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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 PROCEEDINGS IN RESPECT OF A DEFAULTED LOAN**

The board of directors of Southwest Securities International Securities Limited (the “Company”, together with its subsidiaries, the “Group”) announces that on 8 July 2019, Southwest Securities (HK) Brokerage Limited (“Southwest HK Brokerage”), a wholly-owned subsidiary of the Company, commenced proceedings at the High Court of the Hong Kong Special Administrative Region against Nieumarkt Investments Ltd (“Nieumarkt”), Mr. Ng Kwok Wing Michael (“Mr. Ng”) and Mr. Lee Yuk Lun (“Mr. Lee”) with respect to the recovery of a margin loan (the “Loan”) advanced by Southwest HK Brokerage as lender to Nieumarkt as borrower which Loan was due on 16 April 2019. As at the date of this announcement, the outstanding principal amount of the Loan is approximately HK\$158.4 million. Mr. Ng and Mr. Lee are the guarantors to guarantee, among other things, the payment obligations of Nieumarkt. The Loan is also secured by a charge (the “Share Charge”) over 991,689,459 shares (i.e. approximately 64.66% of the issued shares) in Celebrate International Holdings Limited (a company listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), stock code: 8212) (“Celebrate”) granted by Nieumarkt in favour of Southwest HK Brokerage. The Company notes that (i) Celebrate has announced on 4 July 2019 that a receiver has been appointed to all of the property and assets of Celebrate on 3 July 2019, and (ii) Celebrate has announced on 28 June 2019 that the Stock Exchange has decided to suspend trading in the shares of Celebrate and commence delisting procedures.

The Group continues to explore different ways to maximise its recovery of the Loan. The Company will continuously assess the recoverability of the Loan and whether any (and to what extent) impairment loss or provision will be made in respect of the Loan in the financial statements of the Company. Shareholders of the Company should read the interim results announcement of the Company for the six months ended 30 June 2019 which is expected to be published in August 2019. **Shareholders of and potential investors in the Company should exercise caution when dealing in shares of the Company.**

By order of the Board  
**Southwest Securities International Securities Limited**  
**Wu Jian\***  
*Chairman*

Hong Kong, 8 July 2019

*As at the date of this announcement, the executive directors of the Company are Mr. Wu Jian\* (Chairman), Mr. Pu Rui\* (Chief Executive Officer), Ms. Wang Huiyun\* and Mr. Xiong Xiaoqiang\*; and the independent non-executive directors of the Company are Professor Wu Jun\*, Mr. Meng Gaoyuan\* and Dr. Guan Wenwei.*

*\* For identification purpose only*