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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)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF NOTES

THE GROUP'S DISPOSAL OF SOAR WISE NOTES

On 28 July 2023, the Company disposed of the Soar Wise Notes in the principal amount of US\$2,550,000 (equivalent to approximately HK\$19,890,000) at a total consideration (together with the accrued interests) of approximately US\$2,491,304 (equivalent to approximately HK\$19,432,171) on the open market.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal of the Soar Wise Notes exceeded 5% but all of them were less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

THE DISPOSAL

On 28 July 2023, the Company disposed of the Soar Wise Notes in the principal amount of US\$2,550,000 (equivalent to approximately HK\$19,890,000) at a total consideration (together with the accrued interests) of approximately US\$2,491,304 (equivalent to approximately HK\$19,432,171) on the open market.

Information of the Soar Wise Notes

Issuer : Soar Wise

Guarantor : AVIC International Leasing Co., Ltd.
(the “**Guarantor**”)

Issue type	:	Professional
Annual coupon rate	:	1.75%
Maturity date	:	30 March 2024
Listing	:	The Soar Wise Notes are listed on the Stock Exchange (stock code: 40461)
ISIN	:	XS2320779130
Currency	:	Quoted and traded in US\$
Minimum board lot size	:	US\$200,000

For further details of the Soar Wise Notes, please refer to the Offering Circular and Pricing Supplement.

The net loss (both before and after taxation) attributable to the Soar Wise Notes disposed of for the financial year ended 31 December 2022 (represented the results since the acquisition of the Soar Wise Notes on 2 June 2022) is as follows:

	For the year ended 31 December 2022
	<i>US\$</i>
Net loss (before taxation)	16,507
Net loss (after taxation)	16,507

Financial Impact and Use of Proceeds

The Company has recorded a profit of approximately US\$21,374 (equivalent to approximately HK\$166,717), being the difference between the consideration received from the Disposal and the acquisition cost of the Soar Wise Notes disposed of (exclusive of transaction costs). The actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to review and final audit by the auditors of the Company. The Group intended to apply the proceeds from the Disposal for future investment and general working capital of the Group.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is incorporated in Bermuda with limited liability. The principal activity of the Company is investment holding. The Group, through its subsidiaries, principally engages in brokerage and margin financing, corporate finance, asset management and proprietary trading.

INFORMATION OF SOAR WISE

To the best of the Directors' knowledge, Soar Wise was established for the purpose of issuing medium term notes or perpetual capital securities and on-lending the proceeds to the Guarantor or its subsidiaries.

INFORMATION OF THE GUARANTOR

To the best of the Directors' knowledge, Soar Wise, the Guarantor and its subsidiaries principally engaged in the leasing business in the PRC and provides a diverse array of financial leasing and operating leasing services, focusing on the aircraft, shipping, urban infrastructure and equipment sectors. As disclosed in the Offering Circular and Pricing Supplement, the Guarantor was one of the first PRC leasing companies approved by the Ministry of Commerce of the PRC and the State Administration of Taxation and a leasing company in the PRC providing leasing services for domestically manufactured civil aircraft.

BASIS OF THE CONSIDERATION AND SETTLEMENT

The total consideration (inclusive of the accrued interests) for the Disposal was approximately US\$2,491,304 (equivalent to approximately HK\$19,432,171), which represented the then market price of the disposed Soar Wise Notes. The entire consideration for the Disposal has been and will be settled by cash and in accordance with the relevant standard market practice.

As the Disposal was made on the open market, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers and their ultimate beneficial owners are Independent Third Parties, and are not shareholders of the Company. The Disposal was conducted with the consent of the Potential Individual Purchaser (as defined in the 3.7 Announcements pursuant to Note 1 to Rule 4 of the Hong Kong Code on Takeovers and Mergers).

REASONS FOR AND BENEFITS OF THE DISPOSAL

The investment strategy of the Group is, among others, to achieve long-term return within an acceptable risk level by investing in a broad diversification of portfolio, including but not limited to stocks, bonds, funds, structured products and derivatives in different business

sectors. Over the years, the Group has sought to diversify its investment portfolios when opportunities arose and would, from time to time, realise its investments where to do so will be in the best interests of the Group.

The Disposal was in line with the Group's principal activities on securities dealing and financial investments, and allowed the Group to (i) realise the Company's investment in the listed securities and bonds; (ii) enhance liquidity of the Company and (iii) obtain additional cash flow. As the Disposal was made on the open market at prevailing market price, the Directors were of the view that the terms of the Disposal were fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal exceeded 5% but all of them were less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“3.7 Announcements”	the Company's announcements pursuant to rule 3.7 of the Hong Kong Code on Takeovers and Mergers, rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) dated 30 December 2022 and 30 June 2023
“Board”	the board of Directors
“Company”	Southwest Securities International Securities Limited (西證國際證券股份有限公司*), a company incorporated with limited liability in Bermuda, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

“Disposal”	the disposal of the Soar Wise Notes in the principal amount of US\$2,550,000 (equivalent to approximately HK\$19,890,000) by the Company on 28 July 2023, at a total consideration (together with the accrued interests) of approximately US\$2,491,304 (equivalent to approximately HK\$19,432,171)
“Group”	the Company and its subsidiaries
“Guarantor”	AVIC International Leasing Co., Ltd., a company incorporated in the PRC with limited liability. Soar Wise is a wholly owned-subsiidiary of the Guarantor
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offering Circular and Pricing Supplement”	The offering circular dated 22 October 2020 and the pricing supplement dated 24 March 2021 in relation to the issuance of the Soar Wise Notes as disclosed in the announcement of Soar Wise Limited dated 31 March 2021
“PRC”	the People’s Republic of China
“Shareholders(s)”	holder(s) of the share(s) of the Company
“Soar Wise”	Soar Wise Limited, a company incorporated as an exempted company with limited liability under the laws of the Cayman Islands on 9 August 2018 with company number 340929
“Soar Wise Notes”	US\$500,000,000 1.75 per cent. guaranteed notes due 2024 (stock code: 40630)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United State Dollars, the lawful currency of the United States of America
“%”	per cent or percentage

For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.80 have been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK\$ or US\$ has been, could have been or may be converted at such a rate.

By order of the Board
Southwest Securities International Securities Limited
Zhang Hongwei
Chairman

Hong Kong, 28 July 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Hongwei (Chairman) and Mr. Huang Changsheng; and the independent non-executive Directors of the Company are Mr. Meng Gaoyuan, Mr. Liang Jilin and Mr. Cao Ping.

* *For identification purpose only*