

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this document. Certain other terms are explained in the section headed "Glossary of Technical Terms".

"AMLO" or "Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance" the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Chapter 615 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

[REDACTED]

"Articles" or "Articles of Association" the articles of association of our Company adopted on 27 July 2016, which will become effective upon the [REDACTED], as amended from time to time, a summary of which is set out in Appendix III to this document

"associate(s)" has the meaning ascribed to it under the GEM Listing Rules

"Audit Committee" the audit committee of the Company

"Board of Directors", "Board" or "our Board" the board of Directors

"Business Day" a day (other than a Saturday, Sunday or public holiday or a day which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted) on which licensed banks in Hong Kong are generally open for normal banking business

"[REDACTED]" [REDACTED] referred to in "Appendix IV Statutory and general information – A.3 Written resolutions of our Shareholders passed on 27 July 2016" in this document

"CCASS" the Central Clearing and Settlement System established and operated by HKSCC

DEFINITIONS

[REDACTED]

“China Industrial Securities International Holdings” or “CISI Holdings”	China Industrial Securities International Holdings Limited, a company incorporated on 20 July 2015 in the Cayman Islands with limited liability under the laws of the Cayman Islands, whose sole shareholder is Industrial Securities (Hong Kong) and a controlling shareholder of the Company
“CISI Asset Management”	China Industrial Securities International Asset Management Limited (興證國際資產管理有限公司) (formerly known as Industrial Securities (Hong Kong) Asset Management Limited (興證(香港)資產管理有限公司)), a company incorporated under the laws of Hong Kong on 31 October 2011 with limited liability and wholly-owned subsidiary of our Company
“CISI Brokerage”	China Industrial Securities International Brokerage Limited (興證國際證券有限公司) (formerly known as Industrial Securities (Hong Kong) Brokerage Limited (興證(香港)證券經紀有限公司), a company incorporated under the laws of Hong Kong on 20 July 2011 with limited liability and wholly-owned subsidiary of our Company
“CISI Capital”	China Industrial Securities International Capital Limited (興證國際融資有限公司) (formerly known as Industrial Securities (Hong Kong) Capital Limited (興證(香港)融資有限公司), a company incorporated under the laws of Hong Kong on 16 August 2012 with limited liability and wholly-owned subsidiary of our Company

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“CISI Finance”	China Industrial Securities International Finance Limited (興證國際財務有限公司) (formerly known as Industrial Securities (Hong Kong) Finance Limited (興證(香港)財務有限公司), a company incorporated under the laws of Hong Kong on 28 October 2013 with limited liability and wholly-owned subsidiary of our Company
“CISI Futures”	China Industrial Securities International Futures Limited (興證國際期貨有限公司) (formerly known as Industrial Securities (Hong Kong) Futures Limited (興證(香港)期貨有限公司), a company incorporated under the laws of Hong Kong on 18 January 2012 with limited liability and wholly-owned subsidiary of our Company
“CISI Investment”	China Industrial Securities International Investment Limited (興證國際投資有限公司) (formerly known as Industrial Securities (Hong Kong) Investment Limited (興證(香港)投資有限公司)), a company incorporated under the laws of Hong Kong on 29 May 2014 with limited liability and currently a subsidiary of our Company
“CISI Wealth Management”	China Industrial Securities International Wealth Management Limited (興證國際私人財富管理有限公司) (formerly known as Industrial Securities (Hong Kong) Wealth Management Limited (興證(香港)私人財富管理有限公司), a company incorporated under the laws of Hong Kong on 21 April 2015 with limited liability and wholly-owned subsidiary of our Company
“close associates(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Code of Conduct”	the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission, as issued by the SFC from time to time
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

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“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (WUMP) Ordinance” or “Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	China Industrial Securities International Financial Group Limited, a company incorporated on 21 July 2015 with limited liability under the laws of the Cayman Islands
“connected person(s)” or “core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it in the GEM Listing Rules and unless the context requires otherwise, for the purpose of our Company, refers to Industrial Securities, Industrial Securities (Hong Kong) and China Industrial Securities International Holdings
“Deed of Non-competition”	the deed of non-competition undertaking dated 28 September 2016 entered into by our Controlling Shareholders in favour of our Group, particulars of which are set out in “Relationship with the Controlling Shareholders” in this document
“Director(s)” or “our Directors”	the director(s) of our Company
“Dragon Power”	Dragon Power Group Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is owned by Mr. Li San Yim and Ms. Ngai Ngan Ying and is the Independent Third Party
“electronic application instruction”	instruction given by a [REDACTED] electronically via [REDACTED] to [REDACTED], being one of the methods to apply for the [REDACTED]
“Employee Share Participation Scheme”	the employee share participation scheme adopted by Industrial Securities (Hong Kong)

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“ES Shares”	the Shares issued and allotted pursuant to the Employee Share Participation Scheme
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an industry research consultant and is the Independent Third Party
“Frost & Sullivan Report”	the independent industry report dated September 2016 commissioned by our Company and prepared by Frost & Sullivan
“FRR”	the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Fusion International”	Fusion International (Singapore) Pte Ltd, a company incorporated in Singapore as a limited private company
“Futures Exchange”	the Hong Kong Futures Exchange Limited
“FVTPL”	fair value through profit or loss
“FY2014”	the financial year ended 31 December 2014
“FY2015”	the financial year ended 31 December 2015
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited as amended, supplemented or otherwise modified from time to time
“GEM Website”	the Internet website at www.hkgem.com operated by the Stock Exchange for the purposes of GEM

[REDACTED]

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“Group”, “our Group”, “we”, “our” and “us”

our Company and its subsidiaries at the relevant time or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the present subsidiaries of our Company and the businesses carried on by such subsidiaries or (as the case may be) their predecessors

“Hao Kang Financial”

Hao Kang Financial Holdings (Group) Limited (豪康金融控股(集團)有限公司) (formerly known as Hao Yin International Holdings Limited 豪銀國際控股有限公司), a company incorporated in Hong Kong with limited liability which is owned as to 70% by Mr. Chen Jiaqiang and as to 30% by Ms. Yang Zhiying and is the Independent Third Party

[REDACTED]

“HKAS”

the Hong Kong Accounting Standards

“HKFRS”

the Hong Kong Financial Reporting Standards issued by HKICPA

“HKICPA”

the Hong Kong Institute of Certified Public Accountants

[REDACTED]

“HK\$” or “Hong Kong dollars”

Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

“Hong Kong”

the Hong Kong Special Administrative Region of the PRC

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[REDACTED]

“ICV”	Intelligence Creation Value Limited, a company incorporated in the British Virgin Islands with limited liability on 26 January 2016, whose entire issued share capital is held by Equity Trustee Limited in its capacity as trustee of Intelligence Creation Trust
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the GEM Listing Rules) any Directors, chief executive or substantial shareholders of our Company, its subsidiaries or their respective associates

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“Industrial Securities”	興業證券股份有限公司 (Industrial Securities Co., Ltd.*), a company established under the laws of the PRC on 30 June 1994 with limited liability whose shares are listing on Shanghai Stock Exchange (stock code: 601377) and the Controlling Shareholder of our Company and together with its subsidiaries, the “Industrial Securities Group”
“Industrial Securities (Hong Kong)”	Industrial Securities (Hong Kong) Financial Holdings Limited (興證(香港) 金融控股有限公司), a company incorporated under the laws of Hong Kong on 5 July 2011 with limited liability whose sole shareholder is Industrial Securities and a Controlling Shareholder of our Company
“Industrial Securities (Shenzhen)”	興證諮詢服務(深圳)有限公司 (Industrial Securities Consultancy Service (Shenzhen) Company Limited*), a company established under the laws of the PRC on 25 November 2013 with limited liability and currently a subsidiary of Industrial Securities (Hong Kong)
“INED(s)”	independent non-executive director(s) or, in the context of our Company, our independent non-executive Director(s)
“Intelligence Creation Trust”	the Intelligence Creation International Employee Share Trust, a discretionary trust founded by ICV with the eligible participants of the Employee Share Participation Scheme as beneficiaries

[REDACTED]

DEFINITIONS

[REDACTED]

“Joint Sponsors”

China Industrial Securities International Capital Limited
and Haitong International Capital Limited

DEFINITIONS

“Latest Practicable Date”	21 September 2016, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document
“Licensing Court”	the court responsible for determination of applications for granting or renewing of Money Lenders Licences

[REDACTED]

“Main Board”	the Main Board operated by the Stock Exchange
“Memorandum of Association”	the memorandum of association of our Company (as amended from time to time), adopted at its incorporation on 21 July 2015, a summary of which is set out in Appendix III to this document
“MLO” or “Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Money Lenders Licence”	the money lenders licence issued by the Licensing Court pursuant to the Money Lenders Ordinance and Money Lenders Regulations for carrying on money lending business in Hong Kong
“Money Lenders Regulations”	the Money Lenders Regulations (Chapter 163A of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Money Space”	Money Space Inc., a company incorporated in the British Virgin Islands with limited liability which is owned as to 65% by Mr. Jiang Jinzhi and as to 35% by Ms. Tang Hua and is the Independent Third Party
“Nomination Committee”	the nomination committee of the Company

DEFINITIONS

[REDACTED]

“On Ride”	On Ride Investments Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Mr. Li To and is the Independent Third Party
“ORSO”	the Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

[REDACTED]

“PRC” or “China”	the People’s Republic of China, which for the purpose of this document and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“PRC Government”	the government of the PRC including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and governmental organisation
“[REDACTED]”	Hao Kang Financial, Dragon Power, Money Space, Fusion International, Sushine, On Ride, Supreme Faith and Teda Holdings, each a [REDACTED], collectively [REDACTED]

DEFINITIONS

[REDACTED]

“Registrar of Money Lenders”	the person appointed under the Money Lenders Ordinance for the purposes of establishing and maintaining the register of money lenders, who currently is the Registrar of Companies in Hong Kong
“Remuneration Committee”	the remuneration committee of the Company
“Reorganisation”	the reorganisation arrangements undertaken by our Group in preparation for the [REDACTED], which are described in more detail in the section headed “History, Reorganisation and Group Structure” and Appendix IV to this document

[REDACTED]

“RMB”	Renminbi, the lawful currency of the PRC
“Securities and Futures (Client Money) Rules”	the Securities and Futures (Client Money) Rules, (Chapter 571I of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

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“Securities and Futures (Client Securities) Rules”	the Securities and Futures (Client Securities) Rules (Chapter 571H of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Securities and Futures (Insurance) Rules”	the Securities and Futures (Insurance) Rules, (Chapter 571AI of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) having a par value of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares of our Company from time to time
	[REDACTED]
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules, unless the context otherwise requires
“Substantial Shareholder(s)”	has the meaning ascribed to it in the GEM Listing Rules and details of our Company’s substantial shareholders are set out in the section “Substantial Shareholders” in this document
“Supreme Faith”	Supreme Faith Investment Limited (信日投資有限公司), a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of China Eco-Farming Limited, a company listed on the GEM (stock code: 8166) and is the Independent Third Party
“Sushine”	Sushine Holdings Limited, a company incorporated under the laws of the British Virgin Islands, which is jointly owned by Mr. Choi Lim Chi, Mr Cui Weizhen, Mr. Zhong Shan, Ms. Zhao He, Mr. Li Binfeng and Ms. Hui Min, all of which being Independent Third Parties

DEFINITIONS

"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
"Teda Holdings"	Teda Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Li Lei and is the Independent Third Party
"Track Record Period"	the financial period comprising the two financial years ended 31 December 2015 and the three months ended 31 March 2016
"U.K."	the United Kingdom

[REDACTED]

"United States" or "U.S."	the United States of America
"US\$" or "US dollars"	United States dollars, the lawful currency of the United States

[REDACTED]

"%"	per cent.
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The English names of the PRC laws, rules, regulations, nationals, entities, governmental authorities, institutions, facilities, certificates and titles etc. mentioned in this document are translations from their Chinese names and are for identification purpose only. If there is any inconsistency between the Chinese names and their English translations, the Chinese names shall prevail. The provision of English translation of company names in Chinese language which are marked with "" is for identification purposes only.*

DEFINITIONS

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Unless otherwise specified, all times refer to Hong Kong time and references to years in this document are to calendar years.