

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)

DISCLOSEABLE TRANSACTION
PROPOSED FORMATION OF JOINT VENTURE COMPANIES FOR THE
DEVELOPMENT OF LAND PARCELS IN SHANGHAI

THE COOPERATION AGREEMENT

On 13 November 2023, Shanghai Yangpu District Bureau of Planning and Natural Resources announced that the consortium of Yangzhou Jintai (an indirect wholly-owned subsidiary of the Company) and Shanghai Binmao (an independent third party) was the implementing entity in the open selection process for the four Parcels located in Yangpu District, Shanghai. On the same date, in anticipation of obtaining land grants over the Parcels (which is subject to the open selection process), the Board has approved the Proposed Formation of JV Companies for construction and development of the Parcels contemplated under the Cooperation Agreement entered into between Yangzhou Jintai and Shanghai Binmao on 13 November 2023. Upon completion of the Proposed Formation of JV Companies, Yangzhou Jintai will hold 87% equity interest in each of the two JV Companies, which will become joint ventures of the Company and their financial results will be accounted for under equity method in the accounts of the Group. The total capital commitment of Yangzhou Jintai in the JV Companies is approximately RMB10,801 million.

LISTING RULES IMPLICATIONS

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

INTRODUCTION

The Board is pleased to announce that on 13 November 2023, Shanghai Yangpu District Bureau of Planning and Natural Resources announced that the consortium of Yangzhou Jintai (an indirect wholly-owned subsidiary of the Company) and Shanghai Binmao (an independent third party) was the implementing entity in the open selection process for the four Parcels located in Yangpu District, Shanghai. On the same date, in anticipation of obtaining land grants over the Parcels (which is subject to the open selection process), the Board has approved the Proposed Formation of JV Companies for construction and development of the Parcels contemplated under the Cooperation Agreement entered into between Yangzhou Jintai and Shanghai Binmao on 13 November 2023. Upon completion of the Proposed Formation of JV Companies, Yangzhou Jintai will hold 87% equity interest in each of the two JV Companies, which will become joint ventures of the Company and their financial results will be accounted for under equity method in the accounts of the Group. The total capital commitment of Yangzhou Jintai in the JV Companies is approximately RMB10,801 million.

THE COOPERATION AGREEMENT

Principal terms of the Cooperation Agreement are set out as follows:

Date	13 November 2023
Parties	Yangzhou Jintai; and Shanghai Binmao
Purpose and Main Scope of Business of the JV Companies	The purpose of JV Companies and main scope of business are to carry out development of the Project. The JV Companies will develop the Parcels into residential and commercial and office premises in accordance with the land grant conditions and applicable planning requirements, currently expected to comprise residential buildings available for sale of approximately 103,800 sq.m, office buildings available for sale of approximately 17,100 sq.m, and self-owned commercial properties and office of approximately 42,800 sq.m.
Registered Capital and Percentage of Equity Interest of the JV Companies	The initial registered capital of JV Company I is RMB2,293 million, of which Yangzhou Jintai will inject and hold 87% equity interest and Shanghai Binmao will inject and hold 13% equity interest.

Upon incorporation, the shareholding structure of JV Company I is as follows:

Name of Shareholder	Registered capital to be held (in RMB)	% of equity interest
Yangzhou Jintai	1,994,910,000	87%
Shanghai Binmao	298,090,000	13%
Total	2,293,000,000	100%

The initial registered capital of JV Company II is RMB1,600 million, of which Yangzhou Jintai will inject and hold 87%

equity interest and Shanghai Binmao will inject and hold 13% equity interest.

Upon incorporation, the shareholding structure of JV Company II is as follows:

Name of Shareholder	Registered capital to be held (in RMB)	% of equity interest
Yangzhou Jintai	1,392,000,000	87%
Shanghai Binmao	208,000,000	13%
Total	1,600,000,000	100%

Particulars of the Parcels and Consideration of the Land Use Rights

The Parcels are located in Yangpu District, Shanghai with a total capacity building area of approximately 86,500 sq.m. and a total gross area of approximately 181,000 sq.m., comprising approximately 113,000 sq.m. for residential use and approximately 68,000 sq.m. for commercial and office premises.

If successful in the open selection, Yangzhou Jintai and Shanghai Binmao and the two JV Companies will enter into Land Grant Contracts with the Grantor in respect of the grant of the Parcels, respectively, and the consideration for the land use rights of the Parcels is estimated to be approximately RMB11,440 million in aggregate. The consideration of the land use rights of the Parcels shall be payable by the JV Companies to the Grantor pursuant to the payment amount and schedule as finally determined in the Land Grant Contracts, which will be financed by the capital and shareholders loans provided by Yangzhou Jintai and Shanghai Binmao in proportion to their respective shareholdings.

In order to participate in the open selection of the Parcels, Shanghai Binmao had submitted a bid guarantee amounted to RMB100 million to the Grantor in the form of a bank guarantee, and Yangzhou Jintai will pay interest and guarantee fees to Shanghai Binmao for the bid guarantee in proportion to its interest of 87% (i.e. RMB87 million). The interest rate of such interest shall be the effective one-year loan prime rate published by the National Interbank Funding Center authorized by the People's Bank of China on the date of issuance of the bank guarantee.

Capital Commitment and Basis of Determination

The total capital commitment of the JV Companies is estimated to be RMB12,415 million, which is determined taking into consideration the consideration of land use rights and deed tax of the Parcels, the prevailing market conditions of property in the areas where the Parcels are located and the development potential of the Parcels. As Yangzhou Jintai

will hold 87% equity interest in each of the JV Companies, the total capital commitment of Yangzhou Jintai in the JV Companies is approximately RMB10,801 million, which will be financed by internal resources.

Further funding requirements

The future funding requirements of the JV Companies shall be fulfilled primarily through loans from banks or financial institutions (the “**External Loans**”), secured by the assets of the JV Companies (if required). In the event that assets available for collateral of the JV Companies are insufficient during its financing and requested by the banks or financial institutions providing the External Loans, Yangzhou Jintai and Shanghai Binmao shall provide collateral in proportion to their respective shareholdings or make further capital contributions to the JV Companies.

If the External Loans are unable to meet the funding requirements for development and construction of the Parcels or if the JV Companies have other financing needs, Yangzhou Jintai and Shanghai Binmao shall provide shareholder’s loans (the “**Shareholder’s Loans**”) in proportion to their respective shareholdings. The interest rates of the Shareholder’s Loans shall be 7% per annum as agreed in the Cooperation Agreement.

The abovementioned External Loans (including collateral to be provided by Yangzhou Jintai and Shanghai Binmao in proportion to their respective shareholdings, if any, for the External Loans), further capital contributions and Shareholder’s Loans are subject to unanimous approval by both shareholders of the JV Companies.

Capital Payment and Profit Distribution

Yangzhou Jintai and Shanghai Binmao will synchronize their capital contribution in proportion to their shareholdings in accordance with the actual requirements of the land grant price of the Parcels and the development and construction funds, and will share the profits, risks and losses in proportion to their capital contribution.

Governance

Regarding significant matters concerning the JV Companies (including but not limited to capital increases or reductions, amendments to the articles of association, review and approval of financing arrangements, including the External Loans and Shareholder’s Loans, asset disposals, external guarantees, total development cost budget and adjustments, merger, separation, dissolution, and liquidation), unanimous approval by both shareholders of the JV Companies is required.

The board of directors of each of the two JV Companies will comprise five directors, four of whom (including the

chairman) to be recommended for appointment by Yangzhou Jintai and one of whom (being the vice-chairman) to be recommended for appointment by Shanghai Binmao. Regarding significant matters of the JV Companies (including but not limited to capital increases or reductions, profit distribution or loss compensation plans, annual financial budget and finalization plans, merger, separation, and dissolution), unanimous approval by all directors of the JV Companies is required.

Effective Conditions

The Cooperation Agreement shall come into effect from the date on which Yangzhou Jintai and Shanghai Binmao obtain the necessary internal approvals, including the approval by the Board and compliance with the applicable information disclosure obligations of the Company under the Listing Rules, being 13 November 2023.

REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT

The location of the Project is in the “Badaitou” area of Yangpu District, Shanghai, which is the core area of Yangpu District and the origin of its commercial, cultural, and industrial development. It is also the central activity area confirmed in the Shanghai 2035 Plan, forming a “one-river development axis” with the North Bund, the Bund, Dongjiadu, Xuhui Riverside, and Qiantan. The area is of significant development potential, high in investment safety margin and the economic feasibility assessment shows a reasonable return. The Project is located on the north bank of the Huangpu River, opposite to the Lujiazui Harbour City Project, which is jointly operated by CITIC Pacific Limited, a wholly-owned subsidiary of the Company. By establishing joint ventures by Yangzhou Jintai to develop the Project, we can create a synergistic effect with “Two Riverside Twin Stars”, extending the Group’s reputation and brand in the Shanghai luxury housing, high-end commercial, and Grade A office market. This further solidifies the foundation and layout for the Group’s sustainable development in the Shanghai region.

This Project falls under the category of urban renewal and redevelopment projects encouraged by the central government. It aligns with the overall requirements of the central government for stabilizing and managing the real estate market, presenting a favorable opportunity to enhance the Group’s visibility and brand reputation in the emerging urbanization sector. From the perspective of the Group’s development strategy, the Project is characterized by substantial investment, a large scale, and a long timeframe. It can serve as a critical catalyst for accelerating the development of the Group’s emerging urbanization sector, laying a solid foundation for its growth. In the context of the current market risks, the Project presents a rare investment opportunity with the potential to play a significant role in driving our future development.

The Directors are of the view that the terms of the Cooperation Agreement are fair and reasonable and in the interest of the Group and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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

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.

Yangzhou Jintai

Yangzhou Jintai is a limited liability company incorporated in the PRC, which is primarily engaged in investment, management and development of real estate with a first-class qualification in real estate development. It has already developed projects such as CITIC Pacific Yangzhou Jinyuan, Jinchen, and Jintang. Yangzhou Jintai is actively enhancing its core competitiveness and cohesion and currently possesses a large number of high-quality professionals. As its business scale continues to grow, Yangzhou Jintai will continue to operate in compliance with the law, maintain regulated management, and create more outstanding products. As of the date of this announcement, Yangzhou Jintai is an indirect wholly-owned subsidiary of the Company.

Shanghai Binmao

Shanghai Binmao is a limited liability company incorporated in the PRC, which is an investment management platform company established by the government of Yangpu District, Shanghai and primarily engaged in asset investment and management, as well as corporate management consulting services. As of the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Shanghai Binmao and its ultimate beneficial owner State-owned Assets Supervision and Administration Commission of Shanghai Municipality Yangpu District are third parties independent from the Company and connected persons of the Company.

DEFINITIONS

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

“Board”	the board 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)
“Cooperation Agreement”	cooperation agreement entered into between Yangzhou Jintai and Shanghai Binmao dated 13 November 2023
“Director(s)”	the director(s) of the Company
“Grantor”	Shanghai Yangpu District Bureau of Planning and Natural Resources, the grantor of the Parcels
“Group”	the Company and its subsidiaries
“JV Company(ies)”	the joint venture company(ies) to be incorporated under the Cooperation Agreement
“Land Grant Contracts”	the land grant contracts to be entered into between the JV Companies and the Grantor in respect of the Parcels
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parcels”	four parcels of land located at Pingliang Community, Yangpu District, Shanghai, the PRC (parcel no.: 03B1-01, 01F2-01, 01F3-01 and 01E4-03) with a total capacity building area of approximately 86,500 sq.m. and a total gross area of approximately 181,000 sq.m.
“PRC” or “China”	The People’s Republic of China
“Project”	the construction and development of the Parcels
“Proposed Formation of JV Companies”	the proposed formation of the JV Companies by Yangzhou Jintai and Shanghai Binmao in respect of the Project
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shanghai Binmao”	Shanghai Binmao Enterprise Management Co., Ltd., a company incorporated in the PRC with limited liability, the counterparty to the Cooperation Agreement and an independent third party of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Yangzhou Jintai”

Yangzhou Jintai Properties Development Co., Ltd., a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“%”

percentage

By Order of the Board
CITIC Limited
Zhu Hexin
Chairman

Hong Kong, 13 November 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, Mr. Yang Xiaoping and Mr. Mu Guoxin; 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.