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China Industrial Securities International Financial Group Limited

興證國際金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6058)

**ISSUANCE OF US\$200,000,000 5.0% GUARANTEED
BONDS DUE 2020**

Reference is made to the announcement of the Company dated 26 August 2019 in respect of the Bonds Issue (the “**Announcement**”). Unless the context herein defines otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

On 26 August 2019, the Company, the Guarantor and the Joint Lead Managers entered into the Subscription Agreement in connection with the issue of US\$200,000,000 5.0% Guaranteed Bonds due 2020, subsequent to the book building exercise conducted by the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers of the Bonds Issue.

The gross proceeds from the Bonds Issue will be US\$200,000,000. The Company intends to use the net proceeds from the Bonds Issue, consisting of the gross proceeds of the Bonds Issue less the underwriting discounts and commissions and other expenses payable in connection with the Bonds Issue, for its general corporate purposes.

The Company will apply to the Stock Exchange for the listing of and permission to deal in the Bonds, by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong), only.

Reference is made to the announcement of the Company dated 26 August 2019 in respect of the Bonds Issue. Unless the context herein defines otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that on 26 August 2019, the Company, the Guarantor and the Joint Lead Managers entered into the Subscription Agreement in connection with the Bonds Issue, subsequent to the book building exercise conducted by the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers of the Bonds Issue.

THE SUBSCRIPTION AGREEMENT

Date: 26 August 2019

Parties to the Subscription Agreement

- (a) the Company as the issuer;
- (b) the Guarantor;
- (c) China Industrial Securities International Brokerage Limited;
- (d) China Minsheng Banking Corp., Ltd., Hong Kong Branch;
- (e) Zhongtai International Securities Limited;
- (f) Industrial Bank Co., Ltd. Hong Kong Branch;
- (g) Orient Securities (Hong Kong) Limited; and
- (h) China Everbright Securities (HK) Limited.

China Industrial Securities International Brokerage Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, Zhongtai International Securities Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Orient Securities (Hong Kong) Limited and China Everbright Securities (HK) Limited have been appointed as the Joint Bookrunners and Joint Lead Managers for the Bonds Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of China Minsheng Banking Corp., Ltd., Hong Kong Branch, Zhongtai International Securities Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Orient Securities (Hong Kong) Limited and China Everbright Securities (HK) Limited is an independent third party and not a connected person of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, China Industrial Securities International Brokerage Limited, as Guarantor, joint global coordinator, joint bookrunner and joint lead manager, is a directly held and wholly-owned subsidiary of the Company.

The Bonds have not been, and will not be registered, under the U.S. Securities Act. The Bonds will only be offered outside the United States in compliance with Regulation S under the U.S. Securities Act.

Principal terms of the Bonds

Bonds Offered

Subject to certain conditions to completion, the Company will issue the Bonds in the aggregate principal amount of US\$200,000,000, which will mature on 28 August 2020, unless earlier redeemed pursuant to the terms thereof.

Issue Price

The Issue Price of the Bonds will be 100.0% of the principal amount of the Bonds.

Interest

The Bonds will bear interest from and including 30 August 2019, at the rate of 5.0% per annum, payable semi-annually in arrears on 29 February 2020 and the Maturity Date.

Ranking of the Bonds

The Bonds are direct, unconditional, unsubordinated and (subject to the terms and conditions of the Bonds) unsecured obligations of the Company and rank and will rank pari passu without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Company, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

Events of Default

If an event of default occurs, the Trustee may at its discretion, and if so requested in writing by the holders of at least one quarter in principal amount of the Bonds then outstanding or if so directed by an extraordinary resolution of the holders of the Bonds, give notice to the Company and the Guarantor that the Bonds are, and will immediately become, due and repayable at their principal amount together with accrued interest.

Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the maturity date of the Bonds.

The Bonds may be redeemed for taxation reasons and if there had been a change of control of the Company or the Guarantor.

Negative Pledge

So long as any Bond remains outstanding, the Company and Guarantor will not, and the Company will ensure that none of its other subsidiaries will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its business, undertaking, assets or revenue (including any uncalled capital), present or future, to secure the repayment or payment of principal, premium or interest of or on any relevant indebtedness, or any guarantee of or indemnity given in respect of the repayment or payment of principal, premium or interest of or on any relevant indebtedness unless, at the same time or prior thereto, the Company's obligations under the Bonds or, as the case may be, the Guarantor's obligations under the guarantee (i) are secured by the security equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement (whether or not it includes the giving of a security) as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the interests of the Bondholders or as shall be approved by an extraordinary resolution.

Use of Proceeds of the Bonds Issue

The Company is a comprehensive financial group that provides a full-spectrum of financial services in Hong Kong.

The gross proceeds from the Bonds Issue will be US\$200,000,000. The Company intends to use the net proceeds from the Bonds Issue, consisting of the gross proceeds of the Bonds Issue less the underwriting discounts and commissions and other expenses payable in connection with the Bonds Issue, for its general corporate purposes.

LISTING

The Company will apply to the Stock Exchange for the listing of and permission to deal in the Bonds, by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong), only.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Bonds”	the 5.0% guaranteed bonds due 2020 in the principal amount of US\$200,000,000 to be issued by the Company unconditionally and irrevocably guaranteed by the Guarantor;
“Bonds Issue”	the issue of the Bonds by the Company;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Issuer Price”	100.0% of the principal amount of the Bonds, the price at which the Bonds will be issued;
“Joint Bookrunners” and “Joint Lead Managers”	China Industrial Securities International Brokerage Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, Zhongtai International Securities Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Orient Securities (Hong Kong) Limited and China Everbright Securities (HK) Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maturity Date”	28 August 2020;
“Subscription Agreement”	the agreement dated 26 August 2019 entered into among the Company, the Guarantor and the Joint Lead Managers in relation to the Bonds Issue;
“Trustee”	The Bank of New York Mellon, London Branch, the trustee of the Bonds;

“US\$” United States dollars, the lawful currency of the United States of America; and

“%” per cent.

By order of the Board
China Industrial International Financial Group Limited
Huang Yilin
Chairman

Hong Kong, 27 August 2019

As at the date of this announcement, the Board comprises a non-executive Director, namely Mr. Huang Yilin (Chairman), four executive Directors, namely Mr. Huang Jinguang, Mr. Wang Xiang, Ms. Zeng Yanxia and Ms. Zhang Chunjuan, and three independent non-executive Directors, namely Ms. Hong Ying, Mr. Tian Li and Mr. Qin Shuo.