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CITIC Limited
中國中信股份有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00267)

DISCLOSEABLE TRANSACTION

PROPOSED SUBSCRIPTIONS UNDER THE RIGHTS ISSUE OF CITIC BANK

We refer to the announcement dated 29 April 2022 of the Company in relation to the proposed Rights Issue of CITIC Bank.

The Board is pleased to announce that (i) on 22 June 2022, each of CITIC Corporation and CITIC Financial Holdings has irrevocably undertaken to CITIC Bank, among other things, to subscribe in cash for all the A Rights Shares to be allotted to it; and (ii) the Company also intends to, through its wholly-owned subsidiaries, subscribe in full for the H Right Shares provisionally allotted to it.

As the highest applicable percentage ratio in respect of the Proposed Subscriptions is more than 5% but less than 25%, the Proposed Subscriptions constitute a discloseable transaction of the Company under the Chapter 14 of the Listing Rules and subject to the notification and announcement requirements under the Listing Rules.

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PRINCIPAL TERMS OF THE RIGHTS ISSUE

The principal terms of the Rights Issue are set out below:

Type and nominal value of the Rights Shares	A shares and H shares of CITIC Bank, each with a nominal value of RMB1.00 per share
Subscription Price of the Rights	The subscription price shall be determined using market discount method after taking into consideration the market

Issue	conditions of A shares and H shares of CITIC Bank prior to the publication of the Rights Issue announcement. It is proposed that the board of directors of CITIC Bank or its authorised person(s) makes a final decision on the subscription price prior to the issuance of the Rights Shares after taking into consideration the then prevailing market conditions and through consultation with the sponsor(s) (underwriter(s)). The subscription price of the A Rights Shares and H Rights Shares shall essentially be the same after exchange rate adjustment.
Basis of the Rights Issue	Up to three (3) A Rights Shares for every ten (10) existing A shares in issue of CITIC Bank; and up to three (3) H Rights Shares for every ten (10) existing H shares in issue of CITIC Bank
Number of the Rights Shares to be Issued	Up to 10,215,803,847 A Rights Shares and 4,464,648,893 H Rights Shares
Number of the Rights Shares Allotted to the Group	Up to 8,681,678,488 A Rights Shares and 1,003,589,843 H Rights Shares (assuming no fractional entitlements are allotted and no change in the number of A shares and H shares of CITIC Bank held by the Group on or before the A share record date and H share record date)
Use of Proceeds	The gross proceeds raised from the Rights Issue are expected to be no more than RMB40 billion. All the proceeds raised from the Rights Issue, after deduction of relevant expenses relating to the issuance, will be used for the replenishment of the core tier-one capital of CITIC Bank, so as to increase the capital adequacy ratio of CITIC Bank, support the sustainable and healthy business development of CITIC Bank in the future, and enhance the capital strength and competitiveness of CITIC Bank.
Conditions of the Rights Issue	The Rights Issue is subject to a number of conditions, comprising (in summary) (a) the approval of the Rights Issue plan by the shareholders of CITIC Bank at the general meeting, by the A shareholders of CITIC Bank at the A shareholders class meeting and by the H shareholders of CITIC Bank at the H shareholders class meeting, respectively; (b) the approval of the Rights Issue by the China Banking and Insurance Regulatory Commission, the China Securities Regulatory Commission and other relevant regulatory authorities; (c) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which CITIC Bank accepts and the satisfaction of such conditions (if any) by no later than the date of the delivery of the H Share Rights Issue prospectus; (d) the delivery to the Stock Exchange and filing and registration of all

documents in relation to the H Share Rights Issue as required by law to be filed by and registered with the Companies Registry in Hong Kong; (e) the subscription level of the A Rights Shares by the A shareholders of CITIC Bank being at least 70% of the total A Rights Shares to be issued under the A share Rights Issue; and (f) the controlling shareholder of CITIC Bank fulfills its subscription undertaking.

THE IRREVOCABLE UNDERTAKINGS

Date	22 June 2022
Parties	(a) each of CITIC Corporation and CITIC Financial Holdings; and (b) CITIC Bank

Pursuant to the Irrevocable Undertakings, each of CITIC Corporation and CITIC Financial Holdings, has irrevocably undertaken to CITIC Bank, among other things, fully subscribe in cash for all A Rights Shares to be allotted to it, based on the number of A shares held by it after market closes on the A share record date, at the subscription price and allotment basis as negotiated and determined by CITIC Bank in consultation with the sponsor(s) (or underwriter(s)).

As of the date of this announcement, the Company indirectly holds 32,284,227,773 shares of CITIC Bank (comprising 28,938,928,294 A shares and 3,345,299,479 H shares), representing approximately 65.97% of the total issued shares of CITIC Bank; of which, CITIC Corporation directly holds 31,988,728,773 shares of CITIC Bank (comprising 28,938,928,294 A shares and 3,049,800,479 H shares), representing approximately 65.37% of the total issued shares of CITIC Bank, and CITIC Corporation intends to transfer approximately 64.18% shareholding in CITIC Bank to its wholly-owned subsidiary, CITIC Financial Holdings. CITIC Financial Holdings intends to undertake to CITIC Bank not to sell any A shares of CITIC Bank for a period of six months from the date on which the A Rights Shares are listed.

In addition to the committed subscription in accordance with the Irrevocable Undertakings, the Company also intends to, through its wholly-owned subsidiaries, take up all the H Rights Shares provisionally allotted to it.

Calculated based on maximum gross proceeds of Rights Issue of RMB40 billion and the shareholding of the Group in CITIC Bank as of the date of this announcement, it is expected that the maximum total consideration for the Proposed Subscriptions is approximately RMB26,390 million¹, comprising (i) the maximum consideration of approximately RMB23,656 million for subscription in full of the A Rights Shares to be allotted to CITIC Corporation and/or CITIC Financial Holdings as committed under the Irrevocable Undertakings; and (ii) the maximum consideration of approximately RMB2,735 million for the subscription in full of the H Rights Shares to be provisionally allotted to the Group. The Group expects to fund such consideration from its internal resources.

¹ Discrepancy between the total amount and the arithmetical sum of the amounts listed is due to rounding.

FINANCIAL INFORMATION OF CITIC BANK

Set out below is the audited financial information of CITIC Bank for 2020 and 2021.

	As at 31 December	
	2020	2021
	<i>(RMB million)</i>	
Net assets	560,038	642,626
Total assets	7,511,161	8,042,884
	For the year ended 31 December	
	2020	2021
	<i>(RMB million)</i>	
Profit before income taxation	57,857	65,517
Net profit attributable to owners of the parent	48,980	55,641

REASONS FOR AND BENEFITS OF THE PROPOSED SUBSCRIPTIONS

In recent years, the regulatory authorities have been continuously tightening the capital supervision of commercial banks. The Rights Issue would enable CITIC Bank to better meet regulatory requirements and enhance the capacity of risk resilience. Meanwhile, the Rights Issue would also enhance the capital strength and competitiveness of CITIC Bank and support the sustainable and healthy development of CITIC Bank's business in the future, which is conducive to increasing the Group's consolidated revenue as well as improving the Group's overall return on equity level. The Company supports the Rights Issue and considers that it is in the best interests of the Group that the Rights Issue of CITIC Bank should proceed. Full participation by the Group in the Rights Issue would enable it to maintain its proportionate shareholding in CITIC Bank from being diluted upon the completion of the Rights Issue.

The Directors believe that the terms of the Proposed Subscriptions (including the Irrevocable Undertakings) are fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Proposed Subscriptions is more than 5% but less than 25%, the Proposed Subscriptions constitute a discloseable transaction of the Company under the Chapter 14 of the Listing Rules and subject to the notification and announcement requirements under the Listing Rules.

In light of Mr. Zhu Hexin's position with CITIC Bank, in order to avoid the perception of a conflict of interest, he has abstained from voting on the Board resolutions to approve the relevant transactions. None of the other Directors has a material interest in the relevant transactions or is required to abstain from voting on the relevant Board resolutions.

GENERAL INFORMATION

CITIC Limited

CITIC Limited (SEHK: 00267) is one of China's largest conglomerates and a constituent of the Hang Seng Index. Tracing our roots to the beginning of China's opening and reform, CITIC has grown in step with the country's rise and modernisation. We have built a remarkable portfolio of businesses in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new

consumption and new-type urbanisation. Our platform is unique in its diversity and scale, allowing CITIC to capture emerging opportunities in China and around the world. Guiding us as we grow is our fundamental commitment to create long-term value for all of the Shareholders.

CITIC Bank

CITIC Bank is a comprehensively competitive national commercial bank in China with an established strong branch network and stable market position. With CITIC Bank's leading marketing capabilities, CITIC Bank provides a full range of financial products and services to our customers nationwide, with corporate banking, personal banking and financial market operations as our principal businesses.

Shareholders should note that the Rights Issue are subject to the satisfaction or waiver of various conditions. Accordingly, the Proposed Subscriptions may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“A Rights Shares”	the new A shares of CITIC Bank proposed to be allotted and issued to the A shareholders of CITIC Bank under the A Share Rights Issue
“A Share Rights Issue”	the proposed issue of up to 10,215,803,847 new A shares of CITIC Bank on the basis of up to three (3) A Rights Shares for every ten (10) existing A shares in issue of CITIC Bank on the relevant A share record date
“Board”	the Board of Directors of CITIC Limited
“CITIC Bank”	China CITIC Bank Corporation Limited (中信銀行股份有限公司), a non-wholly owned subsidiary of the Company and a joint stock company incorporated in the People's Republic of China with limited liability, whose H shares and A shares are listed on the Stock Exchange and the Shanghai Stock Exchange respectively
“CITIC Corporation”	CITIC Corporation Limited (中國中信有限公司), a wholly-owned subsidiary of the Company and a limited liability company incorporated in the People's Republic of China
“CITIC Financial Holdings”	China CITIC Financial Holdings Co., Ltd. (中國中信金融控股有限公司), a wholly-owned subsidiary of CITIC Corporation and a limited liability company incorporated in the People's Republic of China with a financial holding company license granted by People's Bank of China
“Company”	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 Stock Exchange (stock code: 00267)
“Group”	the Company and its subsidiaries

“H Rights Shares”	the new H shares of CITIC Bank proposed to be allotted and issued to the H shareholders of CITIC Bank under the H Share Rights Issue
“H Share Rights Issue”	the proposed issue of up to 4,464,648,893 new H shares on the basis of up to three (3) H Rights Shares for every ten (10) existing H shares in issue of CITIC Bank on the relevant H share record date
“Irrevocable Undertakings”	the irrevocable undertakings dated 22 June 2022 issued by each of CITIC Corporation and CITIC Financial Holdings to CITIC Bank, respectively
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Proposed Subscriptions”	the proposed subscriptions in full of the A Rights Shares to be allotted to the Group under the A Share Rights Issue and the proposed subscriptions in full of the H Right Shares provisionally allotted to the Group under the H Share Rights Issue
“Rights Issue”	the A Share Rights Issue and/or the H Share Rights Issue
“Rights Share(s)”	the A Rights Share(s) and/or the H Rights Share(s)
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
CITIC Limited
Zhu Hexin
Chairman

Hong Kong, 22 June 2022

As at the date of this announcement, the executive directors of the Company are Mr. Zhu Hexin (Chairman), Mr. Xi Guohua and Ms. Li Qingping; the non-executive directors of the Company are Mr. Song Kangle, Mr. Peng Yanxiang, Ms. Yu Yang, Mr. Zhang Lin, Mr. Yang Xiaoping and Mr. Tang Jiang; and the independent non-executive directors of the Company are Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Anthony Francis Neoh, Mr. Gregory Lynn Curl and Mr. Toshikazu Tagawa.