

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CITIC Limited
中國中信股份有限公司

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

ANNOUNCEMENT

**CONTINUING CONNECTED TRANSACTIONS AND
DISCLOSEABLE TRANSACTION UNDER THE
2023 FINANCIAL ASSISTANCE FRAMEWORK AGREEMENT**

**CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE
TRANSACTION UNDER THE 2023 FINANCIAL ASSISTANCE
FRAMEWORK AGREEMENT**

On 17 November 2022, the Company entered into the 2022 Financial Assistance Framework Agreement with CITIC Group with a term from 1 January 2023 to 30 June 2023.

The 2022 Financial Assistance Framework Agreement will expire on 30 June 2023. On 31 March 2023, the Company entered into the 2023 Financial Assistance Framework Agreement with CITIC Group with a term from 1 July 2023 to 31 December 2025, subject to approval by the Independent Shareholders at the AGM. The 2023 Financial Assistance Framework Agreement sets out, among other things, the basis upon which members of the Group would continue to provide financial assistance to CITIC Group and/or its associates. Separate agreements in respect of the transactions contemplated under the 2023 Financial Assistance Framework Agreement will be entered into between members of the Group and CITIC Group and/or its associates. Such agreements will follow the guidelines and terms and conditions set out in the 2023 Financial Assistance Framework Agreement in all material aspects.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CITIC Group is the controlling shareholder of the Company, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Thus, the transactions entered into between members of the Group with CITIC Group and/or its associates under the 2023 Financial Assistance Framework Agreement will constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the 2023 Financial Assistance Framework Agreement on an annual basis is more than 5% but is less than 25%, the transactions contemplated under the 2023 Financial Assistance Framework Agreement would constitute discloseable transaction under Chapter 14 of the Listing Rules and non-exempt continuing connected transactions under Chapter 14A of the Listing Rules of the Company, and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules and the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Anthony Francis Neoh, Mr. Gregory Lynn Curl and Mr. Toshikazu Tagawa, all of whom are independent non-executive Directors) has been formed to advise and provide recommendations to the Independent Shareholders in respect of the 2023 Financial Assistance Framework Agreement and the proposed transactions contemplated thereunder (including the proposed caps thereto).

In addition, the Company has appointed Somerley as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms of the 2023 Financial Assistance Framework Agreement and the proposed transactions contemplated thereunder (including the proposed caps thereto) are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and whether they are in the interests of the Company and the Shareholders as a whole.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) a letter from the Board setting out further details of the continuing connected transactions under the 2023 Financial Assistance Framework Agreement, (ii) a letter from the Independent Board Committee, (iii) a letter from the Independent Financial Adviser, and (iv) a notice of the AGM, is expected to be despatched to the Shareholders on or before 25 May 2023, which will be more than 15 business days after publication of this announcement so as to allow sufficient time for the preparation of certain information for inclusion in the circular.

On 17 November 2022, the Company entered into the 2022 Financial Assistance Framework Agreement with CITIC Group with a term from 1 January 2023 to 30 June 2023. Please refer to the announcement of Company dated 17 November 2022 for details of the 2022 Financial

Assistance Framework Agreement.

The 2022 Financial Assistance Framework Agreement will expire on 30 June 2023. Considering the business development needs of the Group and CITIC Group, on 31 March 2023, the Company entered into the 2023 Financial Assistance Framework Agreement with CITIC Group with a term from 1 July 2023 to 31 December 2025, subject to approval by the Independent Shareholders at the AGM. The 2023 Financial Assistance Framework Agreement sets out, among other things, the basis upon which members of the Group would continue to provide financial assistance to CITIC Group and/or its associates. Separate agreements in respect of the transactions contemplated under the 2023 Financial Assistance Framework Agreement will be entered into between members of the Group and CITIC Group and/or its associates. Such agreements will follow the guidelines and terms and conditions set out in the 2023 Financial Assistance Framework Agreement in all material aspects.

1. CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTION

2023 Financial Assistance Framework Agreement

Date: 31 March 2023
Parties: the Company and CITIC Group
Term: commencing on 1 July 2023 and ending on 31 December 2025 (both days inclusive).

Principal Terms

The Group may provide financial assistance (including in the form of entrusted loans and financing guarantee) to CITIC Group and/or its associates in the ordinary and usual course of business, and the Group, mainly CITIC Finance and CITIC Finance International, may provide commercial loans to CITIC Group and/or its associates in the ordinary and usual course of its business in accordance with the following principles:

- (i) the Group will, from time to time, review and adjust relevant interest rates/fee rates charged by the Group by reference to the benchmark loan interest rate published by the People's Bank of China, and the interest rates/fee rates charged by independent commercial banks in adjacent areas.
- (ii) the Group will obtain the interest rates/fee rates and terms offered by not less than three independent commercial banks in adjacent areas, and if the interest rate/fee rate charged by the Group is (a) not lower than the benchmark loan interest rate set by the People's Bank of China; or (b) not lower than the interest rates/fee rates offered by the aforesaid banks, the Group will provide the aforesaid financial assistance to CITIC Group and/or its associates.

Historical Figures and Proposed Caps

The table below sets out a summary of the historical transaction amounts and the caps for the financial assistance provided by the Group to CITIC Group and/or its associates for each of the years ended 31 December 2020, 2021 and 2022, and the period from 1 January 2023 to 28 February 2023; and the proposed caps for the period from 1 July 2023 to 31 December 2023 and each of the years ending 31 December 2024 and 2025.

	Cap and actual amount for the maximum daily balance (RMB) during the				Proposed cap for the maximum daily balance (RMB) for the		
	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2022	Period from 1 January 2023 to 28 February 2023	Period from 1 July 2023 to 31 December 2023	Year ending 31 December 2024	Year ending 31 December 2025
Actual Amount	1,636,050,000	6,862,905,844	7,830,884,749	6,320,163,663 (Note)	-	-	-
Relevant Cap	10,000,000,000	11,000,000,000	12,000,000,000	9,000,000,000	15,000,000,000	16,800,000,000	18,500,000,000

Note: Unaudited, and it is expected that the actual amount for the six months ending 30 June 2023 will not exceed the corresponding cap.

Basis of the Proposed Caps

The proposed caps are determined based on the following factors, including (i) historical transaction amounts between the Group and CITIC Group and/or its associates; (ii) the expected financing demands of CITIC Group and/or its associates. As the economy is on a steady recovery path, and CITIC Group and the Group continue to deepen their reform and development, the funding requirements of CITIC Group and/or its associates have increased, and the demand for transactions contemplated under the 2023 Financial Assistance Framework Agreement between CITIC Group and/or its associates and the Group from 2023 to 2025 is expected to be higher than before; and (iii) in recent years, the utilization rate of the historical caps for financial assistance provided by the Group to CITIC Group and/or its associates has increased continuously, which has exceeded 65% in 2022. Based on the above factors, the Company believes that the proposed caps are conducive to more effective use of the Group's capital resources and generating additional income, and are in line with the objective requirements of implementation of the strategies of integrated development of industry and finance, enhancement of the ability of providing financial services to the real economy, and promotion of high quality development of CITIC Group and CITIC Limited.

Reasons for and Benefits of the Transactions Contemplated under the 2023 Financial Assistance Framework Agreement

The provision of the aforesaid financial assistance to CITIC Group and/or its associates can help members of the Group utilize cash resources more efficiently and extend their sources of revenue. The provision of commercial loans to CITIC Group and/or its associates is and will continue to be part of the businesses of CITIC Finance and CITIC Finance International and contribute to their revenue.

The Directors (excluding the independent non-executive Directors) are of the view that the 2023 Financial Assistance Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The independent non-executive Directors will give their views after considering the advice of the Independent Financial Adviser.

2. LISTING RULES IMPLICATIONS

As at the date of this announcement, CITIC Group is the controlling shareholder of the Company, and is therefore a connected person of the Company under Chapter 14A of the Listing

Rules. Thus, the transactions entered into between members of the Group with CITIC Group and/or its associates under the 2023 Financial Assistance Framework Agreement will constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the 2023 Financial Assistance Framework Agreement on an annual basis is more than 5% but is less than 25%, the transactions contemplated under the 2023 Financial Assistance Framework Agreement would constitute discloseable transaction under Chapter 14 of the Listing Rules and non-exempt continuing connected transactions under Chapter 14A of the Listing Rules of the Company, and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules and the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Zhu Hexin, Mr. Xi Guohua, Mr. Liu Zhengjun, Mr. Wang Guoquan, Ms. Yu Yang, Mr. Zhang Lin, Ms. Li Yi and Mr. Yue Xuekun all have offices in CITIC Group, and in order to avoid the perception of a conflict of interest, each of them had abstained from voting on the Board resolutions to approve the 2023 Financial Assistance Framework Agreement. Save as disclosed above, none of the other Directors has a material interest in the 2023 Financial Assistance Framework Agreement and the transactions contemplated thereunder or holds any position in CITIC Group and/or its associates which would require them to abstain from voting on the relevant Board resolutions.

CITIC Group and its associates, being connected persons of the Company, will abstain from voting at the AGM on the ordinary resolution to approve the 2023 Financial Assistance Framework Agreement, the transactions contemplated thereunder and the proposed caps thereto. The relevant resolution to be proposed at the AGM will be voted on by poll in compliance with the Listing Rules. Save as disclosed above and to the best knowledge of the Directors, as at the date of this announcement, no other Shareholder has a material interest in the transactions contemplated under the 2023 Financial Assistance Framework Agreement and the proposed caps thereto, and therefore no other Shareholder is required to abstain from voting on that resolution at the AGM.

The Independent Board Committee (comprising Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Anthony Francis Neoh, Mr. Gregory Lynn Curl and Mr. Toshikazu Tagawa, all of whom are independent non-executive Directors) has been formed to advise and provide recommendations to the Independent Shareholders in respect of the 2023 Financial Assistance Framework Agreement and the proposed transactions contemplated thereunder (including the proposed caps thereto).

In addition, the Company has appointed Somerley as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms of the 2023 Financial Assistance Framework Agreement and the proposed transactions contemplated thereunder (including the proposed caps thereto) are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and whether they are in the interests of the Company and the Shareholders as a whole.

3. DESPATCH OF CIRCULAR

A circular containing, among other things, (i) a letter from the Board setting out further details of the continuing connected transactions under the 2023 Financial Assistance Framework Agreement, (ii) a letter from the Independent Board Committee to the Independent Shareholders, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and (iv) a notice of the AGM, will be despatched to the Shareholders on

or before 25 May 2023, which will be more than 15 business days after publication of this announcement so as to allow sufficient time for the preparation of certain information for inclusion in the circular.

The Shareholders and potential investors should refer to the circular for further details of the 2023 Financial Assistance Framework Agreement.

4. GENERAL INFORMATION

The Company

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 its shareholders.

CITIC Group

CITIC Group is a Chinese state-owned enterprise under the Ministry of Finance. Its main asset is a 58.13% interest in CITIC Limited. Since its establishment in 1979, CITIC Group has been a pioneer of China's economic reform. It makes investments in areas with long-term potential as well as those aligned with national priorities.

CITIC Finance

CITIC Finance was incorporated in 2012 as a non-bank financial institution with the approval of the China Banking and Insurance Regulatory Commission. CITIC Finance is a subsidiary of the Company, and its principal businesses include accepting deposits, providing loans and loan agency services, internal transfer and settlement and corresponding planning, finance services and financing consulting for member companies and other businesses.

CITIC Finance International

CITIC Finance International is a company incorporated in Hong Kong with limited liability, which acts as the overseas treasury centre of the Group, and is principally engaged in the provision of treasury management services to members of the Group. CITIC Finance International is a subsidiary of the Company.

5. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set forth opposite them:

“2022 Financial Assistance Framework Agreement”	the framework agreement dated 17 November 2022, entered into between the Company and CITIC Group in relation to the provision of financial assistance by the Group to CITIC Group and/or its associates
“2023 Financial Assistance Framework Agreement”	the framework agreement dated 31 March 2023, entered into between the Company and CITIC Group in relation to the provision of financial assistance by the Group to CITIC Group

	and/or its associates for the period from 1 July 2023 to 31 December 2025 (both days inclusive)
“AGM”	the annual general meeting of the Company to be held on 21 June 2023
“Board”	the board of the Company
“CITIC Finance”	CITIC Finance Company Limited, a subsidiary of the Company and a non-bank financial institution established with the approval of and under the supervision of the China Banking and Insurance Regulatory Commission
“CITIC Finance International”	CITIC Finance International Limited, a subsidiary of the Company and a company incorporated in Hong Kong with limited liability
“CITIC Group”	CITIC Group Corporation, a state-owned enterprise under the Ministry of Finance of the People’s Republic of China established in 1979 and the controlling shareholder of the Company
“Company” or “CITIC Limited”	CITIC Limited, a company incorporated in Hong Kong with limited liability with its shares listed on the Main Board of the Stock Exchange (Stock Code: 00267)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administration Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Anthony Francis Neoh, Mr. Gregory Lynn Curl and Mr. Toshikazu Tagawa, all of whom are independent non-executive Directors, to provide recommendations to the Independent Shareholders in respect of the 2023 Financial Assistance Framework Agreement and the proposed transactions contemplated thereunder (including the proposed caps thereto)
“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed by the Securities and Futures Commission of Hong Kong to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), appointed by the Company to make recommendations to the Independent Board Committee and the Independent Shareholders in relation to the 2023 Financial Assistance Framework Agreement and the proposed transactions contemplated thereunder (including the proposed caps thereto)
“Independent Shareholders”	Shareholders who are not required to abstain from voting under the Listing Rules at the AGM on the resolutions in respect of the 2023 Financial Assistance Framework Agreement, namely Shareholders other than CITIC Group and its associates

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

In addition, the terms “associate”, “connected person”, “connected transaction”, “continuing connected transaction”, “discloseable transaction”, “controlling shareholder”, “percentage ratio(s)”, and “subsidiary” shall have the meanings ascribed to them under the Listing Rules.

By Order of the Board
CITIC Limited
Zhu Hexin
Chairman

Hong Kong, 31 March 2023

As at the date of this announcement, the executive directors of the Company are Mr Zhu Hexin (Chairman), Mr Xi Guohua, Mr Liu Zhengjun and Mr Wang Guoquan; the non-executive directors of the Company are Ms Yu Yang, Mr Zhang Lin, Ms Li Yi, Mr Yue Xuekun 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.