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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)

**TRANSACTION I: ACQUISITION OF 100% SHARES OF
MINSHENG SECURITIES BY ISSUING A SHARES
TRANSACTION II: RAISING SUPPORTING FUNDS
BY ISSUING A SHARES
AUTHORISATION TO THE BOARD AND
ITS AUTHORIZED PERSON(S) TO DEAL WITH
MATTERS RELATING TO THE REORGANISATION
AND
RESUMPTION OF TRADING IN A SHARES**

**TRANSACTION I: ACQUISITION OF 100% SHARES OF MINSHENG
SECURITIES BY ISSUING A SHARES**

The Board is pleased to announce that on 14 May 2024, the Company entered into the framework acquisition agreement with the Counterparties, pursuant to which, the Company has conditionally agreed to acquire, and the Counterparties have conditionally agreed to sell, 100% shares of Minsheng Securities, in consideration of the issuance of A shares by the Company to the Counterparties (the “**Consideration Shares**”).

TRANSACTION II: RAISING SUPPORTING FUNDS BY ISSUING A SHARES

The Company proposed to raise supporting funds by issuing A shares to not more than 35 specific subscribers upon completion of the Transaction I. The total amount of supporting funds to be raised shall not exceed RMB2 billion (inclusive) and the number of A shares to be issued shall not exceed 250 million (inclusive), with the amount of funds to be raised and the number of shares to be issued as ultimately reviewed and approved by the Shanghai Stock Exchange and determined by the CSRC for registration purposes as upper limit.

IMPLICATIONS OF LISTING RULES

Transaction I

Transaction I is expected to constitute a very substantial acquisition of the Company under the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, as Guolian Group directly and indirectly holds 48.60% of the shares of the Company, it is a Controlling Shareholder and Connected Person of the Company as defined under the Listing Rules. Accordingly, Transaction I also constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Transaction II

As of the date of this announcement, the Company has not entered into any agreement with any potential subscriber regarding Transaction II and the Company has not received any intention from any person to participate in Transaction II. If any Connected Person of the Company becomes a subscriber participating in Transaction II, such participation will constitute a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

In view of the fact that the auditing and evaluation work relating to the Transaction I and Transaction II (collectively, the “**Reorganisation**”) has not yet been completed, the Board has decided not to convene a general meeting to consider the matters relating to the Reorganisation for the time being. Upon completion of the auditing and evaluation work relating to the Reorganisation, the Company will convene another Board meeting to consider the matters relating to the Reorganisation, and will issue a notice of the general meeting in accordance with the statutory procedures to propose the matters relating to the Reorganisation for consideration at the general meeting.

RESUMPTION OF TRADING IN A SHARES

Pursuant to the relevant requirements of the Shanghai Stock Exchange, and after application by the Company, the trading in the Company’s A shares (stock name: Guolian Securities, stock code: 601456.SH) has been suspended from the opening of the trading on Friday, 26 April 2024. The Company has applied to the Shanghai Stock Exchange for the resumption of trading in A shares on the Shanghai Stock Exchange with effect from Wednesday, 15 May 2024.

The Reorganisation is subject to the fulfillment of certain conditions. The Reorganisation is subject to further consideration of the Board and consideration and approval of the general meeting, as well as approval or ratification of the authorized regulatory authorities before it can be formally implemented, and there are uncertainties as to whether the aforesaid approvals or ratifications can be obtained and the timing of the eventual obtaining of such approvals or ratifications. Accordingly, there is uncertainty as to whether the Reorganisation will be ultimately implemented successfully. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 25 April 2024 in relation to, among other things, the Agreement of Intent regarding the potential acquisition.

The Board is pleased to announce that on 14 May 2024, the Company entered into the framework acquisition agreement with the Counterparties, pursuant to which, the Company has conditionally agreed to acquire, and the Counterparties have conditionally agreed to sell, 100% shares of Minsheng Securities, in consideration of the issuance of A shares by the Company to the Counterparties.

The Company proposed to raise supporting funds by issuing A shares to not more than 35 specific subscribers upon completion of the Transaction I. The total amount of supporting funds to be raised shall not exceed RMB2 billion (inclusive) and the number of A shares to be issued shall not exceed 250 million (inclusive), with the amount of funds to be raised and the number of shares to be issued as ultimately reviewed and approved by the Shanghai Stock Exchange and determined by the CSRC for registration purposes as upper limit.

I. TRANSACTION I: ACQUISITION OF 100% SHARES OF MINSHENG SECURITIES BY ISSUING A SHARES

The principal terms of the framework acquisition agreement are as follows:

- Date:** 14 May 2024
- Parties:**
- (1) the Company, as a potential transferee; and
 - (2) the Counterparties, as potential transferors.
- Subject matter:** Pursuant to the framework acquisition agreement, the Company has conditionally agreed to acquire, and the Counterparties have conditionally agreed to sell, 100% shares of Minsheng Securities.
- Consideration:** Pursuant to the framework acquisition agreement, the Company will issue the Consideration Shares to the Counterparties as consideration. The transfer consideration for the Subject Assets will be determined based on the valuation results of the valuation report issued by an asset valuation institution and filed with the competent state-owned assets regulatory authority and upon negotiation between the parties.

Issuance of Consideration Shares:

The price determination date (the “**Price Determination Date**”) for the issue of shares under Transaction I is the date of announcement on the resolutions of the sixteenth meeting of the fifth session of the Board of the Company. The specific details of the average trading price of the Company’s A shares for the 20 trading days, 60 trading days and 120 trading days preceding the Price Determination Date are set out in the following table:

No.	Type of average trading price	Average trading price (RMB/ share)	80% of the average trading price (RMB/ share)
1	20 trading days preceding the Price Determination Date	10.80	8.64
2	60 trading days preceding the Price Determination Date	11.08	8.86
3	120 trading days preceding the Price Determination Date	11.31	9.05

Upon friendly negotiation among the parties to the Transactions, the issue price is the average trading price of the Company’s A shares for the 120 trading days preceding the Price Determination Date, i.e. RMB11.31 per share, which complies with the relevant provisions of the Administrative Measures for Major Assets Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》).

In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital, allots shares or carries out any other ex-right or ex-dividend activities during the period commencing from the Price Determination Date to the issue date, the issue price will be adjusted accordingly according to the relevant rules of the CSRC and the Shanghai Stock Exchange, with the calculation results rounded up to the nearest cent.

Assuming P_0 represents the pre-adjustment issue price of the Consideration Shares, N represents the number of bonus shares or number of shares converted from capital reserve into share capital for each share, K represents the number of shares allotted for each share, A represents the allotment price, D represents dividend per share and P_1 represents the post-adjustment issue price of the Consideration Shares (rounded off to the nearest two decimal), the adjustment formulae for the issue price of the Consideration Shares is as follows:

Distribution of dividends: $P_1 = P_0 - D$

Grant of bonus shares or conversion of capital reserve into share capital: $P_1 = \frac{P_0}{(1 + N)}$

Allotment of shares: $P_1 = \frac{P_0 + A \times K}{(1 + K)}$

The above three events occurring concurrently:

$$P_1 = \frac{P_0 - D + A \times K}{(1 + K + N)}$$

The number of Consideration Shares to be issued will be determined according to the following formulae:

The number of shares to be issued to each Counterparty = the transaction consideration paid to each Counterparty by issuing shares/issue price, and the total number of shares issued = the sum of the number of shares issued to each Counterparty.

If the number of shares issued to the Counterparties is not a whole number, the number of shares issued shall be rounded down to the nearest share, and any part of less than one share shall be credited to the Company's capital surplus.

In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital, allots shares or carries out any other ex-right or ex-dividend activities during the period commencing from the Price Determination Date to the issue date, or if the Company convenes a Board meeting or a general meeting in accordance with the relevant laws and regulations to adjust the issue price, the number of shares to be issued will also be adjusted accordingly. The final number of shares to be issued under the acquisition of assets by issuing shares shall be within the upper limit of the number of shares to be issued as considered and approved at the general meeting of the Company, reviewed and approved by the Shanghai Stock Exchange and registered with the CSRC.

The Consideration Shares will be issued under the specific mandate to be sought from the independent shareholders at the extraordinary general meeting and the shareholders' class meeting of the Company.

Lock-up period:**1. Guolian Group**

The Consideration Shares subscribed by Guolian Group with the Subject Assets in Transaction I cannot be transferred for a period of (1) 60 months from the date of acquisition of the Subject Assets by Guolian Group (date of acquisition of shareholdings) or (2) 36 months from the completion date of the issuance of the Consideration Shares (whichever is later); provided that the transfers shall not be restricted therefrom as permitted by applicable laws. The lock-up period for the Consideration Shares held by Guolian Group shall be automatically extended for at least 6 months if the closing price of the Company's shares is lower than the issue price for 20 consecutive trading days within 6 months after the completion of the Reorganisation or if the closing price of the Company's shares at the end of the 6 months after the completion of the Reorganisation is lower than the issue price. After the completion of Transaction I, any additional shares acquired by Guolian Group as a result of Transaction I due to the granting of bonus shares or conversion of capital reserve into share capital by the Company shall also be subject to the lock-up period as set out above.

2. Gongqingcheng Minxin (共青城民信), Gongqingcheng Minxin (共青城民新) and Gongqingcheng Minlong

The Consideration Shares subscribed by Gongqingcheng Minxin (共青城民信), Gongqingcheng Minxin (共青城民新) and Gongqingcheng Minlong with the Subject Asset 1 (shares of Minsheng Securities acquired prior to 24 August 2021) in Transaction I cannot be transferred for a period of 12 months from the completion date of the issuance of the Consideration Shares; provided that the transfers shall not be restricted therefrom as permitted by applicable laws. The Consideration Shares subscribed with the Subject Asset 2 (shares of Minsheng Securities acquired after 24 August 2021) in Transaction I cannot be transferred for a period of (1) 48 months from the date of acquisition of the Subject Assets (date of acquisition of shareholdings) or (2) 12 months from the completion date of the issuance of the Consideration Shares (whichever is later); provided that the transfers shall not be restricted therefrom as permitted by applicable laws. After the completion of Transaction I, any additional shares acquired by Gongqingcheng Minxin (共青城民信), Gongqingcheng Minxin (共青城民新) and Gongqingcheng Minlong as a result of Transaction I due to the granting of bonus shares or conversion of capital reserve into share capital by the Company shall also be subject to the lock-up period as set out above.

3. Hourun Zehui

The Consideration Shares subscribed by Hourun Zehui in Transaction I cannot be transferred for a period of (1) 48 months from the date of acquisition of the Subject Assets by Hourun Zehui (date of acquisition of shareholdings) or (2) 12 months from the completion date of the issuance of the Consideration Shares (whichever is later); provided that the transfers shall not be restricted therefrom as permitted by applicable laws. After the completion of Transaction I, any additional shares acquired by Hourun Zehui as a result of Transaction I due to the granting of bonus shares or conversion of capital reserve into share capital by the Company shall also be subject to the lock-up period as set out above.

4. Yankuang Capital

The Consideration Shares subscribed by Yankuang Capital with the Subject Asset 1 (69,801,616 shares of Minsheng Securities held by Yankuang Capital since September 2020) in Transaction I cannot be transferred for a period of 12 months from the completion date of the issuance of the Consideration Shares; provided that the transfers shall not be restricted therefrom as permitted by applicable laws. The Consideration Shares subscribed by Yankuang Capital with the Subject Asset 2 (36,737,693 shares of Minsheng Securities held by Yankuang Capital since March 2022) in Transaction I cannot be transferred for a period of (1) 48 months from the date of acquisition of the Subject Assets by Yankuang Capital (date of acquisition of shareholdings) or (2) 12 months from the completion date of the issuance of the Consideration Shares (whichever is later); provided that the transfers shall not be restricted therefrom as permitted by applicable laws. After the completion of Transaction I, any additional shares acquired by Yankuang Capital as a result of Transaction I due to the granting of bonus shares or conversion of capital reserve into share capital by the Company shall also be subject to the lock-up period as set out above.

5. Other Counterparties other than the aforesaid six Counterparties, namely, Guolian Group, Gongqingcheng Minxin (共青城民信), Gongqingcheng Minxin (共青城民新), Gongqingcheng Minlong, Hourun Zehui and Yankuang Capital

Other than the aforesaid six Counterparties, namely, Guolian Group, Gongqingcheng Minxin (共青城民信), Gongqingcheng Minxin (共青城民新), Gongqingcheng Minlong, Hourun Zehui and Yankuang Capital, the Consideration Shares subscribed by other Counterparties with the Subject Assets in Transaction I cannot be transferred for a period of 12 months from the completion date of the issuance of the Consideration Shares; provided that the transfers shall not be restricted therefrom as permitted by applicable laws. After the completion of Transaction I, any additional shares acquired by other Counterparties as a result of Transaction I due to the granting of bonus shares or conversion of capital reserve into share capital by the Company shall also be subject to the lock-up period as set out above.

Information of Subject Company

Minsheng Securities, the Subject Company, is a joint stock company established in the PRC with limited liability and is principally engaged in securities brokerage, securities investment consultation, financial advisory in relation to securities trading and securities investment activities, securities underwriting and sponsorship, proprietary securities trading, securities assets management, margin financing and securities lending, the sales of securities investment funds on a commission basis, the sales of financial products on a commission basis, and insurance and insurance agency business. As at the date of this announcement, Minsheng Securities is held in aggregate as to 100% by the Counterparties. The following table sets out the shareholding structure of Minsheng Securities as at the date of this announcement:

No.	Name of shareholders	Number of shares held (shares)	Percentages of shares held
1	Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司)	3,470,666,700	30.49%
2	Shanghai Fengquanyu Enterprise Management Co., Ltd. (上海灃泉峪企業管理有限公司)	1,545,359,477	13.58%
3	Xizang Tengyun Investment Management Co., Ltd. (西藏騰雲投資管理有限公司)	558,412,932	4.91%
4	Hangzhou Dongheng Petroleum Co., Ltd. (杭州東恒石油有限公司)	514,327,700	4.52%
5	Shandong High-Tech Venture Capital Co., Ltd. (山東省高新技術創業投資有限公司)	436,202,130	3.83%
6	Shanghai Zhangjiang (Group) Co., Ltd. (上海張江(集團)有限公司)	367,376,929	3.23%
7	Shandong Lucion Investment Holdings Group Co., Ltd. (山東省魯信投資控股集團有限 公司)	340,179,000	2.99%
8	Guangzhou Sophia Investment Co., Ltd. (廣州索菲亞投資有限公司)	293,901,542	2.58%
9	Taizhou State-owned Capital Operation Group Co., Ltd. (台州市國有資本運營集團有限 公司)	220,426,158	1.94%
10	Dazhong Transportation (Group) Co., Ltd. (大眾交通(集團)股份有限公司)	220,426,157	1.94%
11	Qingdao Jinyuan Minfu Equity Investment Partnership (Limited Partnership) (青島金 源民福股權投資合夥企業(有限合夥))	210,139,603	1.85%
12	Jiaxing Hourun Zehui Venture Investment Partnership (Limited Partnership) (嘉興厚 潤澤匯創業投資合夥企業(有限合夥))	183,688,464	1.61%
13	Xinxiang Bailu Investment Group Co., Ltd. (新鄉白鷺投資集團有限公司)	168,000,000	1.48%
14	Shenneng (Group) Company Limited (申能(集團)有限公司)	146,950,772	1.29%

No.	Name of shareholders	Number of shares held (shares)	Percentages of shares held
15	Shanghai Huayi Group Investment Ltd. (上海華誼集團投資有限公司)	146,950,772	1.29%
16	Luoyang Lier Refractories Co., Ltd. (洛陽利爾耐火材料有限公司)	146,950,771	1.29%
17	Shanghai Xiongzhu Investment Management Partnership (Limited Partnership) (上海雄築投資管理合夥企業(有限合夥))	145,481,264	1.28%
18	Shandong International Trust Co., Ltd. (山東省國際信託股份有限公司)	132,715,017	1.17%
19	Orient International Enterprise Ltd. (東方國際創業股份有限公司)	132,255,695	1.16%
20	Shandong Lucion Industrial Group Co., Ltd. (山東魯信實業集團有限公司)	111,407,608	0.98%
21	Huafeng Group Co., Ltd. (華峰集團有限公司)	110,213,079	0.97%
22	Shanghai Shuiyao Enterprise Management Consulting Service Co., Ltd. (上海水遙企 業管理諮詢服務有限責任公司)	110,213,078	0.97%
23	Yankuang Capital Management Co., Ltd. (兗礦資本管理有限公司)	106,539,309	0.94%
24	Jiaxing Dening Shenghui Equity Investment Partnership (Limited Partnership) (嘉興德 寧生暉股權投資合夥企業(有限合夥))	105,069,801	0.92%
25	Shaoxing Yuewang Enterprise Management Consulting Partnership (Limited Partnership) (紹興越旺企業管理諮詢合夥 企業(有限合夥))	105,000,000	0.92%
26	Gongqingcheng Renhe Zhisheng Equity Investment Partnership (Limited Partnership) (共青城人和智勝股權投資合夥企業 (有限合夥))	92,578,986	0.81%
27	Orient International (Holding) Co., Ltd. (東方國際(集團)有限公司)	88,170,463	0.77%

No.	Name of shareholders	Number of shares held (shares)	Percentages of shares held
28	Oceanwide Holdings Co., Ltd. (泛海控股股份有限公司)	83,967,330	0.74%
29	Jiaxing Dening Zhengxin Equity Investment Partnership (Limited Partnership) (嘉興德 寧正鑫股權投資合夥企業(有限合夥))	83,027,194	0.73%
30	Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (上海張江高科技園 區開發股份有限公司)	73,475,386	0.65%
31	Shanghai Pudong Innovative Investment Development (Group) Co., Ltd. (上海浦東創新投資發展(集團)有限 公司)	73,475,386	0.65%
32	Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司)	73,475,386	0.65%
33	Shanghai Yunzhu Investment Co., Ltd. (上海韻築投資有限公司)	73,475,386	0.65%
34	Shanghai Jiushi Investment Management Co., Ltd. (上海久事投資管理有限公司)	73,475,386	0.65%
35	Time Publishing and Media Co., Ltd. (時代出版傳媒股份有限公司)	73,475,385	0.65%
36	Dazzle Fashion Co., Ltd. (地素時尚股份有限公司)	73,475,385	0.65%
37	Qingdao Ocean Innovation Industry Investment Fund Co., Ltd. (青島海洋創新 產業投資基金有限公司)	73,475,385	0.65%
38	Hangzhou Chongfu Zhongcai Investment Partnership (Limited Partnership) (杭州崇 福眾財投資合夥企業(有限合夥))	73,475,385	0.65%
39	Hubei Huacang Hongjia Equity Investment Fund Partnership (Limited Partnership) (湖北華倉宏嘉股權投資基金合夥企業 (有限合夥))	62,454,078	0.55%

No.	Name of shareholders	Number of shares held <i>(shares)</i>	Percentages of shares held
40	Gongqingcheng Minxin Investment Partnership (Limited Partnership) (共青城民信投資合夥企業(有限合夥))	59,267,258	0.52%
41	Gongqingcheng Minxin Investment Partnership (Limited Partnership) (共青城民新投資合夥企業(有限合夥))	47,252,526	0.42%
42	Gongqingcheng Minlong Investment Partnership (Limited Partnership) (共青城民隆投資合夥企業(有限合夥))	44,730,809	0.39%
43	Sichuan Dingxiang Equity Investment Fund Co., Ltd. (四川鼎祥股權投資基金有限公司)	36,737,692	0.32%
44	Chengye Zhiyuan (Dongying) Equity Investment Fund Centre (Limited Partnership) (橙葉志遠(東營)股權投資基金中心(有限合夥))	36,737,692	0.32%
45	Lanxi Puhua Huiyang Investment Partnership (Limited Partnership) (蘭溪普華暉陽投資合夥企業(有限合夥))	36,737,692	0.32%
46	Jiaxing Dening Hongyang Phase I Equity Investment Partnership (Limited Partnership) (嘉興德寧宏陽一期股權投資合夥企業(有限合夥))	22,042,615	0.19%
Total		<u>11,383,836,763</u>	<u>100.00%</u>

II. TRANSACTION II: RAISING SUPPORTING FUNDS BY ISSUING A SHARES

The Board is pleased to announce that on 14 May 2024, the Board approved the proposed raising of supporting funds by issuing A shares to not more than 35 specific subscribers upon completion of the Transaction I. The total amount of supporting funds to be raised shall not exceed RMB2 billion (inclusive) and the number of A shares to be issued shall not exceed 250 million (inclusive), with the amount of funds to be raised and the number of shares to be issued as ultimately reviewed and approved by the Shanghai Stock Exchange and determined by the CSRC for registration purposes as upper limit.

Transaction II is conditional upon Transaction I, but whether Transaction II is successfully implemented or not will not affect the implementation and completion of Transaction I.

The details of Transaction II are set out below:

Class, nominal value and place of listing of the shares to be issued:

A share with a nominal value of RMB1.00 each, to be listed on the Shanghai Stock Exchange.

Target subscribers:

The Company proposed to raise supporting funds by issuing A shares to not more than 35 specific subscribers.

As of the date of this announcement, the Company has not entered into any agreement with any potential subscriber regarding Transaction II and the Company has not received any intention from any person to participate in Transaction II. If any Connected Person of the Company becomes a subscriber participating in Transaction II, such participation will constitute a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**Pricing methods and prices
for issuing shares:**

The Price Determination Date of Transaction II shall be the first day of the issue period of Transaction II. The issue price of stocks shall not be less than 80% of the average trading price of the A shares of the Company for the 20 trading days preceding the Price Determination Date and shall not be less than the latest audited net asset value per share attributable to the ordinary shareholders of the parent company of the Company before the issuance.

After Transaction II has been reviewed and approved by the Shanghai Stock Exchange and registered by the CSRC, the final issue price of Transaction II will be determined by the Board of the Company and its authorized person(s) in consultation with the lead underwriter of Transaction II according to the authorisation of the general meeting, and pursuant to the provisions of the relevant laws, administrative regulations and regulatory documents and based on the results of the bidding process.

In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital, allots shares or carries out any other ex-right or ex-dividend activities during the period commencing from the Price Determination Date of raising supporting funds to the issue date, the issue price will be adjusted accordingly in accordance with the relevant rules of the CSRC and the Shanghai Stock Exchange.

Issue size and amount:

The total amount of supporting funds to be raised shall not exceed RMB2 billion (inclusive) and the number of A shares to be issued shall not exceed 250 million (inclusive), with the amount of funds to be raised and the number of shares to be issued as ultimately reviewed and approved by the Shanghai Stock Exchange and determined by the CSRC for registration purposes as upper limit. The final number of shares to be issued will be determined by the Board and its authorized person(s) in consultation with the lead underwriter of the issuance according to the authorisation at the general meeting and the actual circumstances at the time of the issue, and pursuant to the relevant laws and regulations and the requirements of the regulatory authorities.

In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital, allots shares or carries out any other ex-right or ex-dividend activities during the period commencing from the Price Determination Date of raising supporting funds to the issue date which would require adjustments to the issue price, the number of shares to be issued will also be adjusted accordingly.

Lock-up period:

According to the relevant requirements under the Issuance and Registration Administrative Measures and the Guidelines on Administrative Approval for Securities Companies No.10 – Increase and Change in Equity Interest of Securities Companies (《證券公司行政許可審核工作指引第10號—證券公司增資擴股和股權變更》), following the completion of Transaction II, the specific target subscribers holding more than 5% (inclusive) of the shares of the Company cannot transfer their shares within 36 months from the completion date of the issuance. Specific target subscribers holding less than 5% of the shares of the Company cannot transfer their shares within six months from the completion date of the issuance. During the aforesaid lock-up period, any additional shares of the Company held by subscribers of raising supporting funds due to the granting of bonus shares or conversion of capital reserve into share capital by the Company shall also be subject to the aforesaid undertakings.

In the event that the aforesaid lock-up period is inconsistent with the latest regulatory requirements of the securities regulatory authorities, the subscribers of raising supporting funds will make corresponding adjustments in accordance with the latest regulatory advice of the regulatory authorities.

Use of supporting funds raised:

It is intended that the supporting funds raised, after the deduction of intermediaries' fees and transaction tax and fees, will be utilized for the development of Minsheng Securities' business.

Specific mandate for issuance of A shares:

The Company will issue the A shares under the specific mandate to be sought from the Shareholders at the extraordinary general meeting and the shareholders' class meeting of the Company.

**Arrangement of
accumulated
undistributed profits:**

After the completion of Transaction II, both new Shareholders and existing Shareholders of the Company shall be entitled to the undistributed profits of the Company accumulated prior to the completion of Transaction II.

III. PROPOSE TO THE SHAREHOLDERS' MEETING TO AUTHORIZE THE BOARD AND ITS AUTHORIZED PERSON(S) TO DEAL WITH MATTERS RELATING TO THE REORGANISATION

For the purpose of ensuring the orderly and efficient progress of the matters relating to the Reorganisation, the Board intends to propose to the general meeting of the Company to authorize the Board and its authorized person(s) to deal with the matters relating to the Reorganisation, including but not limited to:

1. formulate, adjust and implement the specific proposal for the issuance of shares to purchase assets in accordance with the relevant provisions and the resolutions of the general meeting of the Company within the scope of authorisation permitted by laws, regulations and regulatory documents, including but not limited to determining or adjusting the transaction price of the Subject Assets, the scope of the Subject Assets, the counterparties to the transaction, the issue price, the issue size, the commencement and termination dates of the issuance and other matters in connection with the issuance of shares to purchase assets in accordance with specific circumstances; formulate, adjust and implement the specific proposals for raising supporting funds, including but not limited to determining or adjusting the commencement and termination dates of the issuance, the issue size, the issue price, the target subscribers, the special account for funds to be raised, amount of supporting funds raised, use of raising supporting funds and other matters relating to the issue proposal for raising supporting funds in accordance with specific circumstances;
2. determine and engage independent financial advisers, legal advisers and other intermediaries, and sign all contracts, agreements and other important documents relating to the Reorganisation (including but not limited to independent financial adviser agreements, underwriting agreements, raised funds supervision agreements, and agreements on the engagement of other intermediaries, etc.);

3. handle and execute the specific matters of the Reorganisation with absolute discretion according to the proposal considered and approved at the general meeting of the Company, including but not limited to signing agreements relating to the Reorganisation, providing undertakings and other documents in respect of the Reorganisation, and fulfilling the information disclosure obligations;
4. revise, supplement, sign, submit, present and execute all agreements and documents relating to the Reorganisation, and approve and sign the relevant audit reports, review reports, evaluation reports and other documents;
5. make relevant adjustments or termination decisions to the specific proposal of the Reorganisation subject to the resolution of the general meeting of the Company based on the new policies and regulations of the securities regulatory authorities and actual conditions of the securities market during the effective period of the resolution of the general meeting of the Company, in the event of any change in the policy requirements of regulatory authorities or market conditions;
6. handle reporting matters relating to the Reorganisation, including but not limited to producing, revising, signing, supplementing, submitting, presenting, executing and announcing the relevant reporting documents and other legal documents relating to the Reorganisation in accordance with the requirements of the regulatory authorities;
7. handle and determine matters relating to the specific implementation of the Reorganisation with absolute discretion in accordance with the registration status with the CSRC and market conditions, and based on the proposal considered and approved at the general meeting of the Company, including but not limited to handling the relevant governmental approvals, filings, notifications and related matters such as the transfer of assets, share registration and registration of changes in registered capital relating to the Reorganisation;
8. amend the relevant provisions of the Articles of Association and conduct relevant filing procedures according to the results of the issuance upon completion of the Reorganisation;

9. handle matters relating to the registration, lock-up and listing of the shares issued under the Reorganisation with the securities registration and clearing institutions and the Shanghai Stock Exchange upon completion of the Reorganisation;
10. deal with all other matters pertaining to the Reorganisation subject to laws, regulations, pertinent regulatory documents and the Articles of Association.

At the same time, to ensure the smooth progress of the work relating to the Reorganisation, the Board intends to propose at the general meeting of the Company to agree that, while the Board is granted the aforesaid authorisation, within the scope of the aforesaid authorisation (unless otherwise stipulated by the relevant laws and regulations), it shall immediately delegate the authorisation to the chairman of the Board or other persons authorized by the Board to decide, handle and deal with all the aforesaid matters relating to the Reorganisation.

The authorisation shall be valid for a period of 12 months from the date of consideration and approval at the general meeting of the Company and shall automatically be extended to the date of completion of the Reorganisation if the Company has obtained the consent registration approval from the CSRC for the Reorganisation within such validity period.

IV. REASONS FOR AND BENEFITS OF THE REORGANISATION

1. The Transactions are conducive to the implementation of the integration development strategy of Yangtze River Delta

Shanghai is the economic center of the PRC and also an important international financial center. Leveraging the unique advantages of a high-tier city, rich education and industrial resources, a high degree of openness and strong economic vitality, Shanghai has converged the most important financial infrastructure, numerous financial institutions and a large number of “highly sophisticated” talents, and is directly leading the development of the core area of the Yangtze River Delta. Wuxi has always regarded integrating and serving the regional integration of the Yangtze River Delta as a major political responsibility. In recent years, it has actively and deeply integrated with Shanghai, realizing complementary advantages and misalignment development with Shanghai. Through the Transactions, the Company will be integrated as a platform for the synergistic development of Wuxi and Shanghai, which is another major initiative for Wuxi to integrate into the integration strategy of Yangtze River Delta. Not only will it fully utilize the advantages of Shanghai’s financial resources and talent concentration to achieve its own development, but it will also give full play to the service functionality of the financial platform of empowering the upgrading of Wuxi’s industrial structure, assisting in Wuxi’s in-depth integration into the integration development strategy of Yangtze River Delta, better docking the financial, science and technology innovation and industrial resources in the Yangtze River Delta, and accelerating the optimization of local industrial structure and transformation and upgrading of economy.

2. The Transactions help the Company to realise leapfrog development

Currently, the differentiation and integration of the securities industry is accelerating, the competition among industry participants has become increasingly intense and industry concentration has further increased. At the same time, the internationalization and globalization of the securities industry have increased. With foreign-funded securities firms entering the Chinese market and Chinese-funded securities firms vigorously expanding their overseas business, opportunities and challenges coexist in the securities industry. In an era when securities companies are developing from traditional intermediary businesses to capital intermediary businesses, the concentration of the securities industry will continue to accelerate, and market share will continue to be concentrated in large securities firms with leading capital and resources strength. Especially with the rapid development of the derivatives business and market-making business in recent years, securities companies with strong capital strength, large business scale and low financing costs have more obvious leading advantages in market competition. Under the new situation, listed companies urgently need to enhance capital strengths, attract high-end talents, expand their business scale and enrich business resources to realise the leap in comprehensive strengths. The Transactions can create a large securities company with a leading business scale, stronger capital strength and greater market influence, which can fully leverage Wuxi's industrial advantages and shareholder empowerment and advantages of Shanghai's financial resources and talents convergence, realise the expansion of the business geographical territory, sharing of customers and channel resources, complementing business advantages and the synergy of various types of business to realise leapfrog development and obtain opportunities for development and growth in the increasingly intense market competition.

3. The Transactions can give full play to the synergy between the Company and Minsheng Securities and achieve complementary advantages

Through the Transactions, the Company will be able to give full play to the synergy and complementarity with Minsheng Securities and help the Company's development reaches a new level.

The Company and Minsheng Securities have stronger complementarity characteristics in business advantages and regional advantages. In terms of business advantages, Minsheng Securities has outstanding strengths in investment banking business and stronger advantages in institutional research and sales business and equity investment business, while the Company has distinctive features and advantages in wealth management, fund investment advisory, asset securitization and derivatives business. In terms of regional advantages, Minsheng Securities' branch network focuses on covering the Henan region and has stronger market influence in the Henan region, while the Company has stronger market influence and higher market share in Wuxi and southern Jiangsu Province. The future business integration of the two brokerage firms will further strengthen each of their respective business advantages and regional advantages, achieve strategic synergies and significantly enhance the overall market competitiveness.

The Company and Minsheng Securities have similar capital strengths, but there are certain limitations in terms of access to financial institution business, application for business qualification and evaluation of industry classification, making it difficult for them to give full play to their respective resources advantage. The Transactions will promote the optimization and integration of the business channels, customer resources and product services of the two brokerage firms, and complement each other's strong and weak businesses. While enhancing comprehensive capital strengths, they will give full play to the scalable effect, reduce operating costs, improve operational efficiency and achieve capital-intensive development.

V. IMPLICATIONS OF LISTING RULES

Transaction I

Transaction I is expected to constitute a very substantial acquisition of the Company under the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, as Guolian Group directly and indirectly holds 48.60% of the shares of the Company, it is a Controlling Shareholder and Connected Person of the Company as defined under the Listing Rules. Accordingly, Transaction I also constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Transaction II

As of the date of this announcement, the Company has not entered into any agreement with any potential subscriber regarding Transaction II and the Company has not received any intention from any person to participate in Transaction II. If any Connected Person of the Company becomes a subscriber participating in Transaction II, such participation will constitute a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The terms of the framework acquisition agreement and the transactions contemplated thereunder are made after an arm's length negotiation among the parties thereto. The Directors (including independent non-executive Directors) consider that the terms of the framework acquisition agreement and the transactions contemplated thereunder are entered into on normal commercial terms, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. As Mr. Hua Weirong, Mr. Zhou Weiping, Mr. Wu Weihua and Ms. Li Suo, all being Directors of the Company, hold positions in Guolian Group and its subsidiaries, the aforesaid Directors have abstained from voting in respect of the relevant resolutions of the Board. Save as disclosed above, none of the Directors has abstained from voting in respect of the relevant resolutions of the Board to approve the Reorganisation.

VI. GENERAL

In view of the fact that the auditing and evaluation work relating to the Reorganisation has not yet been completed, the Board has decided not to convene a general meeting to consider the matters relating to the Reorganisation for the time being. Upon completion of the auditing and evaluation work relating to the Reorganisation, the Company will convene another Board meeting to consider the matters relating to the Reorganisation, and will issue a notice of the general meeting in accordance with the statutory procedures to propose the matters relating to the Reorganisation for consideration at the general meeting.

VII. RESUMPTION OF TRADING IN A SHARES

Pursuant to the relevant requirements of the Shanghai Stock Exchange, and after application by the Company, the trading in the Company's A shares (stock name: Guolian Securities, stock code: 601456.SH) has been suspended from the opening of the trading on Friday, 26 April 2024. The Company has applied to the Shanghai Stock Exchange for the resumption of trading in A shares on the Shanghai Stock Exchange with effect from Wednesday, 15 May 2024.

The Reorganisation is subject to the fulfillment of certain conditions. The Reorganisation is subject to further consideration of the Board and consideration and approval of the general meeting, as well as approval or ratification of the authorized regulatory authorities before it can be formally implemented, and there are uncertainties as to whether the aforesaid approvals or ratifications can be obtained and the timing of the eventual obtaining of such approvals or ratifications. Accordingly, there is uncertainty as to whether the Reorganisation will be ultimately implemented successfully. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

VIII. DEFINITIONS

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Company”	Guolian Securities Co., Ltd. (國聯證券股份有限公司), a joint stock company established in the PRC with limited liability, whose H shares are listed on the Stock Exchange and A shares are listed on the main board of the Shanghai Stock Exchange
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration Shares”	the new A shares issued by the Company to the Counterparties under the framework acquisition agreement as the consideration payable to the Counterparties in relation to Transaction I
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Counterparties”	the counterparties to the potential acquisition
“CSRC”	The China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Gongqingcheng Minlong”	Gongqingcheng Minlong Investment Partnership (Limited Partnership) (共青城民隆投資合夥企業(有限合夥))
“Gongqingcheng Minxin (共青城民信)”	Gongqingcheng Minxin Investment Partnership (Limited Partnership) (共青城民信投資合夥企業(有限合夥))
“Gongqingcheng Minxin (共青城民新)”	Gongqingcheng Minxin Investment Partnership (Limited Partnership) (共青城民新投資合夥企業(有限合夥))
“Guolian Group”	Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司), a wholly state-owned company established in the PRC with limited liability and is the Controlling Shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hourun Zehui”	Jiaxing Hourun Zehui Venture Investment Partnership (Limited Partnership) (嘉興厚潤澤匯創業投資合夥企業(有限合夥))

“Issuance and Registration Administrative Measures”	the Administrative Measures for the Issuance and Registration of Securities by Listed Companies (《上市公司證券發行註冊管理辦法》)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Reorganisation” or “Transactions”	the Company proposed to acquire 100% shares of Minsheng Securities by issuing A shares and raise supporting funds by issuing A shares
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Assets”	100% shares of Minsheng Securities
“Subject Company” or “Minsheng Securities”	Minsheng Securities Co., Ltd. (民生證券股份有限公司), a joint stock company established in the PRC with limited liability. As at the date of this announcement, Minsheng Securities is held in aggregate as to 100% by the Counterparties. Among them, Guolian Group is the largest shareholder of Minsheng Securities, holding 30.49% of its shares
“Trading Day”	a day on which the Shanghai Stock Exchange is open for trading or dealing in securities

“Transaction I”	the proposed acquisition of the Subject Assets from the Counterparties under the framework acquisition agreement
“Transaction II” or “raising supporting funds”	the Company proposed to raise supporting funds by issuing shares to not more than 35 specific investors
“Yankuang Capital”	Yankuang Capital Management Co., Ltd. (兗礦資本管理有限公司)
“%”	percent

By order of the Board
Guolian Securities Co., Ltd.
Ge Xiaobo
Chairman

Wuxi, Jiangsu Province, the PRC
14 May 2024

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. Hua Weirong, Mr. Zhou Weiping, Mr. Wu Weihua, Ms. Li Suo and Mr. Liu Hailin; and the independent non-executive directors of the Company are Mr. Wu Xingyu, Mr. Chu, Howard Ho Hwa and Mr. Gao Wei.