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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 ACQUISITION OF NOTES

THE ACQUISITION

The Board announces that on 2 January 2024 (after trading hours), CISI Investment, an indirect wholly-owned subsidiary of the Company, has acquired the Notes in a principal amount of US\$5,630,000 (equivalent to approximately HK\$44,195,500) at a consideration of approximately US\$6,170,640 (equivalent to approximately HK\$48,439,520) on the open market.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition 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 Board announces that on 2 January 2024 (after trading hours), CISI Investment, an indirect wholly-owned subsidiary of the Company, has acquired the Notes in a principal amount of US\$5,630,000 (equivalent to approximately HK\$44,195,500) at a consideration of approximately US\$6,170,640 (equivalent to approximately HK\$48,439,520) on the open market.

The Notes were issued by Mega Advance Investments Limited (the “**Issuer**”), and were unconditionally and irrevocably guaranteed by Beijing Enterprises Holdings Limited (the “**Guarantor**”). Information of each of the Issuer and the Guarantor are stated in the section headed “**INFORMATION OF THE ISSUER AND THE GUARANTOR**” of this announcement. The Notes were listed on the Singapore Exchange Securities Trading Limited.

As the Acquisition was made through the securities brokers of CISI Investment and conducted on the open market, the identities of the sellers of the Notes cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the sellers of the Notes and their respective beneficial owners are Independent Third Parties.

The Acquisition was funded from the Company's internal resources.

INFORMATION OF THE ISSUER AND THE GUARANTOR

According to the public information available to the Directors, the Issuer is an exempted company incorporated in the British Virgin Islands with limited liability and is a direct wholly owned subsidiary of the Guarantor and was established solely for the purpose of issuing certain indebtedness including the Notes.

The Guarantor is a company incorporated with limited liability in Hong Kong and listed on the Stock Exchange (stock code: 392), which is a conglomerate backed by the Beijing Municipal Government focused on gas utilities, complemented by its consumer products and sewage and water treatment businesses conducted through either its subsidiaries or its associate. The largest shareholder of the Guarantor is Beijing Enterprises Group Company Limited (北京控股集團有限公司) holding 62.41% and the ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (北京市人民政府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 ACQUISITION

The Group acquired the Notes for investment purpose. The Directors consider that the Acquisition provides the Group with an opportunity to balance and diversify its investment portfolio, as well as to generate a stable return to the Group. The Acquisition is in line with the Group's investment strategy. The Directors consider that the Acquisition is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition 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:

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| “Acquisition” | the acquisition of the Notes by CISI Investment on the open market on 2 January 2024 |
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| “Board” | the board of Directors |
| “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 |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Notes” | the US\$400,000,000 6.375% Guaranteed Senior Notes due 2041 issued by Mega Advance Investments Limited and unconditionally and irrevocably guaranteed by Beijing Enterprises Holdings Limited, information of the Issuer and the Guarantor are stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement |
| “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 |
| “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
Hu Pingsheng
Chairman

Hong Kong, 3 January 2024

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