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中信國際金融控股有限公司

CITIC INTERNATIONAL FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 183)

SUBSCRIPTION OF SHARES BY BBVA AND STRATEGIC COOPERATION VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF FURTHER INTEREST IN CHINA CITIC BANK

AGREEMENTS WITH BBVA

Subscription Agreement

As part of the Company's strategic vision to expand its regional capabilities, the Company has on 22 November 2006 entered into the Subscription Agreement with BBVA. Pursuant to the Subscription Agreement, BBVA, as a strategic investor, has agreed to subscribe for, and the Company has agreed to allot, 668,574,374 Shares at a price of HK\$5.83 each. The Subscription Consideration is HK\$3,897,788,600 and will be payable in cash on completion.

The Subscription Shares represent approximately 19.8% of the existing issued share capital of the Company of 3,378,515,405 Shares as at the date of the Subscription Agreement and approximately 16.5% of the Company's issued share capital as enlarged by the Subscription. The net proceeds from the Subscription of approximately HK\$3,890 million will be used to strengthen the Company's capital base and support its future development, including financing the Company's funding requirements in respect of the CNCB Top Up. The Subscription is conditional upon, among other things, the approval of the Shareholders at the EGM and the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares. The Subscription is further subject to termination on the occurrence of certain events (which events are set out in greater detail below) before 8:00 a.m. on the expected completion date.

The Company has been informed by CITIC Group that CITIC Group has on 22 November 2006 entered into the CITIC Group Agreement with BBVA pursuant to which CITIC Group has agreed to sell and BBVA has agreed to purchase 167,143,593 Sale Shares at a consideration of HK\$974,447,147.

The completion of the CITIC Group Agreement will be conditional on the simultaneous completion of the Subscription Agreement. Consequently, upon completion of both the Subscription Agreement and the CITIC Group Agreement, BBVA is expected to hold an aggregate of 835,717,967 Shares which represent approximately 24.7% of the existing issued share capital of the Company of 3,378,515,405 Shares as at the date of the Subscription Agreement and approximately 20.6% of the Company's issued share capital as enlarged by the Subscription.

Business Cooperation with BBVA

With the introduction of BBVA as a strategic partner of the Group, the Company has on 22 November 2006 entered into the Cooperation MOU with BBVA confirming the intention of the parties to pursue discussions in relation to business cooperation, merger or acquisition by the Company and/or CKWB of BBVA's existing wholesale banking business in Asia and an increase by BBVA of its shareholding interest in the Company and/or a subscription for CKWB shares. Further information in relation to the Cooperation MOU is set out below.

AGREEMENTS WITH CITIC GROUP AND CNCB

CNCB Top Up

On 13 April 2006, the Company entered into the Original Agreement with CITIC Group pursuant to which the Company agreed to purchase approximately 19.9% of the entire equity interests of CNCB from CITIC Group. Subsequent to the execution of the Original Agreement, CITIC Group contributed RMB5 billion cash to the registered capital of CNCB. As a result, the percentage equity interest of the Joint Stock Company (upon its establishment) to be held by the Company would be approximately 16.4%.

CITIC Group has undertaken to the Company that if CNCB decides to increase its capital prior to an investment by a strategic investor and/or the listing of CNCB, such capital injection shall be the responsibility of CITIC Group and any such capital injection shall not result in the value of the Company's equity interest in CNCB falling below a lower equity value to that accorded to the Company on the date and that the Company's interest will not be less than 15%.

To ensure that the Company's interest in CNCB will not be less than 15%, the Company entered into the Top Up Agreement with CNCB and CITIC Group on 22 November 2006, pursuant to which the Company agreed to subscribe for, and CNCB (or, its successor, the Joint Stock Company) agreed to issue the Top Up Shares such that upon the Top Up Completion Date, the percentage of equity interests to be held by the Company in the Joint Stock Company is expected to be no less than 15% of the total equity interests in the Joint Stock Company, subject to the maximum cap amount as further set out below. CITIC Group has undertaken to procure CNCB or the Joint Stock Company to complete the CNCB Top Up. The consideration for the Top Up Shares is to be satisfied by cash and will be calculated by multiplying the Top Up Price by the Top Up Shares provided that the total consideration (calculated on the basis that the CNCB Top Up is not aggregated with the Original Investment) shall not result in any of the Company's "percentage ratios" under Rule 14.07 of the Listing Rules in respect of the CNCB Top Up to exceed 25%. Further details of the basis of calculation of the maximum consideration threshold is set out below. The CNCB Top Up is subject to certain conditions as described below.

CNCB Cooperation MOU

In order to set out a clearer framework for cooperation between the Company, CNCB and CITIC Group, on 22 November 2006, the Company has also entered into the CNCB Cooperation MOU with CITIC Group and CNCB pursuant to which, after obtaining Independent Shareholders' approval, the parties to the CNCB Cooperation MOU will execute the CNCB Cooperation Agreement (subject to such amendments as may be required by the relevant regulatory authorities of the PRC and Hong Kong including the relevant stock exchanges in the PRC and in Hong Kong).

Very substantial acquisition

As the Top Up Agreement was entered into within 12 months from the Original Agreement, in accordance with Rule 14.22 of the Listing Rules, the transaction contemplated under the Top Up Agreement is aggregated with the Original Agreement for the purposes of calculating the percentage ratios under the Listing Rules. As certain of the percentage ratios calculated under the Listing Rules in respect of the Top Up Agreement (aggregated with the Original Investment) exceed 100%, the CNCB Top Up constitutes a very substantial acquisition by the Company and requires Independent Shareholders' approval under Rule 14.49 of the Listing Rules.

Connected transaction

In addition, as CITIC Group is the controlling shareholder of the Company and CNCB is a subsidiary of CITIC Group, the CNCB Top Up, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) and the transaction contemplated therein constitute connected transactions of the Company. Given the size of the CNCB Top Up, the transaction contemplated under the Top Up Agreement falls under Rule 14A.16(5) of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements of the Listing Rules pursuant to Rule 14A.17. The CNCB Cooperation MOU (including the CNCB Cooperation Agreement) and the transactions contemplated therein will also be brought forward in the EGM for Independent Shareholders' approval.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, apart from CITIC Group and its Associates, no other Shareholder has a material interest in the Top Up Agreement, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) and accordingly, only CITIC Group and its Associates are required to abstain from voting on the resolution to approve the Top Up Agreement, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) and the transactions contemplated therein at the EGM.

An Independent Board Committee comprising of Mr. Rafael Gil-Tienda, Mr. Lam Kwong Siu and Mr. Tsang Yiu Keung Paul has been formed to advise the Independent Shareholders as to whether the terms of the Top Up Agreement and the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) are fair and reasonable and whether such transaction is in the interest of the Company and its Shareholders as a whole and to advise the Independent Shareholders on how to vote in respect of the resolution to be proposed at the EGM to approve the transactions contemplated under the Top Up Agreement and the CNCB Cooperation MOU (including the CNCB Cooperation Agreement). Somerley Limited has been appointed to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Top Up Agreement, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) are fair and reasonable and whether the transaction contemplated under the Top Up Agreement and the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) is in the interests of the Company and its Shareholders as a whole and to advise the Independent Shareholders on how to vote in respect of the resolution to be proposed at the EGM to approve the Top Up Agreement, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) and the transactions contemplated therein.

GENERAL

A circular containing, among other things, the advice of the Independent Financial Advisor, the recommendation of the Independent Board Committee, a notice convening the EGM to approve the Top Up Agreement, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement), the Subscription Agreement, the Cooperation MOU and the transactions contemplated therein will be despatched to the Shareholders as soon as practicable.

Trading in the Shares was suspended from 9:30 a.m. on 22 November 2006 pending the release of this announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange at 9:30 a.m. on 24 November 2006.

AGREEMENTS WITH BBVA**A. SUBSCRIPTION AGREEMENT**

As part of the Company's strategic vision to expand the Company's regional capabilities, the Company has on 22 November 2006 entered into the Subscription Agreement with BBVA as a strategic investor for the Shares of the Company.

Date

22 November 2006

Parties

- (a) the Company (as issuer)
- (b) BBVA (as subscriber), a party independent of and not connected with the Company nor with the directors, chief executive or substantial shareholder of the Company, and any of their subsidiaries or any of their respective associates. BBVA has confirmed to the Company that it has not held any interests in the Shares of the Company prior to the date of the Subscription Agreement.

Description of the Subscription

Pursuant to the Subscription Agreement, BBVA has agreed to subscribe for, and the Company has agreed to allot, 668,574,374 Shares at a price of HK\$5.83 each. The Subscription Consideration is HK\$3,897,788,600 and will be payable in cash on completion.

The Subscription Shares

The number of Subscription Shares is 668,574,374 represent approximately 19.8% of the existing issued share capital of the Company of 3,378,515,405 Shares as at the date of the Subscription Agreement and approximately 16.5% of the Company's issued share capital as enlarged by the Subscription. The net proceeds from the Subscription of approximately HK\$3,890 million will be used to strengthen the Company's capital base and support its future development, including financing the additional funding requirements of the Company in respect of the CNCB Top Up. A specific mandate will be proposed at the EGM for the issuance of the Subscription Shares.

Subscription Price

The subscription price is HK\$5.83 per Subscription Share. This price was agreed after arm's length negotiations and represents (i) a premium of approximately 0.3% to the closing price of HK\$5.81 per Share as quoted on the Stock Exchange on 21 November 2006; (ii) a premium of approximately 2.5% to the average closing price per Share of approximately HK\$5.69 per Share as quoted on the Stock Exchange from 8 November 2006 to 21 November 2006 both dates inclusive, being the last ten trading days of the Shares immediately before the date on which the trading in the Shares of the Company has been suspended pending the issue of this announcement; and (iii) a premium of approximately 9.2% to the average closing price per Share of approximately HK\$5.34 per share as quoted on the Stock Exchange from 10 October 2006 to 21 November 2006 both dates inclusive, being the last thirty trading days of the Shares immediately before the date on which the trading in the Shares of the Company has been suspended pending the issue of this announcement.

Conditions Precedent

Completion of the Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificates representing the Subscription Shares);
- (b) certain conditions precedent under the CITIC Group Agreement having been fulfilled in accordance with the terms of that agreement or waived;
- (c) BBVA having been approved, or not objected to within the relevant period, by the HKMA as a minority shareholder controller (as such expression is defined in Section 2 of the Banking Ordinance) of each of the Company, CKWB and HKCB Finance Limited (as applicable) under Section 70 of the Banking Ordinance;

- (d) the approval of the Bank of Spain for BBVA to enter into and perform the Subscription Agreement having been obtained;
- (e) all consents, waivers, approvals, authorisations and clearances (if any) of any governmental authority or any other relevant third party necessary for the parties to proceed to completion of the Subscription Agreement having been obtained;
- (f) the approval by the shareholders of the Company approving the entering into and performance of the Subscription Agreement by the Company having been obtained;
- (g) no governmental or regulatory action or limitation will be placed on either party that would deprive such party of the expected benefit of the transaction contemplated under the Subscription Agreement; and
- (h) (i) the execution by CITIC Group of a confirmation relating to matters in the Cooperation MOU; or (ii) the execution of certain agreements pursuant to the Cooperation MOU.

In the event any of the conditions set out above have not been fulfilled on or before 15 March 2007 (or such other date agreed by the parties in writing), the Subscription Agreement shall automatically terminate and neither party shall have any claim against the other party, except in relation to any breach caused by a party's failure to take actions within its control that it was obliged to undertake as a result of its obligation to use reasonable endeavours to procure fulfilment of a relevant condition.

Rights of the Subscription Shares

The Subscription Shares will on issue rank equally with the existing Shares.

Use of proceeds

The net proceeds from the Subscription of approximately HK\$3,890 million will be used to strengthen the Company's capital base and support its future development, including financing the additional funding requirements of the Company in respect of the CNCB Top Up.

Completion

The Subscription is to be completed on the Subscription Completion Date.

Application for listing

Application will be made by the Company to the Stock Exchange for the grant of the listing of and permission to deal in the Subscription Shares.

Termination

BBVA may terminate the Subscription Agreement at any time prior to 8:00 a.m. (Hong Kong time) on the Subscription Completion Date if at any time prior to Completion:

- (i) there occurs any suspension of dealings in the Shares for any consecutive period of 7 consecutive trading days (other than as a result of the Subscription); or
- (ii) any breach of any of the warranties and undertakings by the Company which comes to the knowledge of BBVA or any event occurs or any matter arises on or after the date of the Subscription Agreement and prior to the Subscription Completion Date which if it had occurred or arisen before the date of the Subscription Agreement would have rendered any of the warranties and undertakings untrue or incorrect in any respect and any such breach or failure is material or (in the reasonable opinion of BBVA) is or would materially and adversely affect the financial position or business of the Group;
- (iii) there is any adverse change, or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Group as a whole which would reasonably be expected to cause a reduction in the consolidated net asset value of the Company by 10% or more from that in the Company's pro forma accounts in appendix 3 of the Circular or, if published later than the Circular, the most recently published audited consolidated accounts of the Company.

Other Terms

Lock-up Period

BBVA has undertaken to the Company that unless otherwise agreed by BBVA and the Company in writing, BBVA and its relevant Affiliate shall not, at any time during the period commencing from the Subscription Completion Date and ending on:

- (i) if the Cooperation MOU is not terminated and the necessary agreements required under the Cooperation MOU have not been entered into, the expiration of 36 months from the Subscription Completion Date;
- (ii) if the Cooperation MOU is not terminated and the necessary agreements required under the Cooperation MOU have been entered into, the expiration of 36 months from the completion of the shareholding increase by BBVA of interest in the Company and/or CKWB contemplated under the Cooperation MOU; or
- (iii) if the Cooperation MOU is terminated, the expiration of six months from the termination of the Cooperation MOU,

transfer, dispose or encumber any Shares if the effect would be that BBVA and its Affiliates in aggregate hold less than the Locked-up Shares. After the expiry of the Lock-up Period, if BBVA disposes of Shares held by it, BBVA will consult with the Company with a view to ensuring orderly market in such Shares including by way of block trades or sales on the open market.

Maintenance of Public Float

BBVA has undertaken to the Company that BBVA and its Affiliates will not, at any time, acquire any Shares which, in aggregate, would result in the Company not being able to maintain the minimum public float requirement pursuant to Rule 8.08(1)(a) of the Listing Rules.

Appointment of Directors

Subject to the provisions of the articles of association of the Company, the Company will convene a meeting of the Board to appoint two Subscriber Directors nominated by BBVA to the Board as non-executive Directors upon Completion.

During the Lock-up Period, in the event that any of the Subscriber Directors is removed from the Board, the Company will, as soon as practicable convene a meeting of the Board to appoint a replacement Subscriber Director to the Board such that the total number of Subscriber Directors on the Board shall be two.

Restriction from issuance of Shares

The Company has undertaken to BBVA that for the period of six months from the date of the Subscription Agreement, the Company will not enter into any agreements or do anything or acts in respect of the issue of any Shares, or any options, warrants or other rights to acquire, or securities convertible into or exchangeable for Shares other than (i) for the purposes of implementation of the transactions contemplated under the Subscription Agreement, (ii) the issue of new Shares pursuant to the exercise of the conversion rights in respect of any outstanding convertible bonds of the Company, (iii) the issue of new Shares pursuant to the exercise of the share options which have been granted or which may fall to be granted under the share option scheme of the Company, or (iv) the issue of new Shares to institutional investors (other than certain competitors of BBVA) for the purposes of raising proceeds to acquire further interests in CNCB so as to enable the Company to maintain at least 15% and not more than 16% shareholding in CNCB.

Convertible bond top up rights

The Company has granted a top up right to BBVA to subscribe for new Shares at HK\$5.83 per Share where the Company issues or may issue new Shares upon the exercise of the conversion rights in relation to the outstanding convertible bonds of the Company exercised after 14 November 2006. The top up right is exercisable in whole or in part and from time to time during the period commencing on the Subscription Completion Date and ending on the earlier of 10 business days after 31 December 2007 and 10 business days after such date when no

convertible bonds are outstanding. The number of Shares which may be issued to BBVA under the top up right shall not exceed 17.6471% of the aggregate number of Shares issued and which may fall to be issued by the Company upon exercise of the convertible bonds (less any number of Shares issued to BBVA as a result of any prior exercise of the top up right). The expiration date of the convertible bonds is 8 November 2008. As at 14 November 2006, the total number of Shares which may fall to be issued upon the full conversion of the outstanding convertible bonds of the Company was 189,003,224 Shares. Accordingly, the maximum number of Shares which may be issued to BBVA in relation to the top up right is 33,353,587 Shares. A specific mandate will be proposed at the EGM for the issuance of the new Shares under this top up right.

Anti-Dilution Top Up Rights

The Company has further granted an Anti-Dilution Top Up Right to BBVA to subscribe for new Shares at a price equivalent to the average closing price of the Company for the twenty trading days immediately before the date of the notice of exercise by BBVA of such Anti-Dilution Top Up Right where the Company issues any new Shares (other than upon conversion of the outstanding convertible bonds of the Company, the issue of new Shares pursuant to the exercise of the share options which have been granted or which may fall to be granted under the share option scheme of the Company, the issue of the CITIC Group Shares, the issue of the Subscription Shares and any issue of Shares pro rata to all Shareholders) provided that the number of new Shares issued under this top-up right would not exceed 112,984,900 Shares (being 17.6471% of the number of Shares which could be issued under the general mandate of the Company at the date of the Subscription Agreement). The Anti-Dilution Top Up Right is exercisable in whole or in part and from time to time during the period commencing on the Subscription Completion Date and ending on the 10 business day after the expiry of six months after the Subscription Completion Date. A specific mandate will be proposed at the EGM for the issuance of new Shares under the Anti-Dilution Top Up Right.

The Stock Exchange has indicated that the issue of Shares pursuant to the exercise of the Anti-Dilution Top Up Right will be subject to the following conditions:

- (a) the pricing of any new Shares in respect of which BBVA is entitled to exercise its Anti-Dilution Top Up Rights must be approved by the Directors (including the independent non-executive Directors) who do not have a direct interest in the transaction and who are not connected with BBVA or its associates;
- (b) where the Shares to be issued pursuant to the exercise of the Anti-Dilution Top Up Rights is at a discount of more than 10% to the benchmark price, being the higher of:
 - (i) the closing price on the date of exercise relating to the proposed issue of Shares in respect of the Anti-Dilution Top Up Rights; and
 - (ii) the average closing price in the five trading days immediately prior to the earlier of:
 - (1) the date of the announcement in respect of the proposed issuance of Shares in respect of the Anti-Dilution Top Up Rights (if any);
 - (2) the date of the relevant exercise of the Anti-Dilution Top Up Rights; and
 - (3) the date on which the subscription price in respect of the exercise of the Anti-Dilution Top Up Rights is fixed,

an independent financial adviser's opinion on the fairness of the price or value at which new Shares are to be issued to BBVA will be required, in addition to the approval of the Directors described above, and the Company will be required to include reference to this opinion in any announcement to be issued by the Company in relation to the issue of new Shares pursuant to the exercise of the Anti-Dilution Top Up Rights by BBVA; and

- (c) where the new Shares to be issued pursuant to the exercise of the Anti-Dilution Top Up Rights by BBVA is at a discount of 20% or more to the benchmark price (described above), the approval of the independent Shareholders will be required in advance of such issue;
- (d) the issue price to BBVA upon the exercise of the Anti-Dilution Top Up Rights should be no less than the price offered to independent third parties.

The Company has also undertaken to BBVA that (other than the exceptions from the restrictions to issue new Shares as described above), the Company will not issue any new Shares during the period commencing on the date of the Subscription Agreement and ending 10 business days after the expiry of six months after the Subscription Completion Date to the extent that the total number of such new Shares issued by the Company after the date of the Subscription Agreement, when aggregated with the number of Shares issued (or to be issued) to BBVA as a result of the exercise of this top-up right will exceed 640,246,275 Shares (being the number of Shares which could be issued under the general mandate of the Company at the date of the Subscription Agreement). For the avoidance of doubt, unless the relevant Stock Exchange and/or shareholders' approval of the Company (if required) have been obtained in respect of the Anti-Dilution Top Up Right, the Company has undertaken not issue any Shares (other than the exceptions from the restrictions to issue new Shares as described above) before the expiry of the period in which BBVA has Anti-Dilution Top Up Right.

Declaration of Dividends

The Company has undertaken to BBVA that the Company shall not declare any dividends after the date of the Subscription Agreement unless the book close for the record date for the entitlement to such dividends is after the Subscription Completion Date and BBVA is entitled to such dividends in respect of the Locked-up Shares held by BBVA at that time.

Pre-emption Rights

The Company has granted to BBVA from the date of the Subscription Agreement to the end of the Relevant Period, a first right of offer to acquire or procure third party (provided that BBVA retains control of the voting rights attached to the shares in CNCB which such third party proposes to acquire and provided further that the transfer is not made to certain competitors of CNCB) to acquire the shares the Company holds in CNCB in the event that the Company wishes to transfer them to any person other than its Affiliates.

The Company has further granted to BBVA from the date of the Subscription Agreement to the end of the Relevant Period, a first right of offer to acquire or procure third party (provided that BBVA retains control of the voting rights attached to the shares in CNCB which such third party proposes to acquire and provided further that the transfer is not made to certain competitors of CNCB) to acquire the shares the Company holds in CNCB in the event that the Company wishes to transfer them to its Affiliates and the number of shares in CNCB which will be offered will be the attributable interest held by BBVA in CNCB through the Company.

B. BUSINESS COOPERATION WITH BBVA

With the introduction of BBVA as a strategic investor of the Group, the Company has on 22 November 2006 entered into the Cooperation MOU with BBVA confirming the intention of the parties to pursue discussions in relation to business cooperation and proposed merger or acquisition by the Company and/or CKWB of BBVA's existing wholesale banking business in Asia and an increase by BBVA of its shareholding interest in the Company and/or a subscription for CKWB shares. The Cooperation MOU provides that in the six-month period after the signing of the Cooperation MOU, the parties shall conclude discussions with a view to the signing of agreements containing the material terms relating to the proposed business transfer, business cooperation and a further increase in shareholding in the Company and/or CKWB by BBVA. In the period commencing six months after the date of the Cooperation MOU and ending nine months after the date of the Cooperation MOU, BBVA and the Company intend to discuss and agree any outstanding issues in respect of the above that are not agreed in the initial six-month period.

Exclusive strategic cooperation

Under the Cooperation MOU, for the nine-month period commencing on the date of the Cooperation MOU (or such longer period as the Company and BBVA may agree in writing), BBVA will be the sole and exclusive strategic investor in the Company (other than CITIC Group and its Affiliates). The expected areas of business cooperation are wholesale banking, treasury and capital markets, retails and others.

Non-competition

If at any time following the signing of the agreements containing the material terms relating to the proposed business transfer, business cooperation and a further increase in shareholding in the Company and/or CKWB by BBVA, BBVA and its Affiliates hold, in aggregate, a number of Shares greater than or equal to the number of Locked-up Shares, then (for the duration of any period that BBVA and its Affiliates hold, in aggregate, such a number of Shares) BBVA will not (and will procure that its Affiliates will not), whether as principal or agent, whether undertaken directly or indirectly (including through any associate, body corporate, partnership, joint venture or contractual arrangement), carry on, engage, invest, participate or otherwise be interested in any business which competes with the business of the Company and/or its subsidiaries in respect of:

- (a) wholesale banking business in Asia (save for those in Greater China); and
- (b) retail and wholesale banking in Greater China.

In the event that following the signing of the agreements containing the material terms relating to the proposed business transfer, business cooperation and a further increase in shareholding in the Company and/or CKWB by BBVA, there are further opportunities to acquire interests in other relevant wholesale banking businesses in Asia (except to the extent otherwise agreed by BBVA and CITIC Group in relation to the Mainland China), BBVA shall pursue such business opportunities through the alliance between BBVA and the Company and to the extent the Company or its subsidiaries do not pursue such opportunity, BBVA may pursue such opportunities provided that it complies with the non-compete principles set out above.

In the event that the Cooperation MOU is terminated after nine months from the date of the Cooperation MOU, then for the duration of six months after the date of termination, BBVA will not, and will procure that its Affiliates will not, whether as principal or agent, whether undertaken directly or indirectly (including through any associate, body corporate, partnership, joint venture or contractual arrangement), carry on, engage, invest, participate or otherwise be interested in any business which competes with the business of the Company and/or its subsidiaries in respect of wholesale and retail banking business in Hong Kong and Macau (other than in the form of, and in line with the current scale of, its operations in Hong Kong as at the date of the Cooperation MOU including organic growth). However, BBVA is not restricted from undertaking activities in respect of: (a) any passive equity investment of less than 3% of the total number of issued and outstanding shares of a publicly traded company whose principal business is financial business to the extent such activities are in the ordinary and usual course of the investment business of BBVA and its Affiliates; and (b) any equity investment in a company (other than certain agreed companies) whose principal business is not in financial business.

C. CITIC GROUP AGREEMENT

The Company has been informed by CITIC Group that CITIC Group has on 22 November 2006 entered into the CITIC Group Agreement with BBVA pursuant to which CITIC Group has agreed to sell and BBVA has agreed to purchase 167,143,593 Sale Shares at a consideration of HK\$5.83. The completion of the CITIC Group Agreement will be conditional on the simultaneous completion of the Subscription Agreement. Consequently, upon completion of both the Subscription Agreement and the CITIC Group Agreement, BBVA is expected to hold an aggregate of 835,717,967 Shares which represent approximately 24.7% of the existing issued share capital of the Company and approximately 20.6% of the Company's issued share capital as enlarged by the Subscription.

D. INFORMATION ON THE COMPANY AND BBVA

The Company is an investment holding company and is the holding company of CKWB, a Hong Kong licensed bank, and CITIC International Assets Management Limited, an asset management company which specializes in distressed assets management, direct investment and financial advisory services. The Company also holds 50% of CITIC Capital Holdings Limited, which focuses on China-related merchant financing and investment management services.

BBVA, headquartered in Spain, is one of the leading global banks with business operations span across retail, wholesale and investment banking in 32 countries. As of 31 December 2005, BBVA achieved total assets of approximately Euro392 billion (or approximately HK\$3,930 billion), net profit of approximately Euro 3.8 billion (or approximately HK\$38 billion), non-performing loan ratio of 0.94% and return on equity of 37%. BBVA is the largest bank by assets in Spain and it also has a strong presence in the European and Latin American markets. The Company also notes an announcement by BBVA dated 22 November 2006 which states that it has entered into an agreement with CITIC Group to acquire a 5% equity stake in CNCB.

E. REASONS AND BENEFITS OF THE SUBSCRIPTION AND THE COOPERATION MOU

The entering into of the Subscription will strengthen the Company's capital base and support its future development, including financing the additional funding requirements of the Company in respect of the CNCB Top Up (although the exact amount of the CNCB Top Up has not been confirmed at the date of this Announcement). However, with the certainty of available funding as a result of the Subscription (assuming that the Subscription Agreement will be approved by the Shareholders at the EGM), the Company will be able to significantly meet its funding needs.

Strategically, the entering into of the Subscription indicates the willingness and intention of forming a strategic partnership between the Company and BBVA. The partnership will help the Company to realize its vision of building an international bank with presence in the PRC by providing a global platform, enlarging its customer base, bringing in product expertise in areas such as wholesale banking, treasury and capital markets business and retail banking, as well as presenting new training opportunities for employees. The entering into of the Cooperation MOU further strengthens the strategic partnership, increases the level of commitment from both parties through increasing the shareholding for the strategic partner.

Agreements with CITIC Group and CNCB

Update on the Original Agreement

On 13 April 2006, the Company entered into the Original Agreement with CITIC Group pursuant to which the Company agreed to purchase approximately 19.9% of the entire equity interests of CNCB from CITIC Group. Subsequent to the execution of the Original Agreement, CITIC Group contributed RMB5 billion cash to the registered capital of CNCB. As a result, the percentage equity interest of the Joint Stock Company (upon its establishment) to be held by the Company would be approximately 16.4%.

CITIC Group has undertaken to the Company that if CNCB decides to increase its capital prior to an investment by a strategic investor and/or the listing of CNCB, such capital injection shall be the responsibility of CITIC Group and any such capital injection shall not result in the value of the Company's equity interest in CNCB falling below a lower equity value to that accorded to the Company on the date and that the Company's interest will not be less than 15%. In the ordinary course, it is anticipated that CITIC Group may reinvest profits into CNCB. However, the Company anticipates that notwithstanding this, it would be able to maintain above 15% equity interest in CNCB.

On 22 November 2006, the Company has also been informed that the Approved State Valuation has been issued and the maximum number of Shares to be issued pursuant to the Original Agreement (assuming the maximum increase in relation to any appreciation in the RMB against the HK\$) is 1,562,349,676 Shares.

To ensure that the Company's interest in CNCB will not be less than 15%, on 22 November 2006, the Company entered into the Top Up Agreement with CNCB and CITIC Group.

F. THE TOP UP AGREEMENT

Date

22 November 2006

Parties

- (a) the Company (as subscriber)
- (b) CNCB
- (c) CITIC Group, a state-owned enterprise incorporated in the People's Republic of China. CITIC Group is also the controlling shareholder of the Company and, as at the date of this announcement, owns approximately 53% of the Shares in issue

Summary of the CNCB Top Up

Subject to fulfillment of the conditions precedent described below, the Company agreed to subscribe for, and CNCB (or its successor, the Joint Stock Company) agreed to issue the Top Up Shares. CITIC Group has undertaken to procure CNCB or its successor, the Joint Stock Company to complete the CNCB Top Up.

Top Up Shares

The number of Top Up Shares to be subscribed for by the Company is determined as follows:

- (1) upon the CNCB Top Up Completion Date, the percentage of equity interests to be held by the Company in the Joint Stock Company as of the Top Up Completion Date shall be no less than 15% of the total equity interests in CNCB (or its successor, the Joint Stock Company), as enlarged by the issue of the Top Up Shares, on a fully diluted basis.
- (2) if the Top Up Consideration required to be paid by the Company for the Top Up Shares in accordance with the principle set out in paragraph (1) above will result in any of the Company's "five tests" under Rule 14.07 of the Listing Rules exceeding 25%, then the amount of Top Up Shares to be subscribed by the Company shall be the maximum whole number of Top Up Shares that would not result in Company's "five tests" exceeding 25% under Rule 14.07 of the Listing Rules.

Consideration

The Top Up Consideration is to be satisfied by cash and will be calculated by multiplying the Top Up Price and the Top Up Shares, provided that the Top Up Consideration (on the basis that this is not aggregated to the Original Investment) shall not result in any of the Company's "percentage ratios" under Rule 14.07 of the Listing Rules exceeding 25%. Assuming the "consideration test" under Rule 14.07(4) is the most relevant to determining the Top Up Consideration, this translates to a maximum of approximately HK\$7,196 million (based on the market capitalisation of the Company as at 22 November 2006 as enlarged by the issue of 1,562,349,676 Shares under the Original Agreement).

In calculating the percentage ratios, the parties agree that this will be on the basis that the Original Agreement has completed and the consideration ratio will be calculated based on the average closing price as quoted on the Stock Exchange the five trading days immediately before the date of the Top Up Agreement.

Basis of the Consideration

The CNCB Top Up Consideration was determined after arm's length negotiations between the Company and CNCB and will be based on the Top Up Price as the Top Up Price represents the final Hong Kong dollar price per H-share of the Joint Stock Company at which the H-shares of the Joint Stock Company will be offered to the public.

Conditions precedent

Completion of CNCB Top Up is conditional upon the satisfaction or waiver of the following conditions precedent:

- (a) the Stock Exchange approving the listing of, and permission to deal in, the H-shares of the Joint Stock Company to be listed in the Stock Exchange (including the Top Up Shares);
- (b) all requisite authorizations and approvals required for CNCB, the Joint Stock Company and/or CITIC Group for the CNCB Top Up having been obtained (except for the updated change in the business license in respect of the CNCB Top Up);
- (c) all requisite consents, authorizations and approvals (including but not limited to approvals from the Stock Exchange and The Shanghai Stock Exchange) required for the Company for the CNCB Top Up having been obtained;
- (d) the CNCB Cooperation Agreement with form and substance substantially the same as set out in the CNCB Cooperation MOU having been executed by all parties subject to amendments required by the relevant PRC or Hong Kong governmental and regulatory authorities;
- (e) the approval at the shareholders meeting of the Joint Stock Company and approval by the Independent Shareholders of the Top Up Agreement, the CNCB Top Up and all transactions thereunder having been obtained; and
- (f) the representations and warranties given under the Top Up Agreement by the parties remaining true, correct, accurate and not misleading up to the Top Up Completion Date.

If any of the conditions set out above has not been fulfilled (or waived) on or before 31 December 2007, or such later date as all the parties may agree in writing, the Top Up Agreement will automatically terminate and no party shall have any claim of any nature whatsoever against any other party (save in respect of any rights and liabilities of the parties which have accrued prior to termination).

Completion

Completion shall take place on the Top Up Completion Date, being the date on which the CNCB Top Up under the Top Up Agreement is completed, which shall occur on the same date when the subscription for global offering of H-shares and A-shares (if applicable) of the Joint Stock Company is completed.

Other Terms

CNCB and CITIC Group have undertaken jointly and severally and on behalf of the Joint Stock Company that after the date on which the Greenshoe Shares Allotment Right expires, in the event that CNCB decides to increase its equity interest, the Joint Stock Company and CITIC Group will support the Company to acquire more equity interests (by way of subscribing existing equity interest or new equity interest), so as to ensure that, under all circumstances, the shareholding of the Company, after the said acquisition, will not be less than 15% of the total amount of capital stock of the Joint Stock Company on a fully diluted basis. The parties also agree that such acquisition shall comply with the relevant consents, requirements of law and relevant governmental rules in all circumstances and the subscription price should be the lowest price as allowed under the relevant consents, requirements of law and governmental rules. Should the undertaking given by CNCB and CITIC Group be in breach of any consents or governmental rules or cause the Joint Stock Company unable to satisfy the requirements of the Stock Exchange, the rights and obligations of the parties pursuant to this undertaking will cease to have any effect. In the event that any additional acquisition of interest in CNCB is required to be made from CNCB or CITIC Group, this will constitute a connected transaction of the Company and the Company will comply with the relevant requirements of the Listing Rules as appropriate.

G. THE CNCB COOPERATION MOU

In order to set out a clearer framework of cooperation between the Company, CNCB and CITIC Group, on 22 November 2006, the Company has also entered into the CNCB Cooperation MOU with CITIC Group and CNCB pursuant to which, after obtaining Independent Shareholders' approval, the parties to the CNCB Cooperation MOU will execute the CNCB Cooperation Agreement (subject to such amendments as may be required by the relevant regulatory authorities of the PRC and Hong Kong including the relevant stock exchanges in the PRC and in Hong Kong).

Under the CNCB Cooperation Agreement, the parties will form the basis of avoiding simple competition. CNCB will confirm that it has no intention to compete with the Company in Hong Kong by establishing any rival branches or commercial banking network but will continue the development of its current operations in Hong Kong and will only establish new operations in Hong Kong after having non-binding

consultation with the Company. On the other hand, the Company will confirm that neither the Company nor CKWB will have any intention to compete with CNCB in the Mainland by establishing any rival branches or commercial banking network and will procure that CKWB will not establish any additional branches in the Mainland. However, the development of the current operations in the Mainland will be continued.

The CNCB Cooperation MOU and the framework of the CNCB Cooperation Agreement is subject to Independent Shareholders' approval and the CNCB Cooperation Agreement will also be subject to further amendments as required by the relevant regulatory authorities.

H. INFORMATION ON CNCB AND CITIC GROUP

CNCB is principally engaged in the business of provision of banking and financing services in the PRC. CITIC Group is the controlling shareholder of CNCB.

The following table shows the audited, consolidated financial information of CNCB for the years ended 31 December 2004 and 31 December 2005 (both prepared in accordance with IFRS):

	Audited, consolidated financial information for the year ended 31 December 2004	Audited, consolidated financial information for the year ended 31 December 2005
Net profit before taxation and extraordinary items	RMB4,061 million (approximately HK\$3,942 million)	RMB5,453 million (approximately HK\$5,293 million)
Net profit after taxation and extraordinary items	RMB2,428 million (approximately HK\$2,357 million)	RMB3,089 million (approximately HK\$2,993 million)

The audited consolidated net book value of CNCB as at 31 December 2005 was RMB23,225 million (approximately HK\$22,543 million).

CITIC Group was approved by the PRC's State Council and established in 1979. CITIC Group operates a wide range of businesses in the financial, services and industrial investment sectors. One of its main focuses is the development of financial businesses, with substantial interests in two commercial banks and non-banking financial institutions including securities firms, an insurance company, as well as a trust company. CITIC Group is the controlling shareholder of the Company and therefore, is a connected person of the Company.

I. REASONS FOR AND EFFECTS/BENEFITS OF THE CNCB TOP UP, THE CNCB COOPERATION MOU AND THE CNCB COOPERATION AGREEMENT

As the CNCB Top Up will enable the Company to maintain its 15% equity interest in CNCB and thus allowing for the Group to equity account for its investment in CNCB, the Directors believe that the CNCB Top Up is beneficial to the Company.

A board meeting of the Directors, present in person or by proxy, was held to consider the CNCB Top Up and the CNCB Cooperation MOU (including the CNCB Cooperation Agreement). The Directors including the independent non-executive Directors who were present (whose views are subject to the advice of the Independent Financial Advisor) consider the CNCB Top Up and the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) to be in the interests of the Company and the Shareholders as a whole and the terms of the CNCB Top Up and the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) to be fair and reasonable.

J. GENERAL

As the Top Up Agreement was entered into within 12 months from the Original Agreement, in accordance with Rule 14.22 of the Listing Rules, the transaction contemplated under the Top Up Agreement is aggregated with the Original Agreement for the purposes of calculating the percentage ratios under the Listing Rules. As certain of the percentage ratios calculated under the Listing Rules in respect of the Top Up Agreement (aggregated with the Original Investment) exceed 100%, the CNCB Top Up constitutes a very substantial acquisition by the Company and requires Independent Shareholders' approval under Rule 14.49 of the Listing Rules. In addition, as CITIC Group is the controlling shareholder of the Company and CNCB is a subsidiary of CITIC Group, the CNCB Top Up, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) and the transactions contemplated therein constitute connected transactions of the Company. Given the size of the CNCB Top Up, the transaction contemplated under the Top Up Agreement falls under Rule 14A.16(5) of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements of the Listing Rules pursuant to Rule 14A.17 of the Listing Rules. The CNCB Cooperation MOU (including the CNCB Cooperation Agreement) and the transactions contemplated therein will also be brought forward in the EGM for Independent Shareholders' approval.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, apart from CITIC Group and its associates, no other Shareholder has a material interest in the CNCB Top Up and accordingly, only CITIC Group and its Associates are required to abstain from voting on the resolution to approve the Top Up Agreement, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) and the transactions contemplated therein at the EGM.

An Independent Board Committee comprising of Mr. Rafael Gil-Tienda, Mr. Lam Kwong Siu and Mr. Tsang Yiu Keung Paul has been formed to advise the Independent Shareholders as to whether the terms of the Top Up Agreement and the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) are fair and reasonable and whether such transaction is in the interest of the Company and its Shareholders as a whole and to advise the Independent Shareholders on how to vote in respect of the resolution to be proposed at the EGM to approve the transactions contemplated under the Top Up Agreement and the CNCB Cooperation MOU (including the CNCB Cooperation Agreement). Somerley Limited has been appointed to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Top Up Agreement, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) are fair and reasonable and whether the transaction contemplated under the Top Up Agreement and the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) is in the interests of the Company and its shareholders as a whole and to advise the Independent Shareholders on how to vote in respect of the resolution to be proposed at the EGM to approve the Top Up Agreement, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) and the transactions contemplated therein.

The Subscription Agreement, the Cooperation MOU and the transactions contemplated therein will also be brought to the Shareholders for their approval at the EGM.

A circular containing, among other things, the advice of the Independent Financial Advisor, the recommendation of the Independent Board Committee, a notice convening the EGM to approve the Top Up Agreement, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement), the Subscription Agreement, the Cooperation MOU and the transactions contemplated therein will be despatched to the Shareholders as soon as practicable.

Trading in the Shares was suspended from 9:30 a.m. on 22 November 2006 pending the release of this announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange at 9:30 a.m. on 24 November 2006.

K. DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

"Affiliate"	as applied to any person, any other person directly or indirectly controlling, controlled by or under common control with such person and for such purposes, "control" with respect to any person, is to have the ability to direct the management and affairs of such person, whether through the ownership of voting securities or by contract, and such ability is deemed to exist when any person holds a majority of the outstanding voting securities, or the economic rights and benefits, of such person;
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“Anti-Dilution Top Up Right”	the top up rights granted to BBVA by the Company under the Subscription Agreement in relation to the issue of new Shares by the Company, further details of which are set out in the section headed “Anti-Dilution Top Up Right” in this announcement;
“Approved State Valuation”	the valuation of net assets of CNCB required to be prepared pursuant to requirements under PRC laws and to be approved by the PRC Ministry of Finance;
“Asia”	Greater China, Japan, North Korea, South Korea, Malaysia, Thailand, Cambodia, Indonesia, Singapore, Laos, Vietnam, Australia and New Zealand;
“Associate”	has the meaning ascribed thereto under the Listing Rules;
“Banking Ordinance”	the Banking Ordinance (Cap. 155 of the Laws of Hong Kong);
“BBVA”	Banco Bilbao Vizcaya Argentaria, S.A., a company incorporated in the Kingdom of Spain;
“Board”	the board of Directors;
“Circular”	the circular of the Company dated 30 June 2006;
“CITIC Group”	CITIC Group, a state-owned enterprise incorporated in the PRC;
“CITIC Group Agreement”	the share purchase agreement dated 22 November 2006 between CITIC Group and BBVA in relation to, among other things, the sale and purchase of the Sale Shares;
“CITIC Group Shares”	the number of Shares issued to CITIC Group pursuant to the Original Agreement;
“CKWB”	CITIC Ka Wah Bank Limited;
“CNCB”	China CITIC Bank;
“CNCB Cooperation Agreement”	the agreement to be entered into among CITIC Group, CNCB and the Company pursuant to the CNCB Cooperation MOU;
“CNCB Cooperation MOU”	the memorandum of understanding entered into among CITIC Group, CNCB and the Company on 22 November 2006;
“CNCB Top Up”	the subscription of the Top Up Shares by the Company in CNCB (or its successor, the Joint Stock Company) pursuant to the Top Up Agreement;
“Company”	CITIC International Financial Holdings Limited (stock code: 183), a company incorporated in Hong Kong and the Shares of which are listed on the Stock Exchange;
“Cooperation MOU”	the memorandum of understanding entered into between the Company and BBVA on 22 November 2006;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, amongst other things, the Top Up Agreement, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement), the Subscription Agreement, the Cooperation MOU and the transactions contemplated therein;
“Greater China”	the PRC (including without limitation Hong Kong and Macau);
“Greenshoe Shares Allotment Right”	the option to be granted by the Joint Stock Company to the underwriters of the global offering in respect of the shares of the Joint Stock Company, exercisable by the underwriters or their representative, to require the Joint Stock Company to issue additional shares of the Joint Stock Company as part of the global offering;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKMA”	The Hong Kong Monetary Authority;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board;
“Independent Board Committee”	the independent board committee of the Company comprising of Mr. Rafael Gil-Tienda, Mr. Lam Kwong Siu and Mr. Tsang Yiu Keung Paul;
“Independent Financial Advisor”	Somerley Limited which has been appointed to make recommendations to the Independent Board Committee and the Independent Shareholders;
“Independent Shareholders”	Shareholders other than CITIC Group and its Associates;
“Joint Stock Company”	the joint stock company to be restructured from CNCB;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lock-up Period”	the period in which BBVA is restricted from disposing or encumbering any Shares if the effect would be that BBVA and its Affiliates in aggregate hold less than the Locked-up Shares;
“Locked-up Shares”	the aggregate of the Subscription Shares and the Sale Shares;
“Original Agreement”	the sale and purchase agreement entered into between the Company and CITIC Group dated 13 April 2006, further details of which are set out in the Circular;
“Original Investment”	the acquisition of the equity interest in CNCB pursuant to the Original Agreement, further details of which are set out in the Circular;
“PRC”	the People’s Republic of China;
“Relevant Period”	any period during which BBVA is a strategic investor in CNCB (and which period shall include, for the avoidance of doubt, any period during which: (i) BBVA holds 5% or more of the total number of issued and outstanding shares in CNCB; or (ii) BBVA holds less than 5% of the total number of issued and outstanding shares in CNCB as a result of: (a) a dilution due to any exercise of any over-allotment option (or similar arrangement) for the issue of securities in respect of a public offering; or (b) a dilution due to an issue of shares in respect of which BBVA was not legally or contractually permitted to participate);
“Sale Shares”	167,143,593 Shares to be acquired by BBVA from CITIC Group pursuant to the CITIC Group Agreement;

“Shareholder(s)”	holder(s) of the Shares;
“Shares”	ordinary shares of HK\$1.00 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber Directors”	the persons nominated by BBVA to the Board as non-executive Directors;
“Subscription”	the subscription of the Subscription Shares by BBVA under the Subscription Agreement;
“Subscription Agreement”	the subscription agreement entered into between the Company and BBVA dated 22 November 2006;
“Subscription Completion Date”	the 10th business day after the conditions are fulfilled or such other date as the Company and BBVA agree in writing;
“Subscription Consideration”	HK\$3,897,788,600;
“Subscription Price”	HK\$5.83 per Subscription Share;
“Subscription Shares”	668,574,374 Shares;
“Top Up Agreement”	the subscription agreement entered into among CNBC, CITIC Group and the Company dated 22 November 2006;
“Top Up Completion Date”	the date on which the CNCB Top Up under the Top Up Agreement is completed, which shall occur on the same date when the subscription for global offering of H-shares and A-shares (if applicable) of the Joint Stock Company is completed;
“Top Up Consideration”	the Top Up Shares multiplied by the Top Up Price, provided that the Top Up Consideration (on the basis that this is not aggregated to the Original Investment) shall not result in any of the Company’s “percentage ratios” under Rule 14.07 of the Listing Rules to exceed 25%;
“Top Up Price”	the final Hong Kong dollar price per H-share of the Joint Stock Company at which the H-shares of the Joint Stock Company are to be offered to the public; and
“Top Up Shares”	the H-shares to be subscribed by the Company in accordance with the Top Up Agreement such that upon the Top Up Completion Date, the percentage of equity interests to be held by the Company in the Joint Stock Company shall be no less than 15% of the total equity interests in the Joint Stock Company, subject to a maximum cap amount.

Unless otherwise specified in this announcement, translations of RMB into HK\$ are made in this announcement, for illustration only, at the rate of RMB 1.00 to HK\$0.970638. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at those rates or at any other rates.

By Order of the Board of
CITIC International Financial Holdings Limited
Kyna Y. C. Wong
Company Secretary

Hong Kong, 23 November 2006

As at the date of this announcement, the Chairman of the Company is Mr. Kong Dan; the Vice Chairman of the Company is Mr. Chang Zhenming; the executive directors of the Company are Mr. Dou Jianzhong, Mrs. Chan Hui Dor Lam Doreen, Mr. Lo Wing Yat Kelvin, Mr. Roger Clark Spyer and Mr. Zhao Shengbiao; the non-executive directors of the Company are Mr. Chen Xiaoxian, Mr. Feng Xiaozeng, Mr. Ju Weimin, Mr. Liu Jifu and Mr. Wang Dongming; and the independent non-executive directors of the Company are Mr. Rafael Gil-Tienda, Mr. Lam Kwong Siu and Mr. Tsang Yiu Keung Paul.

“Please also refer to the published version of this announcement in South China Morning Post.”