
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Southwest Securities International Securities Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
PROPOSED CHANGE OF AUDITORS
AND NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Southwest Securities International Securities Limited to be held at Conference Room, 4/F., Chuangjian Building, No. 6023 Shennan Road, Futian District, Shenzhen, China on Friday, 15 June 2018 at 10:00 a.m. is set out on pages 14 to 17 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of Southwest Securities International Securities Limited in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so desire.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at Conference Room, 4/F., Chuangjian Building, No. 6023 Shennan Road, Futian District, Shenzhen, China on Friday, 15 June 2018 at 10:00 a.m. or any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages 14 to 17 of this circular
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-law(s)”	the Bye-laws of the Company as adopted on 7 January 2002 and amended from time to time
“Company”	Southwest Securities International Securities Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general and unconditional mandate proposed to be granted to the Directors to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10 May 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the issued share capital of the Company as at the date of the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SWSC”	西南證券股份有限公司 (Southwest Securities Co., Ltd.*), a company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600369) and is indirectly interested in approximately 74.22% of the total issued share capital of the Company as at the Latest Practicable Date
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

* For identification purpose only

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. WU Jian* (*Chairman*)
Mr. PU Rui* (*Chief Executive Officer*)
Mr. LUO Yi
Ms. ZHAO Dongmei*
Ms. WANG Huiyun*
Mr. XIONG Xiaoqiang*

Independent Non-executive Directors:

Professor WU Jun*
Mr. MENG Gaoyuan*
Mr. GUAN Wenwei

Registered Office:

Clarendon House
2 Church Street
Hamilton, HM11
Bermuda

*Head Office and Principal Place
of Business in Hong Kong:*

40/F., Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

15 May 2018

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
PROPOSED CHANGE OF AUDITORS
AND NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the AGM Notice and information regarding certain ordinary resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

At the AGM, resolutions will be proposed for the Shareholders to approve, amongst others, (i) the grant of the General Mandate and the Repurchase Mandate; (ii) the extension of the General Mandate to include Shares repurchased pursuant to the Repurchase Mandate; (iii) the re-election of Directors; and (iv) the proposed change of auditors.

2. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 9 June 2017, resolutions were passed giving general mandates to the Directors (i) to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of

* *For identification purpose only*

LETTER FROM THE BOARD

the Company; and (ii) to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the issued share capital of the Company. Such general mandates will expire at the conclusion of the AGM.

At the AGM, separate ordinary resolutions will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares and to make or grant offers, agreements and options with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing the resolution. The General Mandate will end on the earliest of (i) the date of next annual general meeting; (ii) the date by which the next annual general meeting of the Company is required to be held by the Bye-laws or any applicable laws of Bermuda; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under such Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue is 2,441,220,409. Subject to the passing of the proposed ordinary resolution approving the grant of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 244,122,040 Shares, being 10% of the entire issued share capital of the Company as at the date of passing such resolution. The Repurchase Mandate will end on the earliest of (i) the date of next annual general meeting; (ii) the date by which the next annual general meeting of the Company is required to be held by the Bye-laws or any applicable laws of Bermuda; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions in relation to the General Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to grant the Repurchase Mandate at the AGM.

LETTER FROM THE BOARD

3. RE-ELECTION OF DIRECTORS

According to Bye-law 87 of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The retiring Directors shall be eligible for re-election.

Accordingly, Mr. PU Rui*, Professor WU Jun* and Mr. MENG Gaoyuan* shall retire at the AGM by rotation and, being eligible, offer themselves for re-election as Directors.

At the AGM, ordinary resolutions will be proposed to re-elect Mr. PU Rui* as an executive Director, and Professor WU Jun* and Mr. MENG Gaoyuan* as independent non-executive Directors. Particulars relating to Mr. PU Rui*, Professor WU Jun* and Mr. MENG Gaoyuan* are set out in Appendix II to this circular.

4. PROPOSED CHANGE OF AUDITORS

The existing auditor of the Company, Pan-China (H.K.) CPA Limited (“**Pan-China H.K.**”) will retire as the auditor of the Company with effect from the conclusion of the AGM and will not offer themselves for re-appointment as auditor of the Company at the AGM. The Board is of the view that the proposed change of auditors can better cope with the Group’s future business development and considers that it would be in the interests of the Company and the Shareholders as a whole.

The Board has resolved, with the recommendation from the audit committee of the Company (the “**Audit Committee**”), to propose the appointment of Ernst & Young as new auditor of the Company following the retirement of Pan-China H.K. and to hold office until the conclusion of the next annual general meeting of the Company, subject to the finalisation of Ernst & Young’s normal client acceptance procedures and the approval by the Shareholders at the AGM.

Pan-China H.K. has confirmed in their letter of retirement that there are no circumstances in relation to their retirement as auditor of the Company that should be brought to the attention of the Shareholders and there are no circumstances connected with their retirement as auditor of the Company that should be brought to the attention of the members or creditor of the Company. Both the Board and the Audit Committee confirmed that there is no disagreement between the Company and Pan-China H.K. and there are no matters or circumstances in respect of the change of the auditors that should be brought to the attention of the Shareholders.

5. ANNUAL GENERAL MEETING

Pages 14 to 17 of this circular contain a notice convening the AGM which will be held at Conference Room, 4/F., Chuangjian Building, No. 6023 Shennan Road, Futian District, Shenzhen, China on Friday, 15 June 2018 at 10:00 a.m.. At the AGM, in addition to the ordinary business of the meeting, resolutions will be proposed for (i) the grant of the General Mandate and the Repurchase Mandate; (ii) the extension of the General Mandate to include Shares repurchased pursuant to the Repurchase Mandate; and (iii) the re-election of Directors. All resolutions set out in the AGM Notice will be voted by poll in accordance with the Listing Rules.

* For identification purpose only

LETTER FROM THE BOARD

Whether or not you intend to be present at the AGM, you are requested to complete the enclosed form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event not later than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM in person should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of the AGM will be put to the vote by way of a poll. In accordance with Bye-law 66 of the Bye-laws, the chairman of the AGM will therefore demand a poll on each of the resolutions to be proposed at the AGM. An announcement will be published by the Company on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.swsc.hk) after the conclusion of the AGM to inform the Shareholders of the voting results of the AGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. RECOMMENDATION

The Directors consider that the grant of the General Mandate, the Repurchase Mandate, the extension of the General Mandate to include the Shares repurchased pursuant to the Repurchase Mandate, the re-election of Directors and the proposed change of auditors are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of
Southwest Securities International Securities Limited
WU Jian*
Chairman

* *For identification purpose only*

This Appendix serves as an explanatory statement required by Rule 10.06(1)(b) of the Listing Rules to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions.

1. LISTING RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below.

2. SHAREHOLDERS' APPROVAL

All proposed repurchases of shares on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval.

3. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to continue to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and its Shareholders as such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share. Shareholders can be assured that the Directors would only make such repurchases in circumstances where they consider them to be in the best interests of the Company and its Shareholders.

4. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,441,220,409 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Repurchase Mandate, on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 244,122,040 Shares, being 10% of the entire issued share capital of the Company as at the date of passing such resolution. The Repurchase Mandate will end on the earliest of (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting of the Company is required to be held by the Bye-laws or any applicable laws of Bermuda; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

5. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the laws of Bermuda, including capital paid up on the Shares to be repurchased, profits otherwise available for distribution and sums standing to either the share premium account or contributed surplus account of the Company.

On the basis of the consolidated financial position of the Company as at 31 December 2017 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that if the repurchases of all the Shares pursuant to the Repurchase Mandate were to be carried out in full during the Repurchase Mandate period, it would not have a material adverse impact on the working capital position or the gearing position of the Company. No repurchase would be made in circumstances that would have a material adverse impact on the working capital position or the gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements).

6. DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge and belief of the Directors having made all reasonable enquiries nor any of their respective associates currently intend to sell any Shares to the Company under the Repurchase Mandate is approved by the Shareholders.

No connected person has notified the Company that he/she has a present intention to sell any Shares to the Company nor has undertaken not to sell any of the Shares held by him/her to the Company, in the event that the Repurchase Mandate is approved by the Shareholders.

7. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the memorandum of association and Bye-laws of the Company and the applicable laws of Bermuda.

8. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting capital of the Company increases as a result of a share repurchase, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and becomes obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Company, Southwest Securities International Investment Limited, a wholly-owned subsidiary of SWSC, beneficially owned Shares representing approximately 74.22% of the total issued share capital of the Company. In the event the power to repurchase Shares under the Repurchase Mandate is exercised in full and assuming that there is no change in the issued share capital of the Company after the Latest Practicable Date, Southwest Securities International Investment Limited's percentage holding in the Company would be increased to approximately 82.46% of the total issued share capital of the Company, which would result in the Company's public float falling below the prescribed minimum percentage level as required under the Listing Rules. The Directors have no present intention to exercise the power to repurchase Shares. The Directors have no intention to exercise the Repurchase Mandate to such an extent so as to trigger the number of Shares which are in the hands of public falling below 25% of the total issued share capital of the Company.

Save as aforesaid, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

9. SHARE REPURCHASES BY THE COMPANY

The Company did not repurchase any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

10. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
April	0.365	0.290
May	0.295	0.240
June	0.325	0.226
July	0.290	0.250
August	0.285	0.230
September	0.260	0.235
October	0.320	0.238
November	0.335	0.255
December	0.380	0.248
2018		
January	0.395	0.285
February	0.310	0.243
March	0.270	0.230
April	0.245	0.197
May (up to the Latest Practicable Date)	0.227	0.191

The biographical details of the Directors proposed to be re-elected at the AGM are set out as follows:

Mr. PU Rui* (蒲銳), aged 44, has been appointed as an executive Director and the Chief Executive Officer of the Company since 27 February 2015. Mr. Pu obtained his Master Degree in economics majoring in Monetary Banking (貨幣銀行學) from 西南財經大學 (Southwestern University of Finance and Economics) in the PRC in June 1998. Mr. Pu served in 中國證券監督管理委員會四川監管局 (China Securities Regulatory Commission Sichuan Office) consecutively as deputy commissioner of the listed company supervision department one (上市公司監管一處), commissioner of the listed company supervision department two (上市公司監管二處) and commissioner of the division of investigation and enforcement department two during August 1998 to September 2012. He had also been the assistant to mayor of Suining government of the PRC during May 2007 to May 2008. Mr. Pu served in SWSC consecutively as the member of the party committee (黨委委員), assistant to chief executive (總裁助理) and vice president (副總裁) since October 2012 and he is responsible for assisting the chief executive to manage the securities sales department, credit transaction department, institutional sales department, wealth management centre and operations management department. He is currently a director and the general manager of Southwest Securities International Investment Limited, a substantial shareholder of the Company. He has abundant experience in investment, finance and securities market business.

Save as disclosed above, Mr. Pu did not hold any position in the Company or any of its subsidiaries, nor directorship in any listed public companies in Hong Kong or overseas during the past three years, and does not have any other major appointments or professional qualifications. Save as disclosed above, he does not have any other relationship with any other Directors, senior management of the Company or substantial shareholders or controlling Shareholders. Mr. Pu has entered into a director's service agreement with the Company for a term of three years, subject to retirement by rotation and re-election in accordance with the Bye-laws, which may be terminated by either the Company or Mr. Pu by giving two months' prior written notice or otherwise in accordance with the terms of the director's service agreement. In accordance with the Bye-laws, Mr. Pu shall be eligible for re-election at the AGM. Under the service agreement entered into between the Company and Mr. Pu, Mr. Pu does not receive any director's fee.

As at the Latest Practicable Date, Mr. Pu does not have, and is not deemed to have, any interest in the Shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO and save as disclosed above, he is not aware of any other matters that need to be brought to the attention of the Shareholders. There is no other information in relation to Mr. Pu that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

* For identification purpose only

Professor WU Jun* (吳軍), aged 64, has been appointed as the independent non-executive Director, the chairman of the remuneration committee of the Company, a member of the nomination committee and the audit committee of the Company since 27 January 2015. Professor Wu has been appointed as an independent director of SWSC from 16 March 2009 to 3 May 2017. He is also a professor in and a tutor of the Doctor of Philosophy students of Finance in 對外經濟貿易大學 (University of International Business and Economics*) (“UIBE”). He was also appointed as an independent director in 深圳市深信泰豐(集團)股份有限公司 (Shenzhen Shenxin Taifeng Group Co. Ltd*), whose shares are listed on the Main Board of Shenzhen Stock Exchange (Stock code: 000034) from June 2008 to June 2014 and 浙江紹興瑞豐農村商業銀行股份有限公司 (Zhejiang Shaoxing Ruifeng Rural Commercial Bank*) from January 2011 to March 2017. Professor Wu graduated from 雲南財貿學院 (Yunnan Finance Institution*) in July 1981 majoring in Finance, and finished his doctorate in currency and banking in 中國人民銀行總行金融研究所 (The Financial Research Institute of People’s Bank of China*) in 1995. Professor Wu has extensive knowledge in economics and finance, and has strong organizational skill. He has been engaged in teaching and research in finance in Yunnan Finance Institution, 中國金融學院 (China Finance College*) and UIBE for 37 years. He is strong at the research skill in finance theory, its revolution and application.

Save as disclosed above, Professor Wu did not hold any position in the Company or any of its subsidiaries, nor directorship in any listed public companies in Hong Kong or overseas during the past three years, and does not have any other major appointments or professional qualifications. Save as disclosed above, he does not have any other relationship with any other Directors, senior management of the Company or substantial shareholders or controlling Shareholders. Professor Wu has entered into a director’s service agreement with the Company for a term of three years, subject to retirement by rotation and re-election in accordance with the Bye-laws, which may be terminated by either the Company or Professor Wu by giving two months’ prior written notice or otherwise in accordance with the terms of the director’s service agreement. In accordance with the Bye-laws, Professor Wu shall be eligible for re-election at the AGM. Professor Wu is entitled to a director’s fee of HK\$204,000 per annum which is determined with reference to, among others, his experience, roles and responsibility within the Group, the prevailing market conditions and the recommendation from the remuneration committee of the Company. Save for the said director’s fee, Professor Wu is not entitled to any other emolument for holding his office as an independent non-executive Director.

As at the Latest Practicable Date, Professor Wu does not have, and is not deemed to have, any interest in the Shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO and save as disclosed above, he is not aware of any other matters that need to be brought to the attention of the Shareholders. There is no other information in relation to Professor Wu that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

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Mr. MENG Gaoyuan* (蒙高原), aged 46, has been appointed as the independent non-executive Director, the chairman of audit committee, a member of the remuneration committee and the nomination committee of the Company since 27 January 2015. Mr. Meng has been qualified as an accountant in the PRC since 1999. He has also been qualified as a certified public valuer and a registered land valuer since 1998 and 2006 respectively. Mr. Meng served in 重慶康華會計師事務所有限公司 (Chongqing Kanghua Certified Public Accountants*) consecutively as a department senior manager (部門高級經理) and deputy general manager since September 1998. Mr. Meng graduated from 江西財經學院 (Jiangxi University of Finance and Economics*) in the PRC with a Bachelor degree majoring in Finance, Accounting and Auditing in July 1994. He obtained a Master of Business Administration degree from 重慶理工大學 (Chongqing University of Technology*). He has abundant experience in accounting, audit and finance.

Save as disclosed above, Mr. Meng did not hold any position in the Company or any of its subsidiaries, nor directorship in any listed public companies in Hong Kong or overseas during the past three years, and does not have any other major appointments or professional qualifications. Save as disclosed above, he does not have any other relationship with any other Directors, senior management of the Company or substantial shareholders or controlling Shareholders. Mr. Meng has entered into a director's service agreement with the Company for a term of three years, subject to retirement by rotation and re-election in accordance with the Bye-laws, which may be terminated by either the Company or Mr. Meng by giving two months' prior written notice or otherwise in accordance with the terms of the director's service agreement. In accordance with the Bye-laws, Mr. Meng shall be eligible for re-election at the AGM. Mr. Meng is entitled to a director's fee of HK\$204,000 per annum which is determined with reference to, among others, his experience, roles and responsibility within the Group, the prevailing market conditions and the recommendation from the remuneration committee of the Company. Save for the said director's fee, Mr. Meng is not entitled to any other emolument for holding his office as an independent non-executive Director.

As at the Latest Practicable Date, Mr. Meng does not have, and is not deemed to have, any interest in the Shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO and save as disclosed above, he is not aware of any other matters that need to be brought to the attention of the Shareholders. There is no other information in relation to Mr. Meng that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

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NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE IS HEREBY GIVEN that the annual general meeting of Southwest Securities International Securities Limited (the “**Company**”) will be held at Conference Room, 4/F., Chuangjian Building, No. 6023 Shennan Road, Futian District, Shenzhen, China on Friday, 15 June 2018 at 10:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

Ordinary resolutions

1. To receive and consider the report of the directors, audited consolidated financial statements and the independent auditor’s report for the year ended 31 December 2017.
2. To re-elect Mr. Pu Rui*, a retiring director, as an executive director of the Company.
3. To re-elect Professor Wu Jun*, a retiring director, as an independent non-executive director of the Company.
4. To re-elect Mr. Meng Gaoyuan*, a retiring director, as an independent non-executive director of the Company.
5. To authorise the board of directors of the Company to fix the remuneration of the directors.
6. To appoint Ernst & Young as auditor of the Company and to authorise the board of directors of the Company to fix its remuneration.

AS SPECIAL BUSINESS

Ordinary resolutions

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase issued shares in the capital of the Company subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time be and is hereby generally and unconditionally approved;

* For identification purpose only

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- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors;
- (c) the aggregate nominal amount of the shares of the Company which is authorised to be purchased by the directors of the Company pursuant to the approval in paragraph (a) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of Bermuda or the Company’s Bye-laws to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the Company in general meeting.”

8. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

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(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval granted in paragraph (a), otherwise than pursuant to (i) a Rights Issue, or (ii) the share option scheme(s) of the Company approved by The Stock Exchange of Hong Kong Limited, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of Bermuda or the Company’s Bye-laws to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the Company in general meeting; and

“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

9. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 7 and 8 as set out in the notice convening the meeting of which these resolutions form part, the general mandate granted to the directors of the Company pursuant to resolution no. 8 as set out in the notice convening the meeting of which this resolution forms part be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to resolution no. 7 as set out in the notice convening

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the meeting of which this resolution forms part, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

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

Hong Kong, 15 May 2018

As at the date of this notice, the executive Directors 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 are Professor Wu Jun*, Mr. Meng Gaoyuan* and Mr. Guan Wenwei.*

Notes:

1. A proxy form for use at the meeting is enclosed.
2. Any Shareholder entitled to attend and vote at the meeting of the Company shall be entitled to appoint one or more proxies to attend and vote instead of him.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
4. To be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member from attending the meeting and voting in person. In such event, the form of proxy will be deemed to have been revoked.
5. A proxy needs not be a Shareholder. A Shareholder may appoint a proxy in respect of part of his holding of Shares in the Company.
6. If there is a black rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong or a red rainstorm warning or a red typhoon warning signal in force in Shenzhen at or after 6:00 a.m. on 15 June 2018 and/or the Hong Kong or Shenzhen Observatory has announced at or before 6:00 a.m. on 15 June 2018 that either of the abovementioned warnings is to be issued within the next two hours, the meeting as convened by this notice shall automatically be postponed to 19 June 2018 (the "Re-scheduled Day") on which no black rainstorm warning or tropical cyclone warning signal number 8 or above (in case for Hong Kong) or no red rainstorm warning or red typhoon warning signal (in case for Shenzhen) is hoisted on the Re-scheduled Day and in such case the meeting shall be held at 10:00 a.m. at Conference Room, 4/F., Chuangjian Building, No. 6023 Shennan Road, Futian District, Shenzhen, China.
7. In the case of joint holders of a Share/Shares in the Company if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.

* *For identification purpose only*