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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 DISPOSAL OF BONDS

THE DISPOSAL

The Board announces that on 14 June 2024, CISI Investment has disposed of the Bonds in the principal amount of US\$6,000,000 (equivalent to approximately HK\$47,100,000) at a consideration of approximately US\$6,008,900 (equivalent to approximately HK\$47,169,865) on the open market.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal 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 DISPOSAL

Details of the disposal of bonds are set out below:

Date	:	14 June 2024
Seller	:	CISI Investment
Issuer	:	Zhongyuan Zhicheng Co., Ltd. (中原志誠有限公司) (the “ Issuer ”)
Guarantor	:	Zhongyuan Yuzi Investment Holding Group Co., Ltd. (中原 豫資投資控股集團有限公司) (the “ Guarantor ”)

Guarantee	:	The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the trust deed. Its obligations in respect of the Bonds and the trust deed will be contained in the deed of guarantee.
Principal amount of the Bonds being disposed of	:	US\$6,000,000 (equivalent to approximately HK\$47,100,000)
Consideration	:	Approximately US\$6,008,900 (equivalent to approximately HK\$47,169,865)
Maturity Date of the Bonds	:	20 June 2027
Interest of the Bonds	:	Fixed rate 5.90% per annum

INFORMATION OF THE COUNTERPARTY

As the Disposal was conducted on the open market, the identity of the purchaser(s) of the Bonds cannot be ascertained. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the connected persons of the Company nor their associates has purchased the Bonds which were being disposed of by CISI Investment under the Disposal.

INFORMATION OF THE ISSUER AND THE GUARANTOR

According to the offering circular of the Bonds issued by the Issuer, the Issuer is a company incorporated with limited liability in the British Virgin Islands on 3 March 2020. The Issuer is directly and wholly owned by Yuzi International Co., Limited (豫資國際有限公司), which is a Hong Kong incorporated company, of which 100% of the shares are indirectly owned by the Guarantor. As at the date of the offering circular of the Bonds, the Issuer has not engaged, since its incorporation, in any material business activities other than US\$300,000,000 3.20% guaranteed bonds due 2026 issued on 6 July 2021, the proposed issuance of the Bonds and the on-lending of the proceeds thereof to the Guarantor or its subsidiaries, and the authorisation of documents and agreements referred to in the offering circular of the Bonds to which it is or will be a party.

The Guarantor is a company incorporated with limited liability in the PRC. The Guarantor is directly and wholly owned by the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government (河南省人民政府國有資產監督管理委員會), which is under the direct administration of the Henan Provincial People's Government (河南省人民政府). The key principal businesses of the Guarantor's group mainly include interest income, project financing and management and engineering construction businesses. In addition to its key principal businesses, the Guarantor's group is also engaged in other principal businesses, including sales of commodities, eco-town business and gas, among others.

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.

BASIS OF DETERMINATION OF THE CONSIDERATION

Since the Disposal was conducted on the open market at the prevailing market price, the Directors consider that the Disposal is on normal commercial terms and its terms including the consideration are fair and reasonable.

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 DISPOSAL

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 Disposal was in line with the Group's principal activities on financial products and investments. Having consider the performance of the price of the Bonds, the Board is of the opinion that the Disposal represents a good opportunity for the Group to exit the investment in the Bonds. Taking into account the financial effect of the Disposal as disclosed in the paragraph headed "**Financial Effect of the Disposal**" below, the Board is of the view that the Disposal is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

The Group recorded a gain of approximately US\$8,900 (equivalent to approximately HK\$69,865), being the difference between the subscription cost of the Bonds and the proceeds received from the Disposal. The actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to review and final audit by the auditors of the Company.

INTENDED USE OF PROCEEDS

The Company intends that the proceeds of the Disposal of approximately US\$6,008,900 (equivalent to approximately HK\$47,169,865) will be applied towards the Group's general working capital. The Company may also apply the proceeds for new investment should any suitable investment opportunities arise.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal 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:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bonds”	US\$500,000,000 5.90% Guaranteed Sustainable Bonds due 2027 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
“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)
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the Disposal of the Bonds in the principal amount of US\$6,000,000 (equivalent to approximately HK\$47,100,000) at a consideration of approximately US\$6,008,900 (equivalent to approximately HK\$47,169,865) by CISI Investment on the open market on 14 June 2024.
“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
“PRC”	the People’s Republic of China
“Shareholder(s)”	Registered holder(s) of the 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
Xiong Bo
Chairman

Hong Kong, 14 June 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.