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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)

INSIDE INFORMATION FINANCING AGREEMENT ENTERED INTO BETWEEN THE INDEPENDENT LENDER AND THE COMPANY

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 announcement of the Company and Ocean Wisdom Investments Limited (the “**Offeror**”) dated 21 June 2024 (the “**Joint Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the Joint Announcement.

EXECUTION OF THE FINANCING AGREEMENT

As disclosed in the Joint Announcement, it is a Condition under the Sale and Purchase Agreement that Mr. Wong shall procure the Independent Lender to enter into the Financing Agreement with the Company within seven business days after the execution of the Sale and Purchase Agreement to provide, in accordance with the terms of the Financing Agreement, the Independent Financing to the Company within five (5) business days upon fulfillment of each of the Conditions (i), (ii), (iv), (v), (vi) and (vii), and the Company having received the Independent Financing.

The Company is pleased to announce that on even date of this announcement, the Financing Agreement has been entered into between the Company (as the borrower) and the Independent Lender (as the lender). The principal terms of the Financing Agreement are the same as disclosed in the Joint Announcement.

TAKEOVERS CODE IMPLICATION OF THE REPAYMENT OF SSII LOAN

According to the terms of the Financing Agreement, the Independent Financing to be drawn down pursuant to the Financing Agreement is designated solely for the purpose of the Repayment of SSII Loan, and SSII is the sole recipient of the Independent Financing.

As the Repayment of SSII Loan is not extended to all the other Shareholders, such transaction shall constitute a “special deal” under Rule 25 of the Takeovers Code and will be conditional upon obtaining the consent of the Executive under Note 5 to Rule 25 of the Takeovers Code. The Executive will normally consent to the special deal provided that: (i) the Independent Financial Adviser publicly states in its opinion that the special deal is arm’s length transaction on normal commercial terms and that its terms are fair and reasonable; and (ii) the special deal is approved at the SGM by way of poll by the Independent Shareholders.

The Special Deal Circular containing, amongst others, further details of the Repayment of SSII Loan and the Financing Agreement, including the principal terms of the Financing Agreement, arrangements concerning the Independent Financing and the Repayment of SSII Loan and any other information prescribed by the Takeovers Code and/or the Listing Rules, shall be despatched to the Shareholders (including the Independent Shareholders) in due course. An application will be made to the Executive for its consent to the special deal pursuant to Note 5 to Rule 25 of the Takeovers Code.

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 note that the entering into of the Financing Agreement represents only partial fulfillment of Condition (iii) under the Sale and Purchase Agreement. 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, 2 July 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*