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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)

PROPOSED ISSUE OF U.S. DOLLAR-DENOMINATED BONDS

The Company proposes to conduct an international offering of U.S. Dollar-denominated bonds. As at the date of this announcement, the terms and conditions of the Bonds, including their principal amount, interest and maturity, have yet to be determined.

The Bonds will only be offered outside of the United States in reliance on Regulation S under the Securities Act. The Bonds have not been and will not be registered under the Securities Act. None of the Bonds will be offered to any connected person of the Company.

As no binding agreement in relation to the Proposed Bonds Issue has been entered into as at the date of this announcement, the Proposed Bonds Issue may or may not materialize. The completion of the Proposed Bonds Issue is subject to, among other things, market conditions and investors' interest. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement(s) in respect of the Proposed Bonds Issue will be made by the Company as and when appropriate.

THE PROPOSED BONDS ISSUE

Introduction

The Company proposes to conduct an international offering of U.S. Dollar-denominated bonds. As at the date of this announcement, the terms and conditions of the Bonds, including their principal amount, interest and maturity, have yet to be determined.

The completion of the Proposed Bonds Issue is subject to, among other things, market conditions and investors' interest. The Company has appointed Southwest Securities International, Haitong International and CLSA as the joint global coordinators, and Southwest Securities International, Haitong International, CLSA, Shanghai Pudong Development Bank Hong Kong Branch and Zhongtai International as the joint bookrunners and joint lead managers, in respect of the Proposed Bonds Issue. Upon finalization of the terms and conditions of the Proposed Bonds Issue, the Company, Southwest Securities, Southwest Securities International, Haitong International, CLSA, Shanghai Pudong Development Bank Hong Kong Branch and Zhongtai International are expected to enter into a subscription agreement in relation to the Proposed Bonds Issue.

Southwest Securities intends to assist the Company in meeting its obligations under the Bonds and the Trust Deed by entering into a keepwell deed. According to the keepwell deed, Southwest Securities will, *inter alia*, cause the Company to maintain a consolidated net worth of at least US$1.00 (or its equivalent) at all times and to have sufficient liquidity to ensure timely payment of any and all amounts payable by the Company under or in respect of the Bonds in accordance with the Trust Deed and the terms and conditions of the Bonds and any and all payments due under the Trust Deed and the Agency Agreement.

The Bonds will only be offered outside of the United States in reliance on Regulation S under the Securities Act. The Bonds have not been and will not be registered under the Securities Act. None of the Bonds will be offered to any connected person of the Company.

Reason for the Proposed Bonds Issue

The Directors believe that the Proposed Bonds Issue will be beneficial to the Company since it will allow the Company to obtain long-term financing from international investors and to improve its capital structure**.**

The Company currently intends to apply the net proceeds from the issue of the Bonds for refinancing existing offshore indebtedness and supplementing working capital. The Company may adjust the foregoing plans in response to changing market conditions. The Company will carefully evaluate such situations and may reallocate the use of the proceeds.

Listing

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issue to professional investors only. A confirmation of eligibility for listing of the Bonds has been received from the Stock Exchange. Listing of the Bonds on the Stock Exchange is not to be taken as an indication of the merits of the Bonds or the Company.

GENERAL

As no binding agreement in relation to the Proposed Bonds Issue has been entered into as at the date of this announcement, the Proposed Bonds Issue may or may not materialize. The completion of the Proposed Bonds Issue is subject to, among other things, market conditions and investors' interest. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement(s) in respect of the Proposed Bonds Issue will be made by the Company as and when appropriate.

DEFINITIONS

"Agency Agreement"	the agency agreement proposed to be entered into among the Company, The Bank of New York Mellon, London Branch (as the trustee of the Bonds, and as principal paying agent), and The Bank of New York Mellon SA/NV, Luxembourg Branch (as registrar and transfer agent) in relation to the Bonds as amended or supplemented from time to time
"Bonds"	U.S. Dollar-denominated bonds proposed to be issued by the Company
"CLSA"	CLSA Limited
"Company"	Southwest Securities International Securities Limited, a company incorporated with limited liability in Bermuda, the issued shares of which are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Haitong International"	Haitong International Securities Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange

"PRC"	the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China, and Taiwan area
"Proposed Bonds Issue"	the proposed international offering of the Bonds by the Company
"Securities Act"	the United States Securities Act of 1933, as amended
"Shanghai Pudong Development Bank Hong Kong Branch"	Shanghai Pudong Development Bank Co., Ltd. Hong Kong Branch
"Southwest Securities"	Southwest Securities Co. Ltd., the controlling shareholder of the Company
"Southwest Securities International"	Southwest Securities (HK) Brokerage Limited, a wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Trust Deed"	the trust deed to be entered into between the Company, Southwest Securities and The Bank of New York Mellon, London Branch, as the trustee of the Bonds, in relation to the Bonds as amended or supplemented from time to time
"U.S." or "United States"	the United States of America, its territories and possessions and all areas subject to its jurisdiction
"U.S. Dollar(s)" or "US$"	the U.S. dollar(s), the lawful currency of the United States
"Zhongtai International"	Zhongtai International Securities Limited

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

Hong Kong, 8 May 2018

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 purpose only*