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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)**

### **PROFIT WARNING — DECREASE IN LOSS**

This announcement is made by Southwest Securities International Securities Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on the preliminary review of the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (“**Year 2020**”) and other information currently available to the Group, the Group expects to record a consolidated net loss of approximately HK\$124 million to HK\$152 million in Year 2020 comprising an expected credit loss on accounts receivable arising from the margin financing business of approximately HK\$149 million in Year 2020, compared to the consolidated net loss of HK\$345 million for the year ended 31 December 2019.

The Board considers that the expected decrease in loss as mentioned above is mainly due to (i) the expected substantial increase in the net investment income from the Group’s proprietary trading in Year 2020; (ii) the substantial decrease in the expected credit losses in the accounts receivable arising from the Group’s margin financing business in Year 2020; and (iii) the decrease in expenses as a result of the various cost reduction measures taken by the Group.

The Board considers that the financial position of the Group remains healthy. As the Group’s consolidated financial results for Year 2020 have not yet been finalised, the information contained in the announcement is based on a preliminary review of the information currently available to the Group, including the Group’s latest unaudited consolidated management accounts for Year 2020 which have not been reviewed or audited by the Company’s auditor, and may be subject to further adjustments and impairment assessments. Details of the Group’s financial performance will be disclosed in the Company’s final results announcement for Year 2020, which is expected to be published in March 2021.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 29 January 2021

*As at the date of this announcement, the executive Directors of the Company are Mr. Wu Jian (Chairman), Mr. Pu Rui (Chief Executive Officer) and Dr. Zhao Mingxun; and the independent non-executive Directors of the Company are Mr. Meng Gaoyuan, Dr. Guan Wenwei and Mr. Liang Jilin.*

*\* For identification purposes only*