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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 6 September 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 total subscription amount of US\$15,000,000 (equivalent to approximately HK\$117,750,000) on 6 September 2024 (after trading hours), at a consideration of US\$15,000,000 (equivalent to approximately HK\$117,750,000), 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: 6 September 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:	Hongkong International (Qingdao) Company Limited (香港國際(青島)有限公司)
Keepwell Provider:	Qingdao City Construction Investment (Group) Limited (青島城市建設投資(集團)有限責任公司)
Aggregate Principal Amount:	US\$600,000,000
Total Subscription Amount:	US\$15,000,000 (equivalent to approximately HK\$117,750,000)
Issue Price:	100% of the principal amount of the Bonds
Form and Denomination:	The Bonds will be issued in registered form in the specified denominations of US\$200,000 each and integral multiples of US\$1,000 in excess thereof.
Interest:	Fixed rate 5.75% per annum
Issue Date:	12 September 2024
Maturity Date:	12 September 2027
Status of the Bonds:	The Bonds will constitute direct, unsubordinated, unconditional and (subject to the Terms and Conditions) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable law 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, as further described in the Terms and Conditions.
Redemption for Taxation 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 in accordance with the Terms and Conditions (which notice shall be irrevocable) and in writing to the trustee and the principal paying agent, at their principal amount (together with interest accrued up to but excluding the date fixed for redemption) upon the occurrence of certain tax events as described in

the Terms and Conditions.

Redemption for Change of Control Put Event:	At any time following the occurrence of a change of control put event, the holder of the Bonds will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of that holder's Bonds on the put settlement date, at 101% of their principal amount, together with accrued interest up to but excluding such put settlement date, as further described in the Terms and Conditions.
Keepwell Deed:	The Keepwell Provider will execute a keepwell deed with the Issuer and the trustee, according to which the Keepwell Provider will undertake, among other things, to ensure that the Issuer has sufficient liquidity to ensure timely payment of any amounts payable under the Bonds in accordance with their terms of payment as and when due.
Deed of Equity Interest Purchase Undertaking:	The Keepwell Provider intends to assist the Issuer in meeting its obligations under the Bonds by entering into the deed of equity interest purchase undertaking whereby, upon the receipt of a written notice from the trustee provided in accordance with the deed of equity interest purchase undertaking, the Keepwell Provider agrees to purchase certain equity interests.
Irrevocable Cross-border USD Standby Facility Agreement:	The Issuer and the Keepwell Provider will enter into an irrevocable cross-border USD standby facility agreement, under the terms of which, the Keepwell Provider agrees to grant to the Issuer a USD standby facility pursuant to which the Keepwell Provider will lend to the Issuer an amount sufficient to discharge the Issuer's payment obligation under the Bonds, the trust deed and the agency agreement.
Listing:	Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited for the listing and quotation of the Bonds on the official list of the Singapore Exchange Securities Trading Limited.

INFORMATION OF THE ISSUER

According to the offering circular of the Bonds, the Issuer is a public company incorporated in Hong Kong with limited liability on 26 November 2014. The Issuer is a wholly-owned subsidiary of the Keepwell Provider. The Issuer is positioned as a major offshore financing platform of the Keepwell Provider's group. The Keepwell Provider is a company incorporated in the PRC with limited liability, which has diverse businesses and investments in multiple industries including urban and rural infrastructure investment and construction, new energy business, industrial business, transportation, financial services and other businesses. The Keepwell Provider is beneficially controlled and owned by the Qingdao Municipal Government with the State-owned Assets Supervision and Administration Commission of Qingdao (青島市國有資產監督管理委員會) as its registered shareholder.

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\$600,000,000 5.75% bonds due 2027 issued by the Issuer with the benefit of a keepwell deed, a deed of equity interest purchase undertaking and an irrevocable standby facility agreement issued by the Keepwell Provider, information of which is stated in the section headed “INFORMATION OF THE ISSUER” 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
“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”	Hongkong International (Qingdao) Company Limited (香港國際(青島)有限公司), information of which is stated in the section headed “INFORMATION OF THE ISSUER” in this announcement
“Keepwell Provider”	Qingdao City Construction Investment (Group) Limited (青島城市建設投資(集團)有限責任公司)
“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 6 September 2024
“Terms and Conditions”	the terms and conditions of the Bonds
“US\$” or “USD”	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, 9 September 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.