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## **Southwest Securities International Securities Limited**

**西證國際證券股份有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 812)**

### **DECISION OF THE LISTING COMMITTEE ON THE COMPANY'S COMPLIANCE WITH RULE 13.24 OF THE LISTING RULES**

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

Reference is made to the announcement of the Company dated 17 September 2023 (the “**LD Decision Announcement**”) in respect of, amongst other things, the decision of the Listing Division of the Stock Exchange (the “**Listing Division**”) that the Company had failed to maintain a sufficient level of operations and assets as required under Rule 13.24 of the Listing Rules (the “**LD Decision**”), and the announcement of the Company dated 22 September 2023 in relation to the request of the Company for a review by the Listing Committee of the Stock Exchange (the “**Listing Committee**”) of the LD Decision, respectively. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the LD Decision Announcement.

### **DECISION OF THE LISTING COMMITTEE**

The Board wishes to inform the Shareholders and potential investors of the Company that the review hearing of the LD Decision by the Listing Committee (the “**Review Hearing**”) was held on 7 November 2023. On 28 November 2023, the Company received a letter from the Stock Exchange notifying that the Listing Committee, having considered all submissions (both written and oral) made by the Company and the Listing Division, was of the view that the Company failed to maintain a sufficient level of operations and assets as required under Rule 13.24 of the Listing Rules to warrant the continued listing of the shares of the Company and decided to uphold the LD Decision to suspend trading in the Shares under Rule 6.01(3) of the Listing Rules (the “**LC Decision**”).

## REASONS FOR THE LC DECISION

In arriving at the LC Decision, the Listing Committee has adopted same reasonings of the Listing Division, which have been summarised in the LD Decision Announcement. On top of those, the Listing Committee also took the view that:

1. The corporate finance business of the Company (“**Corporate Finance Business**”) was not considered viable or sustainable because (a) the Company did not have a concrete plan to resume the IPO sponsor business segment until market conditions improve; (b) the debt capital market business segment had limited track record, the revenue generated from the business segment for the year ended 31 December 2022 was substantially less than projections, and the future revenue from the business segment and whether the debt capital market projects were to proceed as planned were subject to market uncertainties; and (c) the financial advisory business segment only generated minimal revenue and was not considered to be able to substantially improve the Corporate Finance Business;
2. The asset management business of the Company (the “**Asset Management Business**”) was not considered viable or sustainable because (a) there was a lack of concrete details for business resumption plan, and the successful resumption of the Asset Management Business depended largely on the materialisation and completion of the Potential Transactions; (b) the investment advisory business segment only generated minimal revenue and the projected revenue for the segment was unsubstantiated and did not appear to be credible to the Listing Committee; and (c) the plan to develop external asset manager business segment was unsubstantiated, preliminary and generic and did not appear to be credible to the Listing Committee; and
3. While the Listing Committee had noted that the Company sought to develop the Corporate Finance Business and resume the Asset Management Business with the business plans of the Potential Individual Purchaser (as defined in the 3.7 Announcements) to assert its compliance with Rule 13.24 of the Listing Rules, the Listing Committee had also highlighted that the expiry date of the Exclusivity Periods (as defined in the 3.7 Announcements) in respect of the Potential Transactions had been extended for few times and no definitive agreement had been entered into between the parties as of the date of the Review Hearing. The proposed change of the controlling shareholders of the Company from SSII to the Potential Individual Purchaser (the “**Proposed Change in Control**”) was subject to fulfillment of conditions precedent under the definitive agreement, and it was uncertain whether and when the Proposed Change in Control shall materialise. Even if the Proposed Change

in Control shall be completed, it was unclear whether the business plans in the Corporate Finance Business and the Asset Management Business would materialise as planned, or at all.

## **RIGHT OF REVIEW**

Under Rules 2B.06(2) and 2B.08(1) of the Listing Rules, the Company has the right to have the LC Decision referred to the Listing Review Committee of the Stock Exchange for review within seven business days of receipt of the LC Decision (i.e. on or before 7 December 2023). Trading in the Company's shares will be suspended on 8 December 2023 (i.e. after the expiry of seven business days from the date of the LC Decision), unless the Company applies for a review of the LC Decision in accordance with Chapter 2B of the Listing Rules. The Company is in the process of reviewing the LC Decision and is discussing the same internally and with its professional advisers. Shareholders and potential investors are reminded that the Company has yet to make a decision as to whether or not to request for a review of the LC Decision and the outcome of such review by the Listing Review Committee, if undertaken, is uncertain.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules.

**Shareholders and potential investors of the Company who have any queries about the implications of the Decision and the LC Decision are advised to seek professional advice as they may consider appropriate. Shareholders and the potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Southwest Securities International Securities Limited**  
**Zhang Hongwei**  
*Chairman*

Hong Kong, 29 November 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Zhang Hongwei (Chairman) and Mr. Huang Changsheng (Chief executive officer); and the independent non-executive directors of the Company are Mr. Meng Gaoyuan, Mr. Liang Jilin and Mr. Cao Ping.*

\* *For identification purpose only*