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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)**

## **CONNECTED TRANSACTION PROPERTY LEASING AND RENOVATION**

The Board announces that on 27 December 2023, the Company entered into the Property Leasing Contract with Hongmao Properties and the Renovation Project Agreement with Hongding Properties, Huaxin Design and Kang Ye Decoration to meet the demand for office space of the Company in the Shanghai region. According to the Property Leasing Contract, the Company leases the commercial premises on Level 1, premises on Levels 2-4 and Levels 6-10 of Tower B of Shanghai Star Cube Building (上海星立方大厦) (the “**Leasing Subject**”) held by Hongmao Properties for office purposes (the “**Lease**”). Under the Renovation Project Agreement, the Company entrusted Hongding Properties to be responsible for the relevant work concerning the tender, management, inspection and acceptance, payment and settlement of the renovation of the Leasing Subject. The general contractors, namely Kang Ye Decoration and Huaxin Design, were determined by Hongding Properties through open tender and are jointly responsible for the renovation project (the “**Renovation Project**”).

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 of the Company as defined under the Listing Rules. As Hongmao Properties and Hongding Properties are directly held as to 100% by Guolian Group, Huaxin Design is held as to 50.1% by Huaguang Environmental, a subsidiary of Guolian Group, therefore, Hongmao Properties, Hongding Properties and Huaxin Design are Connected Persons of the Company under Chapter 14A of the Listing Rules, and the transactions under the Property Leasing Contract and the Renovation Project Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as of the date of this announcement, Kang Ye Decoration and its ultimate beneficial owners are third parties independent of the Company and its associates (as defined under the Listing Rules).

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions under the Renovation Project Agreement is more than 0.1% but less than 5%, the transactions under the Renovation Project Agreement are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempted from the independent Shareholders' approval requirements. The total value of the right-of-use assets to be recognized by the Company under the Property Leasing Contract is within the annual caps under the Property Leasing and Related Services Framework Agreement entered into between the Company and Guolian Group.

The Board announces that on 27 December 2023, the Company entered into the Property Leasing Contract with Hongmao Properties and the Renovation Project Agreement with Hongding Properties, Huaxin Design and Kang Ye Decoration to meet the demand for office space of the Company in the Shanghai region. According to the Property Leasing Contract, the Company leases the commercial premises on Level 1, premises on Levels 2-4 and Levels 6-10 of Tower B of Shanghai Star Cube Building held by Hongmao Properties for office purposes. Under the Renovation Project Agreement, the Company entrusted Hongding Properties to be responsible for the relevant work concerning the tender, management, inspection and acceptance, payment and settlement of the renovation of the Leasing Subject. The general contractors, namely Kang Ye Decoration and Huaxin Design, were determined by Hongding Properties through open tender and are jointly responsible for the Renovation Project.

## PROPERTY LEASING CONTRACT

The principal terms of the Property Leasing Contract are summarized as follows:

Date: 27 December 2023

Parties: (i) The Company; and  
(ii) Hongmao Properties.

Leasing Subject: Commercial premises on Level 1 and premises on Levels 2-4 and Levels 6-10 of Tower B of Shanghai Star Cube Building (上海星立方大廈B座), located at No. 188 Yangshupu Road, Hongkou District, Shanghai, with a gross floor area of approximately 12,940.35 sq.m. (including the apportioned area of public zones).

Usage of the Properties: Office use only.

Leasing Term and Renovation Construction Period: The commencement date of the lease is tentatively set at 1 July 2024 (the actual commencement date of the lease is subject to the progress of the renovation work and based on the written notice from Hongmao Properties), and the term of the lease will expire on 31 December 2026. The period from the effective date of the Property Leasing Contract to the actual commencement date of the lease shall be the period for the Company to carry out renovation work. During the renovation construction period, the Company has the right to conduct renovation work and is not required to pay any rent.

**Rental Rates and Payments:** The unit rent of the Lease is RMB7 per day/square meter and the annual rent is RMB33,062,595. The rent shall be paid in installments based on natural quarters. The Company shall pay the first installment of the rent to Hongmao Properties within 15 working days from the actual commencement date of the lease, and every subsequent installment of the rent shall be paid by the Company to Hongmao Properties before the 15th day of the first month of each natural quarter. If the first installment is less than one quarter, it shall be settled according to the actual number of days of the quarter.

The rental of the Lease was determined by the parties through mutual negotiation with reference to the rental standard of similar office buildings in the vicinity of the Leasing Subject and the valuation conclusion of the asset valuation report of the rental unit price (the “**Asset Valuation Report**”) issued for the Lease by Deyong Zhixin (Shanghai) Asset Appraisal Company Limited (德永致信(上海)資產評估有限責任公司), an independent third party valuation agency appointed by the Company, and was in line with the market price.

The Asset Valuation Report has set 30 November 2023 as the valuation benchmark date and adopted the market approach valuation method. The valuation concludes that the rental unit price of the real estate involved in the proposed leasing of the office premises is RMB7/day/square meter.

The rent of the Lease will be financed by the internal resources of the Group.

Property Management Fee and Other Expenses: The Company shall sign the relevant property management agreement with the property management company of the property promptly before the commencement date of the lease, and the property management fee shall be borne by the Company and paid to the property management company.

During the leasing period, other related expenses relevant to the property such as water, electricity, gas, parking lot usage fee, parking lot management fee, elevator usage fee and social apportionment fee shall be borne by the Company and paid on time.

Applicable Laws and Dispute Settlement: The laws and regulations of the People's Republic of China shall apply to the entering into, fulfillment and dispute settlement of the Property Leasing Contract. Any disputes and controversies arising from the fulfillment of the Property Leasing Contract shall be resolved through friendly negotiation between the two parties. If the negotiation fails to reach any consensus, the case may be submitted to the court with jurisdiction where the plaintiff is located for litigation in accordance with the law.

## **RENOVATION PROJECT AGREEMENT**

The principal terms of the Renovation Project Agreement are summarized as follows:

Date: 27 December 2023

Parties:

- (i) The Company;
- (ii) Hongding Properties;
- (iii) Huaxin Design; and
- (iv) Kang Ye Decoration.

Renovation Subject: Commercial premises on Level 1 and premises on Levels 2-4 and Levels 6-10 of Tower B of Shanghai Star Cube Building, located at No. 188 Yangshupu Road, Hongkou District, Shanghai, with a gross floor area of approximately 12,940.35 sq.m. (including the apportioned area of public zones).

Renovation Costs: Tower A and Tower B of Shanghai Star Cube Building are properties held by subsidiary of Guolian Group, the Controlling Shareholder of the Company. In order to maintain the unity of the renovation of Shanghai Star Cube Building, the Company has entrusted Hongding Properties to be responsible for the relevant work in relation to the tendering, management, inspection and acceptance, payment and settlement of the renovation of the leased property. The Company is not required to pay any charges to Hongding Properties in respect of entrusting Hongding Properties to be responsible for the tendering, management, inspection and acceptance, payment and settlement of the renovation of the Leasing Subject. The tentative total price of the renovation costs that the Company should bear is RMB40,003,600, of which, the design fee charged by Huaxin Design is tentatively set at RMB729,700, and the construction and installation fee charged by Kang Ye Decoration is tentatively set at RMB39,273,900. The actual renovation fee borne by the Company shall be subject to the audited amount upon the completion of settlement.

The general contractor and price of the Renovation Project are determined through public tender. The tender process is open, fair and equitable, and is in line with the market prices. At least 3 providers were participating in the tender and the tender process had complied with relevant local regulations. The factors that were considered during the tender process include: (i) the terms of the tender provided by the bidders, including the tender price and responses to the terms of the tender; (ii) the background, qualifications and financial status of the bidders; (iii) the estimated workload; (iv) the financial budget for the relevant services; and (v) the unit prices of the contracts from previous tenders and the charging standards stipulated in national laws and regulations, and a maximum tender price was set. The costs of Renovation Project that the Company shall bear will be financed by the internal resources of the Group.

Costs to be Borne:

The renovation costs of the area used by the Company shall be borne by the Company, and the renovation costs of public zones shall be apportioned according to the proportion of the area of the respective zones used by Hongding Properties, the Company and other users, and each of them shall bear the corresponding renovation costs.

The costs of construction drawing review, quality inspection of construction work, full-process consultation, tender agent, cost consultation and supervision related to the Renovation Project shall be borne by Hongding Properties.

Soft furnishings, curtains, furniture, home appliances, display screens, conference systems, equipment for the server room, and renovations that exceed the hard decoration standards of Hongding Properties in the area used by the Company shall be carried out by the Company under its responsibility and at its own expense.

**Payment Method:**

The renovation costs to be borne by the Company shall be paid directly by Hongding Properties to Huaxin Design and Kang Ye Decoration on behalf of the Company. During the implementation of the Renovation Project, the Company shall pay the relevant renovation money to Hongding Properties at its request for the contractual payment of the Renovation Project. Upon the completion of the Renovation Project and the audit for settlement, the Company shall directly settle with Hongding Properties based on the audited amount and pay the remaining renovation money to Hongding Properties.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

To fully rely on the advantages of Shanghai as an international financial center, actively dock the financial, science and technological innovation and industrial resources in the region and better participate in and serve the integration construction of the Yangtze River Delta, the Company has continuously increased the investment of its resources in the Shanghai region in recent years. With the increase in the number of staff in the Shanghai region, the office premises of the Company in the Shanghai region can no longer satisfy the increasing demand for office accommodation. The transactions under the Property Leasing Contract and the Renovation Project Agreement are mainly to meet the office space needs of the Company. Upon the completion of the Renovation Project, some of the personnel from the Shanghai Branch of the Company, the Shanghai Branch of Hua Ying Securities Co., Ltd. (華英證券有限責任公司), a subsidiary of the Company, the headquarter of the Company in Wuxi and other staff in the Shanghai region will be relocated to Tower B of Shanghai Star Cube Building for centralized office operation, which will be conducive to enhancing work efficiency and helping to improve the brand image and influence of the Company.



The terms of the Property Leasing Contract and the Renovation Project Agreement 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 Property Leasing Contract and the Renovation Project Agreement are entered into on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, but are being carried out not as the ordinary and usual course of business of the Group due to the nature of the transactions under the Property Leasing Contract and the Renovation Project Agreement. 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 resolution of the Board. Save as disclosed above, none of the Directors has abstained from voting in respect of the resolution of the Board to approve the Property Leasing Contract and the Renovation Project Agreement and the transactions thereunder.

## **IMPLICATIONS OF 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 of the Company as defined under the Listing Rules. As Hongmao Properties and Hongding Properties are directly held as to 100% by Guolian Group, Huaxin Design is held as to 50.1% by Huaguang Environmental, a subsidiary of Guolian Group, therefore, Hongmao Properties, Hongding Properties and Huaxin Design are Connected Persons of the Company under Chapter 14A of the Listing Rules, and the transactions under the Property Leasing Contract and the Renovation Project Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as of the date of this announcement, Kang Ye Decoration and its ultimate beneficial owners are third parties independent of the Company and its associates (as defined under the Listing Rules).

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions under the Renovation Project Agreement is more than 0.1% but less than 5%, the transactions under the Renovation Project Agreement are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempted from the independent Shareholders' approval requirements. The total value of the right-of-use assets to be recognized by the Company under the Property Leasing Contract is within the annual caps under the Property Leasing and Related Services Framework Agreement entered into between the Company and Guolian Group.

## **GENERAL INFORMATION**

### **Information of the Company**

The Company is engaged in the following principal activities: securities brokerage, securities investment consultancy, financial advisory in relation to securities trading and securities investment activities, proprietary securities trading, securities asset management, agency sale of securities investment fund, margin financing and securities lending, introducing broker for futures companies, agency sale of financial products, and securities (limited to treasury bonds, policy financial bonds, debt instruments issued by non-financial enterprises) underwriting business.

### **Information of Guolian Group**

Guolian Group is a wholly state-owned enterprise group established in the PRC. Guolian Group is principally engaged in capital and assets operation; external investment with proprietary funds; trade consultancy; and enterprise management service. Its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the Municipal People's Government of Wuxi.

### **Information of Hongmao Properties**

Hongmao Properties is principally engaged in real estate brokerage, industrial investment, property management and commercial consultancy business. As of the date of this announcement, Hongmao Properties is a wholly-owned subsidiary of Guolian Group.

### **Information of Hongding Properties**

Hongding Properties is principally engaged in real estate brokerage, industrial investment, property management and commercial consultancy business. As of the date of this announcement, Hongding Properties is a wholly-owned subsidiary of Guolian Group.

### **Information of Huaxin Design**

Huaxin Design is principally engaged in survey, design, technical consultation and general contracting of construction projects in municipal utilities, roads and environmental projects. As of the date of this announcement, Huaxin Design is held as to 50.1% by Huaguang Environmental, a subsidiary of Guolian Group, and is an indirect subsidiary of Guolian Group.

### **Information of Kang Ye Decoration**

Kang Ye Decoration is principally engaged in the construction of housing construction projects, professional construction of architectural renovation and decoration construction projects, specialized design of architectural decoration construction projects, professional construction of architectural curtain wall construction projects, professional design of curtain wall construction projects, professional construction of electrical and mechanical equipment installation construction projects, professional construction of fire-prevention facilities construction projects, professional construction of steel structure construction projects, professional construction of intelligent building construction projects, professional construction of electronic construction projects, design and construction of public safety and security projects, design of construction projects, exhibition and display services, and sales of construction materials, decoration materials, metal products, wooden products, furniture, steel materials, hardware and electrical appliances, and plastic products. Having made reasonable enquiries by the Company, as of the date of this announcement, its ultimate beneficial owner is Sun Zhongxia (孫仲夏).

## DEFINITIONS

“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
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“Hongding Properties”	Shanghai Hongding Properties Co., Ltd. (上海虹鼎置業有限公司), a company established in the PRC with limited liability and is a wholly-owned subsidiary of Guolian Group
“Hongmao Properties”	Shanghai Hongmao Properties Co., Ltd. (上海虹茂置業有限公司), a company established in the PRC with limited liability and is a wholly-owned subsidiary of Guolian Group
“Huaguang Environmental”	Wuxi Huaguang Environmental & Energy Group Co., Ltd. (無錫華光環保能源集團股份有限公司), a joint stock company established in the PRC with limited liability and is a subsidiary of Guolian Group

“Huaxin Design”	Huaxin Design Group Limited (華昕設計集團有限公司), a company established in the PRC with limited liability and is held as to 50.1% by Huaguang Environmental
“Kang Ye Decoration”	Shanghai Kang Ye Construction & Decoration Engineering Co., Ltd. (上海康業建築裝飾工程有限公司), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Property Leasing and Related Services Framework Agreement”	the Property Leasing and Related Services Framework Agreement (《物業租賃及相關服務框架協議》) dated 27 December 2023 entered into by the Company with Guolian Group, as detailed in the Company’s announcement dated 27 December 2023
“Property Leasing Contract”	the Property Leasing Contract (《房屋租賃合同》) dated 27 December 2023 entered into by the Company and Hongmao Properties
“Renovation Project Agreement”	the Renovation Project Agreement of Wuxi Guolian Shanghai Financial Operation Center (《無錫國聯上海金融運營中心裝修項目協議書》) dated 27 December 2023 entered into by the Company with Hongding Properties, Huaxin Design and Kang Ye Decoration
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“%”

per cent

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

Wuxi, Jiangsu Province, the PRC

27 December 2023

*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.*