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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)**

### **MONTHLY ANNOUNCEMENT IN RESPECT OF THE POTENTIAL TRANSACTIONS PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE**

This announcement is made by Southwest Securities International Securities Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), 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 announcements of the Company dated 30 December 2022, 30 January 2023, 28 February 2023, 28 March 2023, 28 April 2023, 25 May 2023, 23 June 2023, 30 June 2023, 31 July 2023, 31 August 2023, 22 September 2023, 25 October 2023, 3 November 2023, 24 November 2023, 22 December 2023, 29 December 2023, 30 January 2024, 29 February 2024, 28 March 2024 and 30 April 2024 (the “**3.7 Announcements**”) relating to the potential sale and purchase of (i) the 2,713,469,233 Shares held by Southwest Securities International Investment Limited (西證國際投資有限公司) (“**SSII**”) (representing approximately 74.1% of the total issued shares of the Company and the entire shareholding held by SSII of the Company); and (ii) the perpetual securities in the aggregate principal amount of HK\$580,000,000 issued by the Company to SSII on 8 October 2019 (the “**Potential Transaction(s)**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the 3.7 Announcements.

## 6<sup>th</sup> SUPPLEMENTAL MOU IN RESPECT OF THE POTENTIAL TRANSACTIONS

Reference is made to the 3.7 Announcement dated 30 January 2024, whereby it was announced that SSII, the Potential Individual Purchaser and the Potential Purchaser had entered into the 4<sup>th</sup> Supplemental MOU, pursuant to which the parties to the 4<sup>th</sup> Supplemental MOU (the “**Parties**”) had agreed, among other things, to continue with the negotiation of the Potential Transactions on a non-exclusive basis commencing from the date of the 4<sup>th</sup> Supplemental MOU and until the Lapse Date, being 30 April 2024.

Further reference is made to the 3.7 Announcement dated 30 April 2024, whereby it was announced that having taken into account that the Potential Individual Purchaser has provided to SSII the 4<sup>th</sup> Earnest Money in the amount of HK\$0.5 million, the Parties had entered into the 5<sup>th</sup> Supplemental MOU and the Lapse Date had been extended from 30 April 2024 to 31 May 2024.

The Board wishes to update the Shareholders and potential investors of the Company that, as informed by SSII, on 31 May 2024 (after trading hours), SSII had entered into a sixth supplemental memorandum of understanding (the “**6<sup>th</sup> Supplemental MOU**”) with the Potential Individual Purchaser and the Potential Purchaser. Pursuant to the terms of the 6<sup>th</sup> Supplemental MOU:

1. The Parties agreed to further extend the Lapse Date from 31 May 2024 to 30 June 2024 (or such earlier date as SSII unilaterally determines according to the negotiation conditions). During the period from 31 May 2024 to 30 June 2024 (or such earlier date as SSII unilaterally determines according to the negotiation conditions), the Parties shall continue to negotiate on the Potential Transactions on a non-exclusive basis. SSII shall continue to have the right to discuss and negotiate with any such third parties apart from the Potential Purchaser and the Potential Individual Purchaser on the Potential Transactions.
2. The Parties acknowledged and confirmed that pursuant to the terms of the 3<sup>rd</sup> Supplemental MOU, the Original Earnest Monies in the total amount of HK\$20,000,000 remain forfeitable to SSII on the basis that SSII and the Potential Individual Purchaser have not entered into a formal sale and purchase agreement in respect of the Potential Transactions by the end date (i.e. 30 January 2024) of the Exclusivity Periods. SSII may on its discretion continue to hold off from exercising its right to forfeit the Original Earnest Monies until (i) 30 June 2024, being the extended Lapse Date; or (ii) the date on which an exclusivity agreement or a formal sale and purchase agreement has been entered into between SSII and any such third parties apart from the Potential Purchaser and the Potential Individual Purchaser on the Potential Transactions, whichever is earlier.

3. The Parties further acknowledged and confirmed that pursuant to the terms of the 5<sup>th</sup> Supplemental MOU, the 4<sup>th</sup> Earnest Money shall remain, from the date of the 5<sup>th</sup> Supplemental MOU, in any circumstance be non-refundable in nature, and is retained by SSII to cover expenses of SSII in respect of the negotiation of the Potential Transactions.
4. Furthermore, in the event that a formal sale and purchase agreement in respect of the Potential Transactions is not entered into by (i) 30 June 2024, being the extended Lapse Date; or (ii) the date on which an exclusivity agreement or a formal sale and purchase agreement has been entered into between SSII and any such third parties apart from the Potential Purchaser and the Potential Individual Purchaser on the Potential Transactions, whichever is earlier, (1) the Original Earnest Monies in the total amount of HK\$20 million shall become immediately forfeitable; and (2) the 4<sup>th</sup> Earnest Money shall continue to be retained by SSII.
5. The Parties confirmed that in the event a formal sale and purchase agreement in respect of the Potential Transactions shall be entered into between SSII and the Potential Individual Purchaser by the extended Lapse Date, SSII is entitled to accept the Earnest Monies as part of the consideration to be paid by the Potential Individual Purchaser to SSII in respect of the sale and purchase transaction.
6. The Parties noted and confirmed that regardless of whether a formal sale and purchase agreement in respect of the Potential Transactions is to be entered into (whether before or after the extended Lapse Date), SSII shall continue to be entitled to forfeit the Earnest Monies. Unless otherwise to the contrary, any subsequent written agreement(s) to be entered into between SSII and the Potential Individual Purchaser shall not affect SSII's right and entitlement pursuant to the 6<sup>th</sup> Supplemental MOU.
7. The Parties acknowledged and confirmed that regardless of (i) the continual negotiation on a non-exclusive basis by the Parties in respect of the Potential Transactions or (ii) whether a formal sale and purchase agreement shall be entered into between SSII and any such third parties apart from the Potential Purchaser and the Potential Individual Purchaser on the Potential Transactions, the rights of SSII to forfeit the Original Earnest Monies or if applicable, the Earnest Monies shall in no circumstance be affected.

## **MONTHLY UPDATE**

In compliance with Rule 3.7 of the Takeovers Code, monthly update announcement(s) will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

**WARNING: THERE IS NO ASSURANCE THAT THE POSSIBLE TRANSACTIONS WILL MATERIALISE OR EVENTUALLY BE CONSUMMATED AND THE RELEVANT DISCUSSIONS MAY OR MAY NOT LEAD TO A GENERAL OFFER UNDER RULE 26.1 OF THE TAKEOVERS CODE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR STOCK BROKERS, BANK MANAGERS, SOLICITORS OR OTHER PROFESSIONAL ADVISERS.**

## **CONTINUED SUSPENSION OF TRADING**

Trading in the Company's shares on the Stock Exchange, which was suspended with effect from 9:00 a.m. on 4 March 2024, remains suspended and will continue to be so until the Company fulfils the resumption guidance issued by the Stock Exchange to the Company (and any supplement or modification thereto).

The Company will publish further announcement(s) to inform the Shareholders of its progress in complying with the resumption guidance as and when appropriate, as well as quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Southwest Securities International Securities Limited**  
**Huang Changsheng**  
*Executive Director and Chief Executive Officer*

Hong Kong, 31 May 2024

*As at the date of this announcement, the executive director of the Company is 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*\* For identification purpose only*