Company; to have power to request the management of the Company to explain, answer and accept queries of relevant questions, and on this basis make relevant recommendation to the Board of Directors so as to ensure that the management has performed its duty to establish and maintain an effective internal control system. The discussion shall include the adequacy of resources, staff qualifications and experience, training programs received by staff and the budget of the Company’s accounting and financial reporting function;</p> <p>(IX) to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management’s response to these findings;</p> <p>(X) to ensure coordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;</p> <p>(XI) to review the financial and accounting policies of the Company and its implementation;</p> <p>(XII) to review the “Explanatory Statement on Auditing” from external auditor to the management, any significant queries raised by the auditor to the management about accounting records, financial accounts or control systems and management’s response;</p> <p>(XIII) to ensure that the Board of Directors will provide a timely response to the issues raised in the “Explanatory Statement on Auditing” of external auditors to the management; and</p> <p>(XIV) to report to the Board of Directors on matters set out above.</p>
<p><b>Rule 25, Rule 28 and Rule 30</b></p>	<p><b>The expression “Planning and Finance Department” in the corresponding Rules shall be modified as “secretarial department”.</b></p>