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中信銀行股份有限公司  
**China CITIC Bank Corporation Limited**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 998)

**ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTIONS  
REVISION OF EXISTING ANNUAL CAPS OF CONTINUING CONNECTED  
TRANSACTIONS**

**SUMMARY**

Reference is made to the announcement dated 27 August 2020 (the “**Announcement**”) of China CITIC Bank Corporation Limited (the “**Bank**”) containing, among others, the Bank entered into the Asset Custody Service Framework Agreement with CITIC Group. Unless the context requires otherwise, the capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

Due to the reasons as set out in this announcement, on 24 December 2021, the Board approved to revise the existing annual caps for the three years ending at 31 December 2023 in respect of the Asset Custody Service Framework Agreement entered into between the Bank and CITIC Group.

**REQUIREMENTS OF THE HONG KONG LISTING RULES**

As CITIC Group is a de facto controller of the Bank, CITIC Group and its associates constitute connected persons of the Bank under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio of the revised annual caps as set forth in the Hong Kong Listing Rules for the services under the Asset Custody Service Framework Agreement exceeds 0.1% but does not reach 5% on an annual basis, such transaction constitutes a continuing connected transaction under Chapter 14A of the Hong Kong Listing Rules and is subject to the annual reporting, announcement and annual review requirements but is exempted from the Independent Shareholders’ approval requirement as set out in Chapter 14A of the Hong Kong Listing Rules.

## **BOARD CONFIRMATION**

The Board (including the independent non-executive directors) considers that the Asset Custody Service Framework Agreement and its revised annual caps have been conducted in the ordinary and usual course of business of the Bank and on normal commercial terms. As a consequence, the Board (including the independent non-executive directors) is of the view that these continuing connected transactions contemplated under the Asset Custody Service Framework Agreement are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

As Chairman Mr. Zhu Hexin, Vice Chairman Mr. Fang Heying and Director Mr. Cao Guoqiang, each being a director and senior management of CITIC Group and/or its associates, have material interests in the continuing connected transactions between the Bank and CITIC Group, they have abstained from voting on the Board resolution dated 24 December 2021 approving the conclusion of the Asset Custody Service Framework Agreement. Save as disclosed above, none of the Directors has any material interests in the relevant proposal and has abstained from voting on the Board resolution approving the proposal thereunder.

### **1. BACKGROUND**

Reference is made to the announcement dated 27 August 2020 of the Bank containing, among others, the Bank entered into the Asset Custody Service Framework Agreement with CITIC Group. Unless the context requires otherwise, the capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

Due to the reasons as set out in this announcement, on 24 December 2021, the Board approved to revise the existing annual caps for the three years ending at 31 December 2023 in respect of the Asset Custody Service Framework Agreement entered into between the Bank and CITIC Group.

### **2. ASSET CUSTODY SERVICE FRAMEWORK AGREEMENT AND REVISION OF ANNUAL CAPS**

#### **General information of the transaction**

The Bank entered into the Asset Custody Service Framework Agreement with CITIC Group on 27 August 2020, pursuant to which, the Bank and CITIC Group and its associates provide services relating to the safekeeping for financial assets or any other asset custody services and third-party supervising services. The Asset Custody Service Framework Agreement has a term of three years from 1 January 2021 to 31 December 2023, and is renewable subject to agreement between both parties and compliance with the Hong Kong Listing Rules.

## **Principal terms of the Asset Custody Service Framework Agreement**

The principal terms of the Asset Custody Service Framework Agreement are set out as follows:

- The Bank agrees to provide asset custody services and account management services to CITIC Group and its associate(s) in connection with financial assets or funds, including but not limited to, assets under management by fund companies (including securities investment funds), assets under management by securities companies, assets under management by trust companies, wealth management products of commercial banks, assets under management by insurance companies, private equity funds, enterprise annuities, QDII, QFII, social insurance funds, welfare plans, funds of third-party transactions.
- CITIC Group and its associate(s) agree to conduct third-party supervising services with the Bank. The service recipient shall pay the service fee.
- The service recipient shall, and shall procure its associates to, pay service fees to the service provider.
- The services to be provided under the agreement shall be made on terms no less favorable to the Bank than those available to/from independent third parties.

### **Pricing**

- The following factors have been considered in the determination of custody fees payable by the service recipient: (1) the current standard for service fees charged for asset custody service is to charge between 0% and 2% of the assets or funds under management based on the categories of entrusted assets under the premise of implementing relevant national and regulatory regulations. The custody fee standards of account management services and special types of asset custody products, such as the company pension funds, are conducted on terms that are no less favorable than those available to/from independent third parties in accordance with the market competition situation; (2) the current service fees charged for supervision services vary according to the category of goods, among which the supervision fee for automobile goods is charged at the standard of RMB50 thousand to RMB100 thousand per store and per person annually, and the supervision service fee for bulk goods is charged between 0.5% and 0.8% of the Bank's credit exposures; and (3) the Bank takes various factors into consideration and makes timely adjustments accordingly. The Bank determines the custody fees based on various factors such as regulatory requirements, market strategies, customer demand, cost structure and service content. The Bank will also conduct annual review and adjust the current custody fees based on the level of industry risk and fluctuations of the market price charged by our competitors in the same industry.

## Historical amounts and existing annual caps

	Historical amount for the nine months ended 30 September (RMB millions)	Existing annual cap for the year ending 31 December (RMB millions)		
		2021	2022	2023
		Service fee income/ expenditure	445	500

## Revised annual caps

	Revised annual cap for the year ending 31 December (RMB millions)		
	2021	2022	2023
	Service fee income/expenditure	700	1,800

## Reasons and basis for revising the annual caps

With the continuous deepening of CITIC Group's collaborative strategy, the Bank's cooperation with CITIC Group and its associates has grown ever closer, the asset custody business, as one of the core capabilities of the Bank's strategic development, sees a rapid growth, especially in the custody of public offering funds, custody of asset management products of securities companies, custody of trust products and cross-border custody business, all of which are entering a new period of growth. It is expected that the existing annual caps set in the Asset Custody Service Framework Agreement signed between the Bank and CITIC Group on 27 August 2020 shall hardly be able to meet the needs of the business development. In order to support the continuous, efficient and in-depth development of the business on a compliant basis, the Bank intends to adjust the caps of continuing connected transactions in the asset custody services with CITIC Group and its associates and re-enter into the Framework Agreement accordingly.

### 3. REQUIREMENTS OF THE HONG KONG LISTING RULES

As CITIC Group is a de facto controller of the Bank, CITIC Group and its associates constitute connected persons of the Bank under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio of the revised annual caps as set forth in the Hong Kong Listing Rules for the services under the Asset Custody Service Framework Agreement exceeds 0.1% but does not reach 5% on an annual basis, such transaction constitutes a continuing

connected transaction under Chapter 14A of the Hong Kong Listing Rules and is subject to the annual reporting, announcement and annual review requirements but is exempted from the Independent Shareholders' approval requirement as set out in Chapter 14A of the Hong Kong Listing Rules.

#### **4. BACKGROUND AND GENERAL INFORMATION ON THE BANK AND CITIC GROUP AND ITS ASSOCIATES**

The Bank is a comprehensively competitive national commercial bank in China with an established strong branch network and stable market position. With the Bank's leading marketing capabilities, the 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.

As CITIC Group is a de facto controller of the Bank, CITIC Group and its associates constitute connected persons of the Bank under Chapter 14A of the Hong Kong Listing Rules. The Bank conducts connected transactions with CITIC Group and its associates in the ordinary and usual course of its business and on normal commercial terms. Information of CITIC Group and its associates is as below:

**CITIC Group** is a large comprehensive multi-national group company engaged in Finance and Industry. It conducts businesses in banking, securities, trust, insurance, funds, asset management and other financial areas; and real estate, engineering contracting, resources and energy, infrastructure, machine manufacturing, information industry and other industrial areas with comprehensive strengths and favourable development trend. Its legal representative is Zhu Hexin, and its address is 89th – 102nd Floor, CITIC Plaza, Building No. 1, 10 Guanghua Road, Chaoyang District, Beijing, with a registered capital of RMB205,311,476,359.03. As of 31 December 2020, the total assets, net assets, operating income and net profit of CITIC Group amounted to RMB8,255.467 billion, RMB902.134 billion, RMB515.357 billion and RMB68.930 billion, respectively.

**CITIC Limited** is a company incorporated in Hong Kong and listed on the Hong Kong Stock Exchange (stock code: 00267). Its business extends globally covering financial services, real estate and infrastructure, engineering contracting, resources and energy, manufacturing and other segments. As of 31 December 2020, the total assets and net assets of CITIC Limited amounted to HKD9,740.828 billion, HKD1,008.642 billion, respectively. In 2020, the operating income and net profit of CITIC Limited amounted to HKD552.949 billion and HKD80.928 billion, respectively.

**CITIC Trust** is a limited liability company whose shareholders are CITIC Corporation Limited and CITIC Industrial Investment Group Corp., Ltd., and its legal representative is Li Zimin. Its address is Jingcheng Tower, No. 6 Xinyuan South Road, Chaoyang District, Beijing, with a registered capital of RMB11,276 million. Its principal businesses include trust asset management, financial advisory and private equity investment fund management, etc. As of 31 December 2020, the assets under management and total assets of CITIC Trust amounted to RMB1,224.659 billion, RMB47.114 billion, respectively. In 2020, the operating income and net profit of CITIC Trust amounted to RMB8.746 billion and RMB3.855 billion, respectively.

## **5. REASONS AND BENEFITS FOR THE CONTINUING CONNECTED TRANSACTIONS BETWEEN THE BANK AND CITIC GROUP**

CITIC Group is an international conglomerate enterprise group. It has different financial subsidiaries engaged in banking, securities, trust, insurance, fund, asset management and futures, and industrial companies engaged in machinery manufacturing, resources and energy, engineering contracting, infrastructure, information industry, etc. The types of departments in CITIC Group are comprehensive, its integrated advantage is manifest and has a high comprehensive strength.

Through cooperation with CITIC Group and its associates, the Bank is conducive to giving full play to the synergies of the group's integrated platform, reducing the Bank's operating costs, increasing the Bank's comprehensive income, and creating high return on investment for Shareholders. The Board believes that cooperation with CITIC Group and its associates could optimize the allocation of resources, effectively control the operating costs, and enhance the Bank's comprehensive service capabilities to customers.

## **6. BOARD CONFIRMATION**

The Board (including the independent non-executive Directors) considers that the Asset Custody Service Framework Agreement and its revised annual caps have been conducted in the ordinary and usual course of business of the Bank and on normal commercial terms. As a consequence, the Board (including the independent non-executive Directors) is of the view that these continuing connected transactions contemplated under the Asset Custody Service Framework Agreement are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

As Chairman Mr. Zhu Hexin, Vice Chairman Mr. Fang Heying and Director Mr. Cao Guoqiang, each being a director and senior management of CITIC Group and/or its associates, have material interests in the continuing connected transactions between the Bank and CITIC Group, they have abstained from voting on the Board resolution dated 24 December 2021 approving the

conclusion of the Asset Custody Service Framework Agreement. Save as disclosed above, none of the Directors has any material interests in the relevant proposal and has abstained from voting on the Board resolution approving the proposal thereunder.

By Order of the Board  
**China CITIC Bank Corporation Limited**  
**ZHU Hexin**  
*Chairman*

Beijing, the PRC  
24 December 2021

*As at the date of this announcement, the non-executive directors of the Bank are Mr. Zhu Hexin (Chairman), Mr. Cao Guoqiang, Ms. Huang Fang and Mr. Wang Yankang; the executive directors are Mr. Fang Heying (Vice Chairman, President) and Mr. Guo Danghuai; and the independent non-executive directors are Mr. He Cao, Ms. Chen Lihua and Mr. Qian Jun.*