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GLORYSHARE INVESTMENTS LIMITED
(incorporated in the British Virgin Islands with limited liability)



中信國際金融控股有限公司
CITIC INTERNATIONAL FINANCIAL HOLDINGS LIMITED
(incorporated in Hong Kong with limited liability)
(Stock Code: 183)

JOINT ANNOUNCEMENT

PROPOSAL TO PRIVATISE CITIC INTERNATIONAL FINANCIAL HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 166 OF THE COMPANIES ORDINANCE

PROPOSED WITHDRAWAL OF LISTING OF CITIC INTERNATIONAL FINANCIAL HOLDINGS LIMITED

DESPATCH OF THE SCHEME DOCUMENT

**Financial adviser to
Gloryshare Investments Limited**

**LEHMAN BROTHERS
Lehman Brothers Asia Limited**

The Scheme Document will be despatched to the Shareholders, the Optionholders and the Bondholders on 16 September 2008.

The respective notices of the Court Meeting and the EGM to be held on 16 October 2008 are set out in the Scheme Document.

The Minority Shareholders, the Optionholders and the Bondholders should consider carefully the recommendation of the Independent Board Committee and the factors, reasons and recommendations relating to the Proposal and the Third CNCB Transfer, as set out in the letter from Somerley Limited, the independent financial adviser to the Independent Board Committee, before making a decision on the Proposal and the Third CNCB Transfer.

Shareholders and potential investors are reminded that the implementation of the Proposal and subsequent transactions in the Framework Agreement will be subject to the conditions, as set out in the section headed “Conditions of the Scheme of Arrangement” in the explanatory statement forming part of the Scheme Document, being fulfilled or waived, as applicable, and thus the Proposal and those subsequent transactions may or may not become effective. Accordingly, they are advised to exercise caution when dealing in the Shares and CNCB Shares.

Reference is made to the Joint Announcement and the joint announcements dated 15 July 2008 and 6 August 2008.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document containing, among other things, a letter from the Board, the Scheme of Arrangement, the explanatory statement required under section 166A of the Companies Ordinance in relation to the Scheme of Arrangement, the recommendation of the Independent Board Committee to the Minority Shareholders, the Optionholders and the Bondholders in respect of the Proposal, the letter of advice from the Independent Financial Adviser, the expected timetable relating to the Scheme of Arrangement and the notices of the Court Meeting and the EGM will be despatched to the Shareholders on 16 September 2008.

The separate letters containing the cash offers for the cancellation of the Options and the acquisition of the outstanding Convertible Bonds will also be respectively despatched to the Optionholders and the Bondholders on 16 September 2008.

The Minority Shareholders, the Optionholders and the Bondholders should consider carefully the recommendation of the Independent Board Committee and the factors, reasons and recommendations in relation to the Proposal and the Third CNCB Transfer as set out in the letter from the Independent Financial Adviser, before making a decision on the Proposal and the Third CNCB Transfer. Actions to be taken by the Minority Shareholders are set out in the Scheme Document and those to be taken by the Optionholders and the Bondholders are set out in the separate letters to them containing the cash offers for the Options and the outstanding Convertible Bonds.

INDEBTEDNESS

As at the close of business on 30 June 2008, being the latest practicable date for the purpose of the indebtedness statement in the Scheme Document, the Group had the following indebtedness:

- (a) Perpetual subordinated notes of HK\$1,975 million, subordinated floating rate notes of HK\$1,950 million, non-trading debt securities issued of HK\$2,342 million and outstanding convertible bonds issued of HK\$8 million. In addition, borrowings from banks and money market takings from banks and other financial institutions, deposits from customers and certificates of deposits that arose from the normal course of the Group's banking and deposit taking businesses.
- (b) Direct credit substitutes, transaction-related contingencies, trade-related contingencies and other commitments that mainly arose from the normal course of banking business.
- (c) Included in the borrowings from banks, there are bridge loans totaling HK\$5,110 million which were borrowed by the Company for the acquisition of CNCB H shares upon its listing in April 2007 and to finance the capital injection into CKWB in December 2007. The bridge loans are rolled over monthly and will be due for repayment in December 2008. The interest rates for the loans are charged on Hong Kong Inter-bank Offer Rate plus a margin.

Except as set out above, the Group did not have, as at 30 June 2008, any outstanding mortgages, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or other similar indebtedness, hire purchase and finance lease commitments or any guarantees or other material contingent liabilities.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the approximate exchange rates prevailing at the close of business on 30 June 2008. The Directors have confirmed that there had been no material change in the Group's indebtedness and contingent liability position since 30 June 2008.

MEETINGS

The Court Meeting and the EGM will be held at 10:00 a.m. and 10:30 a.m. (or so soon thereafter as the Court Meeting shall have been concluded or adjourned) respectively on Thursday, 16 October 2008, at K-2 Suite, Pacific Place Conference Centre, 5/F One Pacific Place, 88 Queensway, Hong Kong. Notices of these meetings are set out in the Scheme Document.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Minority Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from 15 October 2008 to 16 October 2008 (both days inclusive) and during such period, no transfer of the Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all duly completed instruments of transfer accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 14 October 2008.

EXPECTED TIMETABLE

Hong Kong time
(unless otherwise stated)

Latest time for lodging transfers of the Shares in order to be entitled to attend and vote at the Court Meeting and the EGM	4:00 p.m. on Tuesday, 14 October 2008
Closure of register of members (<i>Note 1</i>)	Wednesday, 15 October 2008 to Thursday, 16 October 2008 (both days inclusive)
Latest time for lodging forms of proxy in respect of the	
Court Meeting (<i>Note 2</i>)	10:00 a.m. on Tuesday, 14 October 2008
EGM (<i>Note 2</i>)	10:30 a.m. on Tuesday, 14 October 2008
Suspension of trading of the Shares (<i>Note 3</i>)	9:30 a.m. on Thursday, 16 October 2008
Court Meeting	10:00 a.m. on Thursday, 16 October 2008

Hong Kong time
(unless otherwise stated)

- EGM 10:30 a.m. on Thursday, 16 October 2008
(or as soon
as the Court Meeting
has been concluded or
adjourned)
- Announcement of the results of the Court Meeting
and the EGM posted on
the website of the Hong Kong Stock Exchange by 7:00 p.m. on Thursday,
16 October 2008
- Latest time for lodging transfers of the Shares
in order to qualify for entitlements to
the Cancellation Consideration 4:00 p.m. on Friday, 31 October 2008
- Expiry Time (*Note 4*) 4:00 p.m. on Friday, 31 October 2008
- High Court hearing of the petition for the sanction
of the Scheme of Arrangement (*Note 5*). Tuesday, 4 November 2008
- Record Time 4:00 p.m. on Tuesday, 4 November 2008
- Announcement of the result of the High Court hearing posted
on the website of the Hong Kong Stock Exchange by 7:00 p.m. on Tuesday,
4 November 2008
- Effective Date (*Note 5*) Wednesday, 5 November 2008
- Expected withdrawal of the listing of the Shares
on the Hong Kong Stock Exchange by 9:30 a.m. on Wednesday,
5 November 2008
- Announcement of, among other things, the Effective Date
and the withdrawal of the listing of the Shares on the
Hong Kong Stock Exchange posted on the website of
the Hong Kong Stock Exchange by 7:00 p.m. on Wednesday,
5 November 2008
- Certificates for the CNCB H Shares and cheques for the cash payment
under the Cancellation Consideration and cheques
for the cash payments under the Option Offer
and the Bond Offer to be despatched on or before Saturday, 15 November 2008

The Minority Shareholders, the Optionholders and the Bondholders should note that the above timetable is dependent on, among other things, the availability of dates for the High Court to hear the proceedings relating to the Scheme of Arrangement and is therefore subject to change. Further announcement will be made in the event that there is any change.

Notes:

- (1) The register of members of the Company will be closed during such period for the purpose of determining entitlements of the Minority Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this period of closure is not for determining entitlements to the cancellation consideration as announced on 6 August 2008.
- (2) The pink form of proxy in respect of the Court Meeting and the white form of proxy in respect of the EGM should be completed and signed in accordance with the instructions respectively printed thereon and should be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1806–1807, 18/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event by the times and dates stated above. In the case of the pink form of proxy in respect of the Court Meeting, it may alternatively be handed to the chairman of the Court Meeting at the Court Meeting if it is not so lodged. The white form of proxy for the EGM must be lodged no later than the time and date stated above in order for it to be valid. Completion and return of the forms of proxy will not preclude a member from attending and voting in person at the relevant meeting or any adjournment thereof if he so wishes. In such event, the relevant form of proxy shall be deemed to have been revoked.
- (3) Trading of the Shares will be suspended from 9:30 a.m. on Thursday, 16 October 2008 pending publication of an announcement of the results of the Court Meeting and the EGM. If the Scheme of Arrangement is approved at these meetings, trading of the Shares will remain suspended pending publication of an announcement of the results of the High Court hearing of the petition for the sanction of the Scheme of Arrangement and, upon such sanction, will continue until the withdrawal of the listing of the Shares on the Hong Kong Stock Exchange. If the Scheme of Arrangement is not approved at these meetings or not sanctioned by the High Court, trading of the Shares is expected to resume at 9:30 a.m. on the trading day following the announcement of these results.
- (4) The cash offers for the Options and the outstanding Convertible Bonds are open for acceptance up to the Expiry Time. If any holders of vested Options have not accepted the offer made to them by the Expiry Time, their Options will be cancelled by the Company with effect from the Expiry Time and these holders will receive the fair value of their Options as at the Expiry Time. Further, the Company will redeem all of the outstanding Convertible Bonds with effect from the Expiry Time if the cash offer for such bonds is not accepted in full by the Bondholders by such time.
- (5) The Scheme of Arrangement shall become effective when it is sanctioned (with or without modification) by the High Court and an office copy of the order of the High Court, together with the minute containing the particulars required by Section 61 of the Companies Ordinance, are delivered to and registered by the Registrar of Companies.

WARNING

Shareholders and potential investors are reminded that the implementation of the Proposal and subsequent transactions in the Framework Agreement will be subject to the conditions, as set out in the section headed “Conditions of the Scheme of Arrangement” in the explanatory statement forming part of the Scheme Document, being fulfilled or waived, as applicable, and thus the Proposal and those subsequent transactions may or may not become effective. Accordingly, they are advised to exercise caution when dealing in the Shares and CNCB Shares.

Shareholders and potential investors are also reminded that the listing of the Shares on the Hong Kong Stock Exchange will be withdrawn if the Scheme of Arrangement becomes effective. If the Scheme of Arrangement is withdrawn or not approved or lapses, the listing of the Shares on the

Hong Kong Stock Exchange will not be withdrawn.

Definitions

In this announcement, capitalized terms and expressions have the meanings used in the Joint Announcement, except that the following expressions have the meanings set out below unless the context requires otherwise.

“Independent Board Committee”	the independent board committee of the Board established for the purpose of advising the Minority Shareholders, Optionholders and Bondholders in respect of the Proposal
“Independent Financial Adviser”	Somerley Limited, the independent financial adviser to the Independent Board Committee
“Joint Announcement”	the announcement dated 10 June 2008 issued jointly by the Offeror and the Company in relation to the Proposal
“Scheme Document”	the composite document jointly issued by the Company and the Offeror to the Shareholders, the Optionholders and the Bondholders in relation to the Proposal and the Scheme of Arrangement containing the information relevant to them as well as the particulars required by the Companies Ordinance and the Takeovers Code

By order of
the board of directors of
GLORYSHARE INVESTMENTS LIMITED
Chang Zhenming
Director

By order of
the board of directors of
**CITIC INTERNATIONAL FINANCIAL
HOLDINGS LIMITED**
Dou Jianzhong
Director and Chief Executive Officer

Hong Kong, 15 September 2008

The directors of CITIC Group jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to the Company, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those expressed by the Company have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to the Company, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those expressed by the Company have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to CITIC Group, the Offeror, CNCB or BBVA, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, other than those expressed by CITIC Group, the Offeror or BBVA, have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the directors of the Offeror are Mr. Chang Zhenming, Mr. Dou Jianzhong and Mr. Ju Weimin.

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. Jose Barreiro, Mr. Chen Xiaoxian, Mr. Fan Yifei, Mr. Feng Xiaozeng, Mr. Manuel Galatas, 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.