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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 CQLGST NOTES

THE GROUP'S DISPOSAL OF CQLGST NOTES

On 28 November 2023, the Company disposed of the CQLGST Notes in the principal amount of US\$2,000,000 (equivalent to approximately HK\$15,600,000) at a total consideration (together with the accrued interests) of approximately US\$1,959,244 (equivalent to approximately HK\$15,282,103) in the open market.

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 requirement pursuant to Chapter 14 of the Listing Rules.

THE DISPOSAL

Disposal of CQLGST Notes

On 28 November 2023, the Company disposed of the CQLGST Notes in the principal amount of US\$2,000,000 (equivalent to approximately HK\$15,600,000) at a total consideration (together with the accrued interests) of approximately US\$1,959,244 (equivalent to approximately HK\$15,282,103) in the open market.

Information of the CQLGST Notes

Issuer : Chongqing International Logistics Hub Park Construction

Coupon type : Professional

Coupon rate	:	5.3%
Maturity date	:	14 January 2025
Listing	:	The CQLGST Notes are listed on Singapore Stock Exchange
ISIN	:	XS2432866544
Currency	:	Quoted and traded in US\$
Amount issued	:	US\$37,500,000

The net loss (both before and after taxation) attributable to the CQLGST Notes disposed of for the financial year ended 31 December 2022 (represented the results since the acquisition of the CQLGST Notes during 4 July 2022 to 31 December 2022) is as follows:

	For the year ended 31 December 2022
	<i>US\$</i>
Net loss (before taxation)	100,163
Net loss (after taxation)	100,163

Financial Impact and Use of Proceeds

The Company has recorded a profit of approximately US\$34,364 (equivalent to approximately HK\$268,039), being the difference between the consideration received from the Disposal and the acquisition cost of the CQLGST 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 CHONGQING INTERNATIONAL LOGISTICS HUB PARK CONSTRUCTION

To the best of the Directors' knowledge, Chongqing International Logistics Hub Park Construction is a state-owned enterprise in Chongqing established by the Chongqing municipal government and is wholly-owned by the Chongqing Shapingba District State-owned Assets Supervision and Administration Commission, focusing on the operation, development and management of the Chongqing International Logistics Hub Park. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Chongqing International Logistics Hub Park Construction and its ultimate beneficial owner(s) are Independent Third Parties and are not shareholders of the Group.

BASIS OF THE CONSIDERATION AND SETTLEMENT

As at 30 June 2023, the CQLGST Notes at fair value through profit and loss was US\$1,857,352. The total consideration (inclusive of the accrued interests) for the Disposal was approximately US\$1,959,244 (equivalent to approximately HK\$15,282,103), which represented the then market price of the Disposal. 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 conducted through 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 the 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 which 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 in the open market at prevailing market price, the Directors were of the view that the terms of the Disposal was fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

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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, 30 June 2023 and 22 September 2023
“Board”	the board of Directors
“Chongqing International Logistics Hub Park Construction”	Chongqing International Logistics Hub Park Construction Co., Ltd. is a company incorporated in the PRC with limited liability
“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
“CQLGST Notes”	an aggregate principal amount of US\$2,000,000 acquired by the Group on 4 July 2022 in the open market at an aggregate consideration of approximately US\$1,924,880 (equivalent to approximately HK\$15,014,064)
“Director(s)”	director(s) of the Company

“Disposal”	the disposal of the CQLGST Notes in the principal amount of US\$2,000,000 (equivalent to approximately HK\$15,600,000) by the Company on 28 November 2023 at a total consideration (together with the accrued interests) of approximately US\$1,959,244 (equivalent to approximately HK\$15,282,103)
“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 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
“PRC”	the People’s Republic of China
“Shareholders(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “U.S. dollars”	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 has 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, 29 November 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Hongwei (Chairman) and 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.

* *For identification purpose only*