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# 中信建投証券股份有限公司 CSC FINANCIAL CO., LTD.

*(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 6066)*

## CONNECTED TRANSACTION

### BACKGROUND

On September 4, 2023, China Securities Investment Co., Ltd. (the “**China Securities Investment**”), a wholly-owned subsidiary of the Company, entered into a relevant agreement (the “**Agreement**”) with Jade Spring Capital Co., Ltd. (the “**Jade Spring Private Equity**”) and Jade Spring Shancheng Management Consulting (Beijing) Co., Ltd. (the “**Jade Spring Shancheng**”), both of which are subsidiaries of Beijing Financial Holdings Group Limited (the “**Beijing Financial Holdings Group**”) which is a connected person of the Company, in relation to the cooperation in cross-border business, and the establishment and management of the targeted fund for RMB international investment and loan. The Fund is a limited partnership incorporated in the PRC. It operates by way of RMB international investment and loan fund and will invest in equities in overseas companies.

### IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Beijing Financial Holdings Group directly held more than 10% shares of the Company, and therefore is a substantial shareholder of the Company. Beijing Financial Holdings Group and its subsidiaries (including Jade Spring Private Equity and Jade Spring Shancheng) are connected persons under the Hong Kong Listing Rules. Accordingly, the transactions under the Agreement constitute connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest of all applicable percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) in respect of the transactions contemplated under the Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Agreement are exempt from the circular (including independent financial advice) and Independent Shareholders’ approval requirements but are subject to reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules.

## MAJOR TERMS OF THE AGREEMENT

### Date

September 4, 2023

### Parties

1. Fund Manager: Jade Spring Private Equity
2. General Partner: Jade Spring Shancheng
3. Limited Partner: China Securities Investment

### Capital commitment

The total subscribed capital contribution paid by all partners to the Fund is RMB278,000,000. Set out below is the subscribed capital contribution of each partner:

Partner	Type	Subscribed capital contribution	Percentage
Jade Spring Shancheng	General partner	RMB1,000,000	0.3597%
China Securities Investment	Limited partner	RMB277,000,000	99.6403%

The capital contribution of partners is determined under market practice and after arm's length negotiations between the partners with reference to the estimated capital needs of the Fund. China Securities Investment will make capital allocations with its own funds based on the capital needs of proposed investment targets.

### Fund management

According to the Agreement, the Fund shall be managed by Jade Spring Private Equity, and Jade Spring Shancheng will act as the executive partner.

### Investment area

The main investment targets of the Fund include hard technology, advanced manufacturing, new consumption, medicine and healthcare, energy conservation and environmental protection, new energy and new materials, new infrastructure, corporate services and other key cutting-edge industries.

## **Investment Decision-making Committee**

The Investment Decision-making Committee consists of three members, two members of which are appointed by the General Partner, and the General Partner agreed that the remaining member is to be appointed by the Limited Partner. The Investment Decision-making Committee shall make decisions upon the unanimous consensus by all members.

## **Management fee**

During the investment period, the Limited Partner shall pay the annual management fee equivalent to 1% of its paid-in capital contribution.

## **Fund term**

Eight years since the closing date, pursuant to the operational requirements of the partnership, proposed by the General Partner and resolved and approved at the Partners' Meeting, which may be extended twice, each time for one year.

## **GENERAL INFORMATION**

The Company is a joint stock company incorporated in the PRC with limited liability. It is principally engaged in investment banking, wealth management, trading and institutional customer services, and asset management businesses.

The Fund is a limited partnership incorporated in the PRC. It is principally engaged in non-securities business investment, equity investment and investment management business. There is no disclosable financial information or past performance of the Fund.

China Securities Investment is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company. It is principally engaged in equity investment management, investment consulting (excluding intermediaries) and project investment business.

Jade Spring Private Equity is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Beijing Financial Holdings Group, which was approved by the People's Bank of China in December 2020 to establish the RMB International Investment and Loan Fund. Jade Spring Private Equity acts as the main operator and manager of RMB International Investment and Loan Fund, and holds the license for domestic private equity fund manager. Beijing Financial Holdings Group is a limited liability company incorporated in the PRC. It is principally engaged in businesses as a financial holding company as approved by the People's Bank of China. Beijing State-owned Capital Operation and Management Company Limited (北京國有資本運營管理有限公司) directly holds 100% shares of Beijing Financial Holdings Group.

Jade Spring Shancheng is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Beijing Financial Holdings Group and Jade Spring Private Equity. It is principally engaged in business management consulting, economic and trade consulting, business planning, and technical consulting.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

The establishment of the targeted fund for RMB international investment and loan by China Securities Investment and Jade Spring Private Equity is a response to exert the role of the RMB International Investment and Loan Fund. The Fund will provide enterprises engaged in science and technology innovation with a targeted and comprehensive support for their global operation as well as full-chain financial services. This cooperation will supplement the Company's capability in cross-border investment to support its global operation, and exert the role of the RMB International Investment and Loan Fund so as to serve the national strategy of RMB internationalization and support the high-quality development of the real economy.

None of the Directors (including independent non-executive Directors) has a material interest in the Agreement. As Ms. ZHU Jia is a Director related to Jade Spring Private Equity and Jade Spring Shancheng, and Mr. LI Min and Mr. YAN Xiaolei are Directors related to Beijing Financial Holdings Group, therefore they are required to abstain from voting on relevant resolutions at the Board meeting of the Company for the purpose of good corporate governance. None of the other Directors has abstained from voting on relevant resolutions at the Board meeting.

## **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, Beijing Financial Holdings Group directly held more than 10% shares of the Company and therefore is a substantial shareholder of the Company. Beijing Financial Holdings Group and its subsidiaries (including Jade Spring Private Equity and Jade Spring Shancheng) are connected persons under the Hong Kong Listing Rules. Accordingly, the transactions under the Agreement constitute connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest of all applicable percentage ratios (as defined in Rule 14.07 of the Hong Kong Listing Rules) in respect of the transactions contemplated under the Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Agreement are exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements but are subject to reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules.

## DEFINITIONS

“Agreement”	the agreement entered into between China Securities Investment, Jade Spring Private Equity and Jade Spring Shancheng on September 4, 2023, further details of which are set out in the section headed “Major terms of the Agreement”
“associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Board”	the board of Directors of the Company
“Company”	CSC Financial Co., Ltd. (中信建投証券股份有限公司), a joint stock company incorporated in the People’s Republic of China with limited liability, the H Shares of which have been listed and traded on the main board of the Hong Kong Stock Exchange (stock code: 6066) and the A Shares of which have been listed and traded on the Shanghai Stock Exchange (stock code: 601066)
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“connected transaction”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Fund”	Jade Spring Shanxin (Beijing) International Equity Investment Fund Partnership (Limited Partnership) (璟泉善信(北京)國際股權投資基金合夥企業(有限合夥))
“General Partner”	Jade Spring Shancheng Management Consulting (Beijing) Co., Ltd. (璟泉善誠管理諮詢(北京)有限公司)
“Group”	CSC Financial Co., Ltd. and its subsidiaries
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Limited Partner”	China Securities Investment Co., Ltd. (中信建投投資有限公司)
“partner(s)”	general partners and limited partners

“PRC” or “China”	the People’s Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“subsidiary”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“%”	percentage

By order of the Board  
**CSC Financial Co., Ltd.**  
**Wang Changqing**  
*Chairman*

Beijing, the PRC  
September 4, 2023

*As at the date of this announcement, the executive Director of the Company is Mr. WANG Changqing; the non-executive Directors of the Company are Mr. LI Min, Mr. WU Ruilin, Mr. YAN Xiaolei, Ms. ZHU Jia, Mr. YANG Dong and Ms. WANG Hua; and the independent non-executive Directors of the Company are Mr. PO Wai Kwong, Mr. LAI Guanrong, Mr. ZHANG Zheng and Mr. WU Xi.*