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中信证券股份有限公司
CITIC Securities Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6030)

CONNECTED TRANSACTION

ENTERING INTO THE PROMOTERS AGREEMENT WITH CITIC WEALTH MANAGEMENT AND OTHER PROMOTERS

The Board hereby announces that on 23 July 2021, CITIC Securities Investment, a wholly-owned subsidiary of the Company, entered into the Promoters Agreement with CITIC Wealth Management and Other Promoters for the purpose of the establishment of the Joint Venture. Pursuant to the Promoters Agreement, the registered capital of the Joint Venture is expected to be RMB11.15 billion, of which CITIC Securities Investment will contribute RMB0.3 billion, CITIC Wealth Management will contribute RMB0.5 billion, and Other Promoters will contribute a total of RMB10.35 billion. Upon the establishment of the Joint Venture, CITIC Securities Investment will hold approximately 2.69% equity interests in the Joint Venture. The establishment of the Joint Venture is subject to the approval by the CBIRC.

CITIC Corporation Limited, holding 15.47% equity interests in the Company as at the date of this announcement, is the largest shareholder and a connected person of the Company. CITIC Corporation Limited indirectly holds 100% equity interests in CITIC Wealth Management through its non-wholly owned subsidiary, CITIC Bank, thus CITIC Wealth Management is an associate of CITIC Corporation Limited. Therefore, CITIC Wealth Management is also a connected person of the Company as defined under the Hong Kong Listing Rules. Accordingly, the entering into of the Promoters Agreement constitutes a connected transaction of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) calculated exceed 0.1% but are all less than 5%, the transaction in relation to the entering into of the Promoters Agreement is only subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

I. BACKGROUND

The Board hereby announces that on 23 July 2021, CITIC Securities Investment, a wholly-owned subsidiary of the Company, entered into the Promoters Agreement with CITIC Wealth Management and Other Promoters for the purpose of the establishment of the Joint Venture. Pursuant to the Promoters Agreement, the registered capital of the Joint Venture is expected to be RMB11.15 billion, of which CITIC Securities Investment will contribute RMB0.3 billion, CITIC Wealth Management will contribute RMB0.5 billion, and Other Promoters will contribute a total of RMB10.35 billion. Upon the establishment of the Joint Venture, CITIC Securities Investment will hold approximately 2.69% equity interests in the Joint Venture. The establishment of the Joint Venture is subject to the approval by the CBIRC.

II. PROMOTERS AGREEMENT

The principal terms of the Promoters Agreement are as follows:

Date: 23 July 2021

Parties:

- CITIC Securities Investment;
- CITIC Wealth Management; and
- Other Promoters

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Other Promoters and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Effective Date: The Promoters Agreement shall take effect on the date of being signed by the legal representative or authorized representative of each of the promoters and being chopped with the official chop of each of the promoters.

Business Scope of the Joint Venture: Commercial pension plan management business; outsourced money management business denominated in RMB or foreign currencies for the purpose of elderly provisions; group pension insurance and annuity business; individual pension insurance and annuity business; short-term health insurance business; accident insurance business; group life insurance business; long-term group health insurance business; long-term individual health insurance business; reinsurance of the aforementioned insurance businesses; insurance funds investment as approved by the national laws and regulations; advisory services relating to the aforementioned businesses; sideline insurance agency business; other businesses as approved by the CBIRC and the competent authorities of the PRC. (The business scope to be specified on the insurance license and the business license shall prevail.)

Registered Capital and Amount of Contribution: The registered capital of the Joint Venture is expected to be RMB11.15 billion, with a total share capital of RMB11.15 billion, which is divided into a total of 11,150,000,000 shares with a nominal value at RMB1 each.

CITIC Securities Investment and CITIC Wealth Management will respectively contribute RMB0.3 billion and RMB0.5 billion to subscribe for 300,000,000 shares and 500,000,000 shares of the Joint Venture respectively. Upon the establishment of the Joint Venture, CITIC Securities Investment and CITIC Wealth Management will hold approximately 2.69% and 4.48% equity interests in the Joint Venture respectively.

Other Promoters will contribute a total of RMB10.35 billion to subscribe for 10,350,000,000 shares of the Joint Venture. Upon the establishment of the Joint Venture, Other Promoters will collectively hold approximately 92.83% equity interests in the Joint Venture.

Payment of the Capital Contribution: All the promoters of the Joint Venture shall make contributions in RMB by cash. After all the promoters complete the necessary approval procedures, such as the required approvals by competent internal authorities and external regulators, the preparatory committee of the Joint Venture (the “**Preparatory Committee**”) will issue the payment notice to the promoters, and the promoters shall make full payment of their capital contributions within 10 business days from the date of issuance of such payment notice. The Joint Venture shall engage a qualified institution for capital verification after all the promoters pay their contributions in full.

**Restriction on
Transfer of the
Shares:**

All the shares held by the promoters in the Joint Venture shall not be transferred within one year from the date of incorporation of the Joint Venture. In addition, the period for restriction on the transfer of the promoter's shares in the Joint Venture shall be subject to the laws and regulations and the relevant regulatory requirements.

Change of Promoters:

During the period from the effective date of the Promoters Agreement to the date of incorporation of the Joint Venture, if either promoter is duly notified by the regulatory authority that it has not obtained the approval or is deemed unable to complete the examination in respect of shareholder's qualification and other aspects; or the performance of any of its obligations under the Promoters Agreement is suspended due to force majeure or discharged as agreed with the Preparatory Committee through negotiation, such promoter shall exit from investment in the Joint Venture.

A defaulting promoter who fails to pay the capital contribution within the time limit as specified in the Promoters Agreement and is overdue in paying the share subscription price in full shall, at the written request of any of the other non-defaulting promoters of the Preparatory Committee, exit from investment in the Joint Venture and be liable for the default in accordance with the relevant provisions in the Promoters Agreement.

Without prejudice to the other rights and remedies of the non-exiting promoters, in the event of any of the promoters exits from investment in the Joint Venture in the aforementioned circumstances, the non-exiting promoters shall use their best efforts to achieve agreements on the capital contribution proposed to be made by the promoter exiting from the investment by means including but not limited to the following: (i) introducing one or more additional promoters to subscribe for the shares to be subscribed by the promoter who exits from investment and entering into a supplementary agreement in this regard; or (ii) no new promoters being introduced and deducting the share subscription price proposed to be paid and the number of shares proposed to be subscribed for by the promoter who exits from investment from the total registered capital and the total number of shares of the Joint Venture respectively, with the share subscription price to be paid and the number of shares to be subscribed for by each non-exiting promoter remaining unchanged.

During the period from the effective date of the Promoters Agreement to the date of incorporation of the Joint Venture, if the controlling shareholder of any promoter notifies the Preparatory Committee in writing of its intention to change such promoter to another company in which it has a controlling interest (the “**New Promoter**”), and the New Promoter will subscribe for the shares in the Joint Venture in accordance with the number of shares, the share subscription price and the shareholding percentage of such promoter as agreed in the Promoters Agreement, such promoter shall exit from investment in the Joint Venture and the New Promoter shall join the establishment of the Joint Venture with the consent of the head of the Preparatory Committee.

Composition of the Board:

The board of directors of the Joint Venture comprises eleven to fifteen members, including two to three executive directors and eight to thirteen non-executive directors. The rules for the nomination of the directors of the Joint Venture shall be determined by the shareholders of the Joint Venture upon separate negotiation.

The term of office of each session of the board shall be three years. The directors shall be elected at the shareholders’ general meeting, and may seek re-election upon expiry of the term of office.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE PROMOTERS AGREEMENT

The participation in the establishment of the Joint Venture is to actively implement the relevant arrangements of the central government on further improving the construction of the pension insurance system, which will have a good social effect on the Group’s long-term deployment and continuous service in the pension insurance market in the PRC, benefiting the broad investors, and will not have any adverse impact on the Group.

The Directors (including the independent non-executive Directors) are of the view that the Promoters Agreement was entered into after arm’s length negotiation and on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interests of the Company and its shareholders.

IV. HONG KONG LISTING RULES IMPLICATIONS

CITIC Corporation Limited, holding 15.47% equity interests in the Company as at the date of this announcement, is the largest shareholder and a connected person of the Company. CITIC Corporation Limited indirectly holds 100% equity interests in CITIC Wealth Management through its non-wholly owned subsidiary, CITIC Bank, thus CITIC Wealth Management is an associate of CITIC Corporation Limited. Therefore, CITIC Wealth Management is also a connected person of the Company as defined under the Hong Kong Listing Rules. Accordingly, the entering into of the Promoters Agreement constitutes a connected transaction of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) calculated exceed 0.1% but are all less than 5%, the transaction in relation to the entering into of the Promoters Agreement is only subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Mr. ZHANG Youjun, the Chairman of the Company, also serves as the assistant to the general manager of each of CITIC Group, CITIC Limited and CITIC Corporation Limited. Therefore, he is deemed to have a material interest in the connected transaction in relation to the Promoters Agreement, and thus has abstained from voting on the relevant resolution at the Board meeting. Save as mentioned above, none of the other Directors has a material interest in such transaction and is required to abstain from voting on the relevant resolution at the Board meeting.

V. GENERAL INFORMATION

Information on CITIC Wealth Management

The principal businesses of CITIC Wealth Management include public offering of wealth management products to general public and investment and management of properties entrusted by investors; private placement of wealth management products to qualified investors and investment and management of properties entrusted by investors; and wealth management advisory and consulting services.

CITIC Wealth Management is an indirect non-wholly owned subsidiary of CITIC Corporation Limited, the largest shareholder of the Company. The ultimate controlling shareholder of CITIC Corporation Limited is CITIC Group.

Information on CITIC Securities Investment

CITIC Securities Investment is a wholly-owned subsidiary of the Company, whose principal businesses include financial products investment, securities investment and equity investment.

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions and terms shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Board”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“CITIC Bank”	China CITIC Bank Corporation Limited (中信銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of CITIC Corporation Limited
“CITIC Corporation Limited”	CITIC Corporation Limited (中國中信有限公司), a wholly foreign-owned enterprise incorporated in the PRC with limited liability and the largest shareholder of the Company
“CITIC Group”	CITIC Group Corporation (中國中信集團有限公司), a limited liability company incorporated in the PRC and a large-scale state-owned comprehensive multinational conglomerate engaging in both financial and non-financial businesses
“CITIC Securities Investment”	CITIC Securities Investment Limited (中信証券投資有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“CITIC Wealth Management”	CITIC Wealth Management Corporation Limited (信銀理財有限責任公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of CITIC Bank
“Company”	CITIC Securities Company Limited (中信証券股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Joint Venture”	a joint stock company with limited liability to be established in the PRC according to the terms of the Promoters Agreement, principally engaged in the pension insurance business
“Other Promoters”	apart from CITIC Securities Investment and CITIC Wealth Management, the other 15 promoters under the Promoters Agreement, all of which are third parties independent from the Company and its connected persons
“PRC”	the People’s Republic of China
“Promoters Agreement”	the promoters agreement entered into by CITIC Securities Investment, CITIC Wealth Management and Other Promoters on 23 July 2021, for the purpose of the establishment of the Joint Venture
“RMB”	Renminbi, the lawful currency of the PRC

By order of the Board
CITIC Securities Company Limited
ZHANG Youjun
Chairman

Beijing, the PRC
23 July 2021

As at the date of this announcement, the executive directors of the Company are Mr. ZHANG Youjun and Mr. YANG Minghui; the non-executive director is Mr. WANG Shuhui; and the independent non-executive directors are Mr. LIU Ke, Mr. ZHOU Zhonghui and Mr. LI Qing.