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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 DICASTAL ON THE SHANGHAI STOCK EXCHANGE**

The board of directors of the CITIC Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that the Company proposes to effect a possible spin-off and separate listing of the shares of CITIC Dicastal Co., Ltd. (中信戴卡股份有限公司) (“**CITIC Dicastal**”), an indirect non-wholly owned subsidiary of the Company, on the Shanghai Stock Exchange (“**SSE**”) (the “**Proposed Spin-off**”).

The Company had submitted an application (the “**PN15 Application**”) in relation to the Proposed Spin-off to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 on 15 December 2023 that the Company may proceed with the Proposed Spin-off.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

Along with the development of business of CITIC Dicastal, the management of both CITIC Dicastal and the Company believe that the Proposed Spin-off will better position both CITIC Dicastal and the Group, excluding CITIC Dicastal and its subsidiary (the “**Remaining Group**”), for their future development and deliver benefits to both CITIC Dicastal and the Remaining Group by:

- (i) strengthening the capital strength of CITIC Dicastal and reducing its interest-bearing liability, which is conducive for developing the business and improving the competitiveness of CITIC Dicastal as well as the improvement of the Group’s overall financial results;
- (ii) providing CITIC Dicastal with an independent platform for possible raising of additional funds, therefore enhancing financing efficiency for CITIC Dicastal as well as financing flexibility for the Group;

- (iii) enabling CITIC Dicastal to optimize its corporate governance to enhance the decision-making efficiency and risk resilience capability, and improving its governance of shareholder rights and ESG matters; and
- (iv) enhancing the investors' understanding of CITIC Dicastal as an entity distinct from the Remaining Group.

Upon completion of the Proposed Spin-off, the financial results of CITIC Dicastal 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 Dicastal.

NO ASSURED ENTITLEMENT TO SHAREHOLDERS

Under Paragraph 3(f) of Practice Note 15, a listed issuer is required to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to the shares in the entity which is proposed to be spun-off for separate listing.

However, according to the opinion of the PRC legal advisor to CITIC Dicastal (the "**Legal Advisor**"), there are legal and regulatory impediments to the Company's provision of an assured entitlement to the existing shareholders in the Proposed Spin-off since:

- (i) as shown in the register of members of the Company, most shareholders are natural persons, legal persons and institutions located outside of China's Mainland. However, according to the Legal Advisor's opinion, only investors that are located in China's Mainland or qualified foreign investors can apply to open an A-share account and invest in the CITIC Dicastal shares to be listed on the SSE; and
- (ii) according to the applicable securities laws and regulations of China's Mainland, save for special circumstances where certain number of shares shall preferentially be placed with publicly offered funds, social security funds, basic pension funds, enterprise annuity funds, insurance funds and qualified foreign investors, no preferential allocations shall be made to any other entity in the public offering of shares of the companies incorporated in the China's Mainland.

As a result, no assured entitlement either by way of a distribution in specie of existing shares in CITIC Dicastal or by way of preferred application in any offering to be made by CITIC Dicastal can be provided to the existing shareholders of the Company in the Proposed Spin-off.

Having considered the above as well as the reasons and the benefits of the Proposed Spin-off, the directors (including the independent non-executive directors) of the Company are of the view that the Proposed Spin-off and non-provision of assured entitlement to the shareholders of the Company are fair and reasonable and in the interests of the Company and its shareholders as a whole. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of paragraph 3(f) of Practice Note 15.

LISTING RULES IMPLICATIONS

Since the proposed issue of new shares by CITIC Dicastal under the Proposed Spin-off will result in a reduction of the Company's equity interest in CITIC Dicastal, 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

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 Dicastal

CITIC Dicastal is a joint-stock company incorporated under the laws of the People's Republic of China with limited liability in May 1988, as the first aluminum wheel manufacturer in China's Mainland. CITIC Dicastal is one of the world's largest aluminum automotive parts manufacturers with diversified products including aluminum wheels and lightweight cast components for powertrains, chassis and body systems for the automotive industry.

As at the date of this announcement, CITIC Industrial Investment Group Corp., Ltd., an indirect wholly-owned subsidiary of the Company, holds 42.11% equity interest in CITIC Dicastal. It is anticipated that immediately upon completion of the Proposed Spin-off, CITIC Dicastal will remain a non-wholly owned subsidiary of the Company and the financial results of CITIC Dicastal will continue to be consolidated in the financial statements of the Company.

Further announcement will be made by the Company as and when appropriate in respect of any material development in relation to the Proposed Spin-off.

Shareholders of the Company and other investors should note that the Proposed Spin-off may (or may not) proceed and are subject to various regulatory approvals. Shareholders of the Company and other investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
CITIC Limited
Ricky Choy Wing Kay Zhang Yunting
Joint Company Secretaries

Hong Kong, 18 December 2023

As at the date of this announcement, the executive directors of the Company are Mr. Xi Guohua (Vice Chairman and President), 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.