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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: 8407)

ANNOUNCEMENT PURSUANT TO RULE 17.20 OF THE GEM LISTING RULES

This announcement is made by China Industrial Securities International Financial Group Limited (the “**Company**”) pursuant to Rule 17.20 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 26 September 2018, the Company as borrower (the “**Borrower**”) entered into a facility agreement (the “**Facility Agreement**”) with certain financial institutions as lenders (the “**Lenders**”) relating to a 36 months term loan facility of HK\$3,380,000,000 (the “**Loan**”). Under the terms of the Facility Agreement, if, among others, any of the following events of default occurs, the Lenders may, by notice to the Borrower: (i) cancel all or part of the Loan; and/or (ii) declare all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement be immediately due and payable; and/or (iii) declare that all or part of the Loan become payable on demand:

- (a) Industrial Securities Co., Ltd.* (興業證券股份有限公司) (“**Industrial Securities**”), the controlling shareholder of the Company, does not, or ceases to directly or indirectly own, legally and beneficially, at least 51% of the issued share capital of the Company; or
- (b) Industrial Securities does not or ceases to have Management Control of the Company. “Management Control” means, as between Industrial Securities and the Company, that (i) a majority of the incumbent directors of the Company are nominees of Industrial Securities and (ii) Industrial Securities has control over the management strategies and policies of the Company.

As at the date of this announcement, Industrial Securities is indirectly interested in 2,069,947,644 shares of the Company, representing approximately 51.75% of the issued share capital of the Company.

The Company will make continuing disclosure in its subsequent quarterly, interim and annual reports pursuant to the requirements of Rule 17.23 of the GEM Listing Rules so long as the abovementioned obligations continue to exist.

By Order of the Board
China Industrial Securities International Financial Group Limited
Yang Huahui
Chairman

Hong Kong, 26 September 2018

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company (www.xyzq.com.hk).

** for identification purposes only*