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國泰君安證券股份有限公司
GUOTAI JUNAN SECURITIES CO., LTD.

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

(Stock Code: 02611)

**ANNOUNCEMENT ON THE PROPOSED SOLUTION FOR
THE SAME INDUSTRY COMPLETION WITH SHANGHAI SECURITIES**

This announcement is made by Guotai Junan Securities Co., Ltd. (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

In July 2014, with the approval of China Securities Regulatory Commission (the “**CSRC**”), 51% of the equity interest in Shanghai Securities Co., Ltd. (“**Shanghai Securities**”) held by Shanghai International Group Co., Ltd. was transferred to the Company, and Shanghai Securities became a subsidiary of the Company. According to the requirements of the approval from the CSRC, the Company shall resolve the issue of same industry competition with Shanghai Securities and its subsidiary Haiji Dahe Securities Co. Ltd.* (海際大和證券有限公司, currently known as “Haiji Securities Company Limited”, the “**Haiji Securities**”) within five years commencing from the date of becoming the controlling shareholder of Shanghai Securities.

In March 2016, with the approval of the CSRC, the Company transferred 66.67% equity interest in Haiji Securities publicly on Shanghai United Assets and Equity Exchange, thereby resolving the issue of same industry competition with Haiji Securities.

In respect of the issue of same industry with Shanghai Securities, the Company formulated a preliminary solution plan under which Shanghai Securities will increase its capital and Bailian (Group) Co., Ltd. (“**Bailian Group**”) and other investors will subscribe the increased capital. Upon the completion of the capital increase, Bailian Group will become the controlling shareholder of Shanghai Securities and the issue of same industry competition between the Company and Shanghai Securities will no longer exist.

The proposed solution mentioned above is in preparation, and is subject to the relevant legal procedures of the Company and Shanghai Securities and the approval of competent regulatory authorities before implementation.

The Company will disclose relevant information in a timely manner based on the development and in strict compliance with relevant regulations. Investors are here by reminded of the investment risks.

By order of the Board
Guotai Junan Securities Co., Ltd.
YANG Dehong
Chairman

Shanghai, the PRC
30 July 2019

As at the date of this announcement, the executive directors of the Company are Mr. YANG Dehong, Mr. WANG Song and Mr. YU Jian; the non-executive directors of the Company are Mr. FU Fan, Mr. ZHONG Maojun, Mr. ZHOU Lei, Mr. WANG Wenjie, Mr. LIN Facheng and ZHOU Hao; 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.