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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)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
CITIC METAL CO., LTD. ON THE SHANGHAI STOCK EXCHANGE**

PROPOSED SPIN-OFF

The board of directors of CITIC Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that the Company proposes to spin-off CITIC Metal Co., Ltd.* (中信金屬股份有限公司) (“**CITIC Metal Co**”), an indirect wholly-owned subsidiary of the Company incorporated in the People’s Republic of China (the “**PRC**”), by way of separate listing of its shares on the Shanghai Stock Exchange (the “**Proposed Spin-off**”).

The Company has applied to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to the Proposed Spin-off pursuant to Practice Note 15 (“**Practice Note 15**”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

It is expected that CITIC Metal Co will submit its listing application to the China Securities Regulatory Commission (the “**CSRC**”) by the end of 2021.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The business of CITIC Metal Co has grown to a scale which merits a separate listing and such listing is considered commercially desirable and beneficial to the Company and its shareholders (the “**Shareholders**”) as a whole for the following reasons:

- (a) **Unlock the value of CITIC Metal Co** – the Proposed Spin-off is expected to unlock the true value of the CITIC Metal Co through capital markets.

- (b) **Enhance financing capabilities** – the Proposed Spin-off will enhance CITIC Metal Co's access to financing options and provide a platform for CITIC Metal Co to raise funds for it to pursue development opportunities.
- (c) **Increase transparency** – the Proposed Spin-off will help raise CITIC Metal Co's corporate profile, increase its transparency and strengthen its level of disclosure.

Upon completion of the Proposed Spin-off, the financial results of CITIC Metal Co will continue to be consolidated into the Company's accounts. As such, the Company and its shareholders will continue to enjoy the benefits from the growth and development of CITIC Metal Co.

ASSURED ENTITLEMENT

Pursuant to paragraph 3(f) of Practice Note 15, an assured entitlement to the shares of CITIC Metal Co is expected to be provided to the existing Shareholders. As shown in the register of members of the Company, most shareholders are natural persons, legal persons and institutions located outside of mainland China. Nevertheless, as the shares of CITIC Metal Co are proposed to be listed on the Shanghai Stock Exchange, under the existing laws and regulations of the PRC and the policies of the CSRC, only natural persons, legal persons and institutions in mainland China and Qualified Foreign Institutional Investors are permitted to open securities accounts to invest in A shares listed on the Shanghai Stock Exchange. Accordingly, CITIC Metal Co has been advised by its PRC legal adviser that shares (including new shares and existing shares) of CITIC Metal Co to be listed on the Shanghai Stock Exchange cannot be allocated (either by way of a distribution in specie or by way of preferred application in any offering) to non-mainland China investors. Therefore, no assured entitlement can be provided to the existing Shareholders, either by way of a distribution in specie of existing shares in CITIC Metal Co or by way of preferred application in any offering to be made by CITIC Metal Co. The Company has applied to the Stock Exchange for and the Stock Exchange has granted a waiver from complying with the assured entitlement requirement under paragraph 3(f) of Practice Note 15.

Having considered the above as well as the reasons for and the benefits of the Proposed Spin-off, the directors (including independent non-executive directors) of the Company are of the view that the Proposed Spin-off and the non-provision of the assured entitlement to existing shareholders of the Company are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Since the proposed issue of new shares by CITIC Metal Co under the Proposed Spin-off will result in a reduction of the Company's equity interest in CITIC Metal Co, if materialised, the Proposed Spin-off will constitute a deemed disposal of interest in a subsidiary by the Company under Rule 14.29 of the Listing Rules. As each of the applicable ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off is under 5%, the Proposed Spin-off will not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

GENERAL

Information on the Company

The Company is one of China's largest conglomerates with businesses in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation. The Company enjoys leading market positions in sectors well matched to China's economy with its rich history, diverse platform and pioneering spirit, the Company is uniquely positioned to capture opportunities arising in China and overseas. The Company is listed on the Stock Exchange, where it is a constituent of the Hang Seng Index.

Information on CITIC Metal Co

CITIC Metal Co was incorporated on 23 January 1988 in the PRC as an enterprise owned by the whole people and its corporate status was eventually changed to joint stock limited company in 2018. CITIC Metal Co is principally engaged in the business of trading of mining and mineral commodities, including iron ore, steel, niobium and other non-ferrous metals and other products. The major investments of CITIC Metal Co include investments in the equity interests in Companhia Brasileira de Metalurgia e Mineração, Minera Las Bambas S.A. and Ivanhoe Mines Limited, respectively.

As at the date of this announcement, CITIC Metal Co is an indirect wholly-owned subsidiary of the Company. It is expected that immediately upon the completion of the Proposed Spin-off, CITIC Metal Co will become an indirect non-wholly-owned subsidiary of the Company and its financial results will continue to be consolidated into the Company's accounts.

As of the date of this announcement, CITIC Metal Co has not submitted any listing application to the CSRC and/or the Shanghai Stock Exchange. The decisions of the board and/or the shareholders of CITIC Metal Co to proceed with the Proposed Spin-off are dependent upon, among others, the market conditions during the period leading up to the Proposed Spin-off. There is also no assurance that the Proposed Spin-off, including the separate listing of the shares of CITIC Metal Co on the Shanghai Stock Exchange, will take place or as to when it may take place.

Shareholders and potential investors of the Company should note that the Proposed Spin-off may or may not materialize. Accordingly, Shareholders and public investors are advised to exercise caution when dealing in the Shares.

The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

By Order of the Board
CITIC Limited
Zhu Hexin
Chairman

Hong Kong, 19 November 2021

** - for identification purpose only*

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 Liu Zhuyu, Mr Peng Yanxiang, Ms Yu Yang, Mr Liu Zhongyuan and Mr Yang Xiaoping; 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.