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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)

CHANGE IN USE OF PROCEEDS

Reference is made to the announcements of the Company dated 1 February 2021, 4 February 2021 and 9 February 2021 in relation to the issuance of a U.S. Dollar-denominated bonds (the “**USD Bonds**”) by the Company and the offering circular of the Company dated 10 February 2021 in respect of the USD Bonds (collectively, the “**USD Bonds Disclosures**”) and the following announcements and circulars in relation to, among others, the disclosure on the utilization of the net proceeds from various disposals of bonds (collectively, the “**Discloseable Disposals**”), including: (1) the announcement dated 28 June 2023 in relation to the disposal of BTSDF Bonds; (2) the announcement dated 21 July 2023 in relation to the disposal of BOCAVI Bonds; (3) the announcement dated 28 July 2023 in relation to the disposal of Soar Wise Notes; (4) the announcement dated 8 September 2023 in relation to the disposal of Haitong Bonds and CHPWCN Bonds; (5) the announcements dated 4 and 5 October 2023 and the circular dated 13 November 2023 in relation to the aggregated disposal of YUNINV Notes; (6) the announcement dated 10 October 2023 in relation to the disposal of GSHIAV Bonds; (7) the announcement dated 24 October 2023 and the circular dated 13 November 2023 in relation to the disposal of GFFHBV Bonds; (8) the announcement dated 9 November 2023 in relation to the disposal of Cinda Offshore Preference Shares; (9) the announcement dated 9 November 2023 and the circular dated 30 November 2023 in relation to the disposal of CPDEV Bonds; (10) the announcement dated 29 November 2023 in relation to the disposal of CQLGST Notes; (11) the announcement dated 15 December 2023 in relation to the disposal of CQNANA Bonds; (12) the announcement dated 3 January 2024 and the circular dated 24 January 2024 in relation to the disposal of HKIQCL Bonds; (13) the announcement dated 3 January 2024 in relation to the disposal of HAOHUA Bonds; (14) the announcement dated 4 January 2024 in relation to the disposal of ZZCITY Bonds; (15) the announcements dated 10 and 12 January 2024 in relation to the aggregated disposal of CCAMCL Notes; and (16) the announcement dated 11 January 2024 in relation to the disposal of ICBCAS Notes

(collectively, the “**Discloseable Disposals Announcements and Circulars**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the USD Bonds Announcements and the Discloseable Disposals Announcements and Circulars.

USE OF PROCEEDS

As disclosed in the Discloseable Disposals Announcements and Circulars, the Directors have resolved to apply the net proceeds from the Discloseable Disposals (the “**Net Proceeds**”) for future investment and general working capital purposes. As of the date of this announcement, the Net Proceeds amounted to approximately US\$35,352,369. As of the date of this announcement, the Company had not utilized any of the Net Proceeds and all of the Net Proceeds were placed with an authorized financial institution in Hong Kong pending further utilization.

CHANGE IN USE OF PROCEEDS

On 9 February 2021, the Company issued the USD Bonds in the aggregate principal amount of US\$178,000,000 which bear interest from 9 February 2021 (inclusive) at the fixed rate of 4.00% per annum and guaranteed by SWSC, the ultimate holding company of the Company and the sole shareholder of SSII which is incorporated in the PRC with limited liability and its shares are listed on the Shanghai Stock Exchange. Interest on the USD Bonds is payable semi-annually in arrears. The USD Bonds are listed on the Stock Exchange under the Bond Stock Code: 40594. For further details in relation to the USD Bonds, please refer to the USD Bonds Offering Circular.

As at the date of this announcement, the aggregate outstanding principal amount of the USD Bonds is US\$92,500,000 (equivalent to approximately HK\$721 million). Such amount will mature on 9 February 2024 (being the Maturity Date as defined in the USD Bonds Offering Circular). After careful consideration and detailed evaluation of the Group’s latest operations and financial situations, to ensure punctual payment for redemption of the USD Bonds, the Board has resolved to change the use of the Net Proceeds in the sum of approximately US\$35,352,369 to partially redeem the outstanding USD Bonds on the Maturity Date. The balance of the outstanding USD Bonds will be redeemed by the Company by other financial means in accordance with relevant announcements.

The changes in use of the Net Proceeds are set out as follows:

<i>(In approximately USD)</i>	Intended use of the Net Proceeds as disclosed in the Discloseable Disposals Announcements and Circulars	Utilised Net Proceeds as of the date of this announcement	Unutilised Net Proceeds ("Unutilised Net Proceeds") as of the date of this announcement	Proposed use of the Unutilised Net Proceeds
Investment purposes	33,584,750 to 34,998,844	—	33,584,750 to 34,998,844	—
General working capital	353,525 to 1,767,619	—	353,525 to 1,767,619	—
Redemption of the USD Bonds	—	—	—	35,352,369
Total	<u>35,352,369</u>	<u>—</u>	<u>35,352,369</u>	<u>35,352,369</u>

Save for the aforesaid changes, there is no other change in the use of the Net Proceeds as of the date of this announcement. The Company currently expects to fully utilise the Unutilised Net Proceeds by 9 February 2024.

REASONS FOR THE CHANGE IN USE OF PROCEEDS

The Board considers the above change in the use of the Net Proceeds is fair and reasonable as given that this would allow the Company to deploy its financial resources more effectively and such change is therefore in the interests of the Group and the shareholders of the Company as a whole.

On the progress of the use of the Unutilised Net Proceeds, the Company will provide update to its Shareholders through disclosures in its annual report and interim report going forward. The Company will make further announcement(s) in accordance with the requirements under the Listing Rules and other applicable laws as and when appropriate.

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

Hong Kong, 31 January 2024

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*