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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)

ISSUANCE OF CNY1,500,000,000 6.45% BONDS DUE 2018

Reference is made to the announcement of the Company dated 15 May 2015 in relation to the Bonds Issue. The Board is pleased to announce that on 21 May 2015, the Company and Southwest Securities entered into the Subscription Agreement with Southwest (HK) Brokerage, Guotai Junan International, Haitong International, ABC International and Standard Chartered in connection with the Bonds Issue.

Southwest Securities will assist the Company in meeting its obligations under the Bonds by way of a keepwell arrangement.

The estimated proceeds of the Bonds Issue, after deducting the underwriting discounts and commissions and without taking into account any private banking rebates or other estimated expenses, will amount to approximately RMB1,485.0 million.

The Company will seek a listing of the Bonds on the Stock Exchange. A confirmation of the eligibility of the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Bonds.

The issue of the Bonds is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 15 May 2015 in relation to the Bonds Issue. The Board is pleased to announce that on 21 May 2015, the Company, Southwest Securities, Southwest (HK) Brokerage, Guotai Junan International, Haitong International, ABC International and Standard Chartered entered into the Subscription Agreement in connection with the Bonds Issue.

THE SUBSCRIPTION AGREEMENT

Date: 21 May 2015

Parties: (i) the Company;

(ii) Southwest Securities;

(iii) Southwest (HK) Brokerage;

(iv) Guotai Junan International;

(v) Haitong International;

(vi) ABC International; and

(vii) Standard Chartered.

Pursuant to the Subscription Agreement, the Company will issue the Bonds and Southwest (HK) Brokerage, Guotai Junan International, Haitong International, ABC International and Standard Chartered will be the initial subscribers of the Bonds. Southwest Securities will assist the Company in meeting its obligations under the Bonds by way of a keepwell arrangement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Guotai Junan International, Haitong International, ABC International and Standard Chartered is an independent third party and is not a connected person of the Company. Southwest (HK) Brokerage is a wholly-owned subsidiary of the Company.

The following is a brief summary of the Bonds Issue. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Trust Deed and the Bonds.

THE BONDS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT. THE BONDS ARE BEING OFFERED OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS S UNDER THE SECURITIES ACT AND WILL NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NONE OF THE BONDS WILL BE OFFERED TO THE PUBLIC IN HONG KONG AND NONE OF THE BONDS WILL BE PLACED TO ANY CONNECTED PERSONS OF THE COMPANY.

THE BONDS ISSUE

Bonds Offered

Subject to satisfaction of certain conditions to completion, the Company will issue the Bonds.

Issue Price

The issue price of the Bonds will be 100% of the principal amount of the Bonds.

Interest

The Bonds will bear interest from and including 28 May 2015 at the rate of 6.45 per cent. per annum, payable semi-annually in arrear on or nearest to 28 May and 28 November in each year (“Interest Payment Date”).

Maturity Date

Interest Payment Date falling on or nearest to 28 May 2018.

Status of the Bonds

The Bonds will constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company which rank *pari passu* without any preference or priority among themselves and will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Company, save for such obligations as may be preferred by provisions of applicable laws.

Redemption at Maturity

Unless previously redeemed or repurchased and cancelled, the Bonds will be redeemed at their principal amount in RMB on the Maturity Date.

Redemption for Tax Reasons

Subject to certain conditions, the Bonds may be redeemed at the option of the Company in whole, but not in part, at their principal amount, together with interest accrued to, but excluding the date fixed for redemption, at any time in the event of certain changes affecting taxes of Hong Kong, the PRC or Bermuda.

Redemption for Change of Control

A Bond holder will have the right, at such Bond holder's option, to require the Company to redeem all, but not some only, of that Bond holder's Bonds at 101% of their principal amount, together with accrued interest up to the put settlement date, upon the occurrence of a change of control (as defined in the terms and conditions of the Bonds) with respect to the Company.

Proceeds of the Bonds Issue

The estimated proceeds of the Bonds Issue, after deducting the underwriting discounts and commissions and without taking into account any private banking rebates or other estimated expenses, will amount to approximately RMB1.485.0 million.

THE KEEPWELL DEED

Date: to be dated 28 May 2015

Parties: (i) the Company;
(ii) Southwest Securities; and
(iii) the Trustee.

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 position 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 under or in respect of the Bonds in accordance with the Trust Deed and the conditions of the Bonds and any and all payments due under the Trust Deed and the Agency Agreement.

The Keepwell Deed does not constitute a guarantee by Southwest Securities of the obligations of the Company under the Bonds.

REASON FOR THE BONDS ISSUE

The Directors believe that the 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 proceeds from the issue of the Bonds for general corporate purposes. 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 net proceeds.

LISTING

The Company will seek a listing of the Bonds on the Stock Exchange. A confirmation of the eligibility of the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Bonds.

RATING

The Bonds have not been rated.

The issue of the Bonds is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“ABC International”	ABCI Capital Limited
“Agency Agreement”	the agency agreement to be entered into among the Company and The Bank of New York Mellon, Hong Kong Branch (as the trustee of the Bonds and registrar, and as principal paying agent, CMU lodging agent and transfer agent) in relation to the Bonds as amended or supplemented from time to time
“Bonds”	CNY1,500,000,000 principal amount of 6.45% bonds due 2018 proposed to be issued by the Company

“Bonds Issue”	the international offering of the Bonds by the Company
“CMU”	Central Moneymarkets Unit service operated by Hong Kong Monetary Authority
“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 Hong Kong 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
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Act”	the United States Securities Act of 1933, as amended
“Southwest Securities”	Southwest Securities Co. Ltd., the controlling shareholder of the Company
“Southwest (HK) Brokerage”	Southwest Securities (HK) Brokerage Limited, a wholly-owned subsidiary of the Company
“Standard Chartered”	Standard Chartered Bank (Hong Kong) Limited
“Subscription Agreement”	the subscription agreement dated 21 May 2015 and entered into among the Company, Southwest Securities, Southwest (HK) Brokerage, Guotai Junan International, Haitong International, ABC International and Standard Chartered in relation to the Bonds Issue

“Trust Deed”	the trust deed to be entered into between the Company, Southwest Securities and The Bank of New York Mellon, Hong Kong 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
“US\$”	the U.S. dollars, the lawful currency of the United States of America

By order of the Board of Directors
Southwest Securities International Securities Limited
Yu Weijia*
Chairman

Hong Kong, 22 May 2015

As at the date of this announcement, the executive Directors are Mr. Yu Weijia (Chairman), Mr. Pu Rui* (Chief Executive Officer), Mr. Wu Jian*, Mr. Zhang Chunyong*, Mr. Xu Mingdi* and Ms. Liang Yiqing*; and the independent non-executive Directors are Professor Wu Jun*, Mr. Meng Gaoyuan* and Mr. Lam Kwok Cheong.*

* *For identification purpose only*