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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 22 May 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 CNY50,000,000 (equivalent to approximately HK\$53,810,000) on 22 May 2024 (after trading hours), at a consideration of CNY50,000,000 (equivalent to approximately HK\$53,810,000), 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: 22 May 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:	Shenghai Investment Co., Limited (晟海投資有限公司) (the “ Issuer ”)
Keepwell Provider:	Qingdao Military-Civilian Integration Development Group Co., Ltd. (青島軍民融合發展集團有限公司) (the “ Keepwell Provider ”), a company incorporated with limited liability in the PRC
Standby Letter of Credit Issuer:	Nanyang Commercial Bank (China), Limited Qingdao Branch (南洋商業銀行(中國)有限公司青島分行) (the “ LC Bank ”). Nanyang Commercial Bank (China) Co., Ltd. is a wholly foreign-owned commercial bank wholly owned by China Cinda Asset Management Co., Ltd. through its wholly-owned subsidiary, Nanyang Commercial Bank Limited.
Aggregate Principal Amount:	CNY335,000,000
Total Subscription Amount:	CNY50,000,000 (equivalent to approximately HK\$53,810,000)
Issue Price:	100% of the principal amount of the Bonds
Form and Denomination:	The Bonds will be issued in registered form in specified denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.
Interest:	Fixed rate 4.50% per annum
Issue Date:	29 May 2024
Maturity Date:	29 May 2027
Keepwell Deed:	The Issuer, the Keepwell Provider and the trustee will enter into the Keepwell Deed as further described in the Terms and Conditions.
Standby Letter of Credit:	The Bonds will have the benefit of the Standby Letter of Credit issued in favour of the trustee, on behalf of itself and the holders of the Bonds, by the LC Bank. The Standby Letter of Credit shall be drawable by the trustee as beneficiary under the Standby Letter of Credit on behalf of itself and the holders of the Bonds upon the presentation of a demand by authenticated SWIFT (or by such

method of communication as otherwise permitted under the Standby Letter of Credit) sent by or on behalf of the trustee to the LC Bank in accordance with the Standby Letter of Credit.

Status of the Bonds: The Bonds constitute direct, general, unconditional, unsubordinated and 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 regulation, at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations.

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 accrued and unpaid interest up to, but excluding, the date fixed for redemption), if: (i) the Issuer satisfies the trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional tax amounts as provided or referred to 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 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 22 May 2024; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.

Redemption for Change of Control: At any time following the occurrence of a change of control, a bondholder will have the right, at such bondholder's option, to require the Issuer to redeem all, but not some only of that bondholder's bonds on the put settlement date at 100% of their principal amount, together with accrued and unpaid interest up to but excluding such put settlement date.

Listing: Application will be made to the MOX for the listing of the Bonds by way of debt issues to MOX professional investors only. Application will be made to the Luxembourg Stock Exchange for the listing of the Bonds on the Securities Official List without admission to trading.

INFORMATION OF THE ISSUER

According to the offering circular of the Bonds, the Issuer is a company limited by shares incorporated under the BVI Business Companies Act, 2004 (as amended) of the British Virgin Islands. The Issuer is an indirect wholly-owned subsidiary of the Keepwell Provider. The Issuer was established pursuant to the objects and powers as set out in its memorandum of association. As at the date of this announcement, the Issuer does not carry and has not carried on any business other than entering into arrangements for the issue of CNY300,000,000 4.5% credit enhanced bonds due 2027 on 10 January 2024 and the Bonds. The Keepwell Provider is a company incorporated with limited liability in the PRC. The Keepwell Provider's Group has developed a diversified business portfolio covering engineering and construction, trading, shipbuilding and other businesses such as real estate development, other manufacturing, financial services as well as property leasing businesses. The Keepwell Provider is wholly-owned by Qingdao Economic-Technological Development Area Investment Holding Group Co., Ltd (青島經濟技術開發區投資控股集團有限公司) which in turn is owned as to 51% by Qingdao West Coast New Area Ronghe Holding Group Co., Ltd. (青島西海岸新區融合控股集團有限公司). Qingdao West Coast New Area Ronghe Holding Group Co., Ltd. (青島西海岸新區融合控股集團有限公司) is wholly-owned by Qingdao West Coast New Area State-owned Assets Administration Bureau (青島西海岸新區國有資產管理局).

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”	CNY335,000,000 4.5% credit enhanced bonds due 2027 issued by the Issuer, 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”	Shenghai Investment Co., Limited (晟海投資有限公司), information of which is stated in the section headed “INFORMATION OF THE ISSUER” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOX”	Chongwa (Macao) Financial Asset Exchange Co., Limited
“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 22 May 2024
“Terms and Conditions”	the terms and conditions of the Bonds

“CNY” CNY, the lawful currency of the PRC

“%” per cent.

In this announcement, amounts in CNY are translated into HK\$ on the basis of CNY1.00 = HK\$1.0762. The conversion rate is for illustration purposes only and should not be taken as a representation that CNY 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, 23 May 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.