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Southwest Securities International Securities Limited

西證國際證券股份有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 812)

ANNOUNCEMENT DISCLOSURE PURSUANT TO RULES 13.13 AND 13.15 OF THE LISTING RULES

ADVANCE TO AN ENTITY

On 29 June 2018, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Facility Agreement with the Borrower and Mr. Li as guarantor of the Borrower, pursuant to which the Lender has agreed to grant the Loan of up to HK\$583 million to the Borrower.

THE LISTING RULES IMPLICATIONS

The Loan to the Borrower constitutes an advance to an entity under Rule 13.13 of the Listing Rules and the aggregate amount utilised as at the date of this announcement is approximately HK\$274 million. As the utilised amount exceeds 8% under the assets ratio based on the latest published consolidated total assets of the Company as defined under Rule 14.07(1) of the Listing Rules, the advance of the Loan to the Borrower is subject to the general disclosure obligation under Rule 13.15 of the Listing Rules.

The Lender is a securities house and provides financial assistance in its ordinary and usual course of business and upon normal commercial terms by way of securities margin financing in order to facilitate the proposed acquisition of securities listed on the Stock Exchange pursuant to Rule 14.04(1)(e)(iii) of the Listing Rules. Accordingly, the transaction contemplated under the Facility Agreement will be exempted from the disclosure requirements under Chapter 14 of the Listing Rules.

ADVANCE TO AN ENTITY

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Pursuant to the Facility Agreement, the Loan will be advanced to the Borrower to finance the amount payable by the Borrower upon acceptance of the Offers and the stamp duties and administration costs in respect of the Offers, and carries an interest rate of 13% per annum. As stated in the Facility Agreement, the Borrower deposited HK\$93,500,000 into a designated account maintained with the Lender as charged cash deposit (the “**Charged Cash Deposit**”), which may be used by the Borrower to settle its payment obligations in connection with the Offers in case the Loan is unable to cover such payment obligations in full; and the Borrower has paid to the Lender a non-refundable fee, which was settled by way of deduction from the Charged Cash Deposit, in the aggregate amount of HK\$9,960,000 as at the date of the Facility Agreement. In addition, the Loan is secured by the Share Charge and guaranteed by Mr. Li in relation to the due and punctual performance and the payment obligations of the Borrower under the Facility Agreement.

The Borrower is required to repay the actual amount utilised as follows: (a) at the close of the Offers, if the aggregate amount utilised is greater than HK\$265 million, the Borrower is required to repay the excess within five business days after the close of the Offers so that immediately after such repayment, the aggregate outstanding Loan is not more than HK\$265 million; (b) if, immediately after the repayment in (a), the sum of Charged Cash Deposit (as reduced by the non-refundable fee as set out in the preceding paragraph above) and a pre-determined charged target shares value is greater than HK\$265 million, the Lender will pay the excess to the Borrower by deducting such amount from the Charged Cash Deposit and the remaining Charged Cash Deposit will be applied towards repayment of the Loan; and (c) the remainder of the Loan will be repayable within 12 months, extendable to 24 months with the Lender’s prior consent, from the close of the Offers.

The terms of the Facility Agreement and the Share Charge were arrived at after arm’s length negotiations among the Lender, the Borrower and Mr. Li.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrower and Mr. Li is a third party independent of the Company and its connected persons.

INFORMATION ON THE BORROWER AND MR. LI

The Borrower is Zhong Ke Jiu Tai Technology Group Limited, an investment holding company incorporated in Hong Kong with limited liability and is owned as to 100% by Zhong Ke Jiu Tai Resources Use Technology Holdings Company Limited (中科九台資源利用科技股份有限公司) which is in turn wholly owned by Mr. Li.

Mr. Li, an individual holding Hong Kong Identity Card, is the ultimate beneficial owner and sole director of the Borrower.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2212). It is an investment holding company. The Target Group is principally engaged in the production and sale of marble and marble-related products. Through its subsidiaries, the Target Company is also engaged in mining and ore processing business.

THE LISTING RULES IMPLICATIONS

The Loan to the Borrower constitutes an advance to an entity under Rule 13.13 of the Listing Rules and the aggregate amount utilised as at the date of this announcement is approximately HK\$274 million. As the utilised amount exceeds 8% under the assets ratio based on the latest published consolidated total assets of the Company as defined under Rule 14.07(1) of the Listing Rules, the advance of the Loan to the Borrower is subject to the general disclosure obligation under Rule 13.15 of the Listing Rules.

The Lender is a securities house and provides financial assistance in its ordinary and usual course of business and upon normal commercial terms by way of securities margin financing in order to facilitate the proposed acquisition of securities listed on the Stock Exchange pursuant to Rule 14.04(1)(e)(iii) of the Listing Rules. Accordingly, the transaction contemplated under the Facility Agreement will be exempted from the disclosure requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings as specified herein:

“Board”	the board of Directors of the Company
“Borrower”	Zhong Ke Jiu Tai Technology Group Limited, a company incorporated in Hong Kong with limited liability
“Company”	Southwest Securities International Securities Limited (西證國際證券股份有限公司*), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Facility Agreement”	the facility agreement dated 29 June 2018 entered into among the Lender, the Borrower and Mr. Li as guarantor in relation to the advance of the Loan
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	Southwest Securities (HK) Brokerage Limited (西證(香港)證券經紀有限公司), a corporation licensed to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and an indirect wholly-owned subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a secured loan facility of up to HK\$583 million granted by the Lender to the Borrower to finance the amount payable by the Borrower upon acceptance of the Offers and the stamp duties and administration costs in respect of the Offers
“Mr. Li”	Mr. Li Yuguo
“Offers”	the Share Offer and the Option Offer
“Option Offer”	the offer made by the Borrower as offeror in compliance with the Takeovers Codes to cancel all the outstanding options issued by the Target Company
“Share Charge”	the deed of mortgage and assignment dated 29 June 2018 entered into by the Borrower in favour of the Lender in respect of a charge over the 400,000,000 Target Shares (approximately 10.34% of the entire issued share capital of the Target Company as at the date of the deed) owned by the Borrower as at the date of the deed and the Target Shares acquired and to be acquired by the Borrower under the Offers
“Share Offer”	the voluntary conditional cash offer by the Borrower as offeror to acquire all of the outstanding Target Shares (other than those owned or agreed to be acquired by the Borrower or parties acting in concert with it)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Codes”	The Codes on Takeovers and Mergers and Share Buy-backs
“Target Company”	Future Bright Mining Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2212)
“Target Group”	the Target Company and its subsidiaries

“Target Shares” ordinary shares in the issued share capital of the Target Company

“%” percent

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

Hong Kong, 30 August 2018

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

* For identification purpose only