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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)

**VERY SUBSTANTIAL ACQUISITION
AND CONNECTED TRANSACTION – ACQUISITION OF
99.26% SHARES OF MINSHENG SECURITIES BY
ISSUING A SHARES UNDER SPECIFIC MANDATE
RAISING SUPPORTING FUNDS BY
ISSUING A SHARES UNDER SPECIFIC MANDATE**

**ACQUISITION OF 99.26% SHARES OF MINSHENG SECURITIES BY
ISSUING A SHARES**

On 8 August 2024, the Company and the Counterparties entered into the Acquisition Agreements in relation to the Acquisition, pursuant to which, the Company has conditionally agreed to acquire, and the Counterparties have conditionally agreed to sell, 99.26% shares of Minsheng Securities, in consideration of the issuance of A Shares by the Company to the Counterparties.

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 Acquisition. 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 Acquisition is not conditional upon the Raising Supporting Funds, but the Raising Supporting Funds is conditional upon the Acquisition.

IMPLICATIONS OF LISTING RULES

Acquisition of Assets by Issuing Shares

As the highest applicable percentage ratio calculated according to Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes 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, the Acquisition 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. The issue of A Shares under the Acquisition will be made pursuant to the specific mandate to be sought at a general meeting of the Company.

The terms of the Acquisition Agreements 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 Acquisition Agreements 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 Transactions.

Raising Supporting Funds by issuing A Shares

As of the date of this announcement, the Company has not entered into any agreement with any potential subscriber regarding Raising Supporting Funds by issuing A Shares and the Company has not received any intention from any person to participate in the Raising Supporting Funds by issuing A Shares. If any Connected Person of the Company becomes a subscriber participating in the Raising Supporting Funds by issuing A Shares, 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 issue of A Shares under the Raising Supporting Funds will be made pursuant to the specific mandate to be sought at a general meeting of the Company.

GENERAL MEETING

A general meeting of the Company will be convened for the Shareholders to consider and, if thought fit, approve the Transactions and the specific mandate to issue A Shares. A circular containing, among other things, details of the Transactions, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser, together with a notice convening the general meeting, is expected to be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.glsc.com.cn on or about 19 August 2024 and will be dispatched to the H Shareholders in the manner in which the H Shareholders have elected to receive corporate communications.

The Reorganisation is subject to the fulfillment of certain conditions. The Reorganisation is subject to 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.

References are made to the announcements of the Company dated 25 April 2024 and 14 May 2024 respectively in relation to, among other things, the very substantial acquisition and connected transaction in respect of the proposed acquisition of assets by issuing A Shares by the Company and raising supporting funds.

On 8 August 2024, the Company and the Counterparties entered into the Acquisition Agreements in relation to the Acquisition, pursuant to which, the Company has conditionally agreed to acquire, and the Counterparties have conditionally agreed to sell, 99.26% shares of Minsheng Securities (the “**Acquisition**”), 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 Acquisition. 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 Acquisition is not conditional upon the Raising Supporting Funds, but the Raising Supporting Funds is conditional upon the Acquisition.

I. ACQUISITION OF 99.26% SHARES OF MINSHENG SECURITIES BY ISSUING A SHARES

The principal terms of the Acquisition Agreements are as follows:

Date

8 August 2024

Parties

- (1) the Company, as the transferee; and
- (2) the Counterparties, as the transferors.

To the best of the Directors' knowledge, information and belief and after having made all reasonable inquiries, as at the date of this announcement, the other parties, other than Guolian Group, and their respective ultimate beneficial owners, are third parties independent of the Company and its associates (as defined in the Listing Rules).

Subject assets

The Subject Assets of the Acquisition are all the shares of Minsheng Securities held by its shareholders other than Oceanwide Holdings, representing 99.26% of the total share capital of Minsheng Securities in aggregate. On 14 May 2024, Oceanwide Holdings entered into the Framework Agreement for the Acquisition of Assets by Issuing Shares with the Company and planned to participate in the Acquisition. As the shares of Minsheng Securities held by Oceanwide Holdings were subject to pledge and judicial freezing and could not be released in a timely manner prior to the Transactions, the Framework Agreement for the Acquisition of Assets by Issuing Shares was terminated by both parties through friendly negotiations and Oceanwide Holdings withdrew from the Acquisition and will not participate in the Acquisition with the 0.74% shares of Minsheng Securities held by it (corresponding to 83,967,330 shares of Minsheng Securities). The Company at present has no plan to acquire 0.74% shares of Minsheng Securities held by Oceanwide Holdings.

Target subscribers

The target subscribers (the Counterparties) to the Acquisition of Assets by Issuing Shares are the 45 shareholders of Minsheng Securities other than Oceanwide Holdings, including Guolian Group and Fengquanyu.

Basis of pricing and transaction price

The transaction price of the Subject Assets shall be determined by the negotiation among the parties to the transaction based on the valuation results of the valuation report issued by an asset valuation institution in compliance with the requirements of the Securities Law and filed with the competent state-owned asset supervisory and regulatory authorities, less the amount of cash dividends distributed and the cash paid for the repurchase of shares by the Subject Company during the Transitional Period after the Valuation Benchmark Date, and based on the proportion of shares of the Subject Company held by the Counterparties.

China United Assets, an independent valuer, has been engaged to carry out a valuation on the market value of the entire shareholders' equity of Minsheng Securities as at the Valuation Benchmark Date (i.e. 31 March 2024) (the “**Valuation**”). China United Assets has considered the following valuation approaches in respect of the Valuation:

- (1) As the assets-based approach reflects an enterprise's value by putting business acquisition and construction into perspective and serves as the basis for enterprise operation, management and assessment after the economic activity, the assets-based approach is used for the Valuation.
- (2) Prior to and after the Valuation Benchmark Date, there are many equity transaction cases with similar business scope, business scale and development stage as the valuation entity in the market with stronger comparability. Therefore, the market approach can be selected for the Valuation.
- (3) According to the profitability of Minsheng Securities, the valuation entity, in recent years, it has been affected by a number of factors such as the state of economic development, economic policies and the international securities market conditions in recent years, resulting in significant fluctuations in revenue and profit. Through communication and interviews between China United Assets and the management of Minsheng Securities, it is difficult to accurately predict the scale and revenue of the brokerage business and investment banking business in the future under the prevailing market conditions, the overall profit expectation is uncertain, and it is not possible to reliably predict the future cash flows, therefore, the income approach has not been selected for the Valuation.

Given the above, the market approach and asset-based approach are adopted for the Valuation. According to the Asset Valuation Report issued by China United Assets, the market value of the entire shareholders' equity of Minsheng Securities as of the Valuation Benchmark Date (i.e. 31 March 2024) was assessed using the market approach and the asset-based approach. As of the Valuation Benchmark Date, the carrying amount of the net assets of the parent company of Minsheng Securities was RMB15,293,215,600. The assessment value of the entire shareholders' equity of Minsheng Securities as at the Valuation Benchmark Date arrived at by adopting the asset-based approach was RMB16,358,741,200, representing an appreciation of RMB1,065,525,600 or 6.97% as compared with the carrying amount of the net assets of the parent company of Minsheng Securities. The assessment value of the entire shareholders' equity of Minsheng Securities as at the Valuation Benchmark Date arrived at by adopting the market approach was RMB29,888,785,700, representing an appreciation of RMB14,595,570,100 or 95.44% as compared with the carrying amount of the net assets of the parent company of Minsheng Securities, and the valuation results under the market approach was adopted as the final valuation conclusion, i.e. the assessment value of the entire shareholders' equity of Minsheng Securities as of the Valuation Benchmark Date was RMB29,888,785,700, which have been filed with the competent state-owned asset supervisory and regulatory authorities. Please refer to the Appendix to this announcement for further information on the Valuation.

Given that Minsheng Securities has distributed cash dividends of RMB170,593,200 and paid RMB7,025,700 in cash for the repurchase of shares after the Valuation Benchmark Date, it has been determined through friendly negotiation among the parties to the Transactions that the transaction price of the Subject Assets for each shareholder of Minsheng Securities participating in the Acquisition = (assessment value of equity interests in Minsheng Securities filed with the competent state-owned asset supervisory and regulatory authorities of RMB29,888,785,700 – profit distribution of Minsheng Securities after the Valuation Benchmark Date of RMB170,593,200 – cash paid for repurchase of shares of RMB7,025,700) x the proportion of shares of Minsheng Securities held by the Counterparties. Based on the foregoing valuation results, the transaction price of the Subject Assets is RMB29,491,805,700.

Based on the Asset Valuation Report and taking into account the above, the Directors (including the independent non-executive Directors) are of the view that the valuation conclusion has fairly and reasonably reflected the value of the Subject Assets and the consideration for the Acquisition determined based on the valuation conclusion is on normal commercial terms and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Valuation assumptions

In the Valuation, the valuers followed the following valuation assumptions:

(I) General assumptions

1. Transaction assumption

In the transaction assumption, all assets to be evaluated are assumed to be already in the process of transaction, and the valuers assess the value based on the trading conditions of the assets to be evaluated in a simulated market. The transaction assumption is one of the most basic prerequisites that asset valuation can be carried out.

2. Open market assumption

In the open market assumption, it is assumed that for assets to be traded or intended to be traded in the market, the parties to an asset transaction shall have equal status, and also have the opportunity and time to gain sufficient market information to make a rational judgment on functions, purpose and trading prices of assets. The open market assumption is based on the fact that assets can be publicly traded on the market.

3. Going concern assumption for the enterprise

The going concern assumption for the enterprise is a valuation assumption made by taking the overall assets of the enterprise as the valuation subject. That is, the enterprise, as the main body of operation, will continue as a going concern under the external environment according to the business objectives. The enterprise operator is responsible and capable of assuming the responsibility. The enterprise operates legally and can obtain appropriate profits to maintain its ability to continue as a going concern. For various operating assets of the entities, such assets can be used continuously based on the current purpose, method of operation, scale, frequency and environmental conditions, etc., or can be used on a changed basis.

(II) Special assumptions

1. The Valuation assumed that the external economic environment remains unchanged and the current national macro-economy did not change significantly from that as of the Valuation Benchmark Date;
2. There would be no significant change in the social and economic environment where the enterprise operated and the applicable policies on tax and tax rate, etc.;
3. The future operation and management team of the enterprise would be diligent and would continue the existing operation and management models;
4. Each asset under the Valuation was based on the actual stock on the Valuation Benchmark Date, and the current market price of the relevant asset was based on the domestic effective price on the Valuation Benchmark Date;
5. The value of each parameter measured in the Valuation did not take into account the effect of inflation;
6. The information disclosure of comparable enterprises is true, accurate, and complete, and there are no false statements, erroneous records or major omissions that affect the value judgment;
7. The valuers select comparison dimensions and indicators only based on the relevant information of the publicly disclosed comparable enterprises and do not consider the impact of other undisclosed matters on the value of the valuation entity.

When the above conditions change, the valuation results may usually become invalid.

Payment of consideration (by way of issuing shares)

The Acquisition entirely adopts the approach of issuing A Shares to the Counterparties in paying the transaction consideration, as detailed below:

No.	Counterparty	Name of and percentage of interest in the transaction subject	Payment method		Total consideration paid to the Counterparty ¹ (RMB10 thousand)
			Shares consideration ¹ (RMB10 thousand)	Cash consideration	
1	Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司)	30.52% shares of Minsheng Securities	906,697.08	Nil	906,697.08
2	Shanghai Fengquanyu Enterprise Management Co., Ltd. (上海豐泉峪企業管理有限公司)	13.59% shares of Minsheng Securities	403,718.67	Nil	403,718.67
3	Xizang Tengyun Investment Management Co., Ltd. (西藏騰雲投資管理有限公司)	4.91% shares of Minsheng Securities	145,883.03	Nil	145,883.03
4	Hangzhou Dongheng Petroleum Co., Ltd. (杭州東恒石油有限公司)	4.52% shares of Minsheng Securities	134,365.95	Nil	134,365.95
5	Shandong High-Tech Venture Capital Co., Ltd. (山東省高新技術創業投資有限公司)	3.84% shares of Minsheng Securities	113,955.97	Nil	113,955.97
6	Shanghai Zhangjiang (Group) Co., Ltd. (上海張江(集團)有限公司)	3.23% shares of Minsheng Securities	95,975.68	Nil	95,975.68
7	Shandong Lucion Investment Holdings Group Co., Ltd. (山東省魯信投資控股集團有限公司)	2.99% shares of Minsheng Securities	88,870.33	Nil	88,870.33
8	Guangzhou Sophia Investment Co., Ltd. (廣州索菲亞投資有限公司)	2.58% shares of Minsheng Securities	76,780.54	Nil	76,780.54
9	Taizhou State-owned Capital Operation Group Co., Ltd. (台州市國有資本運營集團有限公司)	1.94% shares of Minsheng Securities	57,585.41	Nil	57,585.41
10	Dazhong Transportation (Group) Co., Ltd. (大眾交通(集團)股份有限公司)	1.94% shares of Minsheng Securities	57,585.41	Nil	57,585.41
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))	1.85% shares of Minsheng Securities	54,898.09	Nil	54,898.09
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))	1.62% shares of Minsheng Securities	47,987.84	Nil	47,987.84
13	Xinxiang Bailu Investment Group Co., Ltd. (新鄉白鷺投資集團有限公司)	1.48% shares of Minsheng Securities	43,889.29	Nil	43,889.29
14	Shenneng (Group) Company Limited (申能(集團)有限公司)	1.29% shares of Minsheng Securities	38,390.27	Nil	38,390.27
15	Shanghai Huayi Group Investment Co., Ltd. (上海華誼集團投資有限公司)	1.29% shares of Minsheng Securities	38,390.27	Nil	38,390.27
16	Luoyang Lier Refractories Co., Ltd. (洛陽利爾耐火材料有限公司)	1.29% shares of Minsheng Securities	38,390.27	Nil	38,390.27
17	Shanghai Xiongzhu Investment Management Partnership (Limited Partnership) (上海雄築投資管理合夥企業 (有限合夥))	1.28% shares of Minsheng Securities	38,006.37	Nil	38,006.37
18	Shandong International Trust Co., Ltd. (山東省國際信託股份有限公司)	1.17% shares of Minsheng Securities	34,671.24	Nil	34,671.24
19	Orient International Enterprise Ltd. (東方國際創業股份有限公司)	1.16% shares of Minsheng Securities	34,551.24	Nil	34,551.24

¹ Any discrepancies in the table between totals and sums of figures listed are due to rounding.

No.	Counterparty	Name of and percentage of interest in the transaction subject	Payment method		Total consideration paid to the Counterparty ¹ (RMB10 thousand)
			Shares consideration ¹ (RMB10 thousand)	Cash consideration	
20	Shandong Lucion Industrial Group Co., Ltd. (山東魯信實業集團有限公司)	0.98% shares of Minsheng Securities	29,104.77	Nil	29,104.77
21	Huafeng Group Co., Ltd. (華峰集團有限公司)	0.97% shares of Minsheng Securities	28,792.70	Nil	28,792.70
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)	0.97% shares of Minsheng Securities	28,792.70	Nil	28,792.70
23	Yankuang Capital Management Co., Ltd. (兗礦資本管理有限公司)	0.94% shares of Minsheng Securities	27,832.95	Nil	27,832.95
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))	0.92% shares of Minsheng Securities	27,449.04	Nil	27,449.04
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))	0.92% shares of Minsheng Securities	27,430.81	Nil	27,430.81
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))	0.81% shares of Minsheng Securities	24,185.87	Nil	24,185.87
27	Orient International (Holding) Co., Ltd. (東方國際(集團)有限公司)	0.78% shares of Minsheng Securities	23,034.16	Nil	23,034.16
28	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))	0.73% shares of Minsheng Securities	21,690.51	Nil	21,690.51
29	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)	0.65% shares of Minsheng Securities	19,195.14	Nil	19,195.14
30	Shanghai Pudong Innovative Investment Development (Group) Co., Ltd. (上海浦東創新投資發展(集團)有限公司)	0.65% shares of Minsheng Securities	19,195.14	Nil	19,195.14
31	Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司)	0.65% shares of Minsheng Securities	19,195.14	Nil	19,195.14
32	Shanghai Yunzhu Investment Co., Ltd. (上海韻築投資有限公司)	0.65% shares of Minsheng Securities	19,195.14	Nil	19,195.14
33	Shanghai Jiushi Investment Management Co., Ltd. (上海久事投資管理有限公司)	0.65% shares of Minsheng Securities	19,195.14	Nil	19,195.14
34	Time Publishing and Media Co., Ltd. (時代出版傳媒股份有限公司)	0.65% shares of Minsheng Securities	19,195.14	Nil	19,195.14
35	Dazzle Fashion Co., Ltd. (地素時尚股份有限公司)	0.65% shares of Minsheng Securities	19,195.14	Nil	19,195.14
36	Qingdao Ocean Innovation Industry Investment Fund Co., Ltd. (青島海洋創新產業投資基金有限公司)	0.65% shares of Minsheng Securities	19,195.14	Nil	19,195.14
37	Hangzhou Chongfu Zhongcai Investment Partnership (Limited Partnership) (杭州崇福眾財投資合夥企業 (有限合夥))	0.65% shares of Minsheng Securities	19,195.14	Nil	19,195.14
38	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))	0.55% shares of Minsheng Securities	16,315.87	Nil	16,315.87
39	Gongqingcheng Minxin Investment Partnership (Limited Partnership) (共青城民信投資合夥企業 (有限合夥))	0.50% shares of Minsheng Securities	14,815.23	Nil	14,815.23
40	Gongqingcheng Minlong Investment Partnership (Limited Partnership) (共青城民隆投資合夥企業 (有限合夥))	0.37% shares of Minsheng Securities	11,026.63	Nil	11,026.63

No.	Counterparty	Name of and percentage of interest in the transaction subject	Payment method		Total consideration paid to the Counterparty ¹ (RMB10 thousand)
			Shares consideration ¹ (RMB10 thousand)	Cash consideration	
41	Gongqingcheng Minxin Investment Partnership (Limited Partnership) (共青城民新投資合夥企業(有限合夥))	0.36% shares of Minsheng Securities	10,808.91	Nil	10,808.91
42	Sichuan Dingxiang Equity Investment Fund Co., Ltd. (四川鼎祥股權投資基金有限公司)	0.32% shares of Minsheng Securities	9,597.57	Nil	9,597.57
43	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))	0.32% shares of Minsheng Securities	9,597.57	Nil	9,597.57
44	Lanxi Puhua Huiyang Investment Partnership (Limited Partnership) (蘭溪普華暉陽投資合夥企業(有限合夥))	0.32% shares of Minsheng Securities	9,597.57	Nil	9,597.57
45	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))	0.19% shares of Minsheng Securities	5,758.54	Nil	5,758.54
Total			<u>2,949,180.57</u>	-	<u>2,949,180.57</u>

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

The class of shares to be issued for the Acquisition is domestically listed Renminbi ordinary shares (A Shares) with a nominal value of RMB1.00 each, to be listed on the Shanghai Stock Exchange.

Price determination date and issue price

According to the requirements of the Administrative Measures for Major Assets Reorganisation of Listed Companies (《上市公司重大資產重組管理辦法》), the price at which shares issued by a listed company shall not be less than 80% of the market reference price. The market reference price is one of the average transaction prices of the Company's A Shares for the 20, 60 or 120 trading days preceding the date of announcement on the Board's resolutions for the Acquisition. The average transaction price of the Company's A Shares for certain trading days preceding the date of announcement on the Board's resolutions = total trading amount of the Company's A Shares for certain trading days preceding the date of announcement on the resolutions/ total trading volume of the Company's A Shares for certain trading days preceding the date of announcement of the resolutions.

The price determination date of the Acquisition by issuing Shares (the “**Price Determination Date**”) is the date of announcement on the resolutions at the sixteenth meeting of the fifth session of the Board of the Company. Details of the average transaction price of the Company’s A Shares for the 20, 60 and 120 trading days preceding the Price Determination Date are shown in the table below:

	<i>RMB/share</i>	
Market reference price	Average transaction price	80% of the average transaction price
20 trading days preceding the Price Determination Date	10.80	8.64
60 trading days preceding the Price Determination Date	11.08	8.86
120 trading days preceding the Price Determination Date	11.31	9.05

Upon friendly negotiation among the parties to the Transactions, the issue price of the Shares for the Acquisition is the average transaction price of the 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 Reorganisation of Listed Companies (《上市公司重大資產重組管理辦法》).

The Company held its annual general meeting for the year 2023 on 19 June 2024, which considered and approved the Profit Distribution Proposal for the Year 2023, under which a cash dividend of RMB1.42 (tax inclusive) per 10 shares will be distributed to all Shareholders. As of the date of this announcement, the profit distribution of the Company has been implemented and the issue price of the Acquisition has been adjusted on an ex-dividend basis accordingly to RMB11.17 per share. For reference purpose, the issue price of the Shares for the Acquisition is 417.01% (calculated according to the central parity rate of HK dollars to RMB, i.e. HK\$1 to RMB0.91733, as announced by the People’s Bank of China as at the date of this announcement) of the closing price of the Company’s H Shares as at the date of this announcement (HK\$2.92 per share), and is 178.15% of the Company’s audited net asset value per share attributable to the Shareholders of the Company as at 31 December 2023 (RMB6.27 per share).

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 the Acquisition 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, with the calculation results rounded up to the nearest cent.

Assuming P_0 represents the pre-adjustment price of the new 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 price of the new Shares (rounded off to the nearest two decimals), the adjustment formula for the issue price 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: $P_1 = \frac{P_0 - D + A \times K}{(1 + K + N)}$

Number of shares to be issued

The number of shares to be issued under the Acquisition is calculated as follows: 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 to be issued = the sum of the number of shares to be issued to each Counterparty.

If the number of shares to be issued to the Counterparties is not a whole number, the number of shares to be 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 (rounded down to the nearest whole number).

Based on the above formula, the number of shares to be issued to each Counterparty in the Acquisition and the percentage of the Company's Shares held by each Counterparty upon completion of the Acquisition are as follows:

Counterparty	Share-based payment price ¹ (RMB10 thousand)	Number of shares to be issued (shares)	Approximate percentage of shares held to total issued share capital upon completion of the Acquisition ¹
Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司)	906,697.08	811,725,231	24.77% ²
Shanghai Fengquanyu Enterprise Management Co., Ltd. (上海豐泉峪企業管理有限公司)	403,718.67	361,431,213	6.61%
Xizang Tengyun Investment Management Co., Ltd. (西藏騰雲投資管理有限公司)	145,883.03	130,602,534	2.39%
Hangzhou Dongheng Petroleum Co., Ltd. (杭州東恒石油有限公司)	134,365.95	120,291,807	2.20%
Shandong High-Tech Venture Capital Co., Ltd. (山東省高新技術創業投資有限公司)	113,955.97	102,019,670	1.86%
Shanghai Zhangjiang (Group) Co., Ltd. (上海張江(集團)有限公司)	95,975.68	85,922,719	1.57%
Shandong Lucion Investment Holdings Group Co., Ltd. (山東省魯信投資控股集團有限公司)	88,870.33	79,561,623	1.45%
Guangzhou Sophia Investment Co., Ltd. (廣州索菲亞投資有限公司)	76,780.54	68,738,175	1.26%
Taizhou State-owned Capital Operation Group Co., Ltd. (台州市國有資本運營集團有限公司)	57,585.41	51,553,632	0.94%
Dazhong Transportation (Group) Co., Ltd. (大眾交通(集團)股份有限公司)	57,585.41	51,553,631	0.94%
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))	54,898.09	49,147,795	0.90%

¹ Any discrepancies in the table between totals and sums of figures listed are due to rounding.

² Guolian Group will, directly and indirectly, hold a total of 2,188,061,354 A Shares of the Company after the Acquisition, representing 39.99% of the total share capital of the Company.

Counterparty	Share-based payment price¹ (RMB10 thousand)	Number of shares to be issued (shares)	Approximate percentage of shares held to total issued share capital upon completion of the Acquisition¹
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))	47,987.84	42,961,359	0.79%
Xinxiang Bailu Investment Group Co., Ltd. (新鄉白鷺投資集團有限公司)	43,889.29	39,292,116	0.72%
Shenneng (Group) Company Limited (申能(集團)有限公司)	38,390.27	34,369,088	0.63%
Shanghai Huayi Group Investment Co., Ltd. (上海華誼集團投資有限公司)	38,390.27	34,369,088	0.63%
Luoyang Lier Refractories Co., Ltd. (洛陽利爾耐火材料有限公司)	38,390.27	34,369,087	0.63%
Shanghai Xiongzhu Investment Management Partnership (Limited Partnership) (上海雄築投資管理合夥企業 (有限合夥))	38,006.37	34,025,397	0.62%
Shandong International Trust Co., Ltd. (山東省國際信託股份有限公司)	34,671.24	31,039,606	0.57%
Orient International Enterprise Ltd. (東方國際創業股份有限公司)	34,551.24	30,932,179	0.57%
Shandong Lucion Industrial Group Co., Ltd. (山東魯信實業集團有限公司)	29,104.77	26,056,194	0.48%
Huafeng Group Co., Ltd. (華峰集團有限公司)	28,792.70	25,776,816	0.47%
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)	28,792.70	25,776,815	0.47%
Yankuang Capital Management Co., Ltd. (兗礦資本管理有限公司)	27,832.95	24,917,588	0.46%
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))	27,449.04	24,573,897	0.45%
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))	27,430.81	24,557,572	0.45%

Counterparty	Share-based payment price ¹ (RMB10 thousand)	Number of shares to be issued (shares)	Approximate percentage of shares held to total issued share capital upon completion of the Acquisition ¹
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))	24,185.87	21,652,525	0.40%
Orient International (Holding) Co., Ltd. (東方國際(集團)有限公司)	23,034.16	20,621,452	0.38%
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))	21,690.51	19,418,536	0.35%
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)	19,195.14	17,184,544	0.31%
Shanghai Pudong Innovative Investment Development (Group) Co., Ltd. (上海浦東創新投資發展(集團)有限公司)	19,195.14	17,184,544	0.31%
Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司)	19,195.14	17,184,544	0.31%
Shanghai Yunzhu Investment Co., Ltd. (上海韻築投資有限公司)	19,195.14	17,184,544	0.31%
Shanghai Jiushi Investment Management Co., Ltd. (上海久事投資管理有限公司)	19,195.14	17,184,544	0.31%
Time Publishing and Media Co., Ltd. (時代出版傳媒股份有限公司)	19,195.14	17,184,543	0.31%
Dazzle Fashion Co., Ltd. (地素時尚股份有限公司)	19,195.14	17,184,543	0.31%
Qingdao Ocean Innovation Industry Investment Fund Co., Ltd. (青島海洋創新產業投資基金有限公司)	19,195.14	17,184,543	0.31%
Hangzhou Chongfu Zhongcai Investment Partnership (Limited Partnership) (杭州崇福眾財投資合夥企業(有限合夥))	19,195.14	17,184,543	0.31%
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))	16,315.87	14,606,862	0.27%

Counterparty	Share-based payment price ¹ (RMB10 thousand)	Number of shares to be issued (shares)	Approximate percentage of shares held to total issued share capital upon completion of the Acquisition ¹
Gongqingcheng Minxin Investment Partnership (Limited Partnership) (共青城民信投資合夥企業 (有限合夥))	14,815.23	13,263,407	0.24%
Gongqingcheng Minlong Investment Partnership (Limited Partnership) (共青城民隆投資合夥企業 (有限合夥))	11,026.63	9,871,649	0.18%
Gongqingcheng Minxin Investment Partnership (Limited Partnership) (共青城民新投資合夥企業 (有限合夥))	10,808.91	9,676,734	0.18%
Sichuan Dingxiang Equity Investment Fund Co., Ltd. (四川鼎祥股權投資基金有限公司)	9,597.57	8,592,271	0.16%
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))	9,597.57	8,592,271	0.16%
Lanxi Puhua Huiyang Investment Partnership (Limited Partnership) (蘭溪普華暉陽投資合夥企業 (有限合夥))	9,597.57	8,592,271	0.16%
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))	5,758.54	5,155,363	0.09%
Total	2,949,180.57	2,640,269,065	58.19%

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 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.

Arrangement for lock-up period

The lock-up period for acquisition of the Company's issued shares by each of the Counterparties under the Acquisition is set out below:

(1) *Guolian Group*

The Company's 811,725,231 A Shares subscribed for by Guolian Group with the Subject Assets in the Acquisition 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 shareholdings¹) or 2) 36 months from the completion date of the issuance of the new Shares under the Acquisition (whichever is later); provided that the transfers shall not be restricted therefrom as permitted by applicable laws. The lock-up period for the Company's Shares held by Guolian Group shall be automatically extended for at least 6 months if the closing price of the Company's A Shares is lower than the issue price for 20 consecutive trading days within 6 months after the completion of the Transactions 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.

¹ On 15 March 2023, Guolian Group acquired 3,470,666,700 shares of Minsheng Securities held by Oceanwide Holdings through a judicial auction at a consideration of RMB9,105,426,723. On 13 December 2023, the CSRC issued the Reply on Approving the Change of Substantial Shareholder of Minsheng Securities Co., Ltd. (Zheng Jian Xu Ke [2023] No. 2822) (《關於核准民生證券股份有限公司變更主要股東的批覆》(證監許可[2023]2822號), which confirmed it has no objection to the legal transfer of 3,470,666,700 shares of Minsheng Securities to Guolian Group. On 16 December 2023, Jinan Intermediate People's Court of Shandong Province (山東省濟南市中級人民法院) issued an enforcement ruling which ruled that the 3,470,666,700 shares of Minsheng Securities held by Oceanwide Holdings, the person subject to enforcement, were owned by Guolian Group. Therefore, Guolian Group is deemed to hold 3,470,666,700 shares of Minsheng Securities since 16 December 2023.

(2) *Gongqingcheng 1 (共青城民信), Gongqingcheng 2 (共青城民新) and Gongqingcheng Minlong*

The Company's Shares subscribed for by Gongqingcheng 1 (共青城民信), Gongqingcheng 2 (共青城民新) and Gongqingcheng Minlong in the Acquisition: 1) with the shares of Minsheng Securities acquired prior to 24 August 2021 (9,197,167, 8,633,513 and 6,873,814 A Shares, respectively) cannot be transferred for a period of 12 months from the completion date of the issuance of the new Shares in connection with the Acquisition; 2) with the shares of Minsheng Securities acquired after 24 August 2021 (4,066,240, 1,043,221 and 2,997,835 A Shares, respectively) 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 new Shares in connection with the Acquisition (whichever is later); provided that the transfers shall not be restricted therefrom as permitted by applicable laws.

(3) *Hourun Zehui*

The Company's 42,961,359 A Shares subscribed for by Hourun Zehui in the Acquisition 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 new Shares under the Acquisition (whichever is later); provided that the transfers shall not be restricted therefrom as permitted by applicable laws.

(4) *Yankuang Capital*

The Company's Shares subscribed for by Yankuang Capital in the Acquisition: 1) with the 69,801,616 shares of Minsheng Securities held since September 2020 (16,325,316 A Shares) cannot be transferred for a period of 12 months from the completion date of the issuance of the new Shares under the Acquisition; 2) with the 36,737,693 shares of Minsheng Securities held since March 2022 (8,592,272 A Shares) 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 new Shares under the Acquisition (whichever is later); provided that the transfers shall not be restricted therefrom as permitted by applicable laws.

- (5) Other than the aforesaid six Counterparties, namely, Guolian Group, Gongqingcheng 1 (共青城民信), Gongqingcheng 2 (共青城民新), Gongqingcheng Minlong, Hourun Zehui and Yankuang Capital, the Company's Shares subscribed for by other Counterparties with the Subject Assets in the Acquisition cannot be transferred for a period of 12 months from the completion date of the issuance of the new Shares under the Acquisition; provided that the transfers shall not be restricted therefrom as permitted by applicable laws.

After the completion of the Acquisition, any Shares acquired by each of the above Counterparties due to the granting of bonus shares or conversion of capital reserve into share capital by the Company as a result of the Acquisition shall also be subject to the respective lock-up period as set out above.

Arrangement for accumulated undistributed profits

Upon completion of the Acquisition, the undistributed profits accumulated by the Company will be shared between the new and existing Shareholders in proportion to their shareholdings upon completion of the Acquisition.

Arrangement for the listing of shares

All the newly issued A Shares under the Acquisition will be listed and traded on the Shanghai Stock Exchange.

Arrangement for profit and loss during the transitional period

Any profit or loss arising from the Subject Assets during the Transitional Period will be enjoyed or borne by the Company.

Treatment of creditor's rights and debts and resettlement of personnel

After completion of the Acquisition, Minsheng Securities will continue to be entitled to and assume the creditor's rights and debts of Minsheng Securities as a party, and the Counterparties shall procure Minsheng Securities to take the necessary actions to ensure that the Acquisition will not affect the realisation and fulfilment of such creditor's rights and debts.

The Subject Assets of the Acquisition represent equity interests and do not involve any change in the labour relations of the employees of Minsheng Securities.

Contractual obligations for the transfer of ownership of the Subject Assets

Unless otherwise agreed in the Acquisition Agreements, the rights and risks of the Subject Assets shall be transferred from the Completion Date. The Company shall become a shareholder of Minsheng Securities from the Completion Date and shall enjoy full shareholder's rights in respect of such equity interests, and the risks of the Subject Assets shall be borne by the Company from the Completion Date.

Within 20 Working Days after the fulfillment of all the effective conditions as set out in the Acquisition Agreements, the Counterparties shall cooperate with the Company in signing all the documents such as the transfer agreement of the Subject Assets, the resolution of the shareholders' meeting, etc., which are required for the transfer of the Subject Assets to the Company according to the organizational documents of Minsheng Securities and the provisions of the relevant laws, regulations and regulatory documents, and shall urge Minsheng Securities to deliver the equity certificates to the Company and record the Company in the shareholder register of Minsheng Securities. The Counterparties shall cooperate in the review of equity change/review of shareholders' qualifications of the Company and provide relevant basic information, equity structure information, explanations, undertakings and other documents (if required) according to the relevant laws, regulations and regulatory documents.

Liabilities for defaults

In the event that a party under the Acquisition Agreements (the “**Defaulting Party**”) breaches its obligations under the Acquisition Agreements or its representations, undertakings and warranties made in the Acquisition Agreements, and the other party (the “**Non-defaulting Party**”) incurs or suffers damages, losses and costs (including but not limited to legal fees and expenses, as well as charges for investigation of the claims against any rights), the Defaulting Party shall indemnify the Non-defaulting Party. Such indemnity shall be without prejudice to any other rights and remedies available to the Non-Defaulting Party under the laws, regulations and regulatory documents regarding the Defaulting Party’s breach of any terms of the Acquisition Agreements. The rights and remedies of the Non-Defaulting Party concerning the Defaulting Party’s breach of any terms of the Acquisition Agreements shall survive upon cancellation, termination or consummation of the Acquisition Agreements.

Before the Acquisition Agreements take effect, any breach by a party under the Acquisition Agreements of its information disclosure and confidentiality obligations under the Acquisition Agreements or of its representations, undertakings and warranties made in the Acquisition Agreements and other obligations under the Acquisition Agreements that are not contingent upon the Acquisition Agreements becoming effective shall constitute a breach by such party. The Non-Defaulting Party shall have the right to require the Defaulting Party to undertake the liabilities for defaults and compensate for losses and the Non-Defaulting Party shall be entitled to commence proceedings to require cessation of such infringement or to take other remedies to prevent further infringement.

Conditions precedent

The Acquisition Agreements shall take effect from the date on which all of the following conditions precedent have been fulfilled or satisfied:

- (1) The Acquisition has been approved by the Board, the general meeting, the A Shareholders’ class meeting and the H Shareholders’ class meeting of the Company.
- (2) The Acquisition has been approved by the authorized decision-making authority of the Counterparties (if involved).

- (3) The valuation results of the Subject Assets have been filed with the authorized state-owned assets supervision regulatory.
- (4) The Acquisition has been approved by the authorized state-owned assets supervision regulatory.
- (5) The further decrease in the public float of H Shares involved in the issuance of Shares is subject to the approval of the Stock Exchange.
- (6) The announcement and circular of the Acquisition must obtain all necessary approvals from the Stock Exchange.
- (7) The Acquisition has been reviewed and approved by the Shanghai Stock Exchange.
- (8) The registration of the Acquisition has been approved by the CSRC.
- (9) The qualification of shareholders of securities, futures and funds and changes in shareholders have been approved by the relevant authorities of the CSRC.
- (10) Matters relating to the declaration of operator concentration involved in the Acquisition have been examined and approved by the State Anti-Monopoly Bureau (if involved).
- (11) Other approvals or ratification that may be involved as required by relevant laws and regulations or regulatory authorities.

As of the date of this announcement, the above conditions (3) and (5) have been fulfilled. As of the date of this announcement, save for the fact that the Acquisition is still subject to the consideration and approval by the general meeting of Luxin Venture Capital Group Co., Ltd. (魯信創業投資集團股份有限公司)(600783.SH), which is the controlling shareholder of Shandong High-Tech Venture Capital Co., Ltd. (山東省高新技術創業投資有限公司) and Dazhong Transportation (Group) Co., Ltd. (大眾交通(集團)股份有限公司)(600611.SH) (the aforesaid two Counterparties in aggregate hold 656,628,287 shares of Minsheng Securities, representing 5.77% of the total share capital of Minsheng Securities), the remaining Counterparties have completed the necessary consideration and approval procedures for the Acquisition.

Completion

Upon the fulfillment of the above effective conditions as stipulated in the Acquisition Agreements, the Counterparties shall urge the Subject Company to deliver the equity certificates to the Company and record the Company in the shareholder register of the Subject Company according to the provisions of the Acquisition Agreements. The Company shall complete the delivery of the Shares to be issued to the Counterparties according to the provisions of the Acquisition Agreements, and register the Shares to be issued in the name of the Counterparties.

Both parties agree and confirm that, unless otherwise agreed in the Acquisition Agreements, the rights and risks of the Subject Assets shall be transferred from the Completion Date. The Company shall become a shareholder of the Subject Company from the Completion Date and shall enjoy full shareholder's rights in respect of such equity interests, and the risks of the Subject Assets shall be borne by the Company from the Completion Date.

Within 20 Working Days after the fulfillment of all the aforesaid effective conditions as set out in the Acquisition Agreements, the Counterparties shall cooperate with the Company in signing all the documents such as the transfer agreement of the Subject Assets, the resolution of the shareholders' meeting, etc., which are required for the transfer of the Subject Assets to the Company according to the organizational documents of the Subject Company and the provisions of the relevant laws, regulations and regulatory documents, and shall urge the Subject Company to deliver the equity certificates to the Company and record the Company in the shareholder register of the Subject Company. The Counterparties shall cooperate in the review of securities company's equity change/review of shareholders' qualifications and provide relevant basic information, equity structure information, explanations, undertakings and other documents (if required) according to the relevant laws, regulations and regulatory documents.

Both parties shall proceed with the issue of the Shares in the Acquisition as soon as possible after the transfer of all the Subject Assets involved in the Acquisition to the Company and endeavour to complete the relevant procedures of the issuance within 20 Working Days, but not later than 30 Working Days, including but not limited to procedures of Shares issuance, registration and listing on the Shanghai Stock Exchange and share registrars, as well as the relevant procedures such as reporting and filing with the CSRC and its dispatched agencies.

The Company will enter into the Acquisition Agreements with each of the Counterparties respectively and each of the Acquisition Agreements will be executed independently of each other, and any lapse, cancellation or failure to complete the transaction by a single Counterparty will not affect the performance of the Acquisition Agreements with the other Counterparties. As each of the Acquisition Agreements contains identical completion terms, the acquisition of the Subject Assets by issuing A Shares to 45 Counterparties is all scheduled to be completed within the period as agreed in the Acquisition Agreements, and the A Shares to be issued by the Company will be listed on the Shanghai Stock Exchange at the same time.

II. RAISING SUPPORTING FUNDS BY ISSUING A SHARES

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

The class of shares to be issued for the purpose that the Company proposed to raise supporting funds by issuing A Shares to specific subscribers is Renminbi ordinary A Shares 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 (not excluding the Connected Persons of the Company).

Pricing methods and prices for issuing shares

The Price Determination Date of Raising Supporting Funds by issuing A Shares to specific subscribers by the Company shall be the first day of the issue period of issuing A Shares to specific subscribers. The issue price of A Shares shall not be less than 80% of the average transaction price of the A Shares of the Company for the 20 trading days preceding the Price Determination Date of Raising Supporting Funds 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 (the net asset value per share will be adjusted accordingly in the event of any ex-right or ex-dividend activities occurring between the balance sheet date and the issue date). For reference purpose, the closing price of A Shares of the Company (RMB9.83 per share) as at the date of this announcement was 366.98% (calculated according to the central parity rate of HK dollars to RMB, i.e. HK\$1 to RMB0.91733, as announced by the People's Bank of China as at the date of this announcement) of the closing price of H Shares of the Company (HK\$2.92 per share), and the average closing price of H Shares of the Company in the 5 trading days immediately prior to the date of this announcement was HK\$2.90 per share.

After the Raising Supporting Funds has been reviewed and approved by the Shanghai Stock Exchange and registered at the CSRC, its final issue price will be determined by the Board of the Company and its authorized person(s) in consultation with the lead underwriter of the issuance according to the authorization 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 number

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. After the Transactions have been reviewed and approved by the Shanghai Stock Exchange and registered at the CSRC, 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 authorization 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 the Raising Supporting Funds to the issue date which would require adjustments to the issue price of the share issuance, the number of shares to be issued will also be adjusted accordingly.

Share lock-up period

According to the relevant requirements under 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》) and the Guidelines on Reviewing of 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 issuance for Raising Supporting Funds, the specific target subscribers holding more than 5% (inclusive) of the Shares of the Company cannot transfer their Shares subscribed for in the issuance 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 subscribed for in the issuance within six months from the completion date of the issuance. During the aforesaid lock-up period, any 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 raised supporting funds

After deducting the intermediaries' fees and transaction taxes, all of the raised supporting funds will be used for capital increase in Minsheng Securities, which will then be used for the development of Minsheng Securities' business for the specific uses as set out below:

Investment of the Funds Raised	Amount	Principal Use of the Funds Raised
Wealth management business	Not more than RMB1 billion	Used for enhancing professional service capability of wealth management, building a service ecosystem, optimizing the layout of outlets and enhancing brand image
Information Technology	Not more than RMB1 billion	Used for consolidating the base of science and technology, strengthening the construction of digital central control platform, continuously promoting the innovation of application products and strengthening the empowerment of science and technology

In the event that the supporting funds ultimately determined and raised are less than RMB2 billion, the Board will determine the allocation ratio of the raised supporting funds within the scope of the authorisation granted by the general meeting. The business operations of the Company and Minsheng Securities will not be materially and adversely affected as a result. The Company will, depending on the circumstances and based on the overall capital requirements for the subsequent development after the completion of the Reorganisation, use its own funds or raise funds through debt instruments.

Arrangement for accumulated undistributed profits

Upon completion of Raising Supporting Funds, the undistributed profits accumulated by the Company will be shared between the new and existing Shareholders in proportion to their shareholdings upon completion of Raising Supporting Funds.

III. IMPLICATIONS OF LISTING RULES

Acquisition of Assets by Issuing Shares

As the highest applicable percentage ratio calculated according to Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 100%, the Acquisition constitutes 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, the Acquisition 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. The issue of A Shares under the Acquisition will be made pursuant to the specific mandate to be sought at a general meeting of the Company.

The terms of the Acquisition Agreements 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 Acquisition Agreements 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 Transactions.

Raising Supporting Funds by issuing A Shares

As of the date of this announcement, the Company has not entered into any agreement with any potential subscriber regarding Raising Supporting Funds by issuing A Shares and the Company has not received any intention from any person to participate in the Raising Supporting Funds by issuing A Shares. If any Connected Person of the Company becomes a subscriber participating in the Raising Supporting Funds by issuing A Shares, 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 issue of A Shares under the Raising Supporting Funds will be made pursuant to the specific mandate to be sought at a general meeting of the Company.

IV. IMPACT OF THE TRANSACTIONS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the total issued share capital of the Company is 2,831,773,168 Shares (comprising 2,389,133,168 A Shares and 442,640,000 H Shares). According to the proposal of the Transactions, the Company will issue 2,640,269,065 A Shares as a result of the Acquisition, and Guolian Group will, directly and indirectly, hold a total of 2,188,061,354 A Shares of the Company after the Acquisition, representing 39.99% of the total share capital of the Company, and will remain as the Controlling Shareholder of the Company. The impact of the Transactions on the shareholding structure of the Company is set out below for illustration purposes:

Name of Shareholder	Shareholdings as at the date of this announcement		Shareholding immediately after the completion of the Acquisition ¹		Shareholding immediately after the completion of the Acquisition and Raising Supporting Funds ²		Shareholding immediately after the completion of the Acquisition and Raising Supporting Funds (assuming that all the subscribers are Connected Persons of the Company) ³	
	Number of Shares	Approximate percentage of total issued share capital ⁴	Number of Shares	Approximate percentage of total issued share capital ⁴	Number of Shares	Approximate percentage of total issued share capital ⁴	Number of Shares	Approximate percentage of total issued share capital ⁴
A Shares								
Guolian Group and its close associates ⁵	1,376,336,123	48.60%	2,188,061,354	39.99%	2,188,061,354	38.24%	2,188,061,354	38.24%
Shares held by other Connected Persons of the Company	0	0%	0	0%	0	0%	250,000,000	4.37%
Public A Shareholders	1,012,797,045	35.77%	2,841,340,879	51.92%	3,091,340,879	54.03%	2,841,340,879	49.66%
Total A Shares	2,389,133,168	84.37%	5,029,402,233	91.91%	5,279,402,233	92.26%	5,279,402,233	92.26%
H Shares								
Shares held by other Connected Persons of the Company ⁶	1,407,501	0.05%	1,407,501	0.03%	1,407,501	0.02%	1,407,501	0.02%
Public H Shareholders	441,232,499	15.58%	441,232,499	8.06%	441,232,499	7.71%	441,232,499	7.71%
Total H Shares	442,640,000	15.63%	442,640,000	8.09%	442,640,000	7.74%	442,640,000	7.74%
Total	2,831,773,168	100.00%	5,472,042,233	100.00%	5,722,042,233	100.00%	5,722,042,233	100.00%

¹ Assuming that there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of A Shares under the Acquisition Agreements.

² Assuming that (1) the number of A Shares to be issued by the Company under the Raising Supporting Funds proposal is 250 million Shares, (2) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of A Shares under the Acquisition Agreements and the Raising Supporting Funds proposal, and (3) the subscribers to the Raising Supporting Funds are and will continue to be the public at the time of subscription of the Shares.

³ Assuming that (1) the number of A Shares to be issued by the Company under the Raising Supporting Funds proposal is 250 million Shares, (2) there will be no change in the total issued share capital of the Company since the date of this announcement save for the issue of A Shares under the Acquisition Agreements and the Raising Supporting Funds proposal, and (3) all the subscribers to the Raising Supporting Funds are Connected Persons of the Company.

⁴ The approximate percentage figures are rounded to the nearest two decimal places and therefore, may not add up to 100% due to rounding.

- ⁵ As at the date of this announcement, Guolian Group held 543,901,329 A Shares of the Company, and its subsidiaries, Guolian Trust Co., Ltd.* (國聯信託股份有限公司), Wuxi Guolian Municipal Electric Power Co., Ltd.* (無錫市國聯地方電力有限公司), Wuxi Minsheng Investment Co., Ltd.* (無錫民生投資有限公司), Wuxi Cotton Textile Group Co., Ltd.* (無錫一棉紡織集團有限公司), Wuxi Huaguang Environmental & Energy Group Co., Ltd.* (無錫華光環保能源集團股份有限公司), held 390,137,552, 266,899,445, 73,500,000, 72,784,141 and 29,113,656 A Shares of the Company, respectively.
- ⁶ As at the date of this announcement, Mr. Ge Xiaobo, the chairman of the Company, Ms. Wu Lingyun and Mr. Zhou Min, supervisors of the Company, were deemed to have interests in the H Shares of the Company, respectively due to their participation in the employee stock ownership plan of the Company for the year 2022.

The Board expects that the percentage of public float of the Company's H Shares will further decrease after the completion of the Transactions. The Company will ensure that there remains an open market in the Company's H Shares according to the Listing Rules and the relevant requirements of the Stock Exchange.

V. 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 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, the Company urgently needs to enhance capital strengths, attract high-end talents, expand its 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. The Company will continue to optimize its business structure and regional layout through the integration of its business geographic presence with the Subject Company, sharing of customers and channel resources, and the complementarity and synergy of its business advantages, 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 complementary structural and regional advantages in terms of business. In terms of business advantages, Minsheng Securities has outstanding strengths in investment banking business. In recent years, Minsheng Securities has adopted the business model of “investment + investment banking + investment research”, featuring investment banking business and is supported by research business, and at the same time vigorously develops fixed-income investment business and equity investment business, thus realizing the mutual promotion of investment banking business, institutional research business and equity investment business, and forming a certain degree of advantages, while Guolian Securities 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.

In the future, through the effective integration of the businesses of the two brokerage firms, the complementary integration of their business structures and regional advantages will be further strengthened, and the strategic synergy of each party’s advantageous resources will be brought into full play, thereby significantly enhancing the market competitiveness of the listed company’s platform.

The Company and Minsheng Securities have similar capital strengths but have 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 also give full play to the scalable effect, reduce operating costs, improve operational efficiency and achieve capital-intensive development.

The Company will implement the integration control plan in a reasonable manner to ensure that it will not adversely affect the Company’s existing businesses.

VI. INFORMATION ON THE SUBJECT COMPANY

The Subject Company, Minsheng Securities, is a joint stock company established in the PRC with limited liability and is principally engaged in the licensed items: securities business, securities investment consultation (for items requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities, and the specific operation items are subject to the approval documents or licences of relevant authorities); general item: securities financial advisory services. As at the date of this announcement, Minsheng Securities was held in aggregate as to 99.26% by the Counterparties and 0.74% by Oceanwide Holdings. 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)	Shareholding ratio
1	Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司)	3,470,666,700	30.52%
2	Shanghai Fengquanyu Enterprise Management Co., Ltd. (上海豐泉峪企業管理有限公司)	1,545,359,477	13.59%
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	3.84%
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%

No.	Name of shareholders	Number of shares held (shares)	Shareholding ratio
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	1.62%
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%
15	Shanghai Huayi Group Investment Co., 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 Xiongzhong Investment Management Partnership (Limited Partnership) (上海雄衆投資管理合夥企業(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%

No.	Name of shareholders	Number of shares held (shares)	Shareholding ratio
27	Orient International (Holding) Co., Ltd. (東方國際(集團)有限公司)	88,170,463	0.78%
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%
40	Gongqingcheng Minxin Investment Partnership (Limited Partnership) (共青城民信投資合夥企業(有限合夥))	56,709,912	0.50%
41	Gongqingcheng Minlong Investment Partnership (Limited Partnership) (共青城民隆投資合夥企業(有限合夥))	42,207,884	0.37%
42	Gongqingcheng Minxin Investment Partnership (Limited Partnership) (共青城民新投資合夥企業(有限合夥))	41,374,494	0.36%
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%

No.	Name of shareholders	Number of shares held (shares)	Shareholding ratio
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	Jiaying 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>11,372,878,460</u>	<u>100.00%</u>

Based on the audited financial information of Minsheng Securities for the years ended 31 December 2021, 2022 and 2023 and the three months ended 31 March 2024 prepared according to International Financial Reporting Standards, the net assets and total assets of Minsheng Securities as at 31 December 2021, 2022 and 2023 and 31 March 2024, and profit before tax and profit after tax of Minsheng Securities for the years ended 31 December 2021, 2022 and 2023 and the three months ended 31 March 2024 are set out as follows:

	<i>RMB thousand</i>			
	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 March 2024
Net assets	15,074,656	14,972,215	15,604,972	16,075,509
Total assets	54,401,599	58,402,685	59,455,172	58,349,838

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ended 31 December 2023	For the three months ended 31 March 2024
Profit before tax	1,266,399	138,541	754,940	404,819
Profit after tax	1,005,476	191,229	641,982	326,355

Upon completion of the Acquisition, the Company will hold 99.26% shares of Minsheng Securities and Minsheng Securities will become a subsidiary of the Company and the financial information of Minsheng Securities will be consolidated into the consolidated financial statements of the Group.

The original acquisition cost of the 3,470,666,700 shares of Minsheng Securities (i.e. the transaction price of the 3,470,666,700 shares of Minsheng Securities acquired by Guolian Group through judicial auction on 15 March 2023) by Guolian Group was RMB9,105,426,723. At that time, the Company did not have sufficient liquidity to bid for such shares of Minsheng Securities.

VII. INFORMATION ON THE PARTIES TO THE ACQUISITION AGREEMENTS

Information on the Company

The Company is engaged in the following principal activities: securities brokerage, securities investment consultation, financial advisory in relation to securities trading and securities investment activities, proprietary securities trading, the sales of securities investment funds on commission basis, margin financing and securities lending business, provision of intermediary business for futures companies, the sales of financial products on commission basis, and securities (limited to treasury bonds, policy financial bonds, debt instruments issued by non-financial enterprises) underwriting business.

Information on 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. As at the date of this announcement, its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the Municipal People's Government of Wuxi (無錫市人民政府國有資產監督管理委員會).

Information on Fengquanyu

Fengquanyu is a company established in the PRC with limited liability and is principally engaged in corporate management, corporate management consultancy, and information consultancy services. As at the date of this announcement, it is held as to 40%, 30% and 30% equity interests by Yang Yanliang (楊延良), Yang Zhenyu (楊振宇) and Yang Zhenxing (楊振興), respectively.

Information on Xizang Tengyun Investment Management Co., Ltd. (西藏騰雲投資管理有限公司)

Xizang Tengyun Investment Management Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in equity investment in non-listed enterprises, holding of shares in listed companies by way of subscription of non-publicly issued shares or equity transfers, and related consultancy services; financial and legal consultation, asset management, entrusted management of equity investment projects; project investment and corporate management. As at the date of this announcement, it is indirectly held as to 60% and 40% equity interests by Huang Tao (黃濤) and Huang Shiyong (黃世榮), respectively.

Information on Hangzhou Dongheng Petroleum Co., Ltd. (杭州東恒石油有限公司)

Hangzhou Dongheng Petroleum Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in licensed items: wholesale of refined oil products, port operations, hazardous chemicals operations, wholesale of crude oil, and alcoholic beverages operations. General items: wholesale of refined oil products (excluding hazardous chemicals), sales of petroleum products (excluding hazardous chemicals), sales of chemical products (excluding permitted chemical products), sales of metal materials, sales of construction materials, retail of hardware products, port cargo loading and unloading activities, equity investment, and information consultancy services (excluding permitted information consultancy services). As at the date of this announcement, its ultimate beneficial owner is Zhao Jianrong (趙建榮).

Information on Shandong High-Tech Venture Capital Co., Ltd. (山東省高新技術創業投資有限公司)

Shandong High-Tech Venture Capital Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in venture capital investment, acting as an agent for other venture capital enterprises and other organizations or individuals in venture capital investment, venture capital investment consultancy, provision of venture management services for venture enterprises, participation in the establishment of venture capital investment enterprises and venture capital investment management consultancy organizations. As at the date of this announcement, its ultimate beneficial owner is the Finance Department of Shandong Province (山東省財政廳).

Information on Shanghai Zhangjiang (Group) Co., Ltd. (上海張江(集團)有限公司)

Shanghai Zhangjiang (Group) Co., Ltd. is a wholly state-owned company established in the PRC and is principally engaged in licensed items: real estate development and operations, construction engineering, and construction engineering design. General items: technology intermediary services, technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; non-residential real estate leasing, residential leasing, property management, import and export of goods, import and export of technology, information consulting services (excluding permitted information consulting services), information technology consulting services, marketing planning, commercial complex management services, sales of construction materials, sales of lightweight construction materials, sales of construction waterproofing membranes, sales of metal accessories for construction, sales of non-ferrous metal alloys, sales of high-performance non-ferrous metals and alloy materials, sales of metal structures, sales of metal materials, and sales of metal products. As at the date of this announcement, its ultimate beneficial owner is Shanghai Pudong New District State-owned Assets Supervision and Administration Commission (上海市浦東新區國有資產監督管理委員會).

Information on Shandong Lucion Investment Holdings Group Co., Ltd. (山東省魯信投資控股集團有限公司)

Shandong Lucion Investment Holdings Group Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in engaging in investment activities with proprietary funds, socio-economic consulting services, asset management services invested with proprietary funds, non-financial guarantee services, residential leasing, leasing of non-residential real estate, and property management. As at the date of this announcement, its ultimate beneficial owner is the Finance Department of Shandong Province (山東省財政廳).

Information on Guangzhou Sophia Investment Co., Ltd. (廣州索菲亞投資有限公司)

Guangzhou Sophia Investment Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in supply chain management services, marketing planning, market research (excluding foreign-related research), financing consulting services, engaging in investment activities with proprietary funds, venture capital investment (limited to investing in unlisted enterprises), domestic trade agency, import and export of goods, and import and export of technology. As at the date of this announcement, it is a wholly-owned subsidiary of Suofeiya Home Collection Co., Ltd. (索菲亞家居股份有限公司)(002572.SZ).

Information on Taizhou State-owned Capital Operation Group Co., Ltd. (台州市國有資本運營集團有限公司)

Taizhou State-owned Capital Operation Group Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in investment and asset management, investment consulting services (financing deposits, financing guarantee, entrusted wealth management and other financial services shall not be provided to the general public without approval from the financial and other regulatory authorities), asset management and disposal, and equity management. As at the date of this announcement, its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the Municipal People's Government of Taizhou (台州市人民政府國有資產監督管理委員會).

Information on Dazhong Transportation (Group) Co., Ltd. (大眾交通(集團)股份有限公司)

Dazhong Transportation (Group) Co., Ltd. (600611.SH) is a joint stock company established in the PRC with limited liability and listed on the Shanghai Stock Exchange, which is principally engaged in enterprise operation and management consulting, modern logistics, transport (taxi and inter-provincial chartered buses), related vehicle maintenance (limited to branch operations), car wash, car park, motel business (limited to branch operations), motor vehicle driver training (limited to branch operations), and investment in and establishing enterprises in comply with national industrial policy (specific items to be reported separately for approval).

Information on 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))

Qingdao Jinyuan Minfu Equity Investment Partnership (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in equity investment, investment consulting (non-securities business) (the above items are subject to registration by the Asset Management Association of China, and financing guarantee, deposit-taking, entrusted wealth management and other financial services shall not be engaged in without approval from the financial regulatory authorities). As at the date of this announcement, its general partner is Beijing Jinhui Xingye Investment Management Co., Ltd. (北京金匯興業投資管理有限公司) and its limited partners are Shanxi Lu'an Ruitai Investment Co., Ltd. (山西潞安瑞泰投資有限責任公司), Lu'an International Finance and Leasing (Hengqin) Co., Ltd. (潞安國際融資租賃(橫琴)有限責任公司), Lu'an Hong Kong Investment Trading Limited (潞安香港投資貿易有限公司) and Xinjiang Lujuze Agricultural Technology Service Partnership (Limited Partnership) (新疆魯苜澤農業技術服務合夥企業(有限合夥)).

Information on Hourun Zehui

Hourun Zehui is a limited partnership established in the PRC and is principally engaged in venture capital investment (limited to investing in unlisted enterprises). As at the date of this announcement, its general partner is Beijing HouRunDe Assets Management Centre (General Partnership) (北京厚潤德資產管理中心(普通合夥)) and its limited partner is Tian Sanhong (田三紅).

Information on Xinxiang Bailu Investment Group Co., Ltd. (新鄉白鷺投資集團有限公司)

Xinxiang Bailu Investment Group Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in investment, investment management, investment consulting, asset management, weaving, printing and dyeing, manufacturing, sale, import and export of various fibres and related garments, apparel and industrial products, manufacturing, sales, import and export of various related raw materials, production equipment, fittings, instruments, meters and components, sale and import of various related production technologies and side-products, lease of buildings, equipment, land and other assets, repair of buildings and structures. As at the date of this announcement, its ultimate beneficial owner is Xinxiang Finance Bureau (新鄉市財政局).

Information on Shenneng (Group) Company Limited (申能(集團)有限公司)

Shenneng (Group) Company Limited is a company established in the PRC with limited liability and is principally engaged in investment, development and operational management of electricity and energy infrastructure industries, investment and development of natural gas resources, investment in city gas pipeline network, investment management of high-tech industries, industrial investment, asset operation and domestic trade (except for special regulations). As at the date of this announcement, its ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of Shanghai (上海市國有資產監督管理委員會).

Information on Shanghai Huayi Group Investment Co., Ltd. (上海華誼集團投資有限公司)

Shanghai Huayi Group Investment Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in corporate investment management, investment consulting, chemical trading (excluding dangerous goods), and property rights brokerage. As at the date of this announcement, its ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of Shanghai (上海市國有資產監督管理委員會).

Information on Luoyang Lier Refractories Co., Ltd. (洛陽利爾耐火材料有限公司)

Luoyang Lier Refractories Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in development, production, sale and recycling of refractories, wearproof materials, ceramic materials, energy-saving and temperature preservation materials and metallurgical furnace materials (operated under a valid license) and related construction and design services, research and development, production, and sales of electrical and mechanical equipment and industrial furnaces, sales of construction materials, metal materials, chemical products (excluding flammables, explosives and precursor chemicals), sales of motor vehicles (excluding motor cars), import and export of goods or technologies (except for those goods and technologies which should be subject to approval and permit for operation or import and export as required by national laws and regulations). As at the date of this announcement, it is a wholly-owned subsidiary of Beijing Lirr High Temperature Materials Co., Ltd. (北京利爾高溫材料股份有限公司)(002392.SZ).

Information on Shanghai Xiongzhu Investment Management Partnership (Limited Partnership) (上海雄築投資管理合夥企業(有限合夥))

Shanghai Xiongzhu Investment Management Partnership (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in investment management, consulting, industrial investment, financial consulting (not allowed to engage in agency bookkeeping), business consulting (except brokerage), and convention and exhibition services. As at the date of this announcement, its general partner is Shanghai Free Trade Zone Equity Investment Fund Management Co., Ltd. (上海自貿區股權投資基金管理有限公司) and its limited partners are Ningbo Meishan Bonded Port District Ang Sheng Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區昂晟投資管理合夥企業(有限合夥)), Ningbo Pai Neng Enterprise Management Consulting Partnership (Limited Partnership) (寧波湃能企業管理諮詢合夥企業(有限合夥)), Xiamen Zewo Investment Partnership (Limited Partnership) (廈門澤渥投資合夥企業(有限合夥)), Shanghai Free Trade Zone Phase III Equity Investment Fund Partnership (Limited Partnership) (上海自貿試驗區三期股權投資基金合夥企業(有限合夥)), Zhang Jianliang (章建良), Liu Xiaofeng (劉曉峰), Yao Guowu (姚國武) and Zhang Suzhen (張素珍).

Information on Shandong International Trust Co., Ltd. (山東省國際信託股份有限公司)

Shandong International Trust Co., Ltd. (1697.HK) is a joint stock company established in the PRC with limited liability and listed on the Main Board of the Stock Exchange, which is principally engaged in provision of integrated financial services and wealth management services.

Information on Orient International Enterprise Ltd. (東方國際創業股份有限公司)

Orient International Enterprise Ltd. (600278.SH) is a joint stock company established in the PRC with limited liability and listed on the Shanghai Stock Exchange, which is principally engaged in import and export of goods, supply chain management services, import and export agency, offshore trading, sales of knitted fabrics, sales of knitted fabrics and raw materials, sales of leather products, sales of bags and luggage, wholesale of footwears and hats, sales of apparel accessories, wholesale of garments and apparel, manufacture of garments, retail sales of garments and apparel, professional design services, textile processing of fabrics, research and development of biochemical technology, production of chemical products (excluding permitted chemical products), sales of chemical products (excluding permitted chemical products), wholesale of daily necessities, sales of daily necessities, sales of daily merchandise, asset management services for investment with own funds, sales of food products (only pre-packaged food products are sold), domestic trade agency, non-residential real estate leasing, and sales of Class II medical devices.

Information on Shandong Lucion Industrial Group Co., Ltd. (山東魯信實業集團有限公司)

Shandong Lucion Industrial Group Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in external investment and management within the scope of laws and regulations, corporate management consulting services, commodity information consulting services. As at the date of this announcement, its ultimate beneficial owner is Finance Department of Shandong Province (山東省財政廳).

Information on Huafeng Group Co., Ltd. (華峰集團有限公司)

Huafeng Group Co., Ltd. is a company established in the PRC with limited liability and is mainly engaged in general items: synthetic materials manufacturing (excluding hazardous chemicals), sales of synthetic materials, research and development of new materials technology, sales of chemical products (excluding permitted chemical products), plastics products manufacturing, sales of plastics products, sales of synthetic fibre, engineering and technology research and experimental development, sales of metal materials, technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion, enterprise management, enterprise management consulting, engineering management services, property management, brand management, import and export of goods, import and export of technology (except for those items which are subject to approval in accordance with the law, to carry out business activities independently with business licenses in accordance with the law). The operation of the following is limited to branches: permitted items: hazardous chemicals production. As at the date of this announcement, its ultimate beneficial owner is You Xiaoping (尤小平).

Information on 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)

Shanghai Shuiyao Enterprise Management Consulting Service Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in enterprise management, enterprise management consulting, and information consulting services (excluding permitted information consulting services). As at the date of this announcement, its ultimate beneficial owner is Zhao Hongxiu (趙洪修).

Information on Yankuang Capital

Yankuang Capital is a company established in the PRC with limited liability and is principally engaged in industrial investment, investment management, asset management, hotel management, property management, investment consulting, business information consulting, financial consulting, enterprise management consulting, corporate image planning, convention and exhibition services, leasing of own equipment (not allowed to engage in financial leasing). As at the date of this announcement, its ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of the Municipal People's Government of Shandong.

Information on 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))

Jiaxing Dening Shenghui Equity Investment Partnership (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in equity investment and related consulting services. As at the date of this announcement, its general partner is Dening Private Equity Fund Management (Jiaxing) Partnership (Limited Partnership) (德寧私募基金管理(嘉興)合夥企業(有限合夥)) and its limited partners are Xiong Lijun (熊麗君), Ye Lihua (葉麗華), Zhao Yajun (趙亞軍), Zhao Shanshi (趙山石), Wu Zheng (吳崢), Huang Min (黃敏), Zhu Jihong (朱繼紅), Tan Chao (談超), Zhu Huiming (祝惠銘), Zhang Suzhen (張素珍), Wang Zhixiang (王志翔), Sun Guoqin (孫國琴) and Lou Mingming (樓銘銘).

Information on 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))

Shaoxing Yuewang Enterprise Management Consulting Partnership (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in enterprise management consulting (excluding investment and asset management), business information consulting, economic information consulting (excluding finance, securities, futures and funds). As at the date of this announcement, its general partner is Shaoxing Keqiao Zhelu Equity Investment Partnership (Limited Partnership) (紹興柯橋浙祿股權投資合夥企業(有限合夥)), and its limited partners are Zheyue Asset Management Co., Ltd. (浙越資產管理有限公司), Shaoxing Mongkok Real Estate Co., Ltd. (紹興旺角房產置業有限公司), Jin Chaoying (金超英), Zhang Shaojie (張少傑) and Ji Kaifeng (季愷峰).

Information on 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))

Gongqingcheng Renhe Zhisheng Equity Investment Partnership (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in equity investment, project investment, and investment management. (deposit-taking, financing guarantee, entrusted wealth management and collection (financing) from the public and other financial business shall not be engaged in without approval from the financial and other regulatory authorities). As at the date of this announcement, its general partner is Luo Hongping (羅宏平) and its limited partners are Lu Yanlong (遼彥龍), Shen Jiadong (沈加東), Wang Yongquan (王永全), Qiao Xiangming (喬相鳴), Zhao Mengzhou (趙夢周), Li Jingquan (李敬泉), He Aiqin (賀愛琴), Xia Xinyu (夏鑫玉), Song Ligang (宋曆剛), Cai Shengqin (蔡聖芹) and Zhang Lihong (張麗虹).

Information on Orient International (Holding) Co., Ltd. (東方國際(集團)有限公司)

Orient International (Holding) Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in operating and acting as an agent for the import and export of textile and garment commodities, undertaking Sino-foreign equity joint operating, co-operative production, and “Three-plus-one” business (i.e. processing and compensation trade), operating technology import and export business, and contracting of foreign projects in the light textile and garment industries, domestic international tendering projects, dispatching of various types of foreign labour, undertaking international freight forwarding agency business, property right brokerage, and leasing of own housing. As at the date of this announcement, its ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of Shanghai (上海市國有資產監督管理委員會).

Information on 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))

Jiaxing Dening Zhengxin Equity Investment Partnership (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in equity investment and related consulting services. As at the date of this announcement, its general partner is Dening Private Equity Fund Management (Jiaxing) Partnership (Limited Partnership) (德寧私募基金管理(嘉興)合夥企業(有限合夥)) and its limited partners are Hubei E Lv Investment Venture Capital Co., Ltd. (湖北省鄂旅投創業投資有限責任公司), Du Xu (杜旭) and Shaanxi Technological Progress Investment Company Limited (陝西省技術進步投資有限責任公司).

Information on 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)

Shanghai Zhangjiang High-Tech Park Development Co., Ltd. (600895.SH) is a joint stock company established in the PRC with limited liability and listed on the Shanghai Stock Exchange, and is principally engaged in the licensed items: real estate development and operations. General items: engaging in investment activities with proprietary funds, investment management, asset management services invested with proprietary funds, corporate headquarters management, leasing of nonresidential real estate, residential leasing, construction, leasing and operational management of public rental housing within the city, land remediation services, leasing of land use rights, park management services, entrepreneurial space services, property management, hotel management, car park services, commercial complex management services, operation of sports venues and facilities (excluding high-risk sports), municipal facilities management, engineering management services, information system integration services, cloud computing equipment technology services, technology consulting services for artificial intelligence public service platform, artificial intelligence innovation and entrepreneurship service platform, sales of integrated circuits, design of integrated circuits, research and experimental development of engineering and technology, socio-economic consulting services, technology intermediary services, marketing planning, enterprise management consulting, information consulting services (excluding licensed information consulting services), installation service of general machinery and equipment, sales of machinery and equipment, sales of specialized electronic equipment, sales of construction materials, leasing services (excluding licensed leasing services), housing demolition and relocation services, domestic trade agency, sales agency, import and export of goods, import and export of technology, technology services, technology development, technology consultation, technology exchange, technology transfer, technology promotion, artificial intelligence public data platform.

Information on Shanghai Pudong Innovative Investment Development (Group) Co., Ltd. (上海浦東創新投資發展(集團)有限公司)

Shanghai Pudong Innovative Investment Development (Group) Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in various types of asset investment, capital operation and asset management, industry research, and socio-economic consulting. As at the date of this announcement, its ultimate beneficial owner is Shanghai Pudong New District State-owned Assets Supervision and Administration Commission (上海市浦東新區國有資產監督管理委員會).

Information on Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司)

Shanghai International Port (Group) Co., Ltd. (600018.SH) is a joint stock company established in the PRC with limited liability and listed on the Shanghai Stock Exchange, and is principally engaged in the loading and unloading (including transloading), storage, transshipment and land and water transport of domestic and overseas cargoes (including containers), unpacking, cleaning, repair, manufacture and leasing of containers, international shipping, warehousing, storage, processing, distribution and logistics information management, provision of facilities and services for passengers in respect of vessel waiting, going aboard and disembarking, in-harbour leading and towing for ships, shipping agency, freight forwarding agency, provision of ship port services such as supply of fuel materials and household goods to ships, leasing of port facilities, port information and technology consulting services, construction, management and operation of port terminals, wholesale and import and export of port lifting equipment, handling machinery, mechanical and electrical equipment and accessories.

Information on Shanghai Yunzhu Investment Co., Ltd. (上海韻築投資有限公司)

Shanghai Yunzhu Investment Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in technology development, technology consulting, technology transfer, technology services in the professional sectors of new energy and new materials, entrepreneurial investment, industrial investment, investment management, investment consulting, financial management (not allowed to engage in agency bookkeeping), asset management and enterprise management consulting. As at the date of this announcement, its ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of Shanghai (上海市國有資產監督管理委員會).

Information on Shanghai Jiushi Investment Management Co., Ltd. (上海久事投資管理有限公司)

Shanghai Jiushi Investment Management Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in industrial investment, investment consulting and asset management (excluding finance). As at the date of this announcement, its ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of Shanghai (上海市國有資產監督管理委員會).

Information on Time Publishing and Media Co., Ltd. (時代出版傳媒股份有限公司)

Time Publishing and Media Co., Ltd. (600551.SH) is a joint stock company established in the PRC with limited liability and listed on the Shanghai Stock Exchange, and is principally engaged in asset management, operation, investment and management of assets or equity of its wholly-owned and controlled subsidiaries, and financing consulting services, management of the publication, sales, logistics and distribution, and chain operation of books, periodicals, newspapers, electronic publications, audio-visual products, and network publications of its subsidiaries at home and abroad, copyright agency, book processing, display and exhibition services, wholesale and retail of cultural supplies, trading of publishing and printing materials, education and training consulting services, advertising, publishing consulting services, general distribution of books, scientific research, development, promotion and application of emerging media, development, production, sale and consulting services and technology transfer of electronics and information, opto-electro-mechanical integration, chemicals (excluding dangerous goods), new materials, bio-engineering, environmental protection, energy conservation, medical devices (only operated by Zhongjia branch office), nuclear instruments, electrical and electronic appliances, mechanical vacuum, ion beams, microwave communications, automatic control, radiation processing, KG-type textile printing and dyeing auxiliaries, environmentally friendly architectural coatings, construction of coating and decorative works, property leasing.

Information on Dazzle Fashion Co., Ltd. (地素時尚股份有限公司)

Dazzle Fashion Co., Ltd. (603587.SH) is a joint stock company established in the PRC with limited liability and listed on the Shanghai Stock Exchange, and is principally engaged in the sales of apparel, leather products, luggage, shoes, hats, eyewear, synthetic jewellery, toys, household ornaments, general merchandise, furniture, lightings, stationery, cosmetics, electronic products, computer hardware and software, and decorative materials, engaged in the sales of apparel, leather products, luggage, shoes, hats, eyewear, synthetic jewellery, toys, household ornaments, general merchandise, furniture, lightings, stationery, cosmetics, electronic products, computer hardware and software, and decorative materials via the form of e-commerce, engaged in the import and export of goods and technology, clothing and accessories design, graphic design, cultural and artistic exchanges and planning (excluding brokerage), technology development, technology transfer, technology consulting, technology services in the professional sectors such as clothing and apparel, electronic technology, computer hardware and software and accessories, computer network, economic information consulting, enterprise management consulting, business marketing planning, display and exhibition services, warehousing services (excluding dangerous goods).

Information on Qingdao Ocean Innovation Industry Investment Fund Co., Ltd. (青島海洋創新產業投資基金有限公司)

Qingdao Ocean Innovation Industry Investment Fund Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in external investment with proprietary funds, investment consulting, investment management and financial advisory services, asset (or equity) entrusted management business, asset (or debt) restructuring business (deposit-taking, financing guarantee, entrusted wealth management and other financial business shall not be engaged in without approval from the financial regulatory authorities). As at the date of this announcement, its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Qingdao Municipal People's Government (青島市人民政府國有資產監督管理委員會).

Information on Hangzhou Chongfu Zhongcai Investment Partnership (Limited Partnership) (杭州崇福眾財投資合夥企業(有限合夥))

Hangzhou Chongfu Zhongcai Investment Partnership (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in equity investment, investment management and investment consulting (other than securities and futures). As at the date of this announcement, its general partner is Hangzhou Chongfu Investment Management Co., Ltd. (杭州崇福投資管理有限公司) and its limited partners are Chen Tao (陳濤), Cheng Fengfa (程鳳法), Miao Lijun (繆麗君), Sheng Weiqin (盛偉琴), Fan Zhiqiang (範志強), Zhang Ziliang (張淄良) and Chen Jianqing (陳建青).

Information on 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))

Hubei Huacang Hongjia Equity Investment Fund Partnership (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in the activities of equity investment, investment management and asset management with private equity funds (commencement of operations is subject to the completion of the registration and filing to Asset Management Association of China), and engaged in investment activities with proprietary funds. As at the date of this announcement, its general partner is Hubei Huachang Equity Investment Fund Management Co., Ltd. (湖北華倉股權投資基金管理有限公司) and its limited partners are Tongguan Investment (Shanghai) Co., Ltd. (銅冠投資(上海)有限公司), Lu Li (魯力), Wang Weiping (汪巍平), Wang Guoxian (王國憲), Tang Lin (唐琳) and Zhu Juanjie (朱雋杰).

Information on Gongqingcheng 1 (共青城民信)

Gongqingcheng 1 is a limited partnership established in the PRC and is principally engaged in investment activities with proprietary funds. As at the date of this announcement, its general partner is Wang Wei (王衛) and its limited partners are 41 natural persons, including Yang Weidong (楊衛東), Fan Qingqing (樊晴晴), Wang Xu (王旭), Wang Xuechun (王學春) and Cai Zhenzhong (蔡振忠).

Information on Gongqingcheng Minlong

Gongqingcheng Minlong is a limited partnership established in the PRC and is principally engaged in investment activities with proprietary funds. As at the date of this announcement, its general partner is Xiong Leiming (熊雷鳴) and its limited partners are 41 natural persons, including Shi Bing (石兵), Wang Fajun (王發軍), Liu Hongsong (劉洪松), Liang Jian (梁健) and Dan Chang (丹昶).

Information on Gongqingcheng 2 (共青城民新)

Gongqingcheng 2 is a limited partnership established in the PRC and is principally engaged in investment activities with proprietary funds. As at the date of this announcement, its general partner is Jing Zhong (景忠) and its limited partners are 33 natural persons, including Shang Wenyan (尚文彥), Hu Tiancun (胡天存), Zheng Liang (鄭亮), Kong Qiang (孔強) and Li Jie (李杰).

Information on Sichuan Dingxiang Equity Investment Fund Co., Ltd. (四川鼎祥股權投資基金有限公司)

Sichuan Dingxiang Equity Investment Fund Co., Ltd. is a company established in the PRC with limited liability and is principally engaged in the investment of equity in non-public transactions such as equity in unlisted enterprises and non-public issuance of equity in listed companies as well as related advisory services. As at the date of this announcement, its ultimate beneficial owner is Song Jiajun (宋佳駿).

Information on 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))

Chengye Zhiyuan (Dongying) Equity Investment Fund Centre (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in the investment of equity in unlisted enterprises, investment in non-public issuance of shares of listed companies and related advisory services. As at the date of this announcement, its general partner is Beijing Chengye Private Equity Fund Management Co., Ltd. (北京橙葉私募基金管理有限公司) and its limited partner is Beijing Hengyu Lianchuang Technology Co., Ltd. (北京恒宇聯創科技有限公司).

Information on Lanxi Puhua Huiyang Investment Partnership (Limited Partnership) (蘭溪普華暉陽投資合夥企業 (有限合夥))

Lanxi Puhua Huiyang Investment Partnership (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in the investment business and equity investment as permitted by the national laws, regulations and policies (deposit-taking, financing guarantee, entrusted wealth management and collection (financing) from the public and other financial business shall not be engaged in without approval from the financial and other regulatory authorities). As at the date of this announcement, its general partner is Hangzhou Puyang Investment Management Co., Ltd. (杭州普陽投資管理有限公司) and its limited partners are Yin Meijuan (尹美娟), Xu Chengdi (徐城迪) and Zhou Yuying (周玉英).

Information on 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))

Jiaxing Dening Hongyang Phase I Equity Investment Partnership (Limited Partnership) is a limited partnership established in the PRC and is principally engaged in equity investment and related advisory services. As at the date of this announcement, its general partner is Dening Private Equity Fund Management (Jiaxing) Partnership (Limited Partnership) (德寧私募基金管理(嘉興)合夥企業(有限合夥)) and its limited partner is Jingzhou Chuxin Investment Co., Ltd. (荊州市楚鑫投資有限公司).

VIII. GENERAL MEETING

A general meeting of the Company will be convened for the Shareholders to consider and, if thought fit, approve the Transactions and the specific mandate to issue A Shares. A circular containing, among other things, details of the Transactions, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser, together with a notice convening the general meeting, is expected to be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.glsc.com.cn on or about 19 August 2024 and will be dispatched to the H Shareholders in the manner in which the H Shareholders have elected to receive corporate communications.

According to Rule 14A.36 of the Listing Rules, any shareholder having a material interest in a transaction shall abstain from voting on the relevant resolution. As of the date of this announcement, to the reasonable knowledge of the Company, Guolian Group and its associates, Guolian Trust Co., Ltd., Wuxi Guolian Municipal Electric Power Co., Ltd., Wuxi Minsheng Investment Co., Ltd., Wuxi Cotton Textile Group Co., Ltd. and Wuxi Huaguang Environmental & Energy Group Co., Ltd. (which in aggregate hold 1,376,336,123 A Shares of the Company, representing approximately 48.60% of the total issued share capital of the Company as of the date of this announcement) are materially interested in the Acquisition Agreements and the transactions contemplated thereunder and will abstain from voting on the relevant resolutions at the general meeting in respect of the Acquisition. Save as disclosed above, none of the Shareholders are considered to be required to abstain from voting on the relevant resolutions at the general meeting.

The resolutions in respect of the Acquisition and Raising Supporting Funds shall be valid for a period of 12 months from the date on which the resolutions are considered and approved at the general meeting of the Company. If the Company fails to complete the Acquisition within the validity period of the resolutions, the Company shall seek further approval on the Acquisition and Raising Supporting Funds at the general meeting; if the Company completes the Acquisition within the validity period of the resolutions but fails to complete the Raising Supporting Funds, the Company shall seek further approval on the Raising Supporting Funds at the general meeting.

The Reorganisation is subject to the fulfillment of certain conditions. The Reorganisation is subject to 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.

IX. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Share(s)”	the ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Shanghai Stock Exchange
“Acquisition” or “Acquisition of Assets by Issuing Shares”	issue of A Shares by the Company to the Transferors to acquire the shares of Minsheng Securities held by them and to obtain the control of Minsheng Securities
“Acquisition Agreements”	the Agreements on Acquisition of Assets by Issuing Shares with effective conditions executed by the Company and 45 Counterparties, including Guolian Group and Fengquanyu on 8 August 2024 (for details of the Counterparties, please refer to “VII. INFORMATION ON THE PARTIES TO THE ACQUISITION AGREEMENTS” above) in relation to the Acquisition. Among them, the issuance of A Shares by the Company to Guolian Group under the Acquisition Agreements constitutes a connected transaction of the Company
“Asset Valuation Report”	the Asset Valuation Report on the Value of Entire Shareholders’ Equity in Minsheng Securities Co., Ltd. Involved in the Proposed Acquisition of Shares of Minsheng Securities Co., Ltd. Held by Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司) and Other Shareholders by Issuing Shares by Guolian Securities Co., Ltd. (Zhong Lian Ping Bao Zi [2024] No. 1372) issued by China United Assets
“Board”	the board of Directors of the Company

“China United Assets”	China United Assets Appraisal Group Co., Ltd. (中聯資產評估集團有限公司)
“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, the H Shares of which have been listed on the main board of the Stock Exchange (stock code: 01456) and the A Shares of which have been listed on the Shanghai Stock Exchange (stock code: 601456)
“Completion Date”	the date on which all Subject Assets of the Acquisition were transferred to the Company
“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
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Fengquanyu”	Shanghai Fengquanyu Enterprise Management Co., Ltd. (上海灃泉峪企業管理有限公司)
“Gongqingcheng Minlong”	Gongqingcheng Minlong Investment Partnership (Limited Partnership) (共青城民隆投資合夥企業(有限合夥))
“Gongqingcheng 1 (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 2 (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 with limited liability established in the PRC and is the Controlling Shareholder of the Company
“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))
“H Share(s)”	overseas listed foreign invested Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Stock Exchange and traded in Hong Kong dollars
“H Shareholders”	holder(s) of the H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors to advise the Independent Shareholders in respect of the connected transaction in relation to the Acquisition of Assets by Issuing Shares
“Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the connected transaction in relation to the Acquisition of Assets by Issuing Shares
“Independent Shareholders”	the Shareholders who are not required under the Listing Rules to abstain from voting at the general meeting or the Shareholders’ class meetings in respect of the connected transaction in relation to the Acquisition of Assets by Issuing Shares

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Oceanwide Holdings”	Oceanwide Holdings Co., Ltd. (泛海控股股份有限公司). As at the date of this announcement, the ultimate beneficial owner of the company is Mr. Lu Zhiqiang (盧志強), who is a third party independent of the Company and its associates (as defined in the Listing Rules)
“PRC” or “China”	the People’s Republic of China, but for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
“Raising Supporting Funds”	the Company proposed to raise supporting funds by issuing A Shares to not more than 35 specific investors
“Securities Law”	the Securities Law of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Assets”	99.26% shares of Minsheng Securities held by the Transferors

“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 99.26% by the Counterparties and 0.74% by Oceanwide Holdings. Among them, Guolian Group is the largest shareholder of Minsheng Securities, holding 30.52% of its shares
“Transactions” or “Reorganisation”	the proposed acquisition of 99.26% shares of Minsheng Securities held by the Counterparties by the Company by issuing A Shares, and the proposed Raising Supporting Funds by issuing A Shares to not more than 35 specific subscribers upon completion of the Acquisition
“Transferors” or “Counterparties”	45 shareholders of Minsheng Securities other than Oceanwide Holdings, participating in the Acquisition of Assets by Issuing Shares
“Transitional Period”	transitional period between the Valuation Benchmark Date and the Completion Date
“Valuation Benchmark Date”	31 March 2024
“Working Day(s)”	statutory working day(s) in the PRC, excluding Saturday, Sunday or statutory holidays
“Yankuang Capital”	Yankuang Capital Management Co., Ltd. (兗礦資本管理有限公司)

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

Wuxi, Jiangsu Province, the PRC
8 August 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.

APPENDIX

I. SELECTION OF THE COMPARISON METHOD OF TRANSACTION CASES

The two commonly used specific methods in market approach are the comparison method of listed companies and the comparison method of transaction cases.

The comparison method of listed companies refers to a specific method of determining the value of the valuation subject based on obtaining and analysing the operation and financial data of comparable listed companies, calculating the value ratio, and making comparative analyses with the valuation entity.

The comparison method of transaction cases refers to a specific method of determining the value of the valuation subject based on obtaining and analysing information on the transaction, acquisition and merger cases of comparable transaction cases, calculating the value ratio, and making comparative analyses with the valuation entity.

Although there are currently a large number of securities companies listed on the A share market in the PRC, the securities industry is subject to multi-level influences such as policies and the market, and the A share market has been in a turbulent downward trend since 2018, resulting in greater volatility in the share prices of listed companies. Prior to and after the Valuation Benchmark Date, there are many equity transaction cases with similar business scope, business scale and development stage as the valuation entity in the market, which has strong comparability. Given the above, the comparison method of transaction cases is selected to evaluate in the Valuation.

II. SELECTION AND REASONS FOR THE VALUE RATIO

The value ratio is a “ratio multiplier” of asset value to its operating profitability indicator, asset value or other specific non-financial indicators. The value ratios commonly used include: price-to-earnings (P/E) ratio, price-to-book (P/B) ratio, price-to-sales (P/S) ratio and enterprise value/earnings before interest and taxes (EV/EBIT), etc.

Through the regression analysis of the correlation between each value ratio and market value of 41 listed companies in the securities industry, the correlation, goodness of fit and standard deviation between P/B and market value show the best performance, therefore, P/B is adopted as the value ratio.

III. SELECTION OF COMPARABLE CASES

(I) Basis of selection

The valuation entity belongs to the securities industry, and the selection of cases is analysed as follows:

1. *Consistent company type*

The case companies should all be in the securities industry with similar business operations to the valuation entity and have similar future growth expectations basically.

2. *Similar time span*

The dates of first announcement of the selected cases are all after 1 January 2020, and the transactions have been approved by the CSRC or have been completed.

3. *Transaction consideration and financial data can be obtained through public channels*

In general, according to public information inquiries, there are currently a total of 15 cases in the market where the first announcement date was after 1 January 2020 and the transactions have been completed as of the date of the valuation report and the transaction consideration can be obtained through public information. The details are as follows:

Unit: RMB100 million

No.	Subject company short name	Transaction subject	First announcement date	Transaction amount	Transaction method	Benchmark date	P/B
1	Minsheng Securities	30.30% equity interests in Minsheng Securities	2023/3/15	91.05	Judicial auction	2022/6/30	1.95
2	Yingda Securities	3.33% equity interests in Yingda Securities	2022/08/26	2.91	Transfer by agreement	2021/12/31	1.31
3	JZ Securities	72.50% equity interests in JZ Securities	2022/4/25	48.87	Transfer by agreement	2021/9/30	1.77
4	New Times Securities	98.24% equity interests in New Times Securities	2021/12/14	131.35	Transfer through bidding	2020/12/31	1.40
5	Zhongshan Securities	4.49% equity interests in Zhongshan Securities	2021/10/13	2.90	Capital increase by agreement	2021/6/30	1.12
6	Huarong Securities	71.99% equity interests in Huarong Securities	2021/09/29	109.33	Transfer through bidding	2021/9/30	1.51
7	Donghai Securities	9.3860% equity interests in Donghai Securities	2021/03/10	12.02	Transfer by agreement	2020/9/30	1.45
8	Shanghai Securities	51% equity interests in Shanghai Securities	2020/01/14	104.68	Capital increase by agreement	2019/8/31	1.93
9	Wangxin Securities	100% equity interests in Wangxin Securities	2022/03/17	15.00	Bankruptcy reorganisation investments	2021/12/31	5.74
10	Morgan Securities	39% equity interests in Morgan Stanley Huaxin Securities	2021/12/30	5.70	Transfer through bidding	2020/12/31	2.69
11	China Dragon Securities	0.1578% equity interests in China Dragon Securities	2020/07/01	0.28	Acquisition by agreement	2019/12/31	1.22
12	Tianfeng Securities	7.85% equity interests in Tianfeng Securities	2022/04/02	21.24	Transfer by agreement		
13	First Capital	11.0576% equity interests in First Capital	2022/09/10	37.55	Transfer by agreement		
14	Pacific Securities	10.29% equity interests in Pacific Securities	2022/04/25	17.26	Judicial auction		
15	Western Securities	5.74% equity interests in Western Securities	2021/10/08	21.36	Transfer by agreement		

Notes: 1. Since No. 12-15 are equity transfers of listed companies, the pricing is based on the average price or closing price of transactions in a certain interval, and there is no definite base date, therefore, the Valuation Benchmark Date and PB value on the benchmark date have not been presented.

2. All of the above companies are securities companies operating in the PRC, of which Yingda Securities, Tianfeng Securities, First Capital, Pacific Securities and Western Securities are listed companies in the PRC and the remaining are unlisted companies.
3. The above cases are all market transaction cases that satisfy the aforesaid three bases of selection (i.e., consistent company type, similar time span, and transaction consideration and financial data can be obtained through public channels).

4. Exclusion of cases with small transaction amounts or equity transaction ratios

The Valuation excludes cases with a small equity ratio (less than 15%) or a transaction amount of less than RMB1 billion.

Since the equity ratio and transaction amount of Yingda Securities, Zhongshan Securities, Donghai Securities, China Dragon Securities, Tianfeng Securities, First Capital and Pacific Securities are relatively small, they are excluded from the selection of cases.

5. Exclusion of cases with PB seriously higher than the average level

Upon analysis, as Wangxin Securities is under bankruptcy reorganization due to its economic behavior, Compass Investment's 100% equity acquisition price premium was relatively high, with a PB ratio of 5.74 times, which was seriously higher than the industry average and was, therefore, excluded from the Valuation;

Morgan Stanley Huaxin Securities, the case company is relatively small, and the equity transfer price premium is high, with a PB ratio of 2.69 times, which is seriously higher than the industry average and was, therefore, excluded from the Valuation.

As a result of the above analysis, Minsheng Securities itself and a total of five securities industry transaction cases with the same transaction conditions and similar business models with the enterprise were finally selected as comparable transaction cases. The details are as follows:

Table 1. List of Comparable Transaction Cases

No.	Company short name	First disclosure date	Transaction equity ratio	Transaction price	Transaction progress	Information source	Valuation Benchmark Date	Transaction method
1	Minsheng Securities	2023/3/15	30.30%	910,542.67	Completed	Announcement of listed company	2022/6/30	Judicial auction
2	JZ Securities	2022/4/25	72.50%	488,650.00	Completed	Announcement of listed company	2021/9/30	Transfer by agreement
3	New Times Securities	2021/10/08	98.24%	1,313,500.00	Completed	Announcement of listed company	2020/12/31	Transfer through bidding
4	Huarong Securities	2021/9/29	71.99%	1,093,298.05	Completed	Announcement of listed company	2021/9/30	Transfer through bidding
5	Shanghai Securities	2020/1/14	51.00%	1,046,802.00	Completed	Announcement of listed company	2019/8/31	Capital increase by agreement

(II) Details of comparable cases

1. *Minsheng Securities Co., Ltd. (referred to as “Minsheng Securities”)*

Table 2. Basic Information Table of Minsheng Securities

Name	Minsheng Securities Co., Ltd.
Type	Other joint stock limited company (non-listed)
Address	No. 8 Puming Road, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區浦明路8號)
Legal representative	Gu Wei (顧偉)
Registered capital	RMB11,383,836,763
Date of establishment	9 January 1997
Duration of operation	9 January 1997 to long term
Uniform social credit code	00000000202404020004

Business scope	Licensed items: 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, sales of securities investment funds on a commission basis, sales of financial products on a commission basis, and operating insurance business as a sideline agent (except for items requiring approval according to the law, operations shall be commenced independently with the business licences in accordance with the law)
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According to the notice of auction ((2022) Lu 01 Zhi No. 515) dated 30 January 2023 and the notice of assistance in enforcement ((2022) Lu 01 Zhi No. 515-3) dated 1 February 2023 of Jinan Intermediate People's Court of Shandong Province (山東省濟南市中級人民法院), the Jinan Intermediate People's Court publicly auctioned off 347,100 equity shares (equity ratio of 30.30%) of Minsheng Securities held by Oceanwide Holdings on the online judicial auction platform of JD.com. Three entities, Guolian Group, Dongwu Securities and Zheshang Securities, participated in the auction. After 162 rounds of bidding, Guolian Group concluded the deal at RMB9.105 billion. Guolian Securities became one of the substantial shareholders of Minsheng Securities after acquiring 30.3% equity interests in Minsheng Securities. On 15 December 2023, the Company received the Reply on Approving the Change of Substantial Shareholder of Minsheng Securities Co., Ltd. (Zheng Jian Xu Ke [2023] No. 2822) (《關於核准民生證券股份有限公司變更主要股東的批覆》(證監許可[2023] 2822號)) issued by the CSRC.

As of 30 June 2022, Minsheng Securities had total assets of RMB52,143,176,000 and net assets attributable to the parent company of RMB15,409,604,200. Based on the transaction consideration of RMB9.105 billion, the total market value of 100% equity interests in Minsheng Securities is RMB30,052,789,500, with a PB ratio of 1.95 times.

2. *JZ Securities Co., Ltd. (referred to as “JZ Securities”)*

Table 3: Basic Information Table of JZ Securities

Name	Huayuan Securities Co., Ltd. (renamed in September 2023)
Type	Other joint stock limited company (non-listed)
Address	No. 108, Chuangye Road, Nanchuan Industrial Park, Xining (西寧市南川工業園區創業路108號)
Legal representative	Deng Hui (鄧暉)
Registered capital	RMB4,575,755,396
Date of establishment	10 December 2002
Duration of operation	10 December 2002 to 9 December 2032
Uniform social credit code	916300007105213377
Business scope	Securities brokerage; securities investment consultation; sales of securities investment funds on a commission basis; proprietary securities trading; financial advisory in relation to securities trading and securities investment activities (operating under a securities and futures business license); securities underwriting and sponsorship, securities assets management, margin financing and securities lending, and sales of financial products on a commission basis (operating under a license); provision of intermediary introduction business for futures companies; and other businesses approved by the CSRC (for items above requiring approval according to the law, commencement of operations is subject to approval by the relevant authorities)

Formerly known as Sanjiangyuan Securities Brokerage Co., Ltd. (三江源證券經紀有限公司), JZ Securities was initiated and established by 8 shareholders in 2002.

In the Announcement on the Disposal of 72.5% of Equity Interests in JZ Securities Co., Ltd. (Revised) (《關於出售九州證券股份有限公司百分之七十二點五股權的公告(更正後)》) issued by Jiuding Group on 11 May 2022, Jiuding Group and its subsidiaries intend to assign the 2,443 million shares of JZ Securities, representing 72.5% of the total share capital of JZ Securities, for a transaction consideration of RMB4,886.5 million. In terms of counterparties, Wuhan Development intends to take up 1.685 billion shares of JZ Securities, representing 50% of the total share capital; Guanggu Jinkong intends to take up 421 million shares, representing 12.5% of the total share capital; and Sanheng Investment and Zhongtian Yucheng both intend to take up 168.5 million shares, representing 5% of the total share capital respectively.

According to the publicly disclosed financial data of JZ Securities, as of 31 December 2021, total assets amounted to RMB6,604,384,100 and net assets attributable to the parent company amounted to RMB3,798,629,200. If calculated based on the transaction consideration of RMB4.8865 billion, the total market value of 100% equity interests is RMB6.74 billion, with a PB ratio of 1.77 times.

On 14 December 2022, JZ Securities received the Reply on Approving the Change of Substantial Shareholder and Actual Controllers of JZ Securities Co., Ltd. (《關於核准九州證券股份有限公司變更主要股東、實際控制人的批覆》) issued by the CSRC, which approved Wuhan Financial Holdings (Group) Co., Ltd. (referred to as “**Wuhan Financial Holdings**”) to become the actual controller of JZ Securities.

In September 2023, with the approval of the Nanchuan Industrial Park Branch of the Qinghai Provincial Market Supervision Administration Bureau (青海省市場監督管理局南川工業園區分局), JZ Securities Co., Ltd. changed its name to Huayuan Securities Co., Ltd.

3. *New Times Securities Co., Ltd. (referred to as “New Times Securities”)*

Table 4. Basic Information Table of New Times Securities

Name	Chengtong Securities Co., Ltd. (誠通證券股份有限公司)(renamed in June 2022)
Type	Other joint stock limited company (non-listed)
Address	12/F, Building 27, North Dongsanhuan Road, Chaoyang District, Beijing (北京市朝陽區東三環北路27號樓12層)
Legal representative	Zhang Wei (張威)
Registered capital	RMB2,910,000,000
Date of establishment	26 June 2003
Duration of operation	26 June 2003 to non-fixed term
Uniform social credit code	91110108752150255N
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; sales of securities investment funds on a commission basis; securities assets management business; margin financing and securities lending business; sales of financial products on a commission basis business; operating insurance business as a sideline agent; internet information services. (The market entity shall select business items and commence operations at its own discretion according to the law; for items requiring approval in accordance with the law, commencement of operations is subject to approval by the relevant authorities and to the extent authorised by such approval; it is not allowed to engage in operations prohibited or restricted by industrial policies of the state and the municipality.)

On 16 September 2021, Beijing Equity Exchange listed 2,858,872,097 shares (98.24%) of New Times Securities Co., Ltd. at a transfer floor price of RMB13.135 billion. In October 2021, Dongxing Securities announced that China Chengtong and Dongxing Securities were jointly assigned 98.24% of the shares in New Times Securities. Later, on 14 December 2021, Dongxing Securities announced that it had decided to withdraw from the acquisition because it failed to reach an agreement with the relevant parties on the terms of the acquisition, and China Chengtong was assigned 98.24% of the equity interests in New Times Securities for a total acquisition price of RMB13.135 billion. Based on the net assets attributable to the parent company in 2020 of RMB9,541,910,900, the PB ratio is 1.40 times.

On 2 June 2022, the company name was changed from “New Times Securities Co., Ltd.” to “Chengtong Securities Co., Ltd.”

4. *Huarong Securities Co., Ltd. (referred to as “Huarong Securities”)*

Table 5. Basic Information Table of Huarong Securities

Name	Guoxin Securities Co., Ltd. (國新證券股份有限公司) (renamed in July 2022)
Type	Other joint stock limited company (non-listed)
Address	Room A2112, 1/F, Block 2, No. 4 Chegongzhuang Street, Xicheng District, Beijing (北京市西城區車公莊大街4號2幢1層A2112室)
Legal representative	Zhang Haiwen (張海文)
Registered capital	RMB5,840,702,569
Date of establishment	7 September 2007
Duration of operation	7 September 2007 to non-fixed term
Uniform social credit code	91110000710935011N

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 business; securities assets management; margin financing and securities lending; sales of financial products on a commission basis business; sales of securities investment funds. (The market entity shall select business items and commence operations at its own discretion according to the law; for items requiring approval according to the law, commencement of operations is subject to approval by the relevant authorities and to the extent authorised by such approval; it is not allowed to engage in operations prohibited or restricted by industrial policies of the state and the municipality.)
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Huarong Securities Co., Ltd. was established in September 2007. Before this transfer, Huarong Asset Management Co., Ltd. held 71.99% of the shares. In November 2011, after receiving approval from the Ministry of Finance, China Huarong Asset Management Co., Ltd. publicly listed and transferred 71.99% of the equity interests in Huarong Securities Co., Ltd.

China Huarong solicited an intended transferee, Guoxin Capital, after the closing of the disclosure period for the listing of 71.99% equity interests in Huarong Securities on the Beijing Financial Exchange. On 27 January 2022, the two parties entered into the State-owned Property Rights Transaction Contract for a consideration of RMB10,932,980,500. Based on the net assets attributable to the parent company of Huarong Securities as of 30 September 2021 of RMB10,057,602,500, the PB ratio is 1.51 times.

5. *Shanghai Securities Co., Ltd. (referred to as “Shanghai Securities”)*

Table 6. Basic Information Table of Shanghai Securities

Name	Shanghai Securities Co., Ltd.
Type	limited company (state-owned holding)
Address	7/F, No. 213 Middle Sichuan Road, Huangpu District, Shanghai (上海市黃浦區四川中路213號7樓)
Legal representative	He Wei (何偉)
Registered capital	RMB5,326,532,000
Date of establishment	27 April 2001
Duration of operation	27 April 2001 to non-fixed term
Uniform social credit code	913100007034406864
Business scope	Licensed items: securities business (securities brokerage; securities investment consultation; financial advisory in relation to securities trading and securities investment activities; underwriting of securities (excluding stocks and corporate bonds issued by listed companies); proprietary securities trading; securities assets management; margin financing and securities lending; the sales of financial products on a commission basis); sales of securities investment funds services. (For items requiring approval according to the law, commencement of operations is subject to approval by the relevant authorities, and the specific items are subject to the approval documents or licences of relevant authorities) General item: securities companies to provide an intermediary introduction to futures companies. (Except for items requiring approval according to the law, operations shall be commenced independently with the business licences in accordance with the law)

Established in May 2001, Shanghai Securities Co., Ltd. is a comprehensive securities company invested and controlled by Guotai Junan Securities Co., Ltd., Shanghai International Group Co., Ltd. and Shanghai SITICO Asset Management Co., Ltd.

On 14 January 2020, to solve the problem of competition with Shanghai Securities, Bailian Group and Shanghai Urban Investment contributed RMB2,663.266 million and RMB53.266 million, respectively, to the newly registered capital of Shanghai Securities, RMB2,716.532 million, in the form of capital increase by a non-public agreement. The price of the capital increase was RMB3.85345 per RMB1 of newly registered capital, and the total amount of the capital increase was RMB10,468.02 million. After the capital increase, Bailian Group's equity interests in Shanghai Securities is 50% for a consideration of RMB10,262.76 million. Shanghai Urban Investment's equity interests in Shanghai Securities is 1% for a consideration of RMB205.26 million.

The directional capital increase of Shanghai Securities realized the change of the Shanghai Securities' controlling interests. After the completion of the capital increase, Bailian Group, Shanghai Urban Investment and Guotai Junan held as to 50.0000%, 1.0000% and 24.9900% of the equity interests in Shanghai Securities, respectively.

IV. ADJUSTMENTS

(I) Establishment of a comparison benchmark

1. Price correction

(1) Transaction date adjustment

The natural logarithm of the arithmetic mean of the securities III (SWS) index for the 30 trading days preceding the Valuation Benchmark Date of comparable transaction cases and the valuation entity was adopted to adjust the time factor of comparable transaction cases and the valuation entity. Using the benchmark date of the valuation entity as the base, the comparable transaction case date adjustment coefficient was arrived at by dividing it by the natural logarithm of the arithmetic mean of the securities III (SWS) index for the 30 trading days preceding the benchmark date of each comparable transaction case and the valuation entity. The results of the transaction date adjustment are set out in the table below:

Table 7. Transaction Date Adjustment Process Table

No.	Company short name	Transaction date	Securities III (SWS) index	Natural logarithm	Date adjustment coefficient b
1	Minsheng Securities	2022/6/30	5,546.15	8.62	0.9920
2	JZ Securities	2021/9/30	6,999.88	8.85	0.9659
3	New Times Securities	2020/12/31	7,114.29	8.87	0.9642
4	Huarong Securities	2021/9/30	6,999.88	8.85	0.9659
5	Shanghai Securities	2019/8/31	5,766.59	8.66	0.9876
6	Minsheng Securities (Subject)	2024/3/31	5,178.02	8.55	1.0000

(2) *Adjustment of transaction method*

The transaction methods of the valuation entity and comparable transaction cases were adopted for analysis, scoring and adjustment.

Having analysed the judicial auction case of Minsheng Securities, after 162 rounds of bidding, as there are certain bidding rules in the judicial auction case, and there is a prescribed incremental range in the bidders' quoted price for the equity interests, the Valuation has referred to the average of the last round of transaction prices of the top two bidders for making adjustments to the price, with the transaction price scores being 100.11 points. For this transaction of the valuation entity and the remaining four comparable transaction cases, no special transaction situation was disclosed and no significant difference existed in the transaction method, with the transaction method scores all being 100 points. The results of the transaction method adjustments are set out in the table below:

Table 8. Transaction Method Adjustment Process Table

No.	Company short name	Transaction method	Valuation score	Adjustment coefficient
1	Minsheng Securities	Judicial auction	100.11	0.9989
2	JZ Securities	Transfer by agreement	100	1.0000
3	New Times Securities	Transfer through bidding	100	1.0000
4	Huarong Securities	Transfer through bidding	100	1.0000
5	Shanghai Securities	Capital increase by agreement	100	1.0000
6	Minsheng Securities (Subject)	Acquisition of assets by issuing Shares	100	1.0000

(3) *Price adjustment coefficient*

Based on the above adjustment procedures,

Price adjustment coefficient = transaction date adjustment coefficient ×
transaction method adjustment coefficient

Price adjustment coefficient is calculated as shown in the table below:

Table 9. Price Adjustment Process Table

No.	Company short name	Original transaction price (RMB)	Transaction date adjustment coefficient	Transaction method adjustment coefficient	Price adjustment coefficient
1	Minsheng Securities	3,005,278.95	0.9920	0.9989	0.9909
2	JZ Securities	674,000.00	0.9659	1.0000	0.9659
3	New Times Securities	1,336,990.56	0.9642	1.0000	0.9642
4	Huarong Securities	1,518,672.55	0.9659	1.0000	0.9659
5	Shanghai Securities	1,005,750.45	0.9876	1.0000	0.9876

(II) Comparability adjustment

Comparative analysis was conducted concerning the differences in comparability between the valuation entity and the comparable transaction cases in respect of various aspects such as business structure, enterprise life cycle, enterprise scale , business risks and growth, etc. Therefore, the Valuation analyzed the aforesaid indicators and adjusted the differences to make the comparable cases and the valuation entity more comparable.

1. Business structure valuation

The valuation entity and the comparable transaction cases are in the securities industry and have similar business structures. Each major business is scored separately, with a score of 100 for having qualifications in that business, 90 for lack of qualifications and 95 for having qualifications but subject to limitation.

The business structure and valuation results are shown in the table below:

Table 10. Business Structure Valuation Table

No.	Company short name	Descriptions	Valuation score	Adjustment coefficient
1	Minsheng Securities	Securities brokerage, securities underwriting and sponsorship, proprietary securities trading business, securities investment consultation, asset management, financial advisory, margin financing and securities lending, and futures business	100	1.0000
2	JZ Securities	Securities brokerage, securities underwriting and sponsorship, proprietary securities trading, securities investment consultation, asset management, financial advisory, margin financing and securities lending, and futures business	100	1.0000
3	New Times Securities	Securities brokerage, securities underwriting and sponsorship, proprietary securities trading, securities investment consultation, asset management, financial advisory and margin financing and securities lending	90	1.1111
4	Huarong Securities	Securities brokerage, securities underwriting and sponsorship, proprietary securities trading, securities investment consultation, asset management, financial advisory, margin financing and securities lending, and futures business	100	1.0000

No.	Company short name	Descriptions	Valuation score	Adjustment coefficient
5	Shanghai Securities	Securities brokerage, securities (excluding shares of listed companies and corporate bonds issued by listed companies) underwriting, proprietary securities trading, securities investment consultation, financial advisory, asset management, margin financing and securities lending, and futures business	95	1.0526
6	Minsheng Securities (Subject)	Securities brokerage, securities underwriting and sponsorship, proprietary securities trading business, securities investment consultation, asset management, financial advisory, margin financing and securities lending, and futures business	100	1.0000

2. *Enterprise life cycle valuation*

The life cycle of an enterprise is mainly divided into four stages: start-up, developing, developed and degenerating stage. Since a start-up enterprise is in the position of competing for market share, there exist material risks. A developing enterprise is in the stage of maintaining its position and market share. A developed enterprise is in a stable stage, and a degenerating enterprise is in a gradual exit stage with potential being consumed.

Each of the comparable case companies has been established for a long period of time, and has experienced a long period of development, through which those companies already possess a certain capital base, human resources and management standard, have a stronger viability and competitiveness, and can effectively carry out the co-ordination of day-to-day business processes and the effective deployment of resources, which are in line with the characteristics of developed enterprises. The valuation entity and the comparable transaction cases are both in their developed stage, therefore all their valuation scores are 100 points, and the scores and adjustment coefficients are set out below.

Table 11. Enterprise Life Cycle Valuation Table

No.	Company short name	Enterprise life cycle	Valuation score	Life cycle adjustment coefficient
1	Minsheng Securities	developed	100.00	1.000
2	JZ Securities	developed	100.00	1.000
3	New Times Securities	developed	100.00	1.000
4	Huarong Securities	developed	100.00	1.000
5	Shanghai Securities	developed	100.00	1.000
6	Minsheng Securities (Subject)	developed	100.00	1.000

3. *Enterprise scale valuation*

The valuation entity differs to a certain extent from the comparable companies in terms of total assets scale, revenue scale and branches scale, and therefore a certain scale difference correction is required.

- 1) The asset size and revenue indicators of the valuation enterprises and the comparable cases are shown in the table below.

No.	Company short name	Total assets (RMB10 thousand)	Operating income (RMB10 thousand)
1	Minsheng Securities	5,214,317.60	264,924.28
2	JZ Securities	660,438.41	71,349.99
3	New Times Securities	1,767,412.73	160,440.76
4	Huarong Securities	4,946,296.51	82,666.36
5	Shanghai Securities	3,321,900.00	152,995.50
6	Minsheng Securities (Subject)	5,834,983.80	375,659.73

Total assets and operating income were selected as indicators for the valuation of enterprise scale. The natural logarithm of the two indicators of the valuation enterprises was used as the benchmark and divided by the natural logarithm of the corresponding data of each comparable transaction case to determine its corresponding adjustment coefficient. The results of the valuation of enterprise scale are set out in the table below:

Table 12. Assets Scale Valuation Table

No.	Company short name	Total assets	Natural logarithm	Adjustment coefficient
1	Minsheng Securities	5,214,317.60	15.47	1.0073
2	JZ Securities	660,438.41	13.40	1.1626
3	New Times Securities	1,767,412.73	14.39	1.0830
4	Huarong Securities	4,946,296.51	15.41	1.0107
5	Shanghai Securities	3,321,900.00	15.02	1.0375
6	Minsheng Securities (Subject)	5,834,983.80	15.58	1.0000

Table 13. Revenue Scale Valuation Table

No.	Company short name	Operating income	Natural logarithm	Adjustment coefficient
1	Minsheng Securities	264,924.28	12.49	1.0280
2	JZ Securities	71,349.99	11.18	1.1486
3	New Times Securities	160,440.76	11.99	1.0710
4	Huarong Securities	82,666.36	11.32	1.1337
5	Shanghai Securities	152,995.50	11.94	1.0752
6	Minsheng Securities	375,659.73	12.84	1.0000
	(Subject)			

2) Branch scale

The number of branches of the valuation entity and various comparable cases are summarised as follows:

No.	Company short name	Branch offices	Number of branches	Total
1	Minsheng Securities	42	45	87
2	JZ Securities	36	6	42
3	New Times Securities	5	63	68
4	Huarong Securities	18	64	82
5	Shanghai Securities	3	76	79
6	Minsheng Securities	43	45	88
	(Subject)			

According to the analysis in the above table, we took 88 branches in the Subject Company as the benchmark and assigned a score of 100 points. Based on this, companies of similar scale are assigned a score of 100 points, those larger than the Subject Company are assigned a score of over 100 points, and those smaller than the Subject Company are assigned a score of less than 100 points. The total number of companies in the range of 79-88 is considered similar in scale to the Subject Company and is assigned a score of 100 points. The total number of companies in the range of 69-78 is considered to be slightly smaller than the Subject Company and is assigned a score of 99 points. The total number of companies in the range of 59-68 is assigned a score of 98 points. The total number of companies in the range of 49-58 are assigned a score of 97 points. The total number of companies in the range of 39-48 are assigned a score of 96 points, the others are assigned a score with the same basis.

Based on the above scores, the adjustment coefficients for the indicators are as follows:

Table 14. Branches Valuation Table

No.	Company short name	Valuation score	Scale indicator adjustment coefficients
1	Minsheng Securities	100	1.000
2	JZ Securities	96	1.042
3	New Times Securities	98	1.020
4	Huarong Securities	100	1.000
5	Shanghai Securities	100	1.000
6	Minsheng Securities (Subject)	100	1.000

The final scale indicator adjustment coefficient is obtained by multiplying the above two scale indicators.

4. Risk indicators analysis

In accordance with Administrative Measures for Risk Control Indicators of Securities Companies issued by the CSRC, securities companies are required to establish a risk control indicator system focusing on net capital to strengthen the risk supervision of securities companies. In particular, securities companies are required to comply with the following risk control indicator standards on an ongoing basis:

- A. Risk coverage ratio shall be no less than 100%;
- B. Capital leverage ratio shall be no less than 8%;
- C. Liquidity coverage ratio shall be no less than 100%;
- D. Net stable funding ratio shall be no less than 100%.

The regulatory indicators disclosed in the annual reports of the comparable case companies for corresponding years are as follows (null values are data not available from public sources):

Company short name	Net capital/net assets	Net capital/sum of provisions for various risks	Liquidity coverage ratio	Net stable funding ratio	Capital leverage ratio
Minsheng Securities	59.07	231.02	157.88	138.6	16.97
JZ Securities			418.2	134.34	
New Times Securities	74.73				
Huarong Securities	126.53	228.31			32.74
Shanghai Securities	104.80				

Due to the limited data published in the annual reports, no non-compliance with the requirements of the management measures for risk control indicators has been identified based on the regulatory indicators set out in the above table. No adjustment was made to this indicator in the Valuation.

5. Growth analysis

The changes in operating incomes and net profits of enterprises are indicators for evaluating the growth status and development capability of the enterprise. In general, the higher the growth rate, the better the competitiveness and growth of the consolidated incomes and profits of an enterprise's business, and the higher the premium of such a company's valuation.

The statistics on the operating income growth rate and net profit growth rate of comparable cases for the three-time points in respect of the corresponding year to the Valuation Benchmark Date, 2022 and 2023 are set out as below:

Table 15. Operating Income Growth Rates Table of Comparable Cases

No.	Company short name	Operating income growth rate	Operating income growth rate	Operating income growth rate in transaction year
		in 2022 (%)	in 2023 (%)	year (%)
1	Minsheng Securities	-36.32	41.80	-36.32
2	JZ Securities	2.07	-137.51	13.00
3	New Times Securities	-13.74	12.17	-17.89
4	Huarong Securities	-27.76	171.48	-30.30
5	Shanghai Securities	25.46	19.48	-68.87

Table 16. Net Profit Growth Rates Table of Comparable Cases

No.	Company short name	Net profit	Net profit	Net profit
		growth rate	growth rate	growth rate in
		in 2022	in 2023	transaction
		(%)	(%)	year
				(%)
1	Minsheng Securities	-82.76	213.32	-82.76
2	JZ Securities	2.65	-798.59	-4.39
3	New Times Securities	42.49	-3.68	-129.03
4	Huarong Securities	178.04	-3.66	102.20
5	Shanghai Securities	-61.20	18.85	329.81

The above table shows that the fluctuations of operating income and net profit of the comparable case companies in each of the years from 2021 to 2023 are relatively significant.

According to the industry characteristics of the securities companies, in recent years, the industry as a whole has been more affected by market fluctuations and policy changes, and the results of enterprises are volatile due to such impacts, with more significant changes in operating income and net profit, hence using of the growth rate of operating income and the growth rate of net profit as the growth indicators for the period lacks stability and representativeness, therefore, the market approach to the Valuation does not adjust the growth indicators.

7. Comparability adjustment coefficient

In accordance with the aforesaid adjustment procedures, only the business structure, life cycle and enterprise scale were adjusted in the Valuation. Multiply the business structure adjustment coefficient, life cycle adjustment coefficient and enterprise scale indicator adjustment coefficient together to obtain the final comparability adjustment coefficient.

Comparability adjustment coefficient = business structure adjustment coefficient x life cycle adjustment coefficient x enterprise scale adjustment coefficient.

The results of the comparability adjustment coefficient are shown in the table below:

Table 17. Comparability Adjustment Coefficient

No.	Company short name	Business structure adjustment coefficient	Life cycle adjustment coefficient	Enterprise scale adjustment coefficient	Comparability adjustment coefficient
1	Minsheng Securities	1.0000	1.000	1.0176	1.0176
2	JZ Securities	1.0000	1.000	1.2038	1.2038
3	New Times Securities	1.1111	1.000	1.0990	1.2211
4	Huarong Securities	1.0000	1.000	1.0722	1.0722
5	Shanghai Securities	1.0526	1.000	1.0564	1.1120

V. VALUATION RESULTS

By adopting the market approach, the valuation conclusions of the valuation entity as of 31 March 2024, the Valuation Benchmark Date, are as follows:

The assessment value of the entire shareholders' equity was RMB29,888,785,700, representing an appreciation of RMB13,839,817,000 or 86.23%, as compared with the net assets attributable to the parent company of RMB16,048,968,700 on a consolidated basis as at 31 March 2024, the Valuation Benchmark Date. It represents an appreciation of RMB14,595,570,100 or 95.44%, as compared with the carrying amount of net assets of RMB15,293,215,600 in the statements of the parent company.

VI. OPINIONS OF THE BOARD OF DIRECTORS

China United Assets is an independent professional valuer, an institution established upon the approval of the financial department of the PRC and provides asset valuation services in the PRC. To the best of the Directors' knowledge, information and belief, and after having made all reasonable inquiries, China United Assets and its ultimate beneficial owners are third parties independent of the Company and its associates.

The Board has reviewed the Asset Valuation Report prepared by China United Assets and discussed the valuation approaches, valuation assumptions and value ratios selected and used in the Asset Valuation Report with China United Assets. The Board considered the following factors: (a) there are several equity transaction cases on the market with similar business scope, business scale and development stage as Minsheng Securities and the specific conditions and related data which affect transaction price can be obtained through public information, which allowed China United Assets to make a reasonable analysis on the transaction price; (b) the securities companies are highly regulated in the PRC and have relatively stringent requirements on information disclosure, and it is reasonable to rely on the relevant information of the selected comparable companies obtained by China United Assets; (c) the comparable transaction cases selected by China United Assets were conducted after 1 January 2020 and the comparable companies are in the same industry as Minsheng Securities; (d) China United Assets has taken into consideration of various adjustment factors, such as business structure, life cycle, growth capacity, operation risks, etc., and (e) the Asset Valuation Report has been prepared by China United Assets in accordance with relevant laws and regulations and the Asset Valuation Report has been filed with the authorized state-owned assets supervisory and management authorities. Having considered the above, the Directors concur with the valuation approaches and value ratios adopted, the valuation assumptions used and the comparable companies selected by the valuer and are of the view that the valuation is fair and reasonable.