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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)

PROFIT WARNING

This announcement is made by the Board (the “**Board**”) of Guolian Securities Co., Ltd. (the “**Company**”) pursuant to Rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the Company’s shareholders (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited management accounts of the Company and its subsidiaries (collectively the “**Group**”) for the twelve months ended 31 December 2016, which is prepared under the generally accepted accounting principles of the People’s Republic of China, the Group is expected to record a substantial decrease in its net profit attributable to the Shareholders of approximately 59.52% as compared to the same period of 2015. The Board is of the opinion that the decrease in the Group’s profit is mainly attributable to the overall sluggish A-share securities market as well as the significant year-on-year trading volume decrease in the Shanghai Stock Exchange and the Shenzhen Stock Exchange in 2016. Under this market environment, the profit of the Group’s securities brokerage, credit transactions and securities investment businesses recorded a year-on-year decrease. The Group will continue to expedite its business transformation, strengthen risk control, facilitate international strategic layout to overcome the adverse impact on the Group’s operations brought by drastic market volatility.

The information contained in this announcement is only based on a preliminary review of the unaudited management accounts of the Group for the twelve months ended 31 December 2016, in which it has not been audited by the Company’s auditors nor has been approved by the audit committee of the Company. The Company is in the process of preparing the annual results announcement of the Group for the year ended 31 December 2016. The Company will announce its annual results (after auditing by the Company’s auditors) of the Group for the year ended 31 December 2016 in the annual results announcement in due course.

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

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

Wuxi, Jiangsu Province, the PRC
24 January 2017

As of the date of this announcement, the executive directors of the Company are Mr. Yao Zhiyong and Mr. Peng Yanbao; the non-executive directors of the Company are Mr. Hua Weirong, Mr. Zhou Weiping, Mr. Liu Hailin and Mr. Zhang Weigang; and the independent non-executive directors of the Company are Mr. Wang Wei, Ms. Chen Qingyuan and Mr. Lee Pak Hay.