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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 PERPETUAL SECURITIES

THE SUBSCRIPTION

On 23 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 Perpetual Securities by the Issuer, and such order was confirmed and CISI Investment has been allocated with the Perpetual Securities in the subscription amount of US\$9,500,000 (equivalent to approximately HK\$74,575,000) on 23 May 2024 (after trading hours), at a consideration of US\$9,500,000 (equivalent to approximately HK\$74,575,000), 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: 23 May 2024

Parties: 1. CISI Investment as subscriber

2. The lead manager to the offer of the Perpetual Securities 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 Perpetual Securities

Issuer:	Coastal Emerald Limited
Guarantor	Shandong Hi-Speed Group Co., Ltd. (山東高速集團有限公司)
Guarantee:	The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Perpetual Securities (the “ Guarantee ”) and under the Trust Deed, respectively.
Aggregate Principal Amount:	US\$900,000,000
Subscription Amount:	US\$9,500,000 (equivalent to approximately HK\$74,575,000)
Issue Price:	100% of the principal amount of the Perpetual Securities
Form and Denomination:	The Perpetual Securities will be issued in registered form in the denomination of US\$200,000 and integral multiples of US\$1,000 in excess thereof.
Interest:	Fixed rate 6.50% per annum
Issue Date:	30 May 2024
Maturity Date:	There is no maturity date.
Status of the Perpetual Securities and the Guarantee:	<p>The Perpetual Securities will constitute direct, general, unsubordinated, unconditional and (subject to the Terms and Conditions), unsecured obligations of the Issuer which will at all times rank pari passu without any preference or priority among themselves and at least pari passu with all other present and future unsubordinated and unsecured obligations of the Issuer, other than those preferred by applicable law.</p> <p>The Guarantee will constitute direct, general, unsubordinated, unconditional and (subject to the Terms and Conditions), unsecured obligations of the Guarantor which will at all times rank at least pari passu with all other present and future unsubordinated and unsecured obligations of the Guarantor, other than those preferred by applicable</p>

law.

- Redemption for Tax Reasons:** The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' irrevocable notice to the holders (in accordance with the Terms and Conditions), and in writing to the trustee and the principal paying agent, at their principal amount, together with any distribution accrued to (but excluding) the date fixed for redemption (including any arrears of distribution and any additional distribution amount), in the event of certain changes affecting the taxes of any relevant jurisdiction, as further described in the Terms and Conditions.
- Redemption for Change of Control:** Following the occurrence of a change of control, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' irrevocable notice to the holders (in accordance with the Terms and Conditions), the trustee and the principal paying agent at a redemption price equal to (i) 101% of their principal amount together with any distribution accrued to (but excluding) the date fixed for redemption (including any arrears of distribution and any additional distribution amount), at any time before 30 April 2027; or (ii) their principal amount, together with any distribution accrued to (but excluding) the date fixed for redemption (including any arrears of distribution and any additional distribution amount), at any time on or after 30 April 2027, as further described in the Terms and Conditions.
- Listing:** Application will be made to the Singapore Exchange Securities Trading Limited for the listing of and quotation for the Perpetual Securities on the Official List of the Singapore Exchange Securities Trading Limited.
- Ratings:** Fitch (Hong Kong) Limited has assigned a corporate rating of "A" with a negative outlook and Moody's Investors Service, Inc. has assigned a corporate rating of "A3" with a stable outlook to the Guarantor.

INFORMATION OF THE ISSUER AND THE GUARANTOR

According to the offering circular of the Perpetual Securities, the Issuer is a British Virgin Islands business company incorporated with limited liability under the laws of the British Virgin Islands on 21 July 2014. The Issuer is an indirectly wholly-owned subsidiary of Shandong Hi-Speed Holdings Group Limited (山高控股集團有限公司), which is a subsidiary indirectly held and controlled by the Guarantor. The Issuer does not sell any products or provide any services and has undertaken no business activities since the date of its incorporation, other than those incidental to its incorporation and those incidental to the issue of debt securities.

The Guarantor is a joint stock company incorporated in the PRC. The Guarantor was established by the Shandong Government of the PRC as a wholly state-owned enterprise under the direct supervision of the State-owned Assets Supervision and Administration Commission of Shandong province of the PRC (中國山東省國有資產監督管理委員會), which acts as the Guarantor's majority shareholder.

The Guarantor, through its subsidiaries and affiliates, is principally engaged in the investment in, and construction, operation and management of various transportation and infrastructure facilities. The Guarantor's businesses can be divided into the segments including expressway, railway, construction, trading, financial services, emerging industry and other businesses.

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 Perpetual Securities 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
“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
“Guarantor”	Shandong Hi-Speed Group Co., Ltd. (山東高速集團有限公司), information of which is stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“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”	Coastal Emerald Limited, information of which is stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Perpetual Securities”	US\$900,000,000 6.50% Guaranteed Perpetual Securities issued by the Issuer and unconditionally and irrevocably guaranteed by the Guarantor, information of which 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
“Subscription”	the subscription of the Perpetual Securities by CISI Investment on 23 May 2024
“Terms and Conditions”	the terms and conditions of the Perpetual Securities
“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
Xiong Bo
Chairman

Hong Kong, 24 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.