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
FURTHER DISPOSAL OF LISTED SECURITIES

THE FURTHER DISPOSAL

Further to the Disposal, the Group disposed on-market of 254,627 HKEx Shares on 8 November 2017 at the price between HK$233.40 and HK$234.20 per HKEx Share for an aggregate gross sale proceeds of HK$59,597,161.80 (excluding transaction costs).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of (i) the Further Disposal (standing alone) and (ii) the Disposal and the Further Disposal (in aggregate) is more than 5% but less than 25%, the Further Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

Reference is made to the announcement (the "**Announcement**") of Southwest Securities International Securities Limited (the "**Company**") dated 16 October 2017 in relation to the disposal of listed securities. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

THE FURTHER DISPOSAL

Further to the Disposal, the Group disposed on-market of 254,627 HKEx Shares on 8 November 2017 (the "**Further Disposal**") at the price between HK$233.40 and HK$234.20 per HKEx Share for an aggregate gross sale proceeds of HK$59,597,161.80 (excluding transaction costs).

As the Further 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 254,627 HKEx Shares, representing approximately 0.0205% of the issued share capital of HKEx (based on the total issued shares of 1,239,809,477 HKEx Shares as at 31 October 2017 according to the monthly return of HKEx dated 2 November 2017).

Consideration

The aggregate gross sale proceeds of the Further Disposal is HK$59,597,161.80 (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Further Disposal represented the market price of the HKEx Shares at the time of the Further Disposal.

REASONS FOR AND BENEFITS OF THE FURTHER 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 Further Disposal is to realise the Company's long-term investment in HKEx Shares and to obtain additional cash flow. As a result of the Further Disposal, the Group is expected to increase the cash flow by HK$59.6 million and recognize a gain of approximately HK$9.9 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 Further Disposal for general working capital.

The Further Disposal was made at market price and the Directors (including the independent non-executive Directors) are of the view that the Further 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:

	For the year ended 31 December	
	2016	**2015**
	HK$ million	*HK$ million*
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

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of (i) the Further Disposal (standing alone) and (ii) the Disposal and the Further Disposal (in aggregate) is more than 5% but less than 25%, the Further Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

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

Hong Kong, 8 November 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*