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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)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF BONDS**

### **THE SUBSCRIPTION**

On 15 March 2024 (after trading hours), CISI Investment, an indirect wholly-owned subsidiary of the Company, has subscribed through the lead manager to the offer of the Bonds by the Issuer, and such order was confirmed and CISI Investment has been allocated with the Bonds in the subscription amount of US\$5,000,000 (equivalent to approximately HK\$39,250,000) on 15 March 2024 (after trading hours), at a consideration of US\$5,000,000 (equivalent to approximately HK\$39,250,000), exclusive of transaction costs.

### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

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### **The order to subscribe**

Date: 15 March 2024

Parties: 1. CISI Investment as subscriber

2. The lead manager to the offer of the Bonds by the Issuer

To the best of the information, knowledge and belief of the Directors, the lead manager and its respective ultimate beneficial owners are Independent Third Parties.

The Subscription was funded from its internal resources.

**Principal terms of the Bonds**

Issuer:	Shuifa International Holdings (BVI) Co., Ltd (水發國際控股(BVI)有限公司)
Guarantor	Shuifa Group Co., Ltd. (水發集團有限公司)
Guarantee:	The Guarantor will in the deed of guarantee unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the trust deed and the Bonds. Its payment obligations in that respect will be contained in the deed of guarantee.
Aggregate Principal Amount:	US\$180,000,000
Subscription Amount:	US\$5,000,000 (equivalent to approximately HK\$39,250,000)
Issue Price:	100% of the principal amount of the Bonds
Form and Denomination:	The Bonds will be issued in registered form in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.
Interest:	Fixed rate 7.20% per annum
Issue Date:	20 March 2024
Maturity Date:	20 March 2027
Status of the Bonds:	The Bonds will constitute direct, unsubordinated, unconditional and (subject to the Terms and Conditions) unsecured obligations of the Issuer which will at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and subject to the Terms and Conditions, at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations.
Status of the Guarantee:	The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable laws and subject to the Terms and Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Redemption for Relevant Events:	At any time following the occurrence of a relevant event, a bondholder will have the right, at such bondholder's option, to require the Issuer to redeem all, but not some only, of such bondholder's Bonds on the Put Settlement Date (as defined in the Terms and Conditions) at 101 per cent. (in the case of a redemption for a change of control) or 100 per cent. (in the case of a redemption for a no registration event) of their principal amount, together, in each case, with any accrued interest up to but excluding the Put Settlement Date.
Redemption for Tax Reasons:	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the bondholders (which notice shall be irrevocable), at their principal amount, together with any interest accrued to but excluding the date fixed for redemption, if, the Issuer and/or the Guarantor (as the case may be) satisfies the trustee immediately prior to the giving of such notice that the Issuer (or if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, or the stating of an official position with respect to, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 15 March 2024, and such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, as further described in the Terms and Conditions.
Listing:	Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonds on the Stock Exchange by way of debt issues to professional investors only and it is expected that permission to deal in, and listing of, the Bonds on the Stock Exchange will become effective on or about 21 March 2024.
Ratings:	The Bonds are expected to be assigned a rating of "Baa2" by Moody's Investor Service, Inc. (the " <b>Moody's</b> "). The Guarantor has been assigned a credit rating of Baa2 by Moody's with a negative outlook and a credit rating of A by Lianhe Ratings Global Limited with a stable outlook.

## **INFORMATION OF THE ISSUER AND THE GUARANTOR**

According to the offering circular of the Bonds, the Issuer is a limited liability company incorporated in the British Virgin Islands, which is an indirect wholly-owned subsidiary of the Guarantor. The Issuer does not sell any products or provide any services and it has undertaken no business activities since the date of its incorporation, other than those incidental to its incorporation and establishment as an indirect wholly-owned subsidiary of the Guarantor and those incidental to the issue of debt securities, including the Bonds.

The Guarantor is a company incorporated with limited liability in the PRC. The Guarantor's group is a leading state-owned conglomerate that focuses on the provision of comprehensive water-related services and solutions, ranging from hydraulic engineering construction, water supply, wastewater treatment to clean energy. The largest shareholder and ultimate beneficial owner of the Guarantor is Shandong Provincial State-owned Assets Supervision and Administration Commission of the PRC (山東省國有資產監督管理委員會).

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Issuer and its respective ultimate beneficial owners are Independent Third Parties.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in the provision of brokerage services, margin financing services, corporate finance services, asset management services and financial products and investments.

## **REASONS AND BENEFITS FOR THE SUBSCRIPTION**

The Group subscribed the Bonds for investment purpose. The investment strategy of the Group is, among others, to generate stable return to the Group within an acceptable risk level by investing in a broad diversification of portfolio, including but not limited to stocks, bonds, funds, structured products and derivatives in different business sectors to broaden its revenue streams and to seek sustainable business which increase value for its shareholders. In addition, the Group has sought an opportunity to balance and diversify its investment portfolio when opportunities arose and would, from time to time, realise its investment which to do so will be in the best interests of the Group.

The Directors consider that the Subscription provides the Group with an opportunity to balance and diversify its investment portfolio, as well as to generate stable return to the Group within an acceptable risk level. The Subscription is in line with the Group's investment strategy.

The Directors consider the terms of the Subscription and the Terms and Conditions are on normal commercial terms which are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Bonds”	US\$180,000,000 7.20% Guaranteed Bonds due 2027 issued by the Issuer and unconditionally and irrevocably guaranteed by the

	Guarantor, information of which are stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“CISI Investment”	CISI Investment Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. Its principal business is investment
“Company”	China Industrial Securities International Financial Group Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 6058)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Shuifa Group Co., Ltd. (水發集團有限公司), information of which is stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Issuer”	Shuifa International Holdings (BVI) Co., Ltd (水發國際控股(BVI)有限公司), information of which is stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Shareholder(s)”	holder(s) of the issued shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Bonds by CISI Investment on 15 March 2024
“Terms and Conditions”	the terms and conditions of the Bonds
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

*In this announcement, amounts in US\$ are translated into HK\$ on the basis of US\$1.00 = HK\$7.85. The conversion rate is for illustration purposes only and should not be taken as a representation that US\$ could actually be converted into HK\$ at such rate or at all.*

By Order of the Board  
**China Industrial Securities International Financial Group Limited**  
**Xiong Bo**  
Chairman

Hong Kong, 18 March 2024

*As at the date of this announcement, the Board comprises one non-executive Director, namely Mr. Xiong Bo (Chairman), one executive Director, namely Ms. Zhang Chunjuan, and three independent non-executive Directors, namely Ms. Hong Ying, Mr. Tian Li and Mr. Qin Shuo.*