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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)

**PRELIMINARY PRICE CONSULTATION PERIOD OF
A SHARE OFFERING
AND
SUMMARY OF PRINCIPAL PROVISIONS OF
A SHARE PROSPECTUS**

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

References are made to the announcements of the Company dated 16 May 2016, 19 September 2016, 23 December 2016, 29 June 2017, 30 October 2017, 15 November 2017, 13 April 2018, 15 June 2018, 26 October 2018, 13 June 2019, 27 December 2019, 8 May 2020, 10 June 2020 and 3 July 2020 and the circulars of the Company dated 18 August 2016, 15 May 2017, 30 April 2018, 29 April 2019 and 22 April 2020 in relation to, amongst others, the proposed initial public offering of A Shares by the Company (the “**A Share Offering**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 22 April 2020.

(I) PRELIMINARY PRICE CONSULTATION PERIOD OF THE A SHARE OFFERING

As disclosed in the announcement of the Company dated 3 July 2020, the CSRC has approved the A Share Offering of the Company. Not more than 475,719,000 A Shares will be issued by the Company under the A Share Offering within a validity period of 12 months from the date of approval. As required by the applicable PRC laws and regulations, the Company and the joint lead underwriter(s) of the A Share Offering will conduct preliminary price consultations in the PRC with consultation participants who meet the requirements of the PRC laws and regulations from 9:30 a.m. to 3:00 p.m. on 15 July 2020 to determine the issue price. The Company will make further announcement(s) once the final size and issue price of the A Share Offering have been determined.

(II) SUMMARY OF PRINCIPAL PROVISIONS OF THE A SHARE PROSPECTUS

The full text of the A Share prospectus, a summary of the A Share prospectus and the relevant appendices in relation to the A Share Offering issued by the Company in Chinese only were published on the website of the Shanghai Stock Exchange (www.sse.com.cn), the HKExnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.glsc.com.cn) on 13 July 2020. The summary of the A Share prospectus was also published on various PRC newspapers including China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily on 13 July 2020.

The summary of the principal provisions of the A Share prospectus is as follows:

1. Summary of the A Share Offering

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|--------|---|---|
| (i) | Class of shares: | Ordinary shares in RMB (A Shares) |
| (ii) | Nominal value
per share: | RMB1.00 |
| (iii) | Number of shares to be
issued: | Not more than 475,719,000 A Shares, accounting for 20.00% of the total share capital of the Company after the offering; (This issue does not involve the transfer of old shares) |
| (iv) | Issue price per share: | RMB[] |
| (v) | Price-to-earnings ratio of
the offering: | [] times (calculated by dividing the issue price per share by the earnings per share which is calculated by dividing the Company's audited net profit attributable to the shareholders of the parent company for [] before or after deduction of non-recurring profit or loss (whichever is lower) by the total share capital after the offering) |
| (vii) | Net asset value per share
before the offering: | RMB4.2406 (calculated by dividing the audited equity attributable to the shareholders of the parent company as at 31 December 2019 by the total number of shares before the offering) |
| (viii) | Net asset value per share
after the offering: | RMB[] (calculated by dividing the sum of audited equity attributable to the shareholders of the parent company as at [] and the net proceeds raised from the offering by the total share capital after the offering) |

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|--------|--------------------------------------|---|
| (ix) | Price-to-book ratio of the offering: | [] times (calculated by dividing the issue price per share by the net asset value per share after the offering) |
| (x) | Method of offering: | A combination of offline book-building and placing to qualified investors and online offering to public investors who hold non-restricted A Shares or non-restricted depository receipts with certain market value in the Shanghai Stock Exchange at a fixed price |
| (xi) | Target subscribers of offering: | Qualified consultation participants, and domestic natural persons, legal persons and other investors who have maintained A Share accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (except those subscription prohibited by the PRC laws and regulations) |
| (xii) | Method of pricing: | Issue price will be determined directly through preliminary price consultation with qualified offline investors, and no offline cumulative tender price consultation will be conducted |
| (xiii) | Method of underwriting: | The A Shares under the offering are underwritten by an underwriting syndicate led by the lead underwriters on a standby commitment basis |
| (xiv) | Gross and net proceeds raised: | RMB[] and RMB[] |

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|-------|--|---|
| (xv) | Estimated offering expenses: | The total expenses of the A Share Offering is expected to be RMB83,721,200 (excluding value-added tax), among which underwriting fees are RMB70,867,900; sponsor fees are RMB3,600,000; auditing and capital verification fees are RMB1,698,100; legal expenses are RMB660,400; and information disclosure expenses in relation to the A Share Offering are RMB5,566,000, offering handling fees and other expenses are RMB1,328,800. |
| (xvi) | The stock exchange of application for listing: | The Shanghai Stock Exchange |

2. Use of proceeds

The Company convened the extraordinary general meeting, the class meeting for domestic shareholders and the class meeting for H shareholders on 19 September 2016, which considered and approved the resolution regarding the use of proceeds of the A Share Offering. According to the above resolution, after deducting issuance expenses, all the proceeds raised from the A Share Offering will be used for capital replenishment, increase of working capital and development of the principal businesses. For the proposed main use of proceeds raised from the A Share Offering, please refer to the circular of the Company dated 18 August 2016.

3. Share capital before and after the A Share Offering

Before the A Share Offering, the total share capital of the Company was 1,902,400,000 shares. If not more than 475,719,000 shares will be issued under the A Share Offering, accounting for 20% of the total share capital after the A Share Offering, the total share capital after the A Share Offering will be not more than 2,378,119,000 shares. According to the calculation based on the cap of the A Share Offering of 475,719,000 shares, the shareholding structure of the Company before and after the A Share Offering is as follows:

Name of shareholders	Class of share	Before the A Share Offering		After the A Share Offering	
		Number of shares held (Share)	Percentage of shareholding (%)	Number of shares held (Share)	Percentage of shareholding (%)
Wuxi Guolian Development (Group) Co., Ltd.* (無錫市國聯發展(集團)有限公司)	Domestic Shares	543,901,329	28.59	543,901,329	22.87
Guolian Trust Co., Ltd.* (國聯信託股份有限公司)	Domestic Shares	390,137,552	20.51	390,137,552	16.41
Wuxi Guolian Municipal Electric Power Co., Ltd.* (無錫市國聯地方電力有限公司)	Domestic Shares	266,899,445	14.03	266,899,445	11.22
Wuxi Minsheng Investment Co., Ltd.* (無錫民生投資有限公司)	Domestic Shares	73,500,000	3.86	73,500,000	3.09
Wuxi Cotton Textile Group Co., Ltd.* (無錫一棉紡織集團有限公司)	Domestic Shares	72,784,141	3.83	72,784,141	3.06
Wuxi Huaguang Environment & Energy Group Co., Ltd.* (無錫華光環保能源集團股份有限公司)	Domestic Shares	29,113,656	1.53	29,113,656	1.22
Wuxi Jinhong Telecommunications Group Co., Ltd.* (無錫金鴻通信集團有限公司)	Domestic Shares	24,000,000	1.26	24,000,000	1.01
Jiangsu Xinfang Industrial Co., Ltd.* (江蘇新紡實業股份有限公司)	Domestic Shares	22,500,000	1.18	22,500,000	0.95
Wuxi Weifu High-technology Co., Ltd.* (無錫威孚高科技集團股份有限公司)	Domestic Shares	18,000,000	0.95	18,000,000	0.76
Wuxi Municipal Xinfu Group Limited* (無錫市新發集團有限公司)	Domestic Shares	11,645,463	0.61	11,645,463	0.49
Wuxi Xinye Construction Development Co., Ltd.* (無錫市新業建設發展有限公司)	Domestic Shares	5,822,731	0.31	5,822,731	0.24
Yixing Jinfa Asset Management Co., Ltd.* (宜興市金髮資產經營管理有限公司)	Domestic Shares	1,455,683	0.08	1,455,683	0.06
Shareholders of H Shares	H Shares	442,640,000	23.27	442,640,000	18.61
Public shareholders of A Shares	Domestic Shares	—	—	475,719,000	20.00
Total		1,902,400,000	100.00	2,378,119,000	100.00

The above English version of the summary of the principal provisions of the A Share prospectus is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

The Company will keep the shareholders and potential investors informed of any further development in relation to the A Share Offering in accordance with the Listing Rules and applicable laws and regulations.

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

Wuxi, Jiangsu Province, the PRC
13 July 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.