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**Ocean Wisdom Investments Limited**  
**智海投資有限公司**

*(Incorporated in Hong Kong with limited liability)*

**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)**

## **JOINT ANNOUNCEMENT**

- (1) SALE AND PURCHASE AGREEMENT RELATING TO THE SALE AND PURCHASE OF THE SALE SHARES AND THE PERPETUAL SECURITIES;**  
**(2) SPECIAL DEAL IN RELATION TO THE REPAYMENT OF SSII LOAN;**  
**(3) ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;**  
**AND**  
**(4) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY GOLDLINK FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES IN SOUTHWEST SECURITIES INTERNATIONAL SECURITIES LIMITED**  
**(OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

**Financial adviser to the Offeror**

**Nuada Limited**

**Offer agent to the Offeror**



**Independent Financial Adviser to the Independent Board Committee**



### **THE SALE AND PURCHASE AGREEMENT**

On 21 June 2024 (after trading hours), the Company was informed by Mr. Wong and SSII that the Sale and Purchase Agreement has been entered into between Mr. Wong as the purchaser and SSII as the Vendor, pursuant to which Mr. Wong has conditionally agreed to purchase, and SSII has conditionally agreed to sell, the Sale Shares and the Perpetual Securities, in accordance with the terms thereof.

## **ASSIGNMENT OF THE PERPETUAL SECURITIES**

Pursuant to the terms of the Sale and Purchase Agreement, Mr. Wong, SSII and the Company shall enter into the Perpetual Securities Deed of Assignment on the Completion Date, pursuant to which SSII shall transfer the legal and beneficial ownership of the Perpetual Securities to Mr. Wong. Upon the execution of the Perpetual Securities Deed of Assignment, Mr. Wong shall be entitled to, and SSII shall cease to be entitled to, all rights, ownership and interest in respect of the Perpetual Securities.

## **SPECIAL DEAL IN RELATION TO THE REPAYMENT OF SSII LOAN**

On 31 January 2024, the Company had announced that SSII, being the immediate controlling Shareholder and the wholly-owned subsidiary of SWSC, had entered into the SSII Term Loan Agreement with the Company. Pursuant to the SSII Term Loan Agreement, the Company may drawdown no more than HK\$120,000,000 or equivalent from SSII on 1 February 2024, being the drawdown date for the purpose of repayment of debts arising from the USD Bonds.

On 28 March 2024, SSII and the Company had further entered into the SSII Revolving Facility Agreement, pursuant to which, the Company shall be entitled to drawdown a maximum of HK\$25,000,000 or equivalent from the SSII Revolving Facility, with the purpose solely designated for the general working capital of the Group.

As of the date of this joint announcement, the Company had made drawdown from the SSII Term Loan Agreement and the SSII Revolving Facility Agreement in the total amount of HK\$123,208,706.86 or equivalent.

Based on the terms of the Sale and Purchase Agreement, the Completion is conditional upon fulfillment of, among other Conditions, Mr. Wong having procured the Independent Lender to enter into the Financing Agreement with the Company to provide the Independent Financing (and the Company having received the Independent Financing), in the total amount of HK\$70,000,000.

The Independent Financing, once provided to the Company pursuant to the Financing Agreement, will be designated solely for the purpose of the Repayment of SSII Loan. It is expected that the proceeds from the Independent Financing will be utilised for the Repayment of SSII Loan before the Completion. As of the date of this joint announcement, the Company is in the process of discussing and negotiating with the Independent Lender on the principal terms of the Financing Agreement. No formal agreement in relation to the Independent Financing had been entered into between the Company and the Independent Lender.

Pursuant to the Sale and Purchase Agreement, on the condition that each of the Conditions have been fulfilled (or waived as appropriate), SSII (as the lender) shall enter into a deed of amendment with the Company (as the borrower) and Mr. Wong (as the guarantor) in respect of the SSII Loan, pursuant to which SSII shall unequivocally discharge, prior to the Completion Date, the obligation of the Company to repay the SSII Dischargeable Balance, to the effect that, among others, the Company shall only be required to settle the SSII Loan Balance with SSII, and Mr. Wong (as the guarantor) shall guarantee to SSII of the properly and timely performance of the responsibilities and obligations of the Company pursuant to the SSII Term Loan Agreement, the SSII Revolving Facility Agreement, such other loan agreements that may be entered into between SSII and the Company, and the deed of amendment.

Within six months after the Completion, the Company shall settle the SSII Loan Balance with SSII (whereby Mr. Wong has undertaken to procure the Company to repay the SSII Loan Balance within six months after the Completion Date (in any event no later than 30 June 2025)). The SSII Loan Balance shall be a balance to be repaid by the Company to SSII after deducting the SSII Loan with (a) the Independent Financing and (b) the SSII Dischargeable Balance.

In the event that the Financing Agreement shall be entered into between the Company and the Independent Lender, it is expected that the purpose of the Independent Financing will be designated solely for the purpose of the Repayment of SSII Loan, and SSII shall be the sole recipient of the Independent Financing. Furthermore, the SSII Loan Balance, which shall be settled by the Company within six months after the Completion, shall be repayable only to SSII. 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. Such consent, if granted, will be subject to (i) the Independent Financial Adviser publicly stating in its opinion that the terms of the Special Deal are fair and reasonable; and (ii) the approval of the Special Deal by the Independent Shareholders at the SGM.

## **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As of the date of this joint announcement and prior to the Completion, Mr. Wong and parties acting in concert with him did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following the Completion, Mr. Wong and parties acting in concert with him will own 2,713,469,233 Shares, representing approximately 74.1% of the total issued share capital of the Company as of the date of this joint announcement. Mr. Wong will therefore, subject to and upon the Completion, be required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares not already owned or agreed to be acquired by Mr. Wong and parties acting in concert with him. The Offer will be made by the Offeror, the sole director and sole shareholder of which is Mr. Wong, to the Offer Shareholders.

As of the date of this joint announcement, the Company has 3,661,830,613 Shares in issue and the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code). Subject to the Completion, Goldlink will make the Offer on behalf of the Offeror on the following basis:

**Offer Price for each Offer Share . . . . .HK\$0.0331 in cash**

Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK\$0.0331 per Offer Share, the total issued share capital of the Company is valued at HK\$121,206,593.29. As the Offeror and parties acting in concert with it will hold in aggregate 2,713,469,233 Shares immediately after the Completion, 948,361,380 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.0331 per Offer Share, the consideration of the Offer would be HK\$31,390,761.68. Principal terms of the Offer are set out in the section headed “V. Possible Mandatory Unconditional Cash Offer” in this joint announcement.

Mr. Wong and the Offeror intend to satisfy the Remaining Consideration and the consideration payable under the Offer by the Facility. Nuada, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to Mr. Wong and the Offeror to satisfy the Remaining Consideration under the Sale and Purchase Agreement and the amount of funds required for full acceptance of the Offer. The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising three (3) independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Meng Gaoyuan, Mr. Liang Jilin and Mr. Cao Ping, has been established in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to advise and give recommendations to the Offer Shareholders and the Independent Shareholders (i) as to whether the terms of the Offer are fair and reasonable and as to its acceptance; and (ii) as to whether the terms of the Repayment of SSII Loan are fair and reasonable and as to the voting action at the SGM, respectively.

Opus Capital Limited, a corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, has also been appointed by the Board and approved by the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in relation to (i) whether the terms of the Offer are fair and reasonable and as to its acceptance; and (ii) whether the terms of the Repayment of SSII Loan are fair and reasonable and as to the voting action at the SGM pursuant to Rule 2.1 of the Takeovers Code. A letter of advice from the Independent Financial Adviser and a letter of recommendation from the Independent Board Committee in relation to whether the terms of the Repayment of SSII Loan are fair and reasonable and as to the voting action at the SGM will be included in the Special Deal Circular to be despatched by the Company to the Shareholders in due course. A separate letter of advice from Independent Financial Adviser and a separate letter of recommendation from the Independent Board Committee in relation to the Offer will, subject to the Completion, be included in the Composite Document to be despatched jointly by the Company and the Offeror to the Shareholders in accordance with the requirements of the Takeovers Code.

## **DESPATCH OF THE SPECIAL DEAL CIRCULAR AND THE COMPOSITE DOCUMENT**

In the event that the Financing Agreement shall materialise, the Special Deal Circular containing, among other things, (i) the principal terms of the Financing Agreement; (ii) further details of the Repayment of SSII Loan; (iii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Repayment of SSII Loan; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Repayment of SSII Loan; and (v) a notice convening the SGM will be despatched to the Shareholders on or before 25 July 2024.

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document to be posted. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee in respect of the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to.

The making of the Offer is conditional upon Completion (which in turn is conditional upon satisfaction or waiver (as may be applicable) of the Conditions), including but not limited to the obtaining of the formal approval from the SFC on Mr. Wong becoming a substantial shareholder of the Company, its subsidiaries and members of the Group which are holder(s) of licence(s) to carry out regulated activities under the SFO, the written consent or approval from, among others, Chongqing SASAC, CSRC and Chongqing CSRC, as well as the passing by the Independent Shareholders at the SGM of the necessary resolution to approve the Repayment of SSII Loan and the transactions contemplated thereunder. Having considered the above, it is expected that the Completion and the Offer will not take place within 21 days after the date of this joint announcement. As such, an application will be made to the Executive pursuant to Note 2 to Rule 8.2 of the Takeovers Code for its consent to extend the date of posting of the composite offer and response document to the Shareholders within 7 days after Completion. Further announcement(s) regarding the despatch of the Composite Document will be made by the Company and the Offeror as and when appropriate.

## **WARNING**

**This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders and potential investors of the Company of the possibility that the Offer may be made.**

**The Offer will only be made if the Completion takes place. The Completion is conditional upon the satisfaction or waiver (as may be applicable) of the Conditions. Accordingly, the Offer may or may not proceed. Furthermore, if the Financing Agreement is not entered into, the Sale and Purchase Agreement will terminate or lapse and the Repayment of SSII Loan shall cease to be a “special deal” under Rule 25 of the Takeovers Code, and shall no longer require consent of the Executive or approval of the Independent Shareholders. Furthermore, as it is a Condition for 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 the Independent Financing and the Company having received the Independent Financing, the Sale and Purchase Agreement shall lapse and the Offer will not proceed if such Condition is not met, and the First Tranche Consideration will be retained by SSII and the Second Tranche Consideration will be forfeited by SSII. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**The Directors make no recommendation as to the fairness or reasonableness of the Offer, the Special Deal or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Offer Shareholders and the Independent Shareholders (1) not to form a view on the Offer unless and until they have received and read the Composite Document; and (2) not to form a view on the Special Deal unless and until they have received and read the Special Deal Circular, including the recommendations of the Independent Board Committee and the letters of advice from the Independent Financial Adviser in respect of the Offer and the Special Deal, respectively.**

#### **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 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.



## I. BACKGROUND

References are made to the 3.7 Announcements. As disclosed in the 3.7 Announcement dated 30 December 2022, SSII, the immediate controlling shareholder of the Company, had entered into the MOU with Keptain Securities in relation to the Potential Transactions. The Initial Earnest Money of HK\$5,000,000 had been paid by Keptain Securities to SSII upon signing of the MOU. The parties had agreed to negotiate on the terms of the Potential Transactions during the Exclusivity Periods commencing from 30 December 2022.

As further disclosed in the 3.7 Announcement dated 28 March 2023, the Potential Transactions had continued to be conducted through Mr. Wong. Mr. Wong was one of the ultimate beneficial owners of Keptain Securities until 28 February 2024.

On 30 June 2023, SSII had entered into the Supplemental MOU I with Keptain Securities and Mr. Wong in respect of the Potential Transactions. Pursuant to the Supplemental MOU I, the parties had agreed to, among other things, amend the MOU to the effect that: (1) all the rights and obligations of Keptain Securities under the MOU shall be transferred to Mr. Wong (other than the rights and obligations relating to the Initial Earnest Money); and (2) the end date of the Exclusivity Periods shall be further extended from 30 June 2023 to 30 September 2023.

On 22 September 2023 and 29 December 2023, SSII had respectively entered into the Supplemental MOU II and the Supplemental MOU III with Mr. Wong and Keptain Securities, pursuant to which, the parties had agreed, among other things, that (1) the end date of the Exclusivity Periods has been extended further to 30 January 2024; and (2) Mr. Wong had paid the Additional Earnest Money in the aggregate amount of HK\$15,000,000 to SSII.

On 30 January 2024, SSII, Mr. Wong and Keptain Securities had entered into the Supplemental MOU IV, pursuant to which, the parties had agreed, among other things, to continue negotiate on the Potential Transactions on a non-exclusive basis until 30 April 2024 (or such earlier date as SSII unilaterally determines according to the negotiation conditions) (the “**Lapse Date**”). It was further acknowledged that in the event a formal sale and purchase agreement in respect of the Potential Transactions shall be entered into between SSII and Mr. Wong by the Lapse Date, Mr. Wong shall, upon agreement of SSII, be entitled to convert the Initial Earnest Money and Additional Earnest Money in the total amount of HK\$20,000,000 into part of the consideration in respect of the transaction in accordance with the terms of the formal sale and purchase agreement.

On 30 April 2024, SSII, Mr. Wong and Keptain Securities had entered into the Supplemental MOU V, pursuant to which, (1) the parties had agreed, among other things, to extend the Lapse Date from 30 April 2024 to 31 May 2024 (or such earlier



date as SSII unilaterally determines according to the negotiation conditions); and (2) Mr. Wong had paid the Extra Earnest Money in the amount of HK\$0.5 million to SSII. It was further acknowledged that in the event a formal sale and purchase agreement in respect of the Potential Transactions shall be entered into between SSII and Mr. Wong by the Lapse Date, Mr. Wong shall, upon agreement of SSII, be entitled to convert the Earnest Money in the total amount of HK\$20,500,000 into part of the consideration in respect of the transaction in accordance with the terms of the formal sale and purchase agreement.

On 31 May 2024, SSII, Mr. Wong and Keptain Securities had entered into the Supplemental MOU VI, pursuant to which, the parties had agreed, among other things, to 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). It was further acknowledged that in the event a formal sale and purchase agreement in respect of the Potential Transactions shall be entered into between SSII and Mr. Wong by the Lapse Date, Mr. Wong shall, upon agreement of SSII, be entitled to convert the Earnest Money in the total amount of HK\$20,500,000 into part of the consideration in respect of the transaction in accordance with the terms of the formal sale and purchase agreement.

On 21 June 2024 (after trading hours), the Company was informed by Mr. Wong and SSII that Mr. Wong as the purchaser and SSII as the vendor entered into the Sale and Purchase Agreement, pursuant to which, Mr. Wong shall conditionally agree to purchase, and SSII shall conditionally agree to sell, the Sale Shares and the Perpetual Securities, in accordance with the terms thereof.

## **II. THE SALE AND PURCHASE AGREEMENT**

The Board was informed by Mr. Wong and SSII that on 21 June 2024 (after trading hours), Mr. Wong and SSII entered into the Sale and Purchase Agreement in respect of the conditional sale and purchase of (i) the Sale Shares; and (ii) the Perpetual Securities. The principal terms of the Sale and Purchase Agreement are summarised as follows:

**Date** : 21 June 2024

**Parties** : (i) Mr. Wong as the purchaser; and  
(ii) SSII as the Vendor.

For the background and further details of Mr. Wong, please refer to the section headed “VII. Information of the Offeror” in this joint announcement.

**Subject matter** : Mr. Wong has conditionally agreed to purchase and SSII has conditionally agreed to sell:

- (i) 2,713,469,233 Shares (i.e. the Sale Shares), representing approximately 74.1% of the entire issued share capital of the Company as of the date of this joint announcement; and
- (ii) The Perpetual Securities in the aggregate principal amount of HK\$580,000,000.

**Consideration and the basis thereof** : The Consideration for the acquisition of the Sale Shares is HK\$89,662,744 and the Perpetual Securities is HK\$1, which in aggregate amounted to HK\$89,662,745, of which:

- (i) The Earnest Money in the total amount of HK\$20,500,000 that has been received by SSII prior to the date of the Sale and Purchase Agreement shall be treated as the non-refundable First Tranche Consideration;
- (ii) Mr. Wong shall, on or before the date of the Sale and Purchase Agreement, transfer HK\$6,500,000 as the Second Tranche Consideration to the settlement account as designated by SSII; and
- (iii) Mr. Wong shall, on the business day immediately before the Completion Date, transfer the Remaining Consideration of HK\$62,662,745 to the settlement account as designated by SSII.

According to the information provided by SSII and Mr. Wong, the basis of the Consideration has been arrived at after arm's length negotiations between Mr. Wong and SSII with reference to (i) the prevailing market price of the Shares traded on the Stock Exchange; (ii) the financial performance and indebtedness position of the Group; and (iii) the negligible valuation of the Perpetual Securities, as it is being subordinated to all other present and future senior and unsubordinated creditors of the Company and hence is estimated to be of minimal value.

As at the date of this joint announcement, the Second Tranche Consideration has been paid and it was funded by the personal wealth of Mr. Wong.

**Conditions precedent**

: Completion shall be conditional upon the fulfilment of (or waiver of, as appropriate) the following Conditions:

- (i) The SFC granting approval to Mr. Wong in becoming a substantial shareholder of the Company and its Licensed Corporations, as a result of the acquisition of the Sale Shares;
- (ii) The SFC (and if applicable, the Stock Exchange) having no further comment on the announcement in relation to the transactions contemplated under the Sale and Purchase Agreement pursuant to Rule 3.5 of the Takeovers Code (including the Offer Price);
- (iii) Mr. Wong having procured 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;
- (iv) The consent of the Executive in relation to the Repayment of SSII Loan as a “special deal” under Rule 25 of the Takeovers Code having been obtained;
- (v) The Independent Financial Adviser having issued the opinion that the Special Deal is of normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and the passing of the necessary ordinary resolution by the Independent Shareholders at a special general meeting, namely with more than 50% of the votes cast by all Independent Shareholders who had attended the SGM in person or by proxy, to approve the Repayment of SSII Loan;

- (vi) Mr. Wong, SSII and the Group having obtained all the necessary approvals, consents (and/or if necessary, waivers) from the relevant governmental or regulatory authorities (including but not limited to Chongqing SASAC, Chongqing CSRC and CSRC) and/or the relevant written consent of other third parties (including the banks) in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (vii) If necessary, SWSC having convened a general meeting and obtained the approval from its shareholders in respect of the transactions contemplated under the Sale and Purchase Agreement;
- (viii) The representations and warranties of Mr. Wong in the Sale and Purchase Agreement are true, accurate and not misleading in all material respects; and
- (ix) The representations and warranties of SSII in the Sale and Purchase Agreement are true, accurate and not misleading in all material respects.

Within the scope he/it deems appropriate and under the circumstances as permitted by laws, Condition (viii) may be waived by SSII and Condition (ix) may be waived by Mr. Wong, either in whole or in part by notice in writing to the other party. Save for the above, all other Conditions cannot be waived by either Mr. Wong or SSII.

As of the date of this joint announcement, save for Condition (ii) which has been fulfilled, the other Conditions remain unfulfilled.

The parties further confirmed to each other that (1) any notices, directions, questions or decisions that may be given from the Stock Exchange (including its Listing Division, the Listing Committee and/or the Listing Review Committee) to the Company in relation to its compliance with Rule 13.24 of the Listing Rules and/or trading suspension as a result of non-compliance with Rule 13.24 of the Listing Rules, shall not cause any Conditions to be considered not fulfilled; and (2) any rights to lapse the Sale and Purchase Agreement in reliance of the aforesaid causes shall be irrevocably waived.

For further details relating to the Repayment of SSII Loan, please refer to the section headed “IV. Special Deal in relation to the Repayment of SSII Loan” of this joint announcement.

**Long Stop Date** : Mr. Wong and SSII have undertaken to each other that they shall respectively use their best endeavours to procure that the Conditions shall be satisfied as soon as reasonably practicable, and in any event no later than the Long Stop Date, being 31 December 2024 or such later date as may be mutually agreed in writing by Mr. Wong and SSII, and shall respectively notify each other of fulfillment of the relevant Conditions as soon as practicable.

If the Conditions are not fulfilled or waived by the Long Stop Date, the Sale and Purchase Agreement shall terminate immediately.

**Forfeiture of the Second Tranche Consideration and undertakings from Mr. Wong and SSII** : In the event that:

*Relevant events relating to Condition (iii), (iv) and (v)*

(a) the Independent Lender and the Company are unable to enter into the Financing Agreement within seven business days after the date of the Sale and Purchase Agreement;

(b) Conditions (iv) and (v) are not fulfilled due to Mr. Wong and/or the Independent Lender being unable to provide any such information or documents as requested by the Executive or the Stock Exchange; and/or

- (c) Mr. Wong is unable to procure the Independent Lender to provide the Independent Financing to the Company within five business days after the fulfillment of Conditions (i), (ii), (iv), (v), (vi) and (vii);

*Relevant events relating to Condition (i)*

- (d) Mr. Wong is unable to obtain approval from the SFC in respect of becoming a substantial shareholder of the Licensed Corporations on or before the Long Stop Date; or
- (e) the SFC does not approve Mr. Wong of becoming a substantial shareholder of the Licensed Corporations;

*Relevant events relating to Condition (viii)*

- (f) the representations and warranties from Mr. Wong that (1) he has sufficient financial resources to acquire the Sale Shares, the Perpetual Securities and complete the Offer by the Offeror or (2) he is a fit and proper person in becoming a substantial shareholder of the Licensed Corporations, not being true, accurate and not misleading in all material respects,

SSII shall have the right to unilaterally terminate the Sale and Purchase Agreement and forfeit the Second Tranche Consideration.

Nevertheless, if:

- (a) the Financing Agreement having been entered into but Condition (iii) is not completely fulfilled due to Conditions (iv), (v), (vi) and (vii) not having been fulfilled whilst Mr. Wong and the Independent Lender having provided any such information or documents as requested by the Executive or the Stock Exchange, or

(b) the Financing Agreement has not been entered into within seven business days after the execution of the Sale and Purchase Agreement whilst Mr. Wong having already procured the Independent Lender to enter into the Financing Agreement and the Financing Agreement is reasonably in the overall commercial and other interest of the Company (including but not limited to the term and the interest rate being acceptable to the Company),

then the Sale and Purchase Agreement shall lapse and SSII shall remain obligated to refund the Second Tranche Consideration to Mr. Wong upon termination of the Sale and Purchase Agreement.

Mr. Wong undertakes to use all reasonable efforts to (1) procure the Independent Lender and the Company to enter into the Financing Agreement; (2) procure the performance by the Independent Lender of its duties in accordance with the terms of the Financing Agreement; (3) ensure that the Independent Lender and Mr. Wong and the Offeror are not parties acting in concert; and (4) procure the Independent Lender to comply with the terms of the Financing Agreement in any material respect.

To facilitate Mr. Wong's fulfillment of Condition (iii), SSII undertakes to actively cooperate with Mr. Wong and procure the Company and the Independent Lender to enter into the Financing Agreement.

**Completion** : Subject to the Conditions being fulfilled (or waived, as may be applicable), Completion shall take place on the Completion Date.

If all the Conditions had been fulfilled but the Completion has failed to proceed due to any other reasons of either Mr. Wong or SSII, the party responsible for such failure shall compensate the other party. If SSII is responsible for such failure, SSII must immediately refund the Second Tranche Consideration to Mr. Wong. However, if Mr. Wong is responsible for such failure, SSII shall forfeit the Second Tranche Consideration and Mr. Wong shall pay to SSII HK\$10,000,000 as compensation.



- Specific pre-completion undertaking by SSII** : On the condition that each of the Conditions have been fulfilled (or waived as appropriate), SSII shall enter into a deed of amendment in respect of the SSII Loan, pursuant to which SSII shall unequivocally discharge, prior to the Completion Date, the obligation of the Company to repay part of the principal sum and the corresponding interest under the SSII Term Loan Agreement and the SSII Revolving Facility Agreement, being the SSII Dischargeable Balance.
- Specific post-completion undertaking by Mr. Wong** : Subject to (a) the consent of the Executive in relation to the Repayment of SSII Loan as a “special deal” under Rule 25 of the Takeovers Code having been obtained; (b) the passing of the necessary ordinary resolution by the Independent Shareholders at a special general meeting, namely with more than 50% of the votes cast by Independent Shareholders who had attended the SGM in person or by proxy, to approve the Repayment of SSII Loan; and (c) SSII having discharged the repayment obligation of the Company in respect of the SSII Dischargeable Balance, Mr. Wong undertakes to procure the Company to repay the SSII Loan Balance within six months after the Completion Date (in any event no later than 30 June 2025).
- Termination** : Notwithstanding any other provisions in the Sale and Purchase Agreement, if at any time before the Completion Date:
- (i) any of the representations and warranties made by Mr. Wong or SSII have come to the knowledge of the other party to the Sale and Purchase Agreement to be incorrect in any material respect, or
  - (ii) SSII fails to perform or observe the obligations and responsibilities on its part as required under the Sale and Purchase Agreement on or before the Completion Date,

and such breach is not rectified or waived by either party (as applicable to (i)) or Mr. Wong (as applicable to (i) and (ii)) within ten business days after SSII or Mr. Wong (as applicable) sends a written notice to the other party, the party who is not at fault may by written notice terminate the Sale and Purchase Agreement.

Unless otherwise specified to the contrary, including but not limited to failure of Mr. Wong to fulfill Conditions (i), (iii), (iv) and (v) as stated above, if Mr. Wong terminates the Sale and Purchase Agreement pursuant to either (i) or (ii), SSII shall have the obligation to refund the Second Tranche Consideration to Mr. Wong.

If the Sale and Purchase Agreement terminates, it shall cease to have effect forthwith (save and except for certain clauses as specified in the Sale and Purchase Agreement which shall continue to have full force and effect), and no party to the Sale and Purchase Agreement shall have any rights and obligations thereunder save for any accrued rights and obligations of the parties prior to the termination.

### **III. THE PERPETUAL SECURITIES DEED OF ASSIGNMENT**

Pursuant to the terms of the Sale and Purchase Agreement, Mr. Wong, SSII and the Company shall enter into the Perpetual Securities Deed of Assignment on the Completion Date, pursuant to which SSII shall transfer the legal and beneficial ownership of the Perpetual Securities to Mr. Wong in accordance with the terms of the Sale and Purchase Agreement. Upon the execution of the Perpetual Securities Deed of Assignment, Mr. Wong shall be entitled to, and SSII shall cease to be entitled to, all rights, ownership and interest in respect of the Perpetual Securities.

### **IV. SPECIAL DEAL IN RELATION TO THE REPAYMENT OF SSII LOAN**

#### **Background**

Reference is made to the announcement of the Company dated 31 January 2024. On 31 January 2024, the Company had announced that SSII, being the immediate controlling Shareholder and the wholly-owned subsidiary of SWSC, had entered into the SSII Term Loan Agreement with the Company. Pursuant to the SSII Term Loan Agreement, the Company may drawdown no more than HK\$120,000,000 or equivalent from SSII on 1 February 2024, being the drawdown date for the purpose of repayment of debts arising from the USD Bonds. For further details of the SSII Term Loan Agreement, please refer to the announcement of the Company dated 31 January 2024.

Further reference is made to the announcement of the Company dated 28 March 2024. On 28 March 2024, SSII and the Company had entered into the SSII Revolving Facility Agreement, pursuant to which, the Company shall be entitled to drawdown a maximum of HK\$25,000,000 or equivalent from the SSII Revolving Facility, with the purpose solely designated for the general working capital of the Group. For further details of the SSII Revolving Facility Agreement, please refer to the announcement of the Company dated 28 March 2024.

As of the date of this joint announcement, the Company had made drawdown from the SSII Term Loan Agreement and the SSII Revolving Facility Agreement in the total amount of HK\$123,208,706.86 or equivalent.

### **Special deal in relation to the Repayment of SSII Loan**

As set out in “II. The Sale and Purchase Agreement” of this joint announcement, the Completion shall be conditional upon fulfillment of, among other Conditions, Mr. Wong having procured the Independent Lender to enter into the Financing Agreement with the Company to provide the Independent Financing (and the Company having received the Independent Financing), in the total amount of HK\$70,000,000.

The Independent Financing, once provided to the Company, will be designated solely for the purpose of the Repayment of SSII Loan. It is expected that the proceeds from the Independent Financing will be utilised for the Repayment of SSII Loan before the Completion.

The principal terms of the latest draft Financing Agreement, which has yet to be finalised and is subject to further discussion and negotiation between the Company and the Independent Lender, are as follows:

<b>Parties</b>	:	The Company (as the borrower) The Independent Lender (as the lender)
<b>Facility amount</b>	:	HK\$70,000,000
<b>Interest rate</b>	:	15% per annum
<b>Purpose</b>	:	For the repayment of the SSII Loan

**Conditions precedent**

: The grant of the Independent Financing under the Financing Agreement is conditional upon the fulfillment of the following conditions precedent (the “**Advance Condition(s)**”):

- (i) The SFC granting approval to Mr. Wong in becoming a substantial shareholder of the Company and its Licensed Corporations, as a result of the acquisition of the Sale Shares;
- (ii) The SFC (and if applicable, the Stock Exchange) having no further comment on the announcement in respect of the transactions contemplated under the Sale and Purchase Agreement pursuant to Rule 3.5 of the Takeovers Code (including the Offer Price);
- (iii) The consent of the Executive in relation to the Repayment of SSII Loan as a “Special Deal” under Rule 25 of the Takeovers Code having been obtained;
- (iv) The Independent Financial Adviser having issued the opinion that the Special Deal is of normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and the passing of the necessary ordinary resolution by the Independent Shareholders at a special general meeting, namely with more than 50% of the votes cast by all Independent Shareholders who had attended the SGM in person or by proxy, to approve the Repayment of SSII Loan;
- (v) Mr. Wong, SSII and the Group having obtained all the necessary approvals, consents (and/or if necessary, waivers) from the relevant governmental or regulatory authorities (including but not limited to Chongqing SASAC, Chongqing CSRC and CSRC) and/or the relevant written consent of other third parties (including the banks) in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder; and
- (vi) If necessary, SWSC having convened a general meeting and obtained the approval from its shareholders in respect of the transactions contemplated under the Sale and Purchase Agreement.

Under the Financing Agreement, the Company and the Independent Lender have further acknowledged and agreed that there are no other conditions precedent (implied or otherwise) to the obligation of the Independent Lender to make the Independent Financing on the Drawdown Date other than the Advance Conditions.

Notwithstanding any other provision of the Financing Agreement, during the availability period, the Independent Lender shall not, and shall not be entitled to:

- (i) invoke any condition which is not set out in the Financing Agreement as a ground for refusing to make the Independent Financing other than the Advance Conditions;
- (ii) cancel all or any part of the Independent Financing;
- (iii) rescind, terminate or cancel the Financing Agreement or the Independent Financing or exercise any similar right or remedy or make or enforce any claim under the Financing Agreement or otherwise that it may have;
- (iv) refuse to fund, or prevent or limit or delay, the making of the Independent Financing if the Advance Conditions are satisfied;
- (v) exercise any right of set-off or counterclaim in respect of any disbursement under the Independent Financing;  
or
- (vi) cancel, accelerate or cause repayment or prepayment of any amounts owing under the Financing Agreement.

**Security** : None

**Availability period** : From the date of the Financing Agreement to the date on which the Sale and Purchase Agreement is lapsed or terminated (and if such date is not a bank business day, the first bank business day immediately after the date on which the Sale and Purchase Agreement is lapsed or terminated).

**Drawdown** : The Company may submit a drawdown notice to the Independent Lender within five (5) business days commencing from the date on which all the Advance Conditions are satisfied (or, if applicable, waived) to make a one-time drawdown of the fund available under the Independent Financing.

**Repayment and prepayment** : The Company shall repay the entire principal amount and the corresponding interest to the Independent Lender on or before the Final Repayment Date.

Upon prior consent of the Independent Lender, the Company may from time to time prepay all or any portion of the Independent Financing, including interest accrued up to the date of prepayment on the amount prepaid and any other amount then payable under the Financing Agreement.

As of the date of this joint announcement, the Company is in the process of discussing and negotiating with the Independent Lender on the principal terms of the Financing Agreement. No formal agreement in relation to the Independent Financing had been entered into between the Company and the Independent Lender.

**Background of the Independent Lender and the relationship between the Independent Lender and Mr. Wong**

Ms. Huang Hou (黄后), the Independent Lender, was introduced by Mr. Wong to the Company in order to fulfill Condition (iii) of the Sale and Purchase Agreement. Ms. Huang is a professional investor based in the PRC and is experienced in investing in securities.

Based on publicly available information, Ms. Huang is the controlling shareholder and an ultimate beneficial owner of Yield Go Holdings Limited (HKEX Stock Code: 01796), the shares of which are listed on the Main Board of the Stock Exchange. In addition, Ms. Huang is a substantial shareholder of China Health Technology Group Holdings Company Limited (HKEX Stock Code: 01069), the shares of which are listed on the Main Board of the Stock Exchange.

The Independent Lender is a third party independent of, and not connected with, the Company and its connected persons. Furthermore, the Independent Lender is independent of, and is not a party acting in concert with, Mr. Wong and the Offeror.

Pursuant to the Sale and Purchase Agreement, on the condition that each of the Conditions have been fulfilled (or waived as appropriate), SSII (as the lender) shall enter into a deed of amendment with the Company (as the borrower) and Mr. Wong (as

the guarantor) in respect of the SSII Loan, pursuant to which SSII shall unequivocally discharge, prior to the Completion Date, the obligation of the Company to repay the SSII Dischargeable Balance, to the effect that, among others, the Company shall only be required to settle the SSII Loan Balance with SSII, and Mr. Wong (as the guarantor) shall guarantee to SSII of the properly and timely performance of the responsibilities and obligations of the Company pursuant to the SSII Term Loan Agreement, the SSII Revolving Facility Agreement, such other loan agreements that may be entered into between SSII and the Company, and the deed of amendment.

Within six months after the Completion, the Company shall settle the SSII Loan Balance with SSII (whereby Mr. Wong has undertaken to procure the Company to repay the SSII Loan Balance within six months after the Completion Date (in any event no later than 30 June 2025)). The SSII Loan Balance shall be a balance to be repaid by the Company to SSII after deducting the SSII Loan with (a) the Independent Financing and (b) the SSII Dischargeable Balance. The Company intends to settle the SSII Loan Balance with internal resources.

### **Takeovers Code implication of the Repayment of SSII Loan**

In the event that the Financing Agreement shall be entered into between the Company and the Independent Lender, it is expected that the purpose of the Independent Financing will be designated solely for the purpose of the Repayment of SSII Loan, and SSII shall be the sole recipient of the Independent Financing. Furthermore, the SSII Loan Balance, which shall be settled by the Company within six months after the Completion, shall be repayable only to SSII. 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 its principal terms, the 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, is expected to 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.



**If the Financing Agreement is not entered into, the Sale and Purchase Agreement will terminate or lapse and the Repayment of SSII Loan shall cease to be a “special deal” under Rule 25 of the Takeovers Code, and shall no longer require consent of the Executive or approval of the Independent Shareholders. Furthermore, as it is a Condition for 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 the Independent Financing and the Company having received the Independent Financing, the Sale and Purchase Agreement shall lapse and the Offer will not proceed if such Condition is not met, and the First Tranche Consideration will be retained by SSII and the Second Tranche Consideration will be forfeited by SSII. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

#### **V. POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As of the date of this joint announcement and prior to the Completion, Mr. Wong and parties acting in concert with him did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following the Completion, Mr. Wong and parties acting in concert with him will own 2,713,469,233 Shares, representing approximately 74.1% of the total issued share capital of the Company as of the date of this joint announcement. Mr. Wong will therefore, subject to and upon the Completion, be required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares not already owned or agreed to be acquired by Mr. Wong and parties acting in concert with him. The Offer will be made by the Offeror, the sole director and sole shareholder of which is Mr. Wong, to the Offer Shareholders.

As of the date of this joint announcement, the Company has 3,661,830,613 Shares in issue and the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code). Subject to the Completion, Goldlink will make the Offer on behalf of the Offeror on the following basis:

**Offer Price for each Offer Share ..... HK\$0.0331 in cash**

The Offer Price of HK\$0.0331 per Offer Share is equal to the Consideration divided by the number of Sale Shares.

The Offer will be unconditional in all respects when it is made.

Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK\$0.0331 per Offer Share, the total issued share capital of the Company is valued at HK\$121,206,593.29. As the Offeror and parties acting in concert with it will hold in aggregate 2,713,469,233 Shares immediately after Completion, 948,361,380 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.0331 per Offer Share, the consideration of the Offer would be HK\$31,390,761.68. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrance and together with all rights and benefits attaching thereto as of the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

The Company confirms that as of the date of this joint announcement, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing of the Offer. If, after the date of this joint announcement, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Offer Price by an amount equal to the gross amount of such dividend or other distribution.

Mr. Wong and the Offeror intend to satisfy the Remaining Consideration and the consideration payable under the Offer respectively by the Facility. The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

### **Offer Price**

The Offer Price of HK\$0.0331 per Offer Share represents:

- (i) a premium of approximately 10.33% over the closing price of HK\$0.03 per Share as quoted on the Stock Exchange on 1 March 2024, being the Last Trading Day;
- (ii) a premium of approximately 41.45% over the average closing price of approximately HK\$0.0234 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 45.81% over the average closing price of approximately HK\$0.0227 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to and including the Last Trading Day;

- (iv) a premium of approximately 48.43% over the average closing price of approximately HK\$0.0223 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately HK\$0.0432 over the audited net liabilities per Share of approximately HK\$0.0101 as of 31 December 2023, (based on a total of 3,661,830,613 Shares in issue as of the date of this joint announcement and the unaudited consolidated net liabilities attributable to the owners of the Company of approximately HK\$37,077,000 as of 31 December 2023).

### **Highest and lowest Share prices**

During the period commencing six months preceding the commencement of the Offer Period and up to the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.03 per Share on 1 March 2024, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.011 per Share on 22 September 2023.

### **Confirmation of financial resources**

As at the date of this joint announcement, the Second Tranche Consideration of HK\$6,500,000 has been paid. The Remaining Consideration is HK\$62,662,745. The maximum amount of cash payable by the Offeror in respect of the consideration payable upon full acceptance of the Offer is HK\$31,390,761.68, assuming there is no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer. Mr. Wong satisfied the Second Tranche Consideration with his own personal wealth, and Mr. Wong and the Offeror intend to satisfy the Remaining Consideration and the consideration payable under the Offer by the Facility.

Pursuant to the loan agreement dated 9 January 2024 (as amended and supplemented by the supplemental agreements dated 4 March 2024 and 26 April 2024) entered into by Ultra Accord Limited as lender and Mr. Wong as borrower, Ultra Accord Limited agreed to grant a loan in the maximum amount of HK\$102,000,000, which is available from 29 January 2024 until the date falling on the seventh (7th) business day (as defined in the Takeovers Code) after the close of the Offer (or such later date as may be agreed between Mr. Wong and Ultra Accord Limited). The loan is secured by the Sale Shares, the Perpetual Securities and the Shares to be acquired by the Offeror under the Offer.

Ultra Accord Limited is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of laws of Hong Kong) and is wholly and beneficially owned by Ms. Chu Chui Ling, who is a Hong Kong citizen and an investor with investments mainly in

listed securities and properties in Hong Kong and with experience in the money lending sector in Hong Kong. Ultra Accord Limited and Ms. Chu Chui Ling are parties acting in concert with Mr. Wong and the Offeror under class (9) of the definition of acting in concert under the Takeovers Code.

Save as aforesaid, the Offeror confirms that the Offeror and Mr. Wong have no other relationship with Ultra Accord Limited and Ms. Chu Chui Ling. Ultra Accord Limited and Ms. Chu Chui Ling were not Shareholders as at the date of this joint announcement.

Nuada, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to Mr. Wong and the Offeror to satisfy the Remaining Consideration under the Sale and Purchase Agreement and the amount of funds required for full acceptance of the Offer.

### **The making of the Offer is subject to Completion**

The Offer will only be made if Completion takes place.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. A further announcement will be made by the Offeror and the Company when Completion takes place. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

### **Effect of accepting the Offer**

The Offer, if made, will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

By accepting the Offer, the Offer Shareholders will be deemed to warrant that all the Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances and together with all rights and benefits attaching thereto as of the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible within seven (7) business days (as defined in the Takeovers Code) of the date of receipt of a duly completed acceptance. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

## **Hong Kong stamp duty**

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

## **Overseas Shareholders**

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Shareholders in respect of such jurisdictions).

If the receipt of the Composite Document by the Overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, may not be despatched to such Overseas Shareholders and this will not affect the Overseas Shareholders' right to accept the Offer. In those circumstances, the Offeror will apply for any waivers as may be required pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. As of the date of this joint announcement, there are no Overseas Shareholders.

Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

### **Taxation advice**

The Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, SSII, the Company, Nuada, Goldlink, Opus Capital Limited and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **VI. DEALING AND INTERESTS IN THE COMPANY'S SECURITIES**

The Offeror confirms that as of the date of this joint announcement:

- (a) neither the Offeror nor any party acting in concert with it owned or had control or direction over any voting rights or rights over the Shares or options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company;
- (b) save for the entering into of the Sale and Purchase Agreement, neither the Offeror nor any party acting in concert with it had dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the period commencing six months preceding the commencement of the Offer Period and up to the date of this joint announcement;
- (c) save for the Sale and Purchase Agreement and the Share charges under the Facility, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares and which might be material to the Offer;
- (d) save for the Sale and Purchase Agreement and the Conditions, there is no agreement or arrangement to which the Offeror or any party acting in concert with it, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (e) neither the Offeror nor any party acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (f) neither the Offeror nor any party acting in concert with it has received any irrevocable commitment to accept or reject the Offer or to vote for or against the Special Deal;
- (g) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror or any party acting in concert with it;
- (h) save for the Consideration paid or payable to the Vendor under the Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or any party acting in concert with it to SSII or any party acting in concert with it in connection with the sale and purchase of the Sale Shares and the Perpetual Securities under the Sale and Purchase Agreement;
- (i) save for the Business Cost Sharing Agreement and the Repayment of SSII Loan, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between SSII or any party acting in concert with it on one hand, and the Offeror or any party acting in concert with it on the other hand; and
- (j) save for the Repayment of SSII Loan, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or any party acting in concert with it on one hand; and any Shareholder on the other hand.

The Company confirms that, as of the date of this joint announcement, save for the Repayment of SSII Loan, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Company, its subsidiaries or associated companies on one hand; and any Shareholder on the other hand.

## **VII. INFORMATION OF THE OFFEROR**

The Offeror is an investment holding company incorporated on 5 November 2021 in Hong Kong with limited liability and is wholly and beneficially owned by Mr. Wong, who is also the sole director of the Offeror. As at the date of this joint announcement, the Offeror did not hold any asset or investment.

Mr. Wong, age 36, is an entrepreneur in Hong Kong. He is currently the director, chief executive officer and managing director of Decca (China) Limited, an architectural woodworking company based in Hong Kong which manufactures custom made wooden furniture and architectural fixtures and fittings. Mr. Wong joined this company in June 2021 and is primarily responsible for overseeing the strategy and decision making of the company. Mr. Wong is 70% ultimate beneficial owner of Decca Investment



Limited, which is the holding company of Decca (China) Limited. Although Mr. Wong does not have relevant experience in the Group's business, he is an experienced entrepreneur and he is expected to leverage on his business management skills and experience to improve and develop the Group's business. Mr. Wong graduated from Indiana University Bloomington, USA with a Bachelor's degree of Science in Business in 2011.

Prior to 29 February 2024, Mr. Wong had been a 30% ultimate beneficial owner of Keptain Securities. On 29 February 2024, Mr. Wong sold his 30% interest in Keptain Securities to a person who is independent of, and is not a party acting in concert with, Mr. Wong and the Offeror. As at the date hereof, save that the Company, Mr. Wong and Keptain Securities have entered into the Business Cost Sharing Agreement, Mr. Wong and the Offeror do not have any relationship with Keptain Securities.

## **VIII. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

Upon Completion, Mr. Wong will be interested in approximately 74.1% of the total issued share capital of the Company and will become the controlling shareholder of the Company.

The intention of the Offeror is that the Company's existing principal business activities will be maintained and continued after completion of the Offer. The Offeror confirms that there is no intention to divest the existing businesses of the Company during the Offer Period and after the end of the Offer Period unless appropriate opportunities arise. Leveraging Mr. Wong's experience, industry knowledge and network, the Offeror intends to revive the current business of the Group and to explore related business opportunities in the future. The Offeror will conduct a review of the existing principal businesses, operations, financial position, investments, proposed investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group.

Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. As of the date of this joint announcement, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

The Offeror will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. The Offeror intends to nominate new director(s)

to the Board with effect from a date which is no earlier than such date as permitted under the Listing Rules and the Takeovers Code or such later date as the Offeror considers to be appropriate. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

Save for the Offeror's intention regarding the Group as set out above, (i) the Offeror has no intention to make material changes to the employment of the management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); and (ii) the Offeror has no intention to dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business.

#### **IX. MAINTAINING THE LISTING STATUS AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offeror will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on the Stock Exchange and procure that not less than 25% of the entire issued share capital in the Company be held by the public in compliance with the Listing Rules.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

Therefore, it should be noted that, upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The Directors and any new Director(s) proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame.

## X. BOARD COMPOSITION OF THE COMPANY

As of the date of this joint announcement, the Board is currently made up of four Directors, comprising one executive Director (namely Mr. Huang Changsheng (Chief Executive Officer)) and three independent non-executive Directors (namely Mr. Meng Gaoyuan, Mr. Liang Jilin and Mr. Cao Ping).

## XI. INFORMATION OF THE GROUP

The Company is incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange. The immediate holding company of the Company is SSII, a private company incorporated in Hong Kong with limited liability and wholly-owned by SWSC. SWSC is the ultimate holding company of the Company, which is incorporated in the PRC with limited liability and its shares are listed on the Shanghai Stock Exchange.

The principal activities of the Group comprise: (1) broking index, commodity and currency futures, options and securities, unit trusts, investment-linked and insurance products for its clients; and (2) provision of margin financing, underwriting and placements, corporate finance advisory services and asset management services.

### Financial information of the Group

The following table is a summary of certain audited consolidated financial information of the Group for the three financial years ended 31 December 2023 as extracted from the annual reports of the Company for the years ended 31 December 2021, 31 December 2022 and 31 December 2023:

	For the year ended 31 December		
	2021	2022	2023
	HK\$'000	HK\$'000	HK\$'000
	(Audited)	(Audited)	(Audited)
Revenue	129,633	(102,042)	31,192
Loss before tax	(58,983)	(241,234)	(15,943)
Income tax credit	—	96	—
Loss for the year	(58,983)	(241,138)	(15,943)
Loss for the year attributable to equity shareholders of the Company	(63,786)	(241,138)	(15,943)

As at 31 December 2023, the Company recorded audited net liabilities attributable to owners of the Company of approximately HK\$37,077,000.

## XII. SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as of the date of this joint announcement; and (ii) immediately after Completion and before the Offer is made:

Shareholders	As of the date of this joint announcement		Immediately after Completion and before the Offer is made	
	Number of Shares	Approximate %	Number of Shares	Approximate %
SSII (Note 1)	2,713,469,233	74.1	—	—
The Offeror and parties acting in concert with it	—	—	2,713,469,233	74.1
Public Shareholders	<u>948,361,380</u>	<u>25.9</u>	<u>948,361,380</u>	<u>25.9</u>
<b>Total</b>	<u><u>3,661,830,613</u></u>	<u><u>100</u></u>	<u><u>3,661,830,613</u></u>	<u><u>100</u></u>

Note:

1. SSII is wholly-owned by SWSC, the ultimate holding company of the Company, which is incorporated in the PRC with limited liability and its shares are listed on the Shanghai Stock Exchange. SWSC is therefore deemed, or taken to be, interested in all Shares which SSII is interested for the purpose of the SFO.

## XIII. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising three (3) independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Meng Gaoyuan, Mr. Liang Jilin and Mr. Cao Ping, has been established in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to advise and give recommendations to the Offer Shareholders and the Independent Shareholders (i) as to whether the terms of the Offer are fair and reasonable and as to its acceptance; and (ii) as to whether the terms of the Repayment of SSII Loan are fair and reasonable and as to the voting action at the SGM, respectively.

Opus Capital Limited, a corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed by the Board and approved by the Independent Board Committee as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the

Independent Board Committee in relation to (i) whether the terms of the Offer are fair and reasonable and as to its acceptance; and (ii) whether the terms of the Repayment of SSII Loan are fair and reasonable and as to the voting action at the SGM.

A letter of advice from the Independent Financial Adviser and a letter of recommendation from the Independent Board Committee in relation to whether the terms of the Repayment of SSII Loan are fair and reasonable and as to the voting action at the SGM will be included in the Special Deal Circular to be despatched by the Company to the Shareholders in due course. A separate letter of advice from Independent Financial Adviser and a separate letter of recommendation from the Independent Board Committee in relation to the Offer will, subject to the Completion, be included in the Composite Document to be despatched jointly by the Company and the Offeror to the Shareholders in accordance with the requirements of the Takeovers Code.

#### **XIV. DESPATCH OF THE SPECIAL DEAL CIRCULAR AND THE COMPOSITE DOCUMENT**

In the event that the Financing Agreement shall materialise, the Special Deal Circular containing, among other things, (i) the principal terms of the Financing Agreement; (ii) further details of the Repayment of SSII Loan; (iii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Repayment of SSII Loan; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Repayment of SSII Loan; and (v) a notice convening the SGM will be despatched to the Shareholders on or before 25 July 2024.

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document to be posted. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee in respect of the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to.

The making of the Offer is conditional upon the Completion (which in turn is conditional upon satisfaction or waiver (as may be applicable) of the Conditions), including but not limited to the obtaining of the formal approval from the SFC on Mr. Wong becoming a substantial shareholder of the Company, its subsidiaries and members of the Group which are holder(s) of licence(s) to carry out regulated activities under the SFO, the written consent or approval from, among others, Chongqing SASAC, CSRC and Chongqing CSRC as well as the passing by the Independent Shareholders at the SGM of the necessary resolution to approve the Repayment of SSII Loan and the transactions contemplated thereunder. Having considered the above, it is expected that the Completion and the Offer will not take place within 21 days after the date of this joint announcement. As such, an application will be made to the Executive pursuant to Note 2 to Rule 8.2 of the Takeovers Code for its consent to extend the date of posting of the composite offer and response document to the Shareholders within 7 days after the Completion. Further announcement(s) regarding the despatch of the Composite Document will be made by the Company and the Offeror as and when appropriate.

## **XV. THE SGM**

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Repayment of SSII Loan. The Offeror, the Vendor, and their respective associates and parties acting in concert with the Offeror or the Vendor, and any Shareholders who are involved in or interested in the Repayment of SSII Loan (otherwise than solely as Shareholders) will be required to abstain from voting on the relevant resolution at the SGM.

## **XVI. DEALING DISCLOSURE AND THE RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

For the purposes of the Takeovers Code, the Offer Period has commenced on the date of the first 3.7 Announcement (i.e. 30 December 2022).

In accordance with Rule 3.8 of the Takeovers Code, respective associates of the Company (as defined in the Takeovers Code, including among others, Shareholders having interests of 5% or more in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) and of the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.



## **XVII. WARNING**

**This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders and potential investors of the Company of the possibility that the Offer may be made.**

**The Offer will only be made if the Completion takes place. The Completion is conditional upon the satisfaction or waiver (as may be applicable) of the Conditions. Accordingly, the Offer may or may not proceed. Furthermore, if the Financing Agreement is not entered into, the Sale and Purchase Agreement will terminate or lapse and the Repayment of SSII Loan shall cease to be a “special deal” under Rule 25 of the Takeovers Code, and shall no longer require consent of the Executive or approval of the Independent Shareholders. Furthermore, as it is a Condition for 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 the Independent Financing and the Company having received the Independent Financing, the Sale and Purchase Agreement shall lapse and the Offer will not proceed if such Condition is not met, and the First Tranche Consideration will be retained by SSII and the Second Tranche Consideration will be forfeited by SSII. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**The Directors make no recommendation as to the fairness or reasonableness of the Offer, the Special Deal or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Offer Shareholders and the Independent Shareholders (1) not to form a view on the Offer unless and until they have received and read the Composite Document; and (2) not to form a view on the Special Deal unless and until they have received and read the Special Deal Circular including the recommendations of the Independent Board Committee and the letters of advice from the Independent Financial Adviser in respect of the Offer and the Special Deal, respectively.**

## **XVIII. 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 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.

## **XIX. DEFINITIONS**

In this joint announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“3.7 Announcement(s)”	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, 30 April 2024 and 31 May 2024 pursuant to Rule 3.7 of the Takeovers Code
“acting in concert”	Has the meaning ascribed to it under the Takeovers Code
“Additional Earnest Money”	The non-refundable additional earnest money in the aggregate amount of HK\$15,000,000 paid by Mr. Wong to SSII under the Supplemental MOU II and the Supplemental MOU III
“associate(s)”	Has the meaning ascribed to it under the Takeovers Code
“Board”	The board of directors of the Company
“Business Cost Sharing Agreement”	The business cost sharing agreement dated 25 October 2023 entered into among the Company, Mr. Wong and Keptain Securities in relation to the framework governing sharing of costs and expenses incurred in respect of, and earnings generated from, the business operations of Southwest Securities (HK) Capital Limited and Southwest Securities (HK) Asset Management Limited, the principal terms of which are disclosed in the announcement of the Company dated 25 October 2023

“business day”	Means a day other than (i) a Saturday or a Sunday; (ii) public holidays in the PRC or Hong Kong; or (iii) days when Tropical Cyclone Warning Signal No. 8 or above or Black Rainstorm Warning Signal is hoisted in Hong Kong at any time from 9:00 am to 5:00 pm Hong Kong time on which banks are open for general business in Hong Kong and the PRC
“Chongqing CSRC”	Chongqing Securities Regulatory Bureau of the PRC (中國證監會重慶監管局)
“Chongqing SASAC”	Chongqing State-owned Assets Supervision and Administration Commission (重慶市國有資產監督管理委員會)
“Company”	Southwest Securities International Securities Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange under the stock code 0812
“Completion”	Completion of the sale and purchase of the Sale Shares and the Perpetual Securities in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	Being the date within ten (10) business days upon which all the Conditions have been fulfilled (or, where applicable, waived by Mr. Wong or the Vendor) or such other date as the parties to the Sale and Purchase Agreement may agree in writing
“Composite Document”	The composite offer and response document (together with the relevant forms of acceptance and transfer) to be jointly issued by the Offeror and the Company in connection with the Offer in compliance with the Takeovers Code
“Condition(s)”	The conditions precedent to Completion as set out in the Sale and Purchase Agreement
“connected person(s)”	Has the meaning ascribed to it under the Listing Rules

“Consideration”	The aggregate consideration in the amount of HK\$89,662,745 for the Sale Shares and the Perpetual Securities pursuant to the Sale and Purchase Agreement
“controlling shareholder”	Has the meaning ascribed to it under the Listing Rules
“CSRC”	The China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	The director(s) of the Company
“Earnest Money”	Comprising the Initial Earnest Money, the Additional Earnest Money and the Extra Earnest Money
“Exclusivity Period(s)”	Has the meaning given to it in the 3.7 Announcements dated 30 December 2022, 30 June 2023, 22 September 2023 and 29 December 2023, the end date of which being 30 January 2024
“Executive”	The Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“Extra Earnest Money”	The non-refundable additional earnest money in the amount of HK\$0.5 million paid by Mr. Wong to SSII under the Supplemental MOU V
“Facility”	The facility granted by Ultra Accord Limited as lender to Mr. Wong as borrower in an amount of up to HK\$102.0 million for the financing of the Remaining Consideration and the Offer
“Final Repayment Date”	The date by which the Company as the borrower is obligated to pay back the full amount of the Independent Financing (including any remaining principal, interest, and other fees or charges due under the Financing Agreement), being 12 months after the date of the Financing Agreement (or such other date as may be agreed between the Company and the Independent Lender in writing)
“Financing Agreement”	A loan agreement expected to be entered into between the Company and the Independent Lender (to be procured by Mr. Wong) in respect of the Independent Financing

“First Tranche Consideration”	The Earnest Money in the amount of HK\$20,500,000 that has been received by SSII, which shall be treated as part of the Consideration and is non-refundable to Mr. Wong in any circumstances
“Goldlink”	Goldlink Securities Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities) regulated activities under the SFO, being the agent making the Offer on behalf of the Offeror
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	The independent board committee of the Company comprising all independent non-executive Directors, established to advise the Offer Shareholders and the Independent Shareholders on the Offer and the Special Deal, respectively
“Independent Financial Adviser”	Opus Capital Limited, a corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee, the Independent Shareholders and the Offer Shareholders in respect of the Special Deal and the Offer, respectively
“Independent Financing”	A term loan to be conditionally provided by the Independent Lender to the Company pursuant to the terms of the Financing Agreement, in the amount of HK\$70,000,000
“Independent Lender”	Ms. Huang Hou (黃后), being an independent third party who will provide the Independent Financing and is independent of, and is not a party acting in concert with, Mr. Wong and the Offeror

“Independent Shareholders”	Shareholders other than (i) the Offeror, the Vendor, and their respective associates and parties acting in concert with the Offeror (including Mr. Wong) or the Vendor; and (ii) those Shareholders who are involved in or interested in the Repayment of SSII Loan
“Initial Earnest Money”	The sum of HK\$5,000,000 paid by Keptain Securities to SSII upon the signing of the MOU
“Keptain Securities”	Keptain Securities and Asset Management Limited (嘉騰證券及資產管理有限公司), a company incorporated in Hong Kong with limited liability which is licensed to carry on type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO, and is ultimately owned as to 33% by Kong Yuen Ching, 33% by Yam Chung Wai and 34% by Tang Ho Lun Ronald as at the date of this joint announcement
“Last Trading Day”	1 March 2024, being the last trading day of the Shares immediately prior to the release of this joint announcement
“Licensed Corporation(s)”	Subsidiaries of the Company being holder(s) of licence(s) to carry out regulated activities under the SFO, namely (i) Southwest Securities (HK) Asset Management Limited; (ii) Southwest Securities (HK) Brokerage Limited; (iii) Southwest Securities (HK) Capital Limited; and (iv) Southwest Securities (HK) Futures Limited
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	The long stop date to the Sale and Purchase Agreement, being 31 December 2024 or such later date as may be mutually agreed in writing by Mr. Wong and SSII

“MOU”	The memorandum of understanding dated 30 December 2022 entered into between Keptain Securities and SSII in respect of, among other things, the discussion and negotiation over the sale and purchase of the Sale Shares and the Perpetual Securities, as amended and supplemented by the Supplemental MOU, the Supplemental MOU I, the Supplemental MOU II, the Supplemental MOU III, the Supplemental MOU IV, the Supplemental MOU V and the Supplemental MOU VI
“Mr. Wong”	Wong Man Hin Max 黃文軒
“Nuada”	Nuada Limited, a corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offer
“Offer”	The possible mandatory unconditional cash offer to be made by Goldlink on behalf of the Offeror, to acquire the Offer Shares on the terms and conditions set out in this joint announcement in accordance with the Takeovers Code
“Offer Period”	Has the meaning ascribed to it under the Takeovers Code, which commenced on 30 December 2022 (being the date of the first 3.7 Announcement) and ends on the date on which the Offer closes or lapses
“Offer Price”	HK\$0.0331 per Offer Share
“Offer Share(s)”	The issued Share(s) other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it
“Offer Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Offeror”	Ocean Wisdom Investments Limited, a company incorporated in Hong Kong with limited liability, which is wholly and beneficially owned by Mr. Wong as at the date of this joint announcement



“Overseas Shareholders”	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Perpetual Securities”	The perpetual securities in the aggregate principal amount of HK\$580,000,000 issued by the Company to SSII on 15 October 2019
“Perpetual Securities Deed of Assignment”	The deed of assignment in respect of the assignment of the legal and beneficial title of the Perpetual Securities from SSII to Mr. Wong
“Potential Transactions”	The potential sale and purchase of the Sale Shares and the Perpetual Securities
“PRC”	The People’s Republic of China, which for the purpose of this joint announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“regulated activity(ies)”	Has the meaning ascribed to it under the SFO
“Remaining Consideration”	The remaining amount of the Consideration of HK\$62,662,745 that shall be settled by Mr. Wong on the business day immediately before the Completion Date
“Repayment of SSII Loan”	The proposed utilisation by the Company of the Independent Financing to repay part of the SSII Loan, and the proposed utilisation by the Company of its internal resources to repay the SSII Loan Balance
“Sale and Purchase Agreement”	The sale and purchase agreement dated 21 June 2024 entered into between Mr. Wong and SSII in respect of the conditional sale and purchase of (i) the Sale Shares; and (ii) the Perpetual Securities
“Sale Shares”	2,713,469,233 Shares (representing approximately 74.1% of the entire issued share capital of the Company as of the date of this joint announcement) to be acquired by Mr. Wong pursuant to the terms of the Sale and Purchase Agreement

“Second Tranche Consideration”	The Consideration in the amount of HK\$6,500,000 that has been settled by Mr. Wong before the date of the Sale and Purchase Agreement
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	The special general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve, the Repayment of SSII Loan
“Share(s)”	Ordinary share(s) in the share capital of the Company
“Shareholder(s)”	Shareholder(s) of the Company
“Special Deal(s)”	Has the meaning ascribed to it under the Takeovers Code, and in the context of this joint announcement, the Repayment of SSII Loan
“Special Deal Circular”	The circular to be despatched by the Company containing, among other things, details of the Financing Agreement, including its principal terms, the 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
“SSII Dischargeable Balance”	Being an amount to be calculated by deducting (A) the SSII Loan with (B) the balance of the restricted capital of the Licensed Corporations as of the Completion Date pursuant to Securities and Futures (Financial Resources) Rules and the requirement of the SFC
“SSII Loan”	The aggregate sum of the amount drawdown from the SSII Term Loan and the SSII Revolving Facility (inclusive of the corresponding interests)
“SSII Loan Balance”	The balance to be repaid by the Company to SSII after deducting the SSII Loan with (a) the Independent Financing and (b) the SSII Dischargeable Balance

“SSII Revolving Facility”	The unsecured revolving loan in the maximum amount of HK\$25 million or equivalent
“SSII Revolving Facility Agreement”	The agreement dated 28 March 2024 entered into between the Company and SSII in respect of the SSII Revolving Facility
“SSII Term Loan”	The unsecured term loan in the principal amount of not more than HK\$120 million or equivalent
“SSII Term Loan Agreement”	The agreement dated 31 January 2024 entered into between the Company and SSII in respect of the SSII Term Loan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental MOU I”	The first supplemental memorandum of understanding dated 30 June 2023 entered into among SSII, Mr. Wong and Keptain Securities in respect of the Potential Transactions
“Supplemental MOU II”	The second supplemental memorandum of understanding dated 22 September 2023 entered into among SSII, Mr. Wong and Keptain Securities in respect of the Potential Transactions
“Supplemental MOU III”	The third supplemental memorandum of understanding dated 29 December 2023 entered into among SSII, Mr. Wong and Keptain Securities in respect of the Potential Transactions
“Supplemental MOU IV”	The fourth supplemental memorandum of understanding dated 30 January 2024 entered into among SSII, Mr. Wong and Keptain Securities in respect of the Potential Transactions
“Supplemental MOU V”	The fifth supplemental memorandum of understanding dated 30 April 2024 entered into among SSII, Mr. Wong and Keptain Securities in respect of the Potential Transactions
“Supplemental MOU VI”	The sixth supplemental memorandum of understanding dated 31 May 2024 entered into among SSII, Mr. Wong and Keptain Securities in respect of the Potential Transactions

“SWSC”	Southwest Securities Co., Ltd. (西南證券股份有限公司), the ultimate holding company of the Company which is incorporated in the PRC with limited liability and its shares are listed on the Shanghai Stock Exchange (stock code: 600369), being the guarantor of the USD Bonds
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“US\$”	United States dollars, the lawful currency of the United States
“USD Bonds”	The guaranteed bonds issued by the Company on 9 February 2021 with an aggregate principal amount of US\$178,000,000 due 2024 which bore a fixed interest rate of 4.00% per annum and was previously listed on the Stock Exchange (Previous Bond Stock Code: 40594)
“Vendor” or “SSII”	Southwest Securities International Investment Limited, a company incorporated in Hong Kong with limited liability, being the controlling Shareholder which holds 2,713,469,233 Shares, representing approximately 74.1% of the entire issued share capital of the Company and is wholly owned by SWSC as of the date of this joint announcement (i.e. the Sale Shares)
“%”	Per cent

For and on behalf of  
**Ocean Wisdom Investments Limited**  
**Wong Man Hin Max**  
*Sole Director*

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

Hong Kong, 21 June 2024

*As of the date of this joint 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.*

*As at the date of this joint announcement, the sole director of the Offeror is Mr. Wong Man Hin Max.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror, Mr. Wong and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*In this joint announcement, US\$ has been converted to HK\$ at the rate of US\$1 = HK\$7.8 for illustration purpose only. No representation is made that any amounts in US\$ or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

*\* For identification purpose only*