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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 DISPOSAL OF LISTED SECURITIES**

#### **THE DISPOSAL**

The Group disposed on-market of 200,000 HKEx Shares in a series of transactions conducted between 18 September 2017 and 16 October 2017, at the price between HK\$218.20 and HK\$228.60 per HKEx Share for an aggregate gross sale proceeds of HK\$44,703,400 (excluding transaction costs).

#### **LISTING RULES IMPLICATIONS**

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios are more than 5% but less than 25%.

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As the Disposal was made on the market, the Company is not aware of the identities of the purchasers of the HKEx Shares. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the purchasers of the HKEx Shares and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

#### **Assets disposed**

The Group disposed of 200,000 HKEx Shares, representing approximately 0.0161% of the issued share capital of HKEx (based on the total issued shares of 1,239,809,477 HKEx Shares as at 30 September 2017 according to the monthly return of HKEx dated 4 October 2017).

## **Consideration**

The aggregate gross sale proceeds of the Disposal is HK\$44,703,400 (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the market price of the HKEx Shares at the time of the Disposal.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is principally engaged in securities broking and margin financing, futures broking, corporate finance, wealth management and insurance broking, money lending and proprietary trading.

The purpose of the Disposal is to realise the Company's long-term investment in HKEx Shares and to obtain additional cash flow. As a result of the Disposal, the Group is expected to increase the cash flow by HK\$44.7 million and recognize a loss of approximately HK\$0.9 million which is calculated on the basis of the difference between the acquisition price and the disposal price (exclusive of the transaction costs) of HKEx Shares. The Group intends to use the proceeds of the Disposal for general working capital.

The Disposal was made at market price and the Directors (including the independent non-executive Directors) are of the view that the Disposal will enhance the liquidity of the Company, was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON HKEX**

According to publicly available information, HKEx is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 388). According to its company profile available on the internet, HKEx is the holding company of the Stock Exchange, Hong Kong Futures Exchange Limited and Hong Kong Securities Clearing Company Limited and brings together the market organisations which have transformed Hong Kong's financial services industry from a domestically focused market to become a central market place in Asia attracting investment funds from all over the world. HKEx was listed in June 2000 following the integration of Hong Kong's securities and derivatives markets. HKEx services comprise trading, clearing and settlement, depository and nominee services, and information services.

The following financial information of HKEx is extracted from the 2016 annual report of HKEx:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	10,398	12,233
Profit before taxation	6,799	9,278
Net profit after taxation attributable to shareholders of HKEx	5,769	7,956

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## **DEFINITIONS**

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

“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 Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Disposal”	the disposal by the Company of a total of 200,000 HKEx Shares on the market between 18 September 2017 and 16 October 2017 for a consideration of HK\$44,703,400
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEx”	Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 388)
“HKEx Shares”	shares of HKEx
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 16 October 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Wu Jian\* (Chairman), Mr. Pu Rui\* (Chief Executive Officer), Mr. Luo Yi, Ms. Zhao Dongmei\*, Ms. Wang Huiyun\* and Mr. Xiong Xiaoqiang\*; and the independent non-executive directors of the Company are Professor Wu Jun\*, Mr. Meng Gaoyuan\* and Mr. Guan Wenwei.*

\* *For identification purposes only*