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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 2021 (“**Year 2021**”) and other information currently available to the Group, the Group expects to record a consolidated net loss of approximately HK\$59,819 thousand in Year 2021, representing a decrease of approximately HK\$78,669 thousand or approximately 57% in consolidated net loss as compared to the consolidated net loss of approximately HK\$138,488 thousand for the year ended 31 December 2020.

The Board considers that the change in the expected consolidated net loss in Year 2021 as compared to the same period last year is due to (i) the substantial decrease of approximately 99% in the expected credit losses in the accounts receivable arising from the Group’s margin financing business in Year 2021 as compared to the same period last year; (ii) the expected decrease of approximately 50% in the investment net gains from the Group’s proprietary trading business in Year 2021 as compared to the same period last year; and (iii) the decrease of approximately 27% in the Group’s finance costs in Year 2021 as compared to the same period last year.

* *For identification purpose only*

The Board considers that the financial position of the Group remains healthy. As the Group's consolidated financial results for Year 2021 have not yet been finalised, the information contained in this 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 2021 which have not been reviewed or audited by the Company's auditor. Details of the Group's financial performance will be disclosed in the Company's final results announcement for Year 2021, which is expected to be published in March 2022.

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, 27 January 2022

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