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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)

QUARTERLY UPDATE ON STATUS OF RESUMPTION

This announcement is made by Southwest Securities International Securities Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09, Rule 13.24A 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 Company’s announcements (i) dated 17 September 2023, 22 September 2023, 29 November 2023, 6 December 2023, 4 March 2024, 19 March 2024 and 28 March 2024; (ii) the announcements (the “**Quarterly Update Announcements**”) dated 3 June 2024, 27 June 2024, 3 September 2024, 3 December 2024 and 3 March 2025 in relation to the quarterly update on the Company’s resumption status; and (iii) the joint announcement made by the Company and Ocean Wisdom Investments Limited (as the Offeror) dated 21 June 2024 in relation to, among others, the signing of the Sale and Purchase Agreement between Mr. Wong Man Hin Max (the “**Purchaser**”) and Southwest Securities International Investment Limited (西證國際投資有限公司) (“**SSII**”), pursuant to which the Purchaser conditionally agreed to acquire 2,713,469,233 Shares (representing approximately 74.1% of the total issued shares of the Company) from SSII (the “**Possible Offer**”) and the announcement made by the Offeror dated 3 February 2025 in relation to the lapse of the Sale and Purchase Agreement and cessation of the Possible Offer (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

UPDATE ON BUSINESS OPERATIONS OF THE GROUP

The Group’s principal businesses including brokerage and margin financing, corporate finance, asset management and proprietary trading. Despite the management’s efforts to improve the Company’s business situation, there has been no significant progress in improving the Company’s principal businesses since the publication of the last Quarterly

Update Announcement on 3 March 2025. Therefore, after cautiously evaluation and consideration by the Board, in order to optimize resource allocation and enhance the competitiveness of the core businesses, two wholly-owned subsidiaries of the Company submitted exit plans for their intended cessation of businesses to the Securities and Futures Commission (“SFC”) on 26 May 2025. This adjustment is based on the principle of medium to long term strategic focus, and aims to concentrate resources to develop Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 9 (Asset management) regulated activities businesses. As the relevant two subsidiaries have not secured any new business and have nil or minimal operation for a period of time, their exit plans will not have any immediate or significant impact on the current operations of the Group.

Brokerage and margin financing

The Group’s brokerage and margin financing business includes agency trading of securities, margin financing and related services.

The Group has suspended the direct operation of brokerage business since 20 May 2022 and had remodeled its business by securing multiple sources of referral by entering into client referral agreements with securities brokers in Hong Kong.

Asset management

The Group’s asset management business mainly provides services, including investment management, investment advisory and external asset management services.

The Group currently focus the resources in procuring new business engagements and opportunities for investment advisory and investment management services.

Corporate finance and futures business

The Group’s corporate finance business includes financial advisory services, underwriting and placement services to corporate clients. In order to enhance cost efficiency, the Group has suspended the direct operation of futures and options business since December 2021.

On 26 May 2025, the Company’s wholly-owned subsidiaries, Southwest Securities (HK) Capital Limited (“SSCL”) and Southwest Securities (HK) Futures Limited (“SSFL”) have submitted their respective exit plans for carrying out Type 6 (Advising on corporate finance) and Type 2 (Dealing in futures contracts) regulated activities to SFC.

As at the date of this announcement, the exit plans are still under SFC’s review.

Proprietary trading

In order to strengthen risk control management, the Group has suspended proprietary trading and will resume trading in due course based on market conditions and business development plan.

RESUMPTION PLAN AND PROGRESS

As disclosed in the Resumption Guidance Announcement, the Company should (i) inform the market of all material information for the Shareholders and investors of the Company to appraise the Company's position; and (ii) demonstrate its compliance with Rule 13.24 of the Listing Rules.

As at the date of this announcement, the Company has announced all material information it considers necessary and appropriate for the Shareholders and investors of the Company to appraise the Company's position. Further announcement(s) will be published to inform the Shareholders and investors of the Company of any significant developments as and when appropriate in compliance with the requirements of the Listing Rules.

The Company will now concentrate its efforts and resources on further developing and strengthening its Type 1 (Dealing in securities), Type 4 (Advising on securities) and Type 9 (Asset management) regulated activities businesses. The Board believes that this focused approach will enable the Group to better leverage its existing strengths and operational capabilities in this area.

The Company believes that with its ongoing efforts and support from its existing and potential clients and partners, it will be able to effectively implement its resumption plan and demonstrate the viability and sustainability of its business operations. The Company is of the view that with the successful implementation of the resumption plan, the Company's business operation and financial performance will record a significant improvement thereby enabling the Company to comply with the Rule 13.24 of the Listing Rules and fulfil the Resumption Guidance.

Shareholders and potential investors of the Company should note that the above resumption plan may subject to possible adjustments due to external or unpredictable factors beyond the Company's control, such as change in macroeconomic market conditions, geopolitical situations, government policies and regulatory requirements, outbreak of pandemic or occurrence of natural disaster, etc.

CONTINUED SUSPENSION OF TRADING

Trading in the 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 (and any supplement or modification thereto).

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, 30 May 2025

As at the date of this announcement, the executive directors of the Company are Mr. Huang Changsheng (Chief Executive Officer) and Ms. Deng Xiaoting; and the independent non-executive directors of the Company are Mr. Meng Gaoyuan, Mr. Liang Jilin and Mr. Cao Ping.

** For identification purposes only*