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# LUCION

**Shandong International Trust Co., Ltd.**

**山東省國際信託股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1697)**

## **INDICATIVE ANNOUNCEMENT ON THE ENTERING INTO THE FRAMEWORK AGREEMENT**

Reference is made to the announcement (the “**Announcement**”) of Shandong International Trust Co., Ltd. (the “**Company**”) dated 26 April 2024 in relation to the Cooperation Intention Agreement entered into between the Company and Guolian Securities Co., Ltd. (“**Guolian Securities**”), pursuant to which, Guolian Securities proposes to acquire 132,715,017 shares (the “**Target Assets**”) of Minsheng Securities Co., Ltd. (the “**Target Company**”) held by the Company, representing 1.17% of the total share capital of the Target Company as at the date of the Announcement, by issuing A shares (the “**Transaction**”).

The Board of Directors (the “**Board**”) of the Company announces that, the Company has entered into the Framework Agreement on the Acquisition of Assets by Issuance of Shares (the “**Framework Agreement**”) with Guolian Securities in relation to the Transaction on 14 May 2024. Principal terms of the Framework Agreement are set out as follows:

### **Parties to the Framework Agreement**

Transferee: Guolian Securities

Transferor: The Company

## **Transfer Consideration and Method of Payment of the Target Assets**

Guolian Securities has agreed to purchase the Target Assets from the Company owned by it in consideration of the issuance of A shares. The Company has also agreed to transfer the Target Assets owned by it to Guolian Securities and has agreed to accept the shares to be issued by Guolian Securities to the Company as consideration. The consideration for the transfer of the Target Assets will be determined after negotiation between the parties on the basis of the valuation results of the valuation report issued by the asset valuation institution and filed with the competent state assets supervisory authority.

## **Proposal for the Transaction**

### ***Class and nominal value of shares to be issued***

The class of shares to be issued by Guolian Securities in connection with the Transaction are domestically listed RMB-denominated ordinary shares (A shares) with a nominal value of RMB1.00 each (the “**Issuance**”).

### ***Issue price and basis of pricing***

- (1) The pricing benchmark date of the Issuance is 14 May 2024. The issue price is determined to be RMB11.31 per share based on the average trading price of Guolian Securities’ A shares for the 120 trading days prior to the pricing benchmark date.
- (2) During the period from the pricing benchmark date of the Issuance to the Issuance completion date, in case of any ex-right or ex-dividend events including distribution of dividends, issuance of bonus shares, rights issue and conversion of capital reserve into share capital, etc. by Guolian Securities, the issue price will be adjusted in accordance with the following formulas and calculation results shall be rounded up to the nearest hundredth:

Assuming  $P_0$  as the price of new shares before adjustment,  $N$  as the number of bonus shares or shares to be issued upon capitalisation issue per share,  $K$  as the number of new shares to be allotted per share,  $A$  as the price of the rights issue,  $D$  as the dividend per share and  $P_1$  as the price of new shares after adjustment (the adjustment value is reserved up to two digits after the decimal point), the formulas for adjustment of issue price are as follows:

Dividends distribution:  $P_1 = P_0 - D$

Bonus shares or capitalisation issue:  $P_1 = \frac{P_0}{(1 + N)}$

Rights issue:  $P_1 = \frac{P_0 + A \times K}{(1 + K)}$

Combination of the three items:  $P_1 = \frac{P_0 - D + A \times K}{(1 + K + N)}$

### ***Number of shares to be issue***

The number of shares to be issued will be determined in accordance with the formula set out below:

*The number of shares to be issued in relation to the acquisition of assets by Issuance of shares = transaction consideration to be paid to the Company by way of share issuance/issue price of shares to be issued in relation to the acquisition of assets by Issuance of shares*

The number of shares to be issued to the Company shall be an integer and rounded down to the nearest integer. The number of shares to be issued calculated in accordance with the above formula shall be rounded down to the nearest share, and the part less than one share shall be included in the capital reserve of Guolian Securities.

The number of shares to be issued will ultimately be based on the number registered with the China Securities Regulatory Commission (the “CSRC”). During the period from the pricing benchmark date to the Issuance date, in case of any ex-dividend or ex-right activities including distribution of dividends, issuance of bonus shares, capitalisation of share capital or rights issue, etc. by Guolian Securities, the issue price of shares to be issued in relation to the acquisition of assets by Issuance of shares shall be adjusted according to the relevant provisions of the CSRC and Shanghai Stock Exchange (“SSE”), and the number of shares to be issued will be adjusted accordingly.

### ***Arrangements for accumulated undistributed profits***

Upon completion of the Transaction, the new and existing shareholders will share the accumulated undistributed profits of Guolian Securities in proportion to their shareholdings.

### **Ownership of Profit or Loss for the Period**

All profits or losses of the Target Assets arising from or incurred during the period commencing from the valuation benchmark date (i.e. the benchmark date on which the value of the entire shareholders' equity of the Target Company was valued for the purpose of carrying out the Transaction) (excluding the date of valuation benchmark date) to the closing date of the Transaction shall belong to or be borne by Guolian Securities.

### **Entry into Force, Amendment, Supplement and Termination of the Framework Agreement**

The Framework Agreement shall become effective on the date on which all of the following conditions precedent have been fulfilled or satisfied:

- (1) The Transaction has been approved by the board of directors, the general meeting, the class A shareholders' meeting and the class H shareholders' meeting of Guolian Securities;
- (2) The Transaction has been approved by the authorised decision-making body of the Company (if applicable);
- (3) The valuation results of the Target Assets have been filed with the competent state assets supervisory authority;
- (4) The Transaction has been approved by the competent state assets supervisory authority;
- (5) The further reduction in the public float of the H shares of Guolian Securities in connection with the Transaction is subject to authorisation by The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**");
- (6) The announcement and circular of Guolian Securities in connection with the Transaction are subject to the approval of the Hong Kong Stock Exchange;

- (7) The Transaction has been reviewed and approved by the SSE;
- (8) The Transaction has been registered with the consent of the CSRC;
- (9) The qualifications of shareholders of securities, futures and funds and changes in shareholders have been approved by the relevant authorities of the CSRC;
- (10) The concentration of undertaking involved in the acquisition of assets by Issuance of shares has been reviewed and approved by the Anti-monopoly Bureau (if applicable); and
- (11) Other approvals or authorisations that may be involved as required by relevant laws and regulations.

The above conditions precedent shall not be waived by any party to the Framework Agreement. As at the date of this announcement, the aforesaid conditions precedent have not been fully fulfilled.

In respect of the specific consideration for the transfer of the Target Assets, the specific number of shares to be issued by Guolian Securities to the Company and other matters which are not covered in the Framework Agreement and those matters which need to be supplemented as a result of changes in circumstances, both parties have agreed to sign a separate agreement to confirm the same in accordance with the provisions of the Framework Agreement and the principle of *bona fide* performance.

If the Framework Agreement cannot come into effect and be properly performed due to the any of the conditions for its entry into force under the Agreement has not been fulfilled or satisfied, the Framework Agreement shall be terminated and neither party to the Framework Agreement shall hold the other party liable.

## **Delivery of Target Assets**

Both parties agree and acknowledge that the rights and risks of the Target Assets are transferred from the closing date of the Transaction. Guolian Securities shall become a shareholder of the Target Company from the closing date and shall enjoy the entire shareholder's rights in respect of such shareholdings, and the risks of the Target Assets shall be borne by Guolian Securities from the closing date.

Within 20 business days after the fulfillment of all the conditions for the commencement of the Framework Agreement, the Company shall cooperate with Guolian Securities in signing all documents such as the Target Assets Transfer Agreement and the resolution of the general meeting required for the transfer of the Target Assets to Guolian Securities in accordance with the organisational documents of the Target Company and the relevant laws, regulations and normative documents, and shall procure the delivery of the equity warrants from the Target Company to Guolian Securities and record Guolian Securities in the register of shareholders of the Target Company; the Company shall cooperate with the reviewing of changes in shareholdings/reviewing of shareholders' qualifications of securities companies and provide relevant basic information, information on shareholding structure, explanations, undertakings and other documents (if required) in accordance with the relevant laws, regulations and normative documents.

If the Transaction is implemented, it will constitute a notifiable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Company will make further announcement and obtain shareholders' approval (if applicable) in compliance with the relevant requirements of the Listing Rules.

As at the date of this announcement, the consideration for the Transaction, including the value of the Target Assets and the number of A shares of Guolian Securities to be issued, has not been determined.

There are uncertainties in relation to the Transaction. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. The Company will make further announcement in compliance with the requirements of the Listing Rules.

By order of the Board  
**Shandong International Trust Co., Ltd.**  
**Yue Zengguang**  
*Chairperson*

Jinan, the People's Republic of China  
14 May 2024

*As at the date of this announcement, the Board comprises Mr. Yue Zengguang and Mr. Fang Hao as executive directors; Mr. Wang Zengye, Mr. Zhao Zikun and Ms. Wang Bailing as non-executive directors; Ms. Zhang Haiyan, Mr. Zheng Wei and Ms. Liu Wanwen as independent non-executive directors.*