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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 IN RELATION TO THE FORMATION OF THE PARTNERSHIP**

On 8 September 2023, GoldStone Investment, a wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with, among others, Large Corridor Fund and CITIC Private Fund, pursuant to which GoldStone Investment agreed to act as a general partner and make capital contribution of RMB500,000,000 in cash to the Partnership, with a capital contribution proportion of 10%.

GoldStone Investment is a wholly-owned subsidiary of the Company. As of the date of this announcement, CITIC Corporation Limited is a connected person of the Company since it is the controlling shareholder of the largest shareholder of the Company indirectly holding 18.45% equity interests in the Company. CITIC Investment Holdings and GoldStone Investment are the general partners of Large Corridor Fund and CITIC Investment Holdings is wholly owned by CITIC Corporation Limited. CITIC Private Fund is a wholly-owned subsidiary of CITIC Investment Holdings. Therefore, both Large Corridor Fund and CITIC Private Fund are connected persons of the Company. As such, under Chapter 14A of the Hong Kong Listing Rules, the formation of the Partnership by entering into the Limited Partnership Agreement constitutes a connected transaction of the Company.

As the applicable percentage ratios calculated on an aggregated basis pursuant to Rule 14A.81 of the Hong Kong Listing Rules exceed 0.1% but are less than 5%, the transaction contemplated under the Limited Partnership Agreement is subject to the reporting and announcement requirements, but exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

### **I. BACKGROUND**

On 8 September 2023, GoldStone Investment, a wholly-owned subsidiary of the Company, entered into the Limited Partnership Agreement with, among others, Large Corridor Fund and CITIC Private Fund, pursuant to which GoldStone Investment agreed to act as a general partner and make capital contribution of RMB500,000,000 in cash to the Partnership, with a capital contribution proportion of 10%.

## II. LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are as follows:

**Date:** 8 September 2023

**Parties:** *General Partners:*

- GoldStone Investment (a wholly-owned subsidiary of the Company)
- CITIC Private Fund (connected person)

*Limited Partners:*

- Large Corridor Fund (connected person)
- Anhui Conch Capital
- Anhui Conch Cement
- Wuhu Industrial
- Anhui Expressway
- GoldStone Runze Partnership

**Term:** The operating term (“**Business Term**”) of the Partnership is calculated from the payment date specified in the first capital payment notice issued by the managing partner to all partners (the “**Initial Completion Date**”) and expires on the date upon completion of eight years from the Initial Completion Date (i.e. 96 months). The duration of its existence as registered with the industrial and commercial department is subject to the industrial and commercial registration.

During the period from the Initial Completion Date and expires on the date upon completion of five years from the Initial Completion Date (i.e. 60 months) is referred to as the “Investment Period” of the Partnership, and the remaining Business Term following the conclusion of the Investment Period is referred to as the “Exit Period”. According to the operational requirements of the Partnership, the Business Term of the Partnership may be extended twice, with each time for another one year upon the proposal of the managing partner and with unanimous consent of all partners. The aforementioned extended term is referred to as the “Extension Period”.

<b>Effective Date:</b>	The Limited Partnership Agreement shall take effect upon execution by the parties thereunder.
<b>Direction of the investment:</b>	The Partnership mainly invests in strategic emerging industries and high-tech industries, such as new energy, new materials, carbon technology, digital industry, green environmental protection and smart transportation.
<b>Business scope of the Partnership:</b>	General projects: equity investment, investment management, asset management and other activities with private equity funds (such operating activities can only be conducted after completing registration and filing with the Asset Management Association of China) (except licensed business, the Partnership can independently operate projects that are not prohibited or restricted by laws and regulations) (subject to final approval of the business scope by business registration authorities).
<b>Target scale:</b>	RMB5,000,000,000
<b>Capital contribution to the Partnership:</b>	<p>The capital contribution of the parties to the Partnership is RMB5,000,000,000, of which:</p> <ul style="list-style-type: none"> <li>• GoldStone Investment will contribute RMB500,000,000, representing 10% of the Partnership;</li> <li>• CITIC Private Fund will contribute RMB1,000,000, representing 0.02% of the Partnership;</li> <li>• Large Corridor Fund will contribute RMB984,000,000, representing 19.68% of the Partnership;</li> <li>• Anhui Conch Capital will contribute RMB1,000,000,000, representing 20% of the Partnership;</li> <li>• Anhui Conch Cement will contribute RMB1,000,000,000, representing 20% of the Partnership;</li> <li>• Wuhu Industrial will contribute RMB1,000,000,000, representing 20% of the Partnership;</li> <li>• Anhui Expressway will contribute RMB500,000,000, representing 10% of the Partnership; and</li> <li>• GoldStone Runze Partnership will contribute RMB15,000,000, representing 0.3% of the Partnership.</li> </ul>

The total capital contribution is determined after arm's length negotiations among the parties with reference to the capital needs of the Partnership. The capital contribution of the Group will be funded by internal resources of the Group.

**Capital contribution:**

Subject to the satisfaction of the minimum requirements of the applicable laws on the initial paid-in capital contribution of each partner, in principle, the initial capital contribution of each partner shall be ten percent (10%) of its subscribed capital contribution. Subsequent capital contributions shall be made by the managing partner according to the fund's capital requirements such as project investment, payment of partnership fees or performance of other payment obligations. When more than 80% of the previous paid-in capital contribution has been invested or committed to invest in the invested enterprise or reserved for investment in the invested enterprise which has passed the Investment Decision-making Committee (the "**Investment Committee**"), notice of payment of capital contribution shall be issued to each partner in installments. The managing partner shall provide a brief description of the progress of the use of the previous paid-in capital contribution and the use of the next installment of capital contribution in each subsequent notice of payment of capital contribution. In principle, the capital contribution of each partner shall be paid within four (4) years after the Initial Completion Date. The managing partner shall, in principle, issue two notices of payment of capital contribution to the partners every year, and each capital contribution shall not exceed fifteen percent (15%) of the capital contribution of each partner in principle. Each partner shall remit the current capital contribution to the bank account of the Partnership designated by the managing partner before the latest payment date specified in the notice of payment of capital contribution issued by the managing partner (the "**Payment Date**").

**Managing partner and Manager:**

GoldStone Investment (being one of the general partners) will also act as managing partner and manager of the Partnership.

**Responsibilities of the managing partner:**

Shall have absolute and exclusive right on the management and control of the operation of the Partnership, the investment business of the Partnership and other affairs and to make independent decisions on the matters that the managing partner has the right to independently decide under the Limited Partnership Agreement.

**Management fee:**

During the duration of existence of the Partnership, management fees are paid to the fund manager and the general partners annually. All partners except GoldStone Runze Partnership shall bear the management fees. The total annual fee rate is 1.5%. The calculation base for the management fee is as follows:

- (1) During the Investment Period, the annual management fee is based on the accumulated paid-in capital contribution of the corresponding partners.
- (2) During the Exit Period, the annual management fee is based on the total investment cost corresponding to the investment projects that have not been exited as shared by the corresponding partners.
- (3) During the Extension Period (if any), no management fee shall be accrued.

**Revenue distribution:**

The distributable cash of the Partnership shall be initially divided among all partners in accordance with their proportion of investment cost of the investment project (if the distributable cash is not derived from the investment project, the proportion to be determined by the managing partner in accordance with the proportion of paid-in capital contribution or the actual vesting of such distributable cash by each partner) and shall be distributed in accordance with the principle of “recoup of principal followed by profit distribution” and “instant distribution upon divestment”. The portion attributable to each partner other than GoldStone Runze Partnership shall be further distributed between such partner (excluding GoldStone Runze Partnership) and the general partners in the following order:

- (1) Firstly, one hundred percent (100%) shall be distributed to such partner (excluding GoldStone Runze Partnership) until the cumulative total amount of distributions received by such partner (excluding GoldStone Runze Partnership) as of the date of such distribution pursuant to this paragraph (1) reaches the paid-in capital contribution of such partner;

- (2) Secondly, if there is any remaining amount, one hundred percent (100%) shall be distributed to such partner (excluding GoldStone Runze Partnership) until such partner (excluding GoldStone Runze Partnership) has, as of the date of such distribution, cumulatively received a performance-based revenue calculated at eight percent (8%) per year (simple interest) on the cumulative distribution amount received under paragraph (1) above. The calculation period of the performance-based revenue is from the Payment Date or the actual payment date (whichever is later) of each installment of capital contribution by such partner (excluding GoldStone Runze Partnership) to the date when such partner (excluding the GoldStone Runze Partnership) recovers such portion of the paid-in capital contribution;
- (3) Thirdly, if there is any remaining amount, (a) eighty percent (80%) distributed to such partner (excluding GoldStone Runze Partnership) and (b) twenty percent (20%) to the general partners.

The distributable cash of the Partnership attributable to GoldStone Runze Partnership after being divided according to the aforesaid proportion shall be actually distributed to GoldStone Runze Partnership.

### **III. REASONS FOR AND BENEFITS OF ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT**

GoldStone Investment is a platform for the Company to raise and manage private equity investment funds, and has been acting as a fund manager to support the development of enterprises in line with the national strategic layout of emerging industry and with core competitiveness through equity investment. The transaction is conducive to further enhancing the Group's market influence in the field of private equity investment fund, and is an important manifestation of the Group's active implementation of the national strategies and serving the high-quality development of the real economy through equity investment.

The Directors (including the independent non-executive Directors) are of the view that the connected transaction contemplated under the Limited Partnership Agreement is conducted in the ordinary course of business of the Company and on normal commercial terms and practices. The terms of the Limited Partnership Agreement are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

## **IV. HONG KONG LISTING RULES IMPLICATIONS**

GoldStone Investment is a wholly-owned subsidiary of the Company. As of the date of this announcement, CITIC Corporation Limited is a connected person of the Company since it is the controlling shareholder of the largest shareholder of the Company indirectly holding 18.45% equity interests in the Company. CITIC Investment Holdings and GoldStone Investment are the general partners of Large Corridor Fund and CITIC Investment Holdings is wholly owned by CITIC Corporation Limited. CITIC Private Fund is a wholly-owned subsidiary of CITIC Investment Holdings. Therefore, both Large Corridor Fund and CITIC Private Fund are connected persons of the Company. As such, under Chapter 14A of the Hong Kong Listing Rules, the formation of the Partnership by entering into the Limited Partnership Agreement constitutes a connected transaction of the Company.

As the applicable percentage ratios calculated on an aggregated basis pursuant to Rule 14A.81 of the Hong Kong Listing Rules exceed 0.1% but are less than 5%, the transaction contemplated under the Limited Partnership Agreement is subject to the reporting and announcement requirements, but exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Mr. ZHANG Youjun, the chairman of the Company, also acts as the assistant to the general manager of CITIC Group, CITIC Limited and CITIC Corporation Limited and the director and vice chairman of CITIC Financial Holdings; Mr. ZHANG Lin, the non-executive Director of the Company, also acts as the non-executive director of CITIC Group, CITIC Limited and CITIC Corporation Limited and the director of CITIC Financial Holdings; Ms. FU Linfang, the non-executive Director of the Company, also acts as the deputy general manager of the Strategic Development Department of CITIC Group, a director of CITIC Industrial Investment Group Corp., Ltd. and a director of CITIC Finance Company Limited; Mr. ZHAO Xianxin, the non-executive Director of the Company, also acts as the deputy general manager of the Risk Compliance Department of CITIC Group and the general manager of the Risk Compliance Department of CITIC Financial Holdings. Therefore, they are deemed to have material interests in the above-mentioned connected transaction contemplated between the Group and CITIC Group, and thus have abstained from voting on the relevant resolutions at the Board meeting. Save as mentioned above, none of the other Directors has any material interest in such transaction and is required to abstain from voting on the relevant resolutions at the Board meeting.

## **V. GENERAL INFORMATION**

### **Information on GoldStone Investment**

GoldStone Investment is the general partner and manager of the Partnership. GoldStone Investment is a wholly-owned subsidiary of the Company, and its principal businesses include industrial investment, investment advisory and management. As of the end of 2022, GoldStone Investment managed more than 20 private equity investment funds, sponsored funds with a total size of over RMB10 billion in sectors involving new materials, new energy, new generation of information technology and healthcare. The ultimate beneficial owner of GoldStone Investment is the Company.

### **Information on CITIC Private Fund**

The principal business of CITIC Private Fund is private equity investment fund management, venture capital fund management services and investment activities with proprietary funds. The ultimate beneficial owner of CITIC Private Fund is CITIC Group.

### **Information on Large Corridor Fund**

Large Corridor Fund is a private equity investment FOF fund. Its principal businesses include private equity investment fund management and venture capital fund management services. Both CITIC Investment Holdings and GoldStone Investment are the general partners of Large Corridor Fund and CITIC Investment Holdings is wholly owned by CITIC Corporation Limited. The ultimate beneficial owner of CITIC Corporation Limited is CITIC Group.

### **Information on Anhui Conch Capital**

The principal business of Anhui Conch Capital is investment activities with proprietary funds, asset management services, provision of social and economic consultation services and handling enterprise management consultation matters. The ultimate beneficial owner of Anhui Conch Capital is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government.

### **Information on Anhui Conch Cement**

Anhui Conch Cement is principally engaged in production and sales of cement, commodity clinker, aggregate and commercial concrete. Anhui Conch Cement is a listed company on the Hong Kong Stock Exchange (stock code: 00914) and the Shanghai Stock Exchange (stock code: 600585), its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government.

### **Information on GoldStone Runze Partnership**

The principal businesses of GoldStone Runze Partnership include general projects: social and economic consultation services; investment activities with proprietary funds; enterprise management consultation; corporate headquarters management. GoldStone Runze Partnership is an investment platform formed by the employees of GoldStone Investment. GoldStone Runze (Zibo) Management Consulting Enterprise Co., Ltd. (金石潤澤(淄博)管理諮詢企業有限公司) (being owned as to 50% by WAN Jiaying (萬家興) and 50% by ZHANG Fan (張帆)) is the general partner of GoldStone Runze Partnership. WAN Jiaying and ZHANG Fan are Independent Third Parties.

### **Information on Wuhu Industrial**

The principal businesses of Wuhu Industrial include venture capital investment, equity investment, investment consultation (excluding securities and futures consultation), investment management and asset management. The ultimate beneficial owner of Wuhu Industrial is State-owned Assets Supervision and Administration Commission of Wuhu City Government.



## Information on Anhui Expressway

The principal businesses of Anhui Expressway are to own, operate and develop toll expressways and highways inside and outside Anhui Province. Anhui Expressway is a listed company on the Hong Kong Stock Exchange (stock code: 00995) and the Shanghai Stock Exchange (stock code: 600012), its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government.

To the best of the Company's knowledge and after making all reasonable enquiries, as of the date of this announcement, Anhui Conch Capital, Anhui Conch Cement, Wuhu Industrial, Anhui Expressway and GoldStone Runze Partnership and their respective ultimate beneficial owner(s) are all Independent Third Parties of the Company.

## VI. DEFINITIONS

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

“Anhui Conch Capital”	Anhui Conch Capital Management Co., Ltd (安徽海螺資本管理有限公司), a limited liability company incorporated in the PRC
“Anhui Conch Cement”	Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 00914) and the Shanghai Stock Exchange (stock code: 600585)
“Anhui Expressway”	Anhui Expressway Company Limited (安徽皖通高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 00995) and the Shanghai Stock Exchange (stock code: 600012)
“associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Board”	the board of directors of the Company
“CITIC Corporation Limited”	CITIC Corporation Limited (中國中信有限公司), a limited liability company incorporated in the PRC and the controlling shareholder of CITIC Financial Holdings
“CITIC Financial Holdings”	China CITIC Financial Holdings Co., Ltd. (中國中信金融控股有限公司), a limited liability company incorporated in the PRC 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 the de facto controller of CITIC Limited
“CITIC Investment Holdings”	CITIC Investment Holdings Limited (中信投資控股有限公司), a limited liability company incorporated in the PRC
“CITIC Limited”	CITIC Limited (中國中信股份有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 00267), and the controlling shareholder of CITIC Corporation Limited
“CITIC Private Fund”	CITIC Private Fund Management Co., Ltd. (中信私募基金管理有限公司), a limited liability company incorporated in the PRC and a connected person of the Company
“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
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“GoldStone Investment”	GoldStone Investment Co., Ltd. (金石投資有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“GoldStone Runze Partnership”	GoldStone Runze (Zibo) Investment Consulting Partnership (Limited Partnership) (金石潤澤(淄博)投資諮詢合夥企業(有限合夥)), a limited partnership incorporated in the PRC and an investment platform formed by the employees of GoldStone Investment
“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
“Independent Third Party(ies)”	the independent third party(ies) independent from the Company and its connected persons
“Large Corridor Fund”	CITIC City West Kechuang Large Corridor (Hangzhou) Equity Investment Fund Partnership (Limited Partnership) (中信城西科創大走廊(杭州)股權投資基金合夥企業(有限合夥)), a limited partnership incorporated in the PRC and a connected person of the Company
“Limited Partnership Agreement”	a limited partnership agreement entered into by and between GoldStone Investment, CITIC Private Fund, Large Corridor Fund, Anhui Conch Capital, Anhui Conch Cement, Wuhu Industrial, Anhui Expressway and GoldStone Runze Partnership on 8 September 2023 in respect of the formation of the Partnership, pursuant to which, GoldStone Investment agrees to make capital contribution of RMB500,000,000 to the Partnership
“partner(s)”	the general partner(s) and limited partner(s), or either of them
“Partnership”	Anhui Conch Goldstone Innovation Development Investment Fund Partnership (Limited Partnership) (安徽海螺金石創新發展投資基金合夥企業(有限合夥)) (subject to final approval of the name by business registration authorities), a limited partnership incorporated in the PRC
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of the Company with a nominal value of RMB1.00 each, including A share(s) and H share(s)
“Shareholder(s)”	the registered holder(s) of the Shares of the Company

“Wuhu Industrial”

Wuhu Industrial Investment Fund Co., Ltd. (蕪湖產業投資基金有限公司), a limited liability company incorporated in the PRC

“%”

percentage

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

Beijing, the PRC  
8 September 2023

*As at the date of this announcement, the executive directors of the Company are Mr. ZHANG Youjun and Mr. YANG Minghui; the non-executive directors of the Company are Mr. ZHANG Lin, Ms. FU Linfang, Mr. ZHAO Xianxin and Mr. WANG Shuhui; and the independent non-executive directors of the Company are Mr. LI Qing, Mr. SHI Qingchun and Mr. ZHANG Jianhua.*