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国联证券股份有限公司
GUOLIAN SECURITIES CO., LTD.

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

(Stock Code: 01456)

INSIDE INFORMATION ANNOUNCEMENT OVERSEAS REGULATORY ANNOUNCEMENT PROPOSED MERGER AND PLACING OF A SHARES

This announcement is made by Guolian Securities Co., Ltd. (the “**Company**”) pursuant to Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

SUSPENSION OF A SHARES TRADING

The agreement of intent on share transfer was entered into between the Company and Changsha Yongjin (Group) Co., Ltd.* (长沙涌金(集团)有限公司) (“**Changsha Yongjin**”) for the purpose of acquiring approximately 7.82% shares of Sinolink Securities Co Ltd.* (国金证券股份有限公司) (“**Sinolink Securities**”) held by Changsha Yongjin (the “**Acquisition**”). In addition, the Company and Sinolink Securities are planning to absorb and merge Sinolink Securities through share swap by issuing A shares to all the shareholders of Sinolink Securities by the Company (the “**Merger**”, collectively with the Acquisition, the “**Transaction**”). In view of the fact that the Transaction involves significant uncertainties, the Company has requested to suspend the trading of A shares listed on the Shanghai Stock Exchange (the “**Shanghai Stock Exchange**”) from 21 September 2020 onwards to ensure equitable information disclosure, safeguard the interests of investors and avoid abnormal fluctuation in the share price of the Company. The Company will proactively carry out the relevant works in relation to the Transaction under the relevant requirements and regulations of the PRC. It is expected that the period of suspension of A shares trading of the Company will not be more than 10 trading days and the Company will make further announcement(s) on such regard.

During the period of suspension of A shares trading, the Company will fulfill its disclosure obligations in respect of the progress of the Transaction under the relevant laws and regulations. Investors are advised to pay attention to the relevant announcements and be aware of the investment risks involved. Such announcements will also be published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company.

CONTINUATION OF H SHARES TRADING

During the period of suspension of A shares trading, the trading of H shares of the Company on the Stock Exchange shall continue.

PARTICULARS OF THE TRANSACTION

Please refer to the announcement published by the Company on the Shanghai Stock Exchange on 21 September 2020 set out in the appendix. It is expected that the Transaction (if proceed) may constitute a very substantial acquisition. Further details of the Transaction (if proceed) will be announced by the Company pursuant to the requirements of applicable laws and regulations such as the Listing Rules.

The board of directors of the Company wishes to emphasize that, the specific terms of the Transaction have not been finalized as of the date of this announcement and the Company will proactively fulfill its disclosure obligations by publishing announcements in respect of the progress of the Transaction. Meanwhile, the Transaction still has uncertainties in which it may or may not proceed.

Shareholders and investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Guolian Securities Co., Ltd.
Yao Zhiyong
Chairman

Wuxi, Jiangsu Province, the PRC
21 September 2020

As of the date of this announcement, the executive director of the Company is Mr. Ge Xiaobo; the non-executive directors of the Company are Mr. Yao Zhiyong, Mr. Hua Weirong, Mr. Zhou Weiping, Mr. Liu Hailin and Mr. Zhang Weigang; and the independent non-executive directors of the Company are Mr. Lu Yuanzhu, Mr. Wu Xingyu and Mr. Chu, Howard Ho Hwa.

* *For identification purposes only*

GUOLIAN SECURITIES CO., LTD.

ANNOUNCEMENT ON SUSPENSION OF TRADING IN RELATION TO SHARE ACQUISITION AND PLANNING OF MAJOR ASSET RESTRUCTURING

The board of directors of the Company and all members of the board guarantee that this announcement does not contain any false information, misleading statement or material omission and undertake joint and several responsibilities regarding the truthfulness, accuracy and completeness of the contents herein contained.

I. REASONS FOR SUSPENSION OF TRADING AND WORK ARRANGEMENT

On 18 September 2020, Guolian Securities Co., Ltd. (hereinafter referred to as “Guolian Securities” or the “Company”) and Changsha Yongjin (Group) Co., Ltd.* (长沙涌金(集团)有限公司) (hereinafter referred to as “Changsha Yongjin”) entered into the Agreement of Intent on Share Transfer of Sinolink Securities Co., Ltd. between Guolian Securities Co., Ltd. and Changsha Yongjin (Group) Co., Ltd. (hereinafter referred to as the “Agreement of Intent on Share Transfer”), for the intended transfer of approximately 7.82% shares of Sinolink Securities Co., Ltd.* (国金证券股份有限公司) (hereinafter referred to as “Sinolink Securities”) held by Changsha Yongjin (hereinafter referred to as the “Acquisition”).

At the same time, Guolian Securities and Sinolink Securities are in the process of planning to absorb and merge Sinolink Securities through share swap by issuing A shares to all the shareholders of Sinolink Securities by Guolian Securities (hereinafter referred to as the “Merger”). On 18 September 2020, the parties thereto entered into the Agreement of Intent on Absorption and Merger between Guolian Securities Co., Ltd. and Sinolink Securities Co., Ltd. (《国联证券股份有限公司与国金证券股份有限公司之吸收合并意向性协议》) in respect of the Merger (hereinafter referred to as the “Agreement of Intent on Absorption and Merger”). The Merger is expected to constitute a major asset restructuring under the Administrative Measures for Major Assets Restructuring of Listed Companies (《上市公司重大资产重组管理办法》).

In view of the fact that the Acquisition and the Merger are still at planning stage and uncertainties do exist, in order to ensure equitable information disclosure, safeguard the interests of investors and avoid abnormal fluctuation in the share price of the Company, after our application to the Shanghai Stock Exchange, the trading in the Company's A shares will be suspended for trading from 21 September 2020 onwards, and it is expected that the period of suspension will not be more than 10 trading days.

During the period of suspension, the Company will perform its information disclosure obligations in a timely manner according to the progress of the Acquisition and the Merger. Pursuant to the requirements of the Business Guide of Suspension and Resumption of Trading for Planning of Material Matters of Listed Companies on the Shanghai Stock Exchange (《上海证券交易所上市公司筹划重大事项停复牌业务指引》) and Rule No. 26 on Content and Format of Information Disclosure by Companies with Securities Issued Publicly – Major Asset Restructuring of Listed Companies (《公开发行证券的公司信息披露内容与格式准则第26号—上市公司重大资产重组》) by China Securities Regulatory Commission, the Company will convene a board meeting to review the restructuring proposal after the relevant works are completed, publish an announcement in a timely manner and apply for resumption of trading.

II. BASIC INFORMATION OF THE ACQUISITION

(1) Basic information of the transaction parties

1. *Transferor*

Company name:	Changsha Yongjin (Group) Co., Ltd.
Uniform social credit code:	91430100183844598D
Type of company:	Other limited liability company
Address:	No. 129, Section 1, Furong Middle Road, Kaifu District, Changsha
Legal representative:	Zhang Zheng (张峥)
Registered capital:	RMB95,650,000
Date of establishment:	10 June 1994
Business scope:	Real estate development and operation, economic and business consulting services (excluding financial, securities and futures consulting), sales of daily necessities, hardware products, building materials, decorative materials, agricultural products and chemical products. (For projects requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities).

2. Transferee

Company name:	Guolian Securities Co., Ltd.
Uniform social credit code:	91320200135914870B
Type of company:	Joint stock limited company (listed, state-controlled)
Address:	No. 8 Jinrong One Street, Wuxi
Legal representative:	Yao Zhiyong
Registered capital:	RMB1,902,400,000
Date of establishment:	8 January 1999
Business scope:	Securities brokerage, securities investment consultation, financial advisory in relation to securities trading and securities investment activities, proprietary securities trading, securities assets management, the sales of securities investment funds on commission basis, margin financing and securities lending business, provision of intermediary business for futures companies, and the sales of financial products on commission basis. (For projects requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities).

(2) Main content of the Agreement of Intent on Share Transfer

1. Changsha Yongjin intends to transfer the shares of Sinolink Securities (hereinafter referred to as the “Subject Shares”) held by it, which account for approximately 7.82% of the total share capital of Sinolink Securities, to the Company through agreement transfer, and the Company intends to acquire the Subject Shares.
2. The specific details such as the specific number, transfer price, delivery, and payment of the transfer amount of the acquired Subject Shares are subject to further negotiation and will be agreed in the share transfer agreement duly signed by both parties.
3. The two parties will further negotiate the details of the Acquisition and reach a consensus as soon as possible and obtain the authorization from internal competent authority, and actively facilitate the signing of the formal share transfer agreement.
4. The final proposal of the Acquisition and the arrangement of the rights and obligations of both parties shall be subject to the formal transaction agreement signed by both parties.

III. BASIC INFORMATION OF THE MERGER

(1) Basic information of the merging party and the merged party

1. *The merging party*

Company name:	Guolian Securities Co., Ltd.
Uniform social credit code:	91320200135914870B
Date of establishment:	8 January 1999
Registered capital:	RMB1,902,400,000
Legal representative:	Yao Zhiyong
Address:	No. 8 Jinrong One Street, Wuxi
Type of company:	Joint stock limited company (listed, state-controlled)
Business scope:	Securities brokerage, securities investment consultation, financial advisory in relation to securities trading and securities investment activities, proprietary securities trading, securities assets management, the sales of securities investment funds on commission basis, margin financing and securities lending business, provision of intermediary business for futures companies, and the sales of financial products on commission basis. (For projects requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities)

2. *The merged party*

Company name:	Sinolink Securities Co., Ltd.
Uniform social credit code:	91510100201961940F
Date of establishment:	20 December 1996
Registered capital:	RMB3,024,359,310
Legal representative:	Ran Yun (冉云)
Address:	No. 95, Upper Street, Dongchenggen, Qingyang District, Chengdu
Type of company:	Other joint stock limited company (listed)
Business scope:	Securities brokerage, securities investment consultation, financial advisory in relation to securities trading and securities investment activities, securities underwriting and sponsorship, proprietary securities trading, margin financing and securities lending business, securities assets management, the sales of securities investment funds on commission basis, provision of intermediary business for futures companies, and the sales of financial products on commission basis. (For projects requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities).

(2) Method of transaction of the Merger

The method of the Merger is that Guolian Securities intends to absorb and merge Sinolink Securities through share swap by issuing A shares to all the shareholders of Sinolink Securities by Guolian Securities.

(3) Main content of the Agreement of Intent on Absorption and Merger

1. The Company intends to absorb and merge Sinolink Securities by issuing A shares, i.e., the Company will issue A shares to all the shareholders of Sinolink Securities to exchange for the shares of Sinolink Securities held by those shareholders. The specific details such as the share swap price, ratio for the swap, number of shares to be issued by share swap, put option and cash option of the dissenting shareholders in respect of the absorption and merger are subject to further negotiation and will be agreed in the absorption and merger agreement duly signed by both parties;
2. The Merger and the duly signed absorption and merger agreement need to be submitted to the respective boards of directors and general meetings of both parties for approval and approved by the competent regulatory authority before it is formally implemented;
3. The final proposal of the Merger and the arrangement of the rights and obligations of both parties shall be subject to the formal absorption and merger agreement signed by both parties;
4. Any modification or supplement to the agreement shall be agreed upon by both parties through negotiation and reaching a written modification or supplement agreement. The agreement shall remain in force until such modification or supplement agreement is reached.

IV. RISK WARNING

Up to now, the signed Agreement of Intent on Share Transfer herein is only an agreement of intent, and the Acquisition is ultimately subject to the formal share transfer agreement signed by both parties. The Acquisition is still subject to internal approval procedures by both parties and need to be approved/agreed by the regulatory authorities, hence uncertainties exist.

The Merger is still at the planning stage, and the signed Agreement of Intent on Absorption and Merger herein is only an agreement of intent. The merger parties have yet to sign a formal absorption and merger agreement, and the specific merger proposal is still under negotiation and demonstration.

The Merger is still subject to the necessary internal decision-making procedures and can only be formally implemented after the approval of competent regulatory authorities, hence the implementation of which is still uncertain. Such information shall be subject to the announcement published by the Company's designated information disclosure media. Investors are advised to pay attention to the subsequent announcements and be aware of the investment risks involved.

The announcement is hereby given.

By the board of directors of Guolian Securities Co., Ltd.
21 September 2020

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