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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)

(Stock Codes: 04510, 04511, 04539, 04570, 05776, 05918, 05951)

ANNOUNCEMENT

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FINANCIAL ADVISER TO CITIC GROUP



FINANCIAL ADVISER TO CITIC LIMITED



On 20 January 2015, the Company entered into the Subscription Agreement and agreed to allot and issue to CT Bright 3,327,721,000 fully paid convertible preferred shares of the Company for a total consideration of HK\$45,922,549,800.00. On the same day, CITIC Polaris, a wholly-owned subsidiary of CITIC Group and one of the controlling shareholders of the Company, entered into the Share Purchase Agreement and agreed to sell 2,490,332,363 Shares of the Company to CT Bright, representing 10.00% of the total issued share capital of the Company as at the date of this announcement, for a total consideration of HK\$ 34,366,586,609.00. Furthermore, the Company has also on 20 January 2015 entered into a legally non-binding Strategic Cooperation Agreement with CPG Overseas Company Limited (“CPG”) and ITOCHU Corporation (“ITOCHU”) to leverage their respective strengths to explore and capture important strategic opportunities among three parties in the PRC and the global markets.

CPG is a wholly-owned subsidiary of Charoen Pokphand Group Company Limited (“CPG Group”). CPG Group and its subsidiaries are globally involved in a wide range of businesses including agro-industrial, retail and telecommunications.

ITOCHU, is one of the most well-known comprehensive trading companies in the world and ranked No. 183 in World Fortune 500 in 2014.

CT Bright is a joint venture established by CPG and ITOCHU each holding 50% of its equity interest and as at the date of this announcement CT Bright held 249,033,000 Shares in the Company, representing approximately 1% of the total issued share capital of the Company, which will be sold prior to the Share Purchase Completion to maintain the Minimum Public Float Percentage requirement of the Hong Kong Stock Exchange.

Upon completion of the subscription of the Preferred Shares and the purchase of Sale Shares from CITIC Polaris by CT Bright, assuming full conversion of the Preferred Shares into Shares and without taking into account the Minimum Public Float Percentage imposed upon the Company by the Hong Kong Stock Exchange, CITIC Group will indirectly hold approximately 59.90% and CT Bright will directly hold 20.61% of the enlarged total issued share capital of the Company. However, none of the Preferred Shares will be converted into the Ordinary Shares of the Company unless and until the Minimum Public Float Percentage will be maintained immediately after the conversion of the Preferred Shares. The Company has agreed, in the Subscription Agreement, to increase the Public Float Percentage to a level such that upon full conversion of the Preferred Shares into the Ordinary Shares, the Public Float Percentage will not be less than the Minimum Public Float Percentage, as soon as possible and before the date falling 90 days from the Subscription Completion Date, or such later date as CT Bright consents to.

Details of the above Transactions and Arrangements are further set out in this announcement.

CONNECTED TRANSACTION IN RESPECT OF A PROPOSED SUBSCRIPTION OF PREFERRED SHARES BY CT BRIGHT

The Board of the Company is pleased to announce that on 20 January 2015, the Company, CITIC Group, CT Bright, CPG and ITOCHU entered into the Subscription Agreement, pursuant to which, the Company has agreed to allot and issue, and CT Bright has agreed to subscribe for, 3,327,721,000 fully paid convertible preferred shares of the Company for a total consideration of HK\$45,922,549,800.00 subject to the terms and conditions of the Subscription Agreement. The proposed Subscription is subject, among other things, to the approval of the Independent Shareholders of the Company at the EGM of the Company.

The Preferred Shares may be converted into the Ordinary Shares of the Company at the Conversion Price, such price initially being HK\$13.80 per Ordinary Share, subject to adjustment in accordance with the terms of the AoA Amendments. Based on the Conversion Price of HK\$13.80, a maximum of 3,327,721,000 Shares will be issued upon the full conversion of the Preferred Shares, representing approximately 13.36% of the total issued share capital of the Company as at the date of this announcement and approximately 11.79% of the total issued share capital of the Company as enlarged by the full conversion of the Preferred Shares (assuming no other Shares are issued).

The proceeds from the issue of the Preferred Shares are expected to be approximately HK\$45.9 billion. The proceeds will be used to further develop the Company's businesses and to invest in emerging opportunities in sectors well matched to the Company's and China's development and as additional working capital for the daily operations of the Group.

Under the Subscription Agreement, the Subscription will be completed on the later of (i) the tenth Business Day after the date on which the relevant conditions precedent have been satisfied or waived in accordance with the terms of the Subscription Agreement; and (ii) the date falling 185 days after the Share Purchase Completion Date, and if such day is not a Business Day, the next Business Day immediately after such day.

No application will be made for the listing of the Preferred Shares on the Hong Kong Stock Exchange or any other stock exchange. An application will be made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

SALE OF SALE SHARES BY CITIC POLARIS TO CT BRIGHT

The Company also received a notice from CITIC Polaris, a wholly-owned subsidiary of CITIC Group, that on 20 January 2015, CITIC Polaris, CITIC Group, CT Bright, CPG and ITOCHU entered into the Share Purchase Agreement pursuant to which CITIC Polaris has agreed to sell and CT Bright has agreed to purchase 2,490,332,363 Shares of the Company, representing 10.00% of the total issued share capital of the Company as at the date of this announcement, for a total consideration of HK\$34,366,586,609.00 subject to the terms and conditions of the Share Purchase Agreement.

Upon completion of the transaction contemplated under the Share Purchase Agreement, CITIC Group will indirectly hold approximately 67.90% and CT Bright will directly hold 10.00% of the total issued share capital of the Company, respectively.

Under the Share Purchase Agreement, the Share Purchase will be completed on the later of (i) the tenth Business Day after the date on which the relevant conditions precedent have been satisfied or waived in accordance with the terms of the Share Purchase Agreement; and (ii) 2 April 2015.

The completion of the subscription of the Preferred Shares is conditional upon the Share Purchase Completion, and the satisfaction or waiver of the relevant conditions precedent in the Subscription Agreement is one of the conditions precedent for the Share Purchase Completion.

KEY MATERIAL TERMS UNDER THE SUBSCRIPTION AGREEMENT AND THE SHARE PURCHASE AGREEMENT

(1) CT Bright, CPG and ITOCHU's Undertakings

Lock-up Undertaking

Each of CT Bright, CPG and ITOCHU undertakes that, without the prior written consent of the Company, it will not, and, where applicable, will procure that its Affiliates will not, at any time during the period of 180 days following the Subscription Completion Date or the Share Purchase Completion Date, dispose of any interest in the Relevant Subscription Shares or the Relevant Sale Shares, respectively, save for any transfers of the Relevant Shares amongst the Permitted Transferees or any use of the Relevant Shares or any shares in CT Bright as security for a bona fide loan in accordance with the terms of the Subscription Agreement or the Share Purchase Agreement or anything resulting from any default under or enforcement of security given or any sale of the Relevant Shares subsequent to the enforcement of any of the security referred to above.

Standstill Undertaking

Each of CT Bright, CPG and ITOCHU agrees and undertakes to the Company that after the date of the Subscription Agreement, save for the purchase of the Sale Shares under the Share Purchase Agreement, the subscription of the Preferred Shares under the Subscription Agreement, and the subscription of Shares as a result of participating in any pre-emptive issuance or offer of Shares or bonus issue by the Company to its shareholders on a pro rata basis or the subscription and acquisition of Shares or Equity Securities as a result of the exercise of the Anti-Dilution Right by CT Bright under the Subscription Agreement, it will not, and will procure that its Affiliates shall not, without the prior written consent of the Company, acquire directly or indirectly any interest in any Share or Equity Securities of the Company.

(2) Anti-dilution Rights

Pursuant to the Subscription Agreement, if the Company conducts any New Share Issue or New Equity Issue after the Subscription Completion, CT Bright shall have the right to acquire Shares or Equity Securities to maintain its aggregate percentage interest in the total equity capital of the Company, together with that of its Affiliates, at up to 20.00% on a fully diluted basis (provided that the total number of Shares held by CT Bright and its Affiliates, whether directly or indirectly, as a result of its exercise of the Anti-Dilution Right shall not exceed 20.00% of the total number of outstanding issued Shares of the Company) by (i) participating in such New Share Issue or New Equity Issue on the same price and payment terms as all other participants; and/or (ii) purchasing Shares from any person in the manner and during the periods specified in the Subscription Agreement.

However, CT Bright will lose its Anti-Dilution Right in the following circumstances:

(i) if CT Bright and its Affiliates cease to hold, in aggregate, at least 20.00% of the total number of outstanding issued Shares other than as a result of an issue of new Shares or Equity Securities by the Company; or

(ii) if the Company proposes to conduct New Share Issue/New Equity Issue other than a Non Cash Equity Issue (as defined below) and CT Bright and its Affiliates cease to hold, in aggregate, at least 20.00% of the total number (as at the date of completion of such issue) of outstanding issued Shares upon expiry of 90 clear days from completion of such issue with no New Share Issue or New Equity Issue proposed or completed since that last New Share Issue or New Equity Issue (as the case may be); or

(iii) if the Company proposes to issue Shares or Equity Securities of more than five per cent. of the total issued outstanding Shares for consideration other than cash (the “**Non Cash Equity Issue**”) and CT Bright and its Affiliates cease to hold, in aggregate, at least 20.00% of the total number (as at the date of completion of such issue) of outstanding issued Shares upon expiry of 365 clear days from completion of such issue of Shares or Equity Securities.

(3) Corporate Governance Rights

Under the Share Purchase Agreement, CT Bright shall have the right to nominate one person to be appointed as an independent non-executive Director of the Company upon the Share Purchase Completion and from time to time thereafter. Moreover, upon the Subscription Completion and for such time as CT Bright (together with its Affiliates) has not lost the Anti-Dilution Right pursuant to the Subscription Agreement, CT Bright shall have the right from time to time to nominate one person to be appointed as a non-executive Director of the Company. Nevertheless, CT Bright shall procure that the non-executive Director of the Company nominated by it promptly resigns as Director of the Company (unless doing so would be in breach of his or her fiduciary duties), if CT Bright loses its Anti-Dilution Right in any of the circumstances set out under “(2) Anti-Dilution Rights” above, but CT Bright together with its Affiliates in aggregate still hold at least 10.00% of the total number of outstanding issued Shares.

CT Bright shall procure that the independent non-executive Director of the Company nominated by it promptly resigns as Director of the Company (unless doing so would be in breach of his or her fiduciary duties), if CT Bright and its Affiliates

(i) cease to directly or indirectly hold in aggregate at least 10.00% of the total number of outstanding issued Shares other than as a result of an issue of new Shares or Equity Securities by the Company; or

(ii) cease to directly or indirectly hold in aggregate at least 10.00% of the total number of outstanding issued Shares upon the expiry of 90 clear days from completion of the last New Share Issue or New Equity Issue other than a Non Cash Equity Issue with no New Share Issue or New Equity Issue proposed or completed since that last New Share Issue or New Equity Issue (as the case may be); or

(iii) cease to directly or indirectly hold in aggregate at least 10.00% of the total number of outstanding issued Shares as a result of a Non Cash Equity Issue upon the expiry of 365 days from the completion of such Non Cash Equity Issue.

(4) Right of First Refusal

Pursuant to the Share Purchase Agreement, CITIC Polaris or a person nominated by it shall have the right of first refusal to purchase the Relevant Sale Shares disposed of by CT Bright at the same price and on the same delayed settlement terms (if any) in accordance with the terms of the Share Purchase Agreement if, after expiry of the period of 180 days following the Share Purchase Completion Date and as long as CITIC Group holds at least 50.01% of the issued Shares, CT Bright wishes to dispose of all or part of the Relevant Sale Shares of the Company it holds to a person other than CITIC Polaris or its Affiliates.

(5) The Company's Undertakings

No Issue of New Securities

The Company undertakes that it shall not create, grant, issue or allot any Shares, Equity Securities or securities or instruments convertible into or exercisable or exchangeable for, or that represent the right to receive, any Share or Equity Security of the Company, or issue any other equity or ownership interests in the Company or undertake any other event which would or contingently or conditionally would increase the total outstanding issued share capital in the Company, before the Subscription Completion Date, save for the issue of the Preferred Shares, the issue of options in respect of 364,944,416 Shares to be issued under the Share Option Scheme, provided that such options are not capable of being exercised prior to the Subscription Completion Date; or the issue of Shares to independent third parties of the Company for the purpose of meeting the Minimum Public Float Percentage requirement, but not including any issue of Shares if the aggregate percentage interest in the total equity capital of CT Bright and its Affiliates in the Company will be less than exactly 20.00% on a fully diluted basis after such issue of Shares.

No Declaration of Dividends

The Company undertakes that it shall not, save for the Ordinary Dividend and excluding any repayment of financial indebtedness, declare or pay any dividend, bonus or other distribution of capital or income (whether in cash or in specie) or declare or make any repurchase, redemption, reduction, cancellation, repayment or return of Equity Securities, or agree or commit to do any of the foregoing before the Subscription Completion Date.

STRATEGIC COOPERATION WITH CPG AND ITOCHU

Pursuant to the Strategic Cooperation Agreement, the Company, CPG and ITOCHU shall jointly establish a strategic cooperation committee to consider and explore areas of potential mutual interest. The strategic cooperation among the parties mainly focuses on the following five potential areas: (i) financial services; (ii) manufacturing, food, logistics, agro-business and consumables; (iii) real estate, infrastructure and engineering contracting; (iv) resources and energies; and (v) information technology, communication, textile, chemicals, trade and others.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT AND STRATEGIC COOPERATION AGREEMENT

The introduction of CT Bright as a strategic investor shall benefit the Company in the following aspects:

- (1) Globalization and diversification of shareholding structure and improvement of corporate governance practices;
- (2) Raising of capital to further develop the Company's businesses and invest in emerging opportunities;
- (3) Further access to business opportunities in the Asia Pacific region and the global market; and
- (4) Strengthen the capital base of the Company and enhance its capabilities and flexibility in financing.

Please refer to the section headed "Reasons for and Benefits of Entering into the Subscription Agreement and Strategic Cooperation Agreement" in this announcement for details.

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Articles of Association will be amended in light of the proposed creation of the Preferred Shares. The proposed creation of the Preferred Shares and the AoA Amendments are subject to the approval of the Independent Shareholders at the EGM.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CITIC Group indirectly holds approximately a 77.90% equity interest in CITIC through CITIC Polaris and CITIC Glory, among which CITIC Polaris directly holds approximately a 48.00% equity interest in CITIC. Thus, both CITIC Group and CITIC Polaris are the controlling shareholders of the Company and are connected persons of the Company pursuant to Chapter 14A of the Listing Rules.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the date of this announcement, CT Bright held 249,033,000 Shares in the Company, representing approximately 1% of the total issued share capital of the Company, and save as disclosed above, CT Bright and its ultimate beneficial owners are independent third parties of the Company or any of its connected persons. Nevertheless, whilst CT Bright was not a connected person of the Company when it entered into the Subscription Agreement, the Subscription Completion is conditional upon the Share Purchase Completion, and the satisfaction or waiver of the relevant conditions precedent in the Subscription Agreement is one of the condition precedents in the Share Purchase Agreement. Accordingly, the proposed transaction contemplated under the Subscription Agreement is treated as a connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

At the EGM, CITIC Polaris, CT Bright and their respective associates will abstain from voting with respect to resolutions to approve the Subscription Agreement and the transactions contemplated thereunder.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising Mr. Alexander Reid Hamilton, Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Anthony Francis Neoh and Ms Lee Boo Jin, all of whom are independent non-executive Directors) has been formed to advise and provide recommendations to the Independent Shareholders in respect of the proposed transactions contemplated under the Subscription Agreement.

In addition, the Company has appointed Somerley as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms of the proposed transaction contemplated under the Subscription Agreement are fair and reasonable and whether it is in the interests of the Company and the Shareholders as a whole.

WARNING

The Subscription is subject to a number of conditions precedent including Independent Shareholders' approval and approvals from relevant regulatory authorities, and the Share Purchase is also subject to a number of conditions precedent including approvals from relevant regulatory authorities. Such conditions precedent may or may not be fulfilled. The Subscription and/or Share Purchase may or may not proceed. The Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares or other securities (if any) of the Company.

RESUMPTION OF TRADING

Trading in the Shares of the Company has been halted with effect from 9:00 a.m. on 20 January 2015 pending the publication of this announcement by the Company. The Company has applied to the Hong Kong Stock Exchange for the resumption of trading in the Shares with effect from 1:00 p.m. on 20 January 2015.

CONNECTED TRANSACTION IN RESPECT OF A PROPOSED SUBSCRIPTION OF PREFERRED SHARES BY CT BRIGHT

The Board is pleased to announce that on 20 January 2015, the Company, CITIC Group, CT Bright, CPG and ITOCHU entered into the Subscription Agreement, pursuant to which, the Company has agreed to allot and issue, and CT Bright has agreed to subscribe for, 3,327,721,000 fully paid convertible preferred shares of the Company for a total consideration of HK\$45,922,549,800.00 subject to the terms and conditions of Subscription Agreement.

(A) Principal Terms of the Subscription Agreement

Date of the Subscription Agreement

20 January 2015

Parties:

- (1) the Company (the issuer)
- (2) CITIC Group (the controlling shareholder of the Company)
- (3) CT Bright (the subscriber)
- (4) CPG (the indirect beneficial owner of 50% equity interest in CT Bright)
- (5) ITOCHU (the ultimate beneficial owner of 50% equity interest in CT Bright)

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the date of this announcement, CT Bright held 249,033,000 Shares in the Company, representing approximately 1% of the total issued share capital of the Company, and save as disclosed above, CT Bright and its ultimate beneficial owners are independent third parties of the Company or any of its connected persons.

Number of Preferred Shares: 3,327,721,000 convertible preferred shares in the share capital of the Company, convertible into Shares at an initial Conversion Price of HK\$13.80 per Share

Subscription Price: HK\$13.80 per Preferred Share

Total Subscription Price: HK\$45,922,549,800.00 which will be paid in full in cash on the Subscription Completion Date.

Conditions Precedent: The Subscription Completion is conditional upon the fulfilment or waiver of the following conditions in accordance with the terms of the Subscription Agreement:

- (a) the Share Purchase Completion having taken place in accordance with the terms of the Share Purchase Agreement;
- (b) the Company having received written approval from the MOF in respect of the issue of the Preferred Shares to CT Bright;
- (c) the creation of the Preferred Shares and the AoA Amendments having been approved by the Independent Shareholders at the EGM;
- (d) the transactions contemplated under and the terms of the Subscription Agreement having been approved by the Independent Shareholders at the EGM;
- (e) the Listing Committee of the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, the Conversion Shares on the Hong Kong Stock Exchange and such approval and permission remaining in full force and effect;
- (f) one of the following occurs:
 - (i) CT Bright having received written notice issued by or on behalf of the Treasury of Australia stating that there are no objections under the Australian Government's foreign

- investment policy to the acquisition by CT Bright of all the Sale Shares and the subscription by CT Bright for all of the Preferred Shares, the notice being unconditional or subject only to conditions which are acceptable to CT Bright, acting reasonably;
- (ii) the expiry of the period provided under the FATA prohibiting the acquisition of the Sale Shares and the subscription for the Preferred Shares by CT Bright without such an order being made; or
 - (iii) if an interim order is made under the FATA to prohibit the acquisition of the Sale Shares or the subscription for the Preferred Shares by CT Bright the subsequent period for making a final order has elapsed, without any such final order being made;
- (g) CT Bright having received a notice from the ACCC to the effect that the ACCC does not propose to oppose, intervene or seek to prevent the acquisition of the Sale Shares or the subscription for the Preferred Shares by CT Bright under or by reference to the Competition and Consumer Act and such notification is either unconditional or on conditions that are acceptable to CT Bright, acting reasonably;
- (h) one of the following occurs:
- (i) the issue by the HKMA of a notice(s) of consent pursuant to section 70(3)(b)(i) of the Banking Ordinance in relation to a proposal by CT Bright and its relevant Affiliates to become minority shareholder controllers of China CITIC Bank International Limited and HKCB Finance Limited; or
 - (ii) the expiry of three months from the date of the service by CT Bright and its relevant Affiliates of the notice to the HKMA stating the proposal referred to above, without the HKMA having served on any of CT Bright or its relevant Affiliates a notice of objection (as such term is defined in the Banking Ordinance);
- (i) CT Bright having received written approval from the MAS pursuant to section 97A of the Securities and Futures Act, Chapter 289 of Singapore for CT Bright (and/or their relevant Affiliates) to acquire effective control (as defined in section 97A) of each of CLSA Singapore Pte. Ltd., CLSA Global Markets Pte. Ltd., SetClear Pte. Ltd. and CLSA Capital Partners (Singapore) Pte. Ltd;
- (j) in relation to each antitrust regulator exercising competent jurisdiction in relation to the subscription for the Preferred Shares by CT Bright;
- (i) it indicates to CT Bright, ITOCHU and CPG (and/or their relevant Affiliates) in writing, unconditionally, that:

- (A) it has no objection to the subscription for the Preferred Shares by CT Bright pursuant to the Subscription Agreement; and
 - (B) it does not intend to intervene in the subscription for the Preferred Shares by CT Bright pursuant to the Subscription Agreement; or
- (ii) all approvals or filings required to complete the subscription for the Preferred Shares by CT Bright have been made and obtained and the period in which the subscription for the Preferred Shares by CT Bright must not be completed by law pursuant to any properly applicable merger control regulation, and any extension thereof, expires or is terminated;
- (k) there is no trading halt, suspension or limitation of trading in the Shares on the Hong Kong Stock Exchange on the Subscription Completion Date;
- (l) any other necessary approval or consent from any Government Authority or third party that the Company is required to obtain having been obtained by the Company;
- (m) any other necessary approval or consent from any Government Authority or third party that CT Bright and/or its Affiliates is required to obtain having been obtained by CT Bright and/or its Affiliates;
- (n) there not having occurred, at any time on and from the date of the Subscription Agreement, until or at Subscription Completion:
 - (i) any creation, granting, issue or allotment of any Shares, Equity Securities or securities or instruments convertible into or exercisable or exchangeable for, or that represent the right to receive, any Shares or Equity Securities, or issue of any other equity or ownership interests in the Company or any other event which would or contingently or conditionally would increase the total issued share capital in the Company, save for (i) the issue of the Preferred Shares, (ii) the issue of options in respect of 364,944,416 Shares to be issued under the Share Option Scheme, provided that such options are not capable of being exercised prior to the Subscription Completion Date; and (iii) the issue of Shares to independent third parties who are not connected persons of the Company for the purpose of increasing the Public Float Percentage, to a level such that upon full conversion of the Preferred Shares into Shares, the Public Float Percentage will not be less than the Minimum Public Float Percentage but not including any issue of Shares if the aggregate percentage interest in the total equity capital of CT Bright and its Affiliates in the Company will be less than exactly 20.00% on a fully diluted basis after such issue of Shares;
 - (ii) any trading halt, suspension or limitation of trading in any of

the Shares listed on the Hong Kong Stock Exchange which lasts more than ten consecutive business days (as defined in the Listing Rules), unless such trading halt, suspension or limitation of trading is (A) solely for the purpose of clearing by the Hong Kong Stock Exchange an announcement / circular to be issued by the Company for compliance with Chapter 14 and/or Chapter 14A of the Listing Rules; or (B) as a result of a trading halt, suspension or limitation of trading of the shares of a Principal Subsidiary which are listed on a recognised stock or securities exchange; and

- (o) there being no breach immediately prior to Subscription Completion of any of the Key Company Warranties which are given pursuant to the Subscription Agreement on the date of the Subscription Agreement and immediately prior to and upon Subscription Completion.

**Anti-Dilution
Right:**

- (1) After the Subscription Completion, if the Company conducts any New Share Issue, CT Bright shall have the right to increase (in one or more transactions) the aggregate percentage interest of CT Bright and its Affiliates, whether directly or indirectly, in the total equity capital of the Company to up to 20.00% on a fully diluted basis (provided that the total number of Shares held by CT Bright and its Affiliates, whether directly or indirectly, as a result of its exercise of the Anti-Dilution Right shall not exceed 20.00% of the total number of outstanding issued Shares of the Company) by CT Bright and/or any of its Affiliates:
 - (i) subject to the approval of the relevant transaction by the Shareholders at a general meeting pursuant to Listing Rule 14A.36, or any variation or replacement thereof (if required under the Listing Rules), participating in such New Share Issue on the same price and payment terms as all other participants thereof (save in the case of the issue of Shares pursuant to any share incentive scheme of the Company in effect from time to time, where CT Bright and its Affiliates shall only have the right to increase its aggregate percentage interest in the total equity capital of the Company in accordance with paragraph (ii) below), and the Company must take all necessary steps and actions to allot and issue such new Shares to CT Bright upon completion of the New Share Issue; and/or
 - (ii) purchasing Shares from any person in any manner in any of the following periods:
 - (a) the period(s) beginning on the date of the issue of any Share under the New Share Issue and ending 90 days after that date; and
 - (b) the period(s) beginning on the date notice is given by the Company of the issue of any Share under the New Share Issue and ending 90 days after that date.
- (2) After the Subscription Completion, if the Company conducts the

New Equity Issue, CT Bright shall have the right to increase (in one or more transactions) the aggregate percentage interest of CT Bright and its Affiliates, whether directly or indirectly, in the total equity capital of the Company to up to 20.00% on a fully diluted basis (provided that the total number of Shares held by CT Bright and its Affiliates, whether directly or indirectly, as a result of its exercise of the Anti-Dilution Right shall not exceed 20.00% of the total number of outstanding issued Shares of the Company) by CT Bright and/or any of its Affiliates:

- (i) subject to the approval of the relevant transaction by the Shareholders at a general meeting pursuant to Listing Rule 14A.36 or any variation or replacement thereof (if required under the Listing Rules), participating in such New Equity Issue on the same price and payment terms as all other participants thereof, receiving rights of exercise/conversion/exchange (including the timing and price of such exercise/conversion/ exchange) which are no less favourable than any Equity Security issued under the New Equity Issue (save in the case of the grant of any options, or the issue of any Equity Security pursuant to the exercise of share options granted (whether prior to or after the date of the Subscription Agreement), pursuant to any share option scheme or share incentive scheme of the Company in effect from time to time, where CT Bright and its Affiliates shall only have the right to increase its aggregate percentage interest in the total equity capital of the Company in accordance with paragraph (ii) below), and the Company must take all necessary steps and actions to allot and issue such new Equity Securities to CT Bright upon completion of the New Equity Issue; and/or
 - (ii) purchasing Shares from any person in any manner in any of the following periods:
 - (a) the period(s) beginning on the date of the issue of any Equity Security under the New Equity Issue and ending 90 days after that date;
 - (b) the period(s) beginning on the date of the issue, conversion or exchange of any Share or other Equity Security pursuant to the terms of any Equity Security issued in connection with New Equity Issue (including Equity Securities which may be issued upon the conversion or exchange of Equity Securities issued in connection with the New Equity Issue) and ending 90 days after that date; and
 - (c) the period(s) beginning on the date notice is given by the Company of the issue of any Equity Security under the New Equity Issue or any of the events referred to in paragraph (b) above and ending 90 days after that date.
- (3) If the Company proposes to conduct a Non Cash Equity Issue,

without limiting CT Bright's Anti-Dilution Right, CT Bright and the Company shall discuss in good faith whether CT Bright is capable of exercising its Anti-Dilution Right. If CT Bright elects to exercise the Anti-Dilution Right, then it shall be entitled to subscribe for such number of new Shares / Equity Securities as permitted by and subject to the terms of the Subscription Agreement at a price per Share / Equity Security equal to the value of the non-cash consideration per Share / Equity Security given under the Non Cash Equity Issue.

- (4) CITIC Group shall take all necessary steps and actions to procure that (i) all of the Directors (excluding any independent non-executive Directors) that have been nominated by CITIC Group or its subsidiaries which hold Shares call a meeting of the Board, attend the meeting and propose and vote in favour of resolutions of the Board to approve the transactions in connection with the exercise of the Anti-Dilution Right by CT Bright unless doing so would be in breach of the Listing Rules and subject to the fiduciary duty of the Directors owed to the Company; and (ii) as soon as is reasonably practicable and without delay, (a) an extraordinary general meeting of the Company's shareholders is duly convened; (b) resolutions approving the transactions in connection with the exercise of the Anti-Dilution Right by CT Bright are proposed at such meeting; and (iii) unless doing so would be in breach of the Listing Rules, its subsidiaries which hold Shares attend the meeting and vote in favour of such resolutions, if any of the transactions contemplated is required to be conditional on approval of the Company's shareholders at a general meeting.
- (5) However, CT Bright will lose its Anti-Dilution Right in the following circumstances: (1) if CT Bright and its Affiliates cease to hold, in aggregate, at least 20.00% of the total number of outstanding issued Shares other than as a result of an issue of new Shares or Equity Securities by the Company; (2) if the Company proposes to conduct New Share Issue/New Equity Issue other than a Non Cash Equity Issue and CT Bright and its Affiliates cease to hold, in aggregate, at least 20.00% of the total number (as at the date of completion of such issue) of outstanding issued Shares upon expiry of 90 clear days from completion of such issue with no New Share Issue or New Equity Issue proposed or completed since last New Share Issue or New Equity Issue (as the case may be); or (3) if the Company proposes to conduct a Non Cash Equity Issue and CT Bright and its Affiliates cease to hold, in aggregate, at least 20.00% of the total number (as at the date of completion of such issue) of outstanding issued Shares upon expiry of 365 clear days from completion of such issue of Shares or Equity Securities.
- (6) The Anti-Dilution Right is not applicable to any New Share Issue provided that such New Share Issue is undertaken by the Company for the purpose of increasing the Public Float Percentage to a level such that upon full conversion of the Subscription Shares into Shares, the Public Float Percentage will not be less than the Minimum Public Float Percentage except for any New Share Issue

referred to above that would result in the proportion held by CT Bright and its Affiliates, whether directly or indirectly, in the total equity capital of the Company on a fully diluted basis being less than exactly 20.00%.

**Corporate
Governance
Right:**

- (1) Upon the Subscription Completion and for such time as CT Bright (together with its Affiliates) has not lost the Anti-Dilution Right pursuant to the Subscription Agreement, CT Bright shall have the right from time to time to nominate one person to be appointed as a non-executive Director.
- (2) CITIC Group shall take all necessary steps and actions to procure that (i) a meeting of the Board is called and a resolution to appoint such person as a non-executive Director is proposed, and all the Directors (excluding any independent non-executive Directors) that have been nominated by CITIC Group or its subsidiaries which hold Shares attend the meeting and vote in favour of such resolution, subject to the fiduciary duty of such Directors owed to the Company, and (ii) a resolution to elect or re-elect such person or a different person nominated by CT Bright as a non-executive Director is proposed and its subsidiaries which hold Shares attend the meeting and vote in favor of the relevant resolution specified above at the general meeting of the Company.
- (3) CT Bright shall procure that the non-executive Director nominated by it promptly resigns as the Director (unless doing so would be in breach of his or her fiduciary duties), if CT Bright loses its Anti-Dilution Right in any of the circumstances set out under “Anti-Dilution Right” above, but CT Bright together with its Affiliates in aggregate still hold at least 10.00% of the total number of outstanding issued Shares.
- (4) CT Bright shall procure that the independent non-executive Director nominated by it pursuant to the Share Purchase Agreement promptly resigns as the Director (unless doing so would be in breach of his or her fiduciary duties), if CT Bright and its Affiliates (1) cease to directly or indirectly hold in aggregate at least 10.00% of the total number of outstanding issued Shares other than as a result of an issue of new Shares or Equity Securities by the Company; or (2) cease to directly or indirectly hold in aggregate at least 10.00% of the total number (as at the date of completion of such issue) of outstanding issued Shares upon the expiry of 90 clear days from completion of the last New Share Issue or New Equity Issue other than a Non Cash Equity Issue with no New Share Issue or New Equity Issue proposed or completed since that last New Share Issue or New Equity Issue (as the case may be); or (3) cease to directly or indirectly hold in aggregate at least 10.00% of the total number (as at the date of completion of such issue) of outstanding issued Shares as a result of a Non Cash Equity Issue upon the expiry of 365 days from the completion of such Non Cash Equity Issue.

Lock-Up Period: Each of CT Bright, CPG and ITOCHU undertakes to the Company that,

without the prior written consent of the Company, it will not, and, where applicable, will procure that its Affiliates will not, at any time during the period of 180 days following the Subscription Completion Date, dispose of any interest in the Relevant Subscription Shares, save for any transfers of the Relevant Subscription Shares amongst the Permitted Transferees.

Notwithstanding the above, the undertaking mentioned above shall not prevent or restrict CT Bright, ITOCHU or CPG (or any of their 75% Subsidiaries) from using the Relevant Subscription Shares, or any shares in CT Bright, as security (including a charge or a pledge) for a bona fide loan borrowed from: (i) any authorised institution under the Banking Ordinance; or (ii) any entity in any other jurisdiction which has been approved by and/or registered with the financial regulatory authorities of such jurisdiction to carry on business as a commercial or investment bank in such jurisdiction; or (iii) a Permitted Transferee; or anything resulting from any default under or enforcement of security given in connection with above or any sale of the Relevant Subscription Shares subsequent to the enforcement of any of the security referred to above.

CT Bright shall, when it receives indications, either verbal or written, from the relevant secured party that any of the pledged/charged Relevant Subscription Shares will be disposed of, promptly inform the Company of such indications.

Subscription Completion:

The Subscription will be completed on the Subscription Completion Date, which shall be the later of (i) the tenth Business Day after the date on which the relevant conditions precedent have been satisfied or waived in accordance with the terms of the Subscription Agreement; and (ii) the date falling 185 days after the Share Purchase Completion Date, and if such day is not a Business Day, the next Business Day immediately after such day.

Subscription Termination Fee:

If, on the Subscription Completion Date, all of the conditions precedent have been and continue to be satisfied or waived in accordance with the terms of the Subscription Agreement but either the Company or CT Bright still elects to terminate the Subscription Agreement, the terminating party must pay a termination fee, being an amount equal to three per cent. of the Total Subscription Price, to the other party. If the terminating party complies with its obligations to give notice of termination and to pay the termination fee to the other party, neither the other party nor any of its respective Affiliates shall have any remedy at law or in equity against the terminating party or any of its respective Affiliates in connection with the Subscription Agreement or its termination.

Subscription Long Stop Date:

31 March 2016 or any later date for the satisfaction of the conditions precedent and the Subscription Completion as agreed by the parties.

Guarantee:

Each of ITOCHU and CPG unconditionally and irrevocably guarantees to the Company the due and punctual payment by CT Bright of one half

of each of the following guaranteed payments:

- (i) the Total Subscription Price payable by CT Bright to the Company under the terms of the Subscription Agreement;
- (ii) the Subscription Termination Fee payable by CT Bright to the Company under the terms of the Subscription Agreement; and
- (iii) any amount which CT Bright must pay to the Company under the terms of the Subscription Agreement as damages for breach of any of its warranties pursuant to an enforceable HKIAC arbitral award.

**Other Principal
Terms:**

- (1) The Company shall increase the Public Float Percentage, to a level such that upon full conversion of the Preferred Shares into Shares, the Public Float Percentage will not be less than the Minimum Public Float Percentage, as soon as possible and before the date falling 90 days from the Subscription Completion Date, or such later date as CT Bright consents to, such consent not to be unreasonably withheld.
- (2) The Company undertakes that it shall not, before the Subscription Completion Date, create, grant, issue or allot any Shares, Equity Securities or securities or instruments convertible into or exercisable or exchangeable for, or that represent the right to receive, any Share or Equity Security, or issue any other equity or ownership interests in the Company or undertake any other event which would or contingently or conditionally would increase the total outstanding issued share capital in the Company, save for the issue of the Preferred Shares; the issue of options in respect of 364,944,416 Shares to be issued under the Share Option Scheme, provided that such options are not capable of being exercised prior to the Subscription Completion Date; or the issue of Shares to independent third parties of the Company for the purpose of meeting the Minimum Public Float Percentage requirements as described in paragraph (1) above, but not including any issue of Shares if the aggregate percentage interest in the total equity capital of CT Bright and its Affiliates in the Company will be less than exactly 20.00% on a fully diluted basis after such issue of Shares.
- (3) The Company undertakes that it shall not, before the Subscription Completion Date, save for the Ordinary Dividend and excluding any repayment of financial indebtedness, declare or pay any dividend, bonus or other distribution of capital or income (whether in cash or in specie) or declare or make any repurchase, redemption, reduction, cancellation, repayment or return of Equity Securities, or agree or commit to do any of the foregoing.
- (4) Each of CT Bright, CPG and ITOCHU agrees and undertakes to the Company that after the date of the Subscription Agreement, save for the purchase of the Sale Shares under the Share Purchase Agreement and the subscription of the Preferred Shares under the

Subscription Agreement, it will not, and will procure that its Affiliates shall not, without the prior written consent of the Company, acquire directly or indirectly any interest in any Share or Equity Securities. This undertaking shall not restrict CT Bright and its Affiliates from subscribing for any Share or any interest in any Share as a result of participating in any pre-emptive issuance or offer of Shares or bonus issue by the Company to its shareholders on a pro rata basis or any purchase or subscription as a result of the exercise of the Anti-Dilution Right by CT Bright under the Subscription Agreement.

Major terms and conditions of the Preferred Shares are set out below:

Issue Price: HK\$13.80 per Preferred Share

Liquidation Preference: In the event of Winding-up of the Company, each Preferred Shareholder shall be entitled to, in proportion to the Issue Price of Preferred Shares held by that Preferred Shareholder and in priority to any holder of Ordinary Shares (whether listed and traded on the Hong Kong Stock Exchange or not) in the capital of the Company, to receive an amount equal to the sum of the amount equal to the Issue Price of the Preferred Shares held by that Preferred Shareholder together with any Distributions that have accrued but have remained unpaid.

Where the assets of the Company are insufficient, each Preferred Shareholder shall be entitled to receive such amount in proportion to the total Issue Price of Preferred Shares held by that Preferred Shareholder.

Voting Right: The Preferred Shareholders shall not attend general meetings of the Company and shall not have voting rights.

Redemption Right and Cancellation: The Preferred Shares are perpetual securities in respect of which there is no fixed redemption date and the Company shall not have a right to redeem them. The Preferred Shareholders shall not have the right to require the Company to redeem the Preferred Shares.

All Preferred Shares which are converted will forthwith be cancelled.

Transferability: Subject to the restrictions on transfer as set out in the Subscription Agreement, each Preferred Share is freely transferable.

Distribution: (1) If the Company declares any Dividend on the Ordinary Share, the Preferred Shareholders shall be entitled to receive such Distribution on a pro rata basis with holders of the Shares, as if each Preferred Share held by the Preferred Shareholders had been converted into Ordinary Shares and the Preferred Shareholders registered as holders of such Ordinary Shares on the record date for determining the holders of Ordinary Shares eligible to receive such Dividend. Save for the above, the Preferred Shareholder is not entitled to any other profit distribution or interest payment from the Company.

(2) Any Distribution payable by the Company shall be paid on the

payment date of any Dividend.

- (3) Where the Conversion Right attached to a Preferred Share has been exercised pursuant to these AoA Amendments, such Preferred Share will cease to confer the right to receive any Distribution from and including the Registration Date.

Conversion Right:

The Preferred Shareholders shall be entitled to the following rights contemplated under the Subscription Agreement as stipulated in the AoA Amendments:

- (1) *Conversion at the option of Preferred Shareholder*: subject to and upon compliance with the provisions of the Articles of Association and any applicable laws and regulations, the Conversion Right attaching to any Preferred Share may be exercised by the holder thereof at any time on or after the Issue Date, provided that a Preferred Shareholder may only convert such number of Preferred Shares as would not cause the Company not to comply with the Minimum Public Float Percentage requirement, following the conversion.
- (2) *Conversion at the option of the Company*: subject to and upon compliance with the provisions of the Articles of Association and the applicable laws and regulations, the Company shall have the right to, at any time on or after the Issue Date, require a Preferred Shareholder to convert the Preferred Shares it holds by giving written notice to the Preferred Shareholder.
- (3) *Number of Conversion Shares*: the number of the Shares to be issued on conversion of the relevant Preferred Shares will be determined by dividing the aggregate Issue Price of the relevant Preferred Shares to be converted by the adjusted Conversion Price in effect at the Conversion Date.

Conversion Shares:

Based on the Conversion Price of HK\$13.80 per Share, a maximum of 3,327,721,000 Shares will be issued upon the full conversion of the Preferred Shares, representing approximately 13.36% of the total issued share capital of the Company as at the date of this announcement and approximately 11.79% of the total issued share capital of the Company as enlarged by the full conversion of the Preferred Shares (assuming no other Shares are issued).

The Conversion Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the Conversion Shares.

Conversion Price:

the price per Ordinary Share at which Ordinary Shares will be issued upon exercise of the Conversion Right, such price initially being HK\$13.80 per Ordinary Share, subject to adjustment in accordance with the terms of the AoA Amendments.

Adjustments to Conversion Price

The Conversion Price shall be adjusted, subject to certain limitations after the issue date of the Preferred Shares in the following

circumstances:

- (1) if and whenever there shall be an alteration to the number of Ordinary Shares in issue as a result of consolidation, subdivision or reclassification;
- (2) if and whenever the Company shall issue any Ordinary Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves;
- (3) if and whenever the Company shall issue Ordinary Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Ordinary Shares, in each case at less than 95 per cent. of the Current Market Price per Ordinary Share on the last Trading Day preceding the date of the announcement of the terms of the issue or grant;
- (4) if and whenever the Company shall issue (otherwise than as mentioned in paragraph (3) above) any Ordinary Shares (other than Ordinary Shares issued on the conversion of the Preferred Shares or on the exercise of any other rights of conversion into, or exchange or subscription for Ordinary Shares) or issue or grant (otherwise than as mentioned in paragraph (3) above) any options, warrants or other rights to subscribe for, purchase or otherwise acquire any Ordinary Shares, in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of the announcement of the terms of the issue or grant;
- (5) if and whenever the Company or any of its subsidiaries (otherwise than as mentioned in paragraph (3) or (4) above), or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries), any other company, person or entity shall issue wholly for cash any securities (other than the Preferred Shares excluding for this purpose any further Preferred Shares) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Ordinary Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Ordinary Share to be received by the Company which is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities; and
- (6) if and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in paragraph (5) above (other than in accordance with the terms of such securities) so that the consideration per Ordinary Share (for the number of Ordinary Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification.

Listing Application: No application will be made for the listing of the Preferred Shares on the Hong Kong Stock Exchange or any other stock exchange. An application will be made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

(B) Basis of the Determination of the Subscription Price

The Subscription Price is HK\$13.80 per Preferred Share, representing:

- (i) a premium of approximately 3.60% to the closing price of HK\$13.32 per Share as quoted on the Hong Kong Stock Exchange on the Pricing Date;
- (ii) a premium of approximately 2.37% to the average closing price of approximately HK\$13.48 per Share as quoted on the Hong Kong Stock Exchange for the last 20 consecutive Trading Days up to and including the Pricing Date;
- (iii) a premium of approximately 3.60% to the average closing price of approximately HK\$13.32 per Share as quoted on the Hong Kong Stock Exchange for the last 60 consecutive Trading Days up to and including the Pricing Date; and
- (iv) a premium of approximately 3.22% to the average closing price of approximately HK\$13.37 per Share as quoted on the Hong Kong Stock Exchange for the last 90 consecutive Trading Days up to and including the Pricing Date.

The Subscription Price was determined after arm's length negotiations between the Company and CT Bright with reference to the prevailing market price of the Shares. The Directors (excluding the independent non-executive Directors whose opinion will be given after receiving advice from the Independent Financial Adviser) consider that the Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

(C) Reasons for and Benefits of Entering into the Subscription Agreement

Please refer to the section headed "Reasons for and Benefits of Entering into the Subscription Agreement and the Strategic Cooperation Agreement" for details.

The Directors (excluding the independent non-executive Directors whose opinion will be given after receiving advice from the Independent Financial Adviser) consider the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Mr. Chang Zhenming, Mr. Wang Jiong, Mr. Dou Jianzhong, Mr. Zhang Jijing, Mr. Yu Zhensheng, Mr. Yang Jinming, Ms Cao Pu and Mr. Liu Yeqiao abstained from voting on the Board resolutions for considering and approving the Subscription Agreement due to the potential interests they have in the Subscription Agreement.

(D) Use of Proceeds

The proceeds from the issue of the Preferred Shares are expected to be approximately HK\$45.9 billion. The proceeds will be used to further develop the Company's businesses and to invest in emerging opportunities in sectors well matched to the Company's and China's development and as additional working capital for the daily operations of the Group. The

Company is well-equipped to capture the opportunities arising from China's continued growth and beyond.

The use of proceeds mentioned above is subject to changes in light of the evolving business needs of the Group and changing market conditions.

(E) Specific Mandate

The Company will seek the grant of the Specific Mandate from the Independent Shareholders at the EGM to allot and issue to CT Bright the Preferred Shares and the Conversion Shares upon the conversion of the Preferred Shares.

(F) Listing Rules Implications

As at the date of this announcement, CITIC Group indirectly holds approximately a 77.90% equity interest in the Company through CITIC Polaris and CITIC Glory, among which CITIC Polaris directly holds approximately a 48.00% equity interest in the Company. Thus, both CITIC Group and CITIC Polaris are the controlling shareholders of the Company and are connected persons of the Company pursuant to Chapter 14A of the Listing Rules.

Whilst CT Bright was not a connected person of the Company when it entered into the Subscription Agreement, the Subscription Completion is conditional upon the Share Purchase Completion and the satisfaction or waiver of the relevant conditions precedent in the Subscription Agreement is one of the conditions precedent in the Share Purchase Agreement. Accordingly, the proposed transaction contemplated under the Subscription Agreement is treated as a connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee (comprising Mr. Alexander Reid Hamilton, Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Anthony Francis Neoh and Ms Lee Boo Jin, all of whom are independent non-executive Directors) has been formed to advise and provide recommendations to the Independent Shareholders in respect of the proposed transactions contemplated under the Subscription Agreement.

In addition, the Company has appointed Somerley as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms of the proposed transaction contemplated under the Subscription Agreement are fair and reasonable and whether it is in the interests of the Company and the Shareholders as a whole.

SALE OF SALE SHARES BY CITIC POLARIS TO CT BRIGHT

The Company also received a notice from CITIC Polaris that on 20 January 2015, CITIC Polaris, CITIC Group, CT Bright, CPG and ITOCHU entered into the Share Purchase Agreement pursuant to which CITIC Polaris, a wholly-owned subsidiary of CITIC Group, has agreed to sell and CT Bright has agreed to purchase 2,490,332,363 Shares of the Company, representing 10.00% of the total issued share capital of the Company as at the date of this announcement, for a total consideration of HK\$34,366,586,609.00 subject to the terms and conditions of the Share Purchase Agreement.

(A) Principal Terms of the Share Purchase Agreement

Date of the Share Purchase Agreement

20 January 2015

Parties:

- (1) CITIC Polaris (as the vendor)
- (2) CITIC Group (as the beneficial owner of 100% equity interest in CITIC Polaris)
- (3) CT Bright (as the buyer)
- (4) CPG (as the indirect beneficial owner of 50% equity interest in CT Bright)
- (5) ITOCHU (as the ultimate beneficial owner of 50% equity interest in CT Bright)

Subject Matter: 2,490,332,363 Sale Shares held by CITIC Polaris, representing 10.00% of the total issued share capital of the Company as at the date of this announcement.

Purchase Price: HK\$13.80 per Sale Share, which is not less than the higher of (i) the volume weighted average of the volume weighted average daily price of the Shares on each of the 30 Trading Days immediately before the date of the Share Purchase Agreement; and (ii) the volume weighted average price of the Shares on the Trading Day immediately before the date of the Share Purchase Agreement.

Conditions Precedent: The Share Purchase Completion is conditional upon the fulfilment or waiver of the following conditions in accordance with the terms of the Share Purchase Agreement:

- (a) certain conditions precedent under the Subscription Agreement having been satisfied or waived in accordance with the terms of the Subscription Agreement;
- (b) CITIC Polaris or CITIC Group having received written approval from the MOF in respect of the sale of the Sale Shares to CT Bright;
- (c) CT Bright having disposed of all of the Shares it holds as at the date of the Share Purchase Agreement to one or more independent third parties which are not connected person(s) of the Company;
- (d) one of the following occurs:
 - (i) CT Bright having received written notice issued by or on behalf of the Treasury of Australia stating that there are no objections under the Australian Government's foreign investment policy to the acquisition by CT Bright of all the Sale Shares and the subscription by CT Bright for all of the Preferred Shares, the notice being unconditional or subject only to conditions which are acceptable to CT Bright, acting reasonably;

- (ii) the expiry of the period provided under the FATA prohibiting the acquisition of the Sale Shares and the subscription for the Preferred Shares by CT Bright without such an order being made; or
 - (iii) if an interim order is made under the FATA to prohibit the acquisition of the Sale Shares or the subscription for the Preferred Shares by CT Bright, the subsequent period for making a final order has elapsed, without any such final order being made;
- (e) CT Bright having received notice from the ACCC to the effect that the ACCC does not propose to oppose, intervene or seek to prevent the acquisition of the Sale Shares or the subscription for the Preferred Shares by CT Bright under or by reference to the Competition and Consumer Act and such notification is either unconditional or on conditions that are acceptable to CT Bright, acting reasonably;
- (f) one of the following occurs:
 - (i) the issue by the HKMA of a notice(s) of consent pursuant to section 70(3)(b)(i) of the Banking Ordinance in relation to a proposal by CT Bright and its relevant Affiliates to become minority shareholder controllers of China CITIC Bank International Limited and HKCB Finance Limited; or
 - (ii) the expiry of three months from the date of the service by CT Bright and its relevant Affiliates of the notice to the HKMA stating the proposal referred to above, without the HKMA having served on any of CT Bright or its relevant Affiliates a notice of objection (as such term is defined in the Banking Ordinance);
- (g) CT Bright having received written approval from the MAS pursuant to section 97A of the Securities and Futures Act, Chapter 289 of Singapore for CT Bright and its relevant Affiliates) to acquire effective control (as defined in section 97A) of each of CLSA Singapore Pte. Ltd., CLSA Global Markets Pte. Ltd., SetClear Pte. Ltd. and CLSA Capital Partners (Singapore) Pte. Ltd;
- (h) in relation to each antitrust regulator exercising competent jurisdiction in relation to the acquisition of the Sale Shares by CT Bright;
 - (i) it indicates to CT Bright, ITOCHU and CPG (and/or their relevant Affiliates) in writing, unconditionally, that:
 - (A) it has no objection to the acquisition of the Sale Shares by CT Bright pursuant to the Share Purchase Agreement; and

- (B) it does not intend to intervene in the acquisition of the Sale Shares by CT Bright pursuant to Share Purchase Agreement; or
- (ii) all approvals or filings required to complete the acquisition of the Sale Shares by CT Bright have been made and obtained and the period in which the acquisition of the Sale Shares by CT Bright must not be completed by law pursuant to any properly applicable merger control regulation, and any extension thereof, expires or is terminated;
- (i) there is no trading halt, suspension or limitation of trading in the Shares on the Hong Kong Stock Exchange on the Share Purchase Completion Date;
- (j) any other necessary approval or consent from any Government Authority or third party that CITIC Polaris is required to obtain having been obtained by CITIC Polaris;
- (k) any other necessary approval or consent from any Government Authority or third party that CT Bright and/or its Affiliates is required to obtain having been obtained by CT Bright and/or its Affiliates;
- (l) there not having occurred, at any time on and from the date of the Share Purchase Agreement, until or upon Share Purchase Completion:
 - (i) any creation, granting, issue or allotment of any Shares, Equity Securities or securities or instruments convertible into or exercisable or exchangeable for, or that represent the right to receive, any Shares or Equity Securities, or issue of any other equity or ownership interests in the Company or any other event which would or contingently or conditionally would increase the total issued share capital in the Company, save for the issue of the Preferred Shares and the granting of options in respect of 364,944,416 Shares under the Share Option Scheme, provided that such options are not capable of being exercised prior to the Subscription Completion Date;
 - (ii) any trading halt, suspension or limitation of trading in any of the Shares listed on the Hong Kong Stock Exchange which lasts more than ten consecutive business days (as defined in the Listing Rules) unless such trading halt, suspension or limitation of trading is (A) solely for the purpose of clearing by the Hong Kong Stock Exchange of an announcement / circular to be issued by the Company for compliance with Chapter 14 and/or Chapter 14A of the Listing Rules; or (B) as a result of a trading halt, suspension or limitation of trading of the shares of a Principal Subsidiary which is listed on a

recognized stock or securities exchange; and

- (m) there being no breach on the date of the Share Purchase Agreement or at the moment immediately prior to the Share Purchase Completion Date of certain representations and warranties given by CITIC Polaris, which are given on the date of the Share Purchase Agreement and deemed to be repeated immediately prior to and upon Share Purchase Completion.

**Corporate
Governance
Rights:**

- (1) Under the Share Purchase Agreement, CT Bright shall have the right to nominate one person to be appointed as an independent non-executive Director of the Company upon the Share Purchase Completion and from time to time thereafter.
- (2) CITIC Group shall take all necessary steps and actions to procure that (i) a meeting of the Board is called and a resolution to appoint such person as an independent non-executive Director is proposed, and all the Directors (excluding any independent non-executive Directors) that have been nominated by CITIC Group or its subsidiaries which hold Shares attend the meeting and vote in favour of such resolution, subject to the fiduciary duty of such Directors owed to the Company, and (ii) a resolution to elect or re-elect such person or a different person nominated by CT Bright as an independent non-executive Director is proposed and its subsidiaries which hold Shares attend the meeting and vote in favor of the relevant resolution specified above at the general meeting of the Company.

**Right to
Distribution**

Once CT Bright becomes the registered holder of the Sale Shares, it shall be entitled, as holder of the Sale Shares, to receive from the Company any dividend paid or distribution made to the Shareholders of the Company provided that CT Bright is the registered holder of the Sale Shares on the record date of the relevant dividend or distribution. However, if an Ordinary Dividend is declared by the Company in respect of a financial period which has ended prior to the Share Purchase Completion Date, and CT Bright is the registered holder of the Sale Shares on the record date of such Ordinary Dividend and receives such Ordinary Dividend from the Company, CT Bright must within 15 Business Days of receipt of such Ordinary Dividend pay such Ordinary Dividend back to CITIC Polaris, provided that CT Bright is entitled to withholding taxes (if any) and reasonably incurred brokerage and bank charges.

Lock-Up Period:

Each of CT Bright, CPG and ITOCHU undertakes to CITIC Polaris that without the prior written consent of the Company, it will not, and, where applicable, will procure that its Affiliates will not, at any time during the period of 180 days following the Share Purchase Completion Date, dispose of any interest in the Relevant Sale Shares, save for any transfers of the Relevant Sale Shares amongst the Permitted Transferees.

Notwithstanding the above, the undertaking mentioned above shall not prevent or restrict CT Bright, ITOCHU or CPG (or any of their 75%

Subsidiaries) from using the Relevant Sale Shares, or any shares in CT Bright, as security (including a charge or a pledge) for a bona fide loan borrowed from: (i) any authorised institution under the Banking Ordinance; or (ii) any entity in any other jurisdiction which has been approved by and/or registered with the financial regulatory authorities of such jurisdiction to carry on business as a commercial or investment bank in such jurisdiction; or (iii) a Permitted Transferee; or anything resulting from any default under or enforcement of security given in connection with the above or any sale of the Relevant Sale Shares subsequent to the enforcement of any of the security referred to above.

CT Bright shall, when it receives indications, either verbal or written, from the relevant secured party that any of the pledged/charged Relevant Sale Shares will be disposed of, promptly inform the CITIC Polaris of such indications.

Right of First Refusal

After expiry of the period of 180 days following the Share Purchase Completion Date and as long as CITIC Group holds at least 50.01% of the issued Shares, without prejudice to the lock-up arrangements, if at any time CT Bright wishes to dispose of all or part of the Relevant Sale Shares it holds to a person other than CITIC Polaris or its Affiliates, CT Bright shall deliver a notice to CITIC Polaris stating that it wishes to dispose of all or a specified number of the Relevant Sale Shares at a specified Hong Kong dollar cash price per share and specifying delayed settlement terms, and CITIC Polaris or a person nominated by it shall have the right to purchase the Relevant Sale Shares disposed of by CT Bright at the same price and on the same delayed settlement terms (if any) in accordance with the terms of the Share Purchase Agreement.

Share Purchase Completion:

The Share Purchase will be completed on the Share Purchase Completion Date, which shall be the later of (i) the tenth Business Day after the date on which the relevant conditions precedent have been satisfied or waived in accordance with the terms of the Share Purchase Agreement; and (ii) 2 April 2015.

Share Purchase Termination Fee

If on the Share Purchase Completion Date, all of the conditions precedent have been satisfied or waived in accordance with the terms of the Share Purchase Agreement but either CITIC Polaris or CT Bright still elects to terminate the Share Purchase Agreement, the terminating party must pay a termination fee, being an amount equal to three per cent. of the Total Purchase Price, to the other party. If the terminating party complies with its obligations to give notice of termination and to pay the termination fee to the other party, neither the other party nor any of its respective Affiliates shall have any remedy at law or in equity against the terminating party or any of their respective Affiliates.

Share Purchase Long Stop Date

31 October 2015 or any later date for the satisfaction of the conditions precedent and Share Purchase Completion agreed by the parties

Guarantee

Each of ITOCHU and CPG unconditionally and irrevocably guarantees to CITIC Polaris the due and punctual payment by CT Bright of one half of each of the following guaranteed payments:

- (i) the Total Purchase Price payable by CT Bright to CITIC Polaris;
- (ii) the Share Purchase Termination Fee payable by CT Bright to CITIC Polaris; and
- (iii) any amount which CT Bright must pay to CITIC Polaris as damages for breach of any of the representations and warranties given by CT Bright pursuant to an enforceable HKIAC arbitral award.

STRATEGIC COOPERATION WITH CPG AND ITOCHU

The Board is pleased to announce that on 20 January 2015, the Company, CPG and ITOCHU entered into a legally non-binding Strategic Cooperation Agreement to leverage their respective strengths and explore and capture important strategic opportunities in the PRC and other global markets.

Pursuant to the Strategic Cooperation Agreement, the Company, CPG and ITOCHU shall jointly establish a strategic cooperation committee to consider and explore areas of potential mutual interest. They aim to share strategic resources and further capitalize on business opportunities in the Asia Pacific region and beyond, enhancing the competitiveness of the parties and further strengthening their profitability and global influence.

The strategic cooperation among the parties mainly focuses on the following five potential areas: (i) financial services; (ii) manufacturing, food, logistics, agro-business and consumables; (iii) real estate, infrastructure and engineering contracting; (iv) resources and energies; and (v) information technology, communication, textile, chemicals, trade and others. The parties will focus on areas of growth potential and discuss to explore any further areas of mutual benefit.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT AND STRATEGIC COOPERATION AGREEMENT

The introduction of CT Bright as a strategic investor shall benefit the Company in the following aspects:

(A) Globalization and Diversification of Shareholding Structure and Improvement of Corporate Governance Practices

The strategic investment from CT Bright will further globalize and diversify CITIC's share ownership structure. Upon the Share Purchase Completion, the shareholding structure of the Company will be changed as follows: CITIC Group will indirectly hold approximately 67.90% equity interests, CT Bright will hold 10.00% equity interests and other public shareholders will hold the rest of approximately 22.10% equity interests. In addition, upon satisfaction of the conditions as set out in the terms and conditions of the Preferred Shares and subject to the Minimum Public Float Percentage being maintained, CT Bright may convert the Preferred Shares it holds into Shares, thereby increasing its equity interest in the Company to around 20.00% and making the ownership structure of the Company more diversified, international and market-driven.

At the same time, the Company will be able to improve its corporate governance practices and its capabilities to operate and develop on a global scale. Under the agreements, CT Bright

shall have the right to nominate one non-executive Director and one independent non-executive Director to the board of the Company.

(B) Raising of capital to further develop the Company's businesses and invest in emerging opportunities

Proceeds from the new share issuance will be used to further develop CITIC Limited's businesses and to invest in emerging opportunities in sectors well matched to China's development. The Company is well-equipped to capture the opportunities arising from China's continued growth and beyond.

(C) Further Access to Business Opportunities in the Asia Pacific Region and the Global Market

For the Company, CPG and ITOCHU, through the strategic cooperation agreement, there are substantial opportunities for value creation and potential co-investment across sectors and geographies. They are all major players in their respective markets, and the strategic investment and cooperation agreement will yield mutual business opportunities across Asia.

The three companies are well-known to each other already. CT Bright, which is beneficially owned by CPG and ITOCHU in equal 50% equity shares, already owns approximately 1% of the total issued share capital of CITIC Limited. In 2011, ITOCHU invested US\$100 million in a Hong Kong asset management arm of CITIC Group, and ITOCHU and CITIC Group agreed to enter a comprehensive strategic cooperation. In the summer of 2014, ITOCHU and CPG Group formed their own strategic alliance which calls for the joint development of opportunities in the non-resource sector across the region.

Background on CPG Group and ITOCHU

CPG Group, ITOCHU and the Company are highly complementary multi-industry conglomerates of similar scale and with some sector and geographic overlap, which will help to bring about synergies among the parties.

The CPG Group and its subsidiaries are globally involved in a wide range of businesses including agro-industrial, retail and telecommunications. Agro-industrial businesses include agro-industrial, food manufacturing, feed ingredients trading, crop integration, pet food manufacturing, and seed, plant and fertilizer production. Retail businesses include convenience stores, hypermarkets, and cash and carry discount operations. Telecommunications businesses includes fixed line, broadband, mobile, and cable network operations. Other business lines include automotive, plastics, property development, finance, pharmaceutical manufacturing and distribution, and international trading operations.

The CPG Group directly and through its subsidiaries and affiliates employs over 250,000 people at offices and factories in over twenty countries worldwide. It has a manufacturing and operating presence in Thailand, China, Bangladesh, Cambodia, India, Indonesia, Malaysia, Myanmar, Taiwan, Singapore, Turkey, Vietnam, Russia, Laos and the Philippines. In addition, it also has a sales and trading presence in Japan, Hong Kong, Korea, Belgium, UK, France, Germany, Italy, Spain, the United States, and the United Arab Emirates. In the PRC, the CPG Group is known as the Chia Tai Group (Zheng Da Ji Tuan), and operates over 100 compound feed mills and 5 fully integrated poultry businesses.

ITOCHU is one of the most well-known comprehensive trading companies in the world. Ranked No. 183 in World Fortune 500 in 2014, it has a trading business spanning around the

globe and has established more than 350 branches, subsidiaries and affiliates in 65 countries and regions around the world. ITOCHU employs approximately 102,000 staff and has annual revenue of over US\$53 billion. ITOCHU is active in areas such as textile, machinery, metals and minerals, energy, chemicals, food, information and communication technology, realty, general product, insurance, logistics services, construction, and finance. As at 31 March 2014, the total assets of ITOCHU was US\$76.258 billion and the shareholders' equity attributable to parent company was US\$20.861 billion. For the accounting year of 2013(ended March 31, 2014), the total revenue of ITOCHU amounted to US\$53.740 billion with a net profit of US\$3.015 billion.

ITOCHU is a Japanese company with the most profound cooperation relationship with China and has strong investment capabilities. In March 1972, half a year before the normalization of Sino-Japanese diplomatic relations, ITOCHU became the first major general trading company to resume trade between Japan and China by obtaining formal ratification from China's State Council. Since then, ITOCHU has been actively engaged in business in China and has created a number of subsidiaries and representative offices, built up close alliances with major local companies and accumulated a large number of personnel with business expertise relating to China.

(D) Strengthen the Capital Base of the Company and Enhance its Capabilities and Flexibility in Financing

After completion of the Share Purchase and the Subscription, it is expected that the Company will be able to secure debt financing from domestic and international investors at a lower cost. As a result of the Transactions and Arrangements, the consolidated equity interest of the Company will be increased by more than 12% in the amount of approximately HK\$45.9 billion, thereby enlarging the capital base of the Company and improving its capabilities in debt financing.

Upon conversion of the Preferred Shares, the total market capitalization of Shares of the Company are expected to materially increase, thereby rendering it a larger weight in HangSeng Index and attracting potential investors who prefer companies with larger market capitalization.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company: (i) as of the date of this announcement; (ii) immediately after the Share Purchase Completion; and (iii) immediately after the Subscription Completion, assuming full conversion of the Preferred Shares at the initial Conversion Price of HK\$13.80 pursuant to the Subscription Agreement.

Name of Shareholders	as of the date of this announcement		immediately after the Share Purchase Completion		immediately after the Subscription Completion and assuming full conversion of the Preferred Shares	
	Number of Shares held	Approximate percentage of total issued Shares	Number of Shares held	Approximate percentage of total issued Shares	Number of Shares held	Approximate percentage of total issued Shares
CITIC Glory Limited	7,446,906,755	29.90%	7,446,906,755	29.90%	7,446,906,755	26.38%
CITIC Polaris Limited	11,953,595,000	48.00%	9,463,262,637	38.00%	9,463,262,637	33.52%
CT Bright	249,033,000	1.00%	2,490,332,363	10.00%	5,818,053,363	20.61%
Public	5,502,821,875	22.10%	5,502,821,875	22.10%	5,502,821,875	19.49% ^{Note}
Total	24,903,323,630	100.00%	24,903,323,630	100.00%	28,231,044,630	100.00%

Note: Pursuant to the Subscription Agreement, the Conversion Right attaching to any Preferred Share may be exercised by the Preferred Shareholder thereof at any time on or after the Issue Date, provided that he may only convert such number of Preferred Shares as would not cause the Company not to comply with the minimum public float requirement under the Listing Rules as approved by the Hong Kong Stock Exchange from time to time, following the conversion. As such, the figure is for illustration purpose only.

CAPITAL RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Reference is made to the announcement of the Company dated 25 August 2014 in relation to the placing in respect of 3,952,114,000 placing Shares and the allotment and issue of an aggregate of 17,301,765,470 consideration Shares by the Company to CITIC Glory and CITIC Polaris, which were completed on 25 August 2014.

The proceeds raised from the 3,952,114,000 placing shares were used as payment to CITIC Group for settling part of the transfer consideration for the acquisition of CITIC Corporation Limited by the Company from CITIC Group. The 17,301,765,470 consideration shares were allotted and issued for settling part of the transfer consideration for the acquisition of CITIC Corporation Limited by the Company from CITIC Group.

For detailed information, please refer to the announcement dated 25 August 2014 published by the Company on the Hong Kong Stock Exchange.

Save as disclosed above, the Company has not carried out any other capital raising activities during the 12 months immediately before the date of this announcement.

INFORMATION ON THE PARTIES

The Company

The Company is China's largest conglomerate. Its businesses include financial services, resources and energy, manufacturing, real estate and infrastructure, engineering contracting, and other businesses in China and overseas. With over 120,000 employees in mainland China, Hong Kong and overseas, as well as its leading market positions in sectors well matched to China's development, deep understanding and strong expertise in the industries in which it operates, the Company is well-equipped to capture the opportunities arising from China's continued growth. Approximately 77.90% owned by CITIC Group Corporation in Beijing and listed in Hong Kong (SEHK: 00267), the Company is one of the largest companies on the Hang Seng Index.

CITIC Group

CITIC Group is a Chinese state-owned company established in the PRC in 1979. Its primary asset is its approximately 77.90% equity holding in the Company. CITIC Group is ranked 160 in the Fortune Global 500 companies in 2014.

CITIC Polaris

CITIC Polaris Limited, a company incorporated in the British Virgin Islands and wholly owned by CITIC Group, is a controlling shareholder of the Company and directly holds approximately a 48.00% equity interest in the Company as at the date of this announcement. Its principal business is investment holding.

CT Bright

Chia Tai Bright Investment Company Limited, a company incorporated, in the British Virgin Islands. As at the date of this announcement, CPG and ITOCHU are the beneficial owners of 50% equity interest in CT Bright, respectively. Its principal business is investment holding.

CPG

CPG Overseas Company Limited, a company incorporated in Hong Kong and a wholly owned subsidiaries of CPG Group. Its principal business is overseas project investment outside Thailand and currently holds multiple listed and non-listed assets in the PRC, Hong Kong and Singapore.

ITOCHU

ITOCHU Corporation is a company incorporated in Japan in 1949 whose principal business is in domestic and international trading of various products and investment in business fields of textiles, machinery, metals, minerals, energy, chemicals, food, information and communication technology, realty, general products, insurance, logistics services, construction, and finance. ITOCHU is listed on the Tokyo Stock Exchange (stock code: 8001).

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Articles of Association will be amended in light of the proposed creation of the Preferred Shares. A circular containing, among other things, the proposals in connection with the AoA

Amendments resolved by the Board will be dispatched to the Shareholders for consideration and approval at the EGM.

RESUMPTION OF TRADING

Trading in the Shares of the Company has been halted with effect from 9:00 a.m. on 20 January 2015 pending the publication of this announcement by the Company. The Company has applied to the Hong Kong Stock Exchange for the resumption of trading in the Shares with effect from 1:00 p.m. on 20 January 2015.

THE EGM

The Company will convene an EGM to obtain the approval from the Independent Shareholders of, among other things:

- (1) the Subscription Agreement and the transaction contemplated thereunder;
- (2) the Specific Mandate; and
- (3) the creation of the Preferred Shares and the AoA Amendments.

At the EGM, CITIC Polaris, CT Bright and their respective associates will abstain from voting with respect to the resolutions mentioned above. The relevant resolutions to be proposed at the EGM will be voted by poll in compliance with the Listing Rules.

DISPATCH OF CIRCULAR

The Company will dispatch a circular in accordance with requirements under the Listing Rules, which will contain, among other things,

- (1) details of (i) the Subscription Agreement and the transaction contemplated thereunder, (ii) the Specific Mandate; and (iii) the creation of the Preferred Shares and the AoA Amendments;
- (2) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders;
- (3) the letter from the Independent Board Committee to the Independent Shareholders; and
- (4) a notice of the EGM.

The circular is subject to review by the Hong Kong Stock Exchange and will be dispatched to the Shareholders as soon as practicable. The Company expects that the circular will be dispatched no later than 16 February 2015 to allow sufficient time to prepare necessary information for inclusion in the circular to be issued in connection with the Subscription Agreement and the AoA Amendments.

The Shareholders and potential investors should refer to the circular for further details of the Subscription Agreement and the AoA Amendments.

DEFINITIONS

“ACCC”	the Australian Competition and Consumer Commission
“Affiliates”	means (i) any Permitted Transferee (in relation to CT Bright, CPG and ITOCHU); or (ii) in relation to any person, any other person which, directly or indirectly, controls, is controlled by or is under the common control of the first mentioned person. For the purposes of this announcement, <i>control</i> means, in relation to any person, having the power to direct the management or policies of such person, whether through the ownership of 50% or more of the voting power of such person, through the power to appoint a majority of the members of the board of directors or similar governing body of such person, or through contractual arrangements or otherwise
“Anti-Dilution Right”	the right of CT Bright to increase its aggregate percentage interest, whether directly or indirectly, in the total equity capital of the Company to up to but not including 20.005% on a fully diluted basis, provided that the total number of Shares held by CT Bright and its Affiliates, whether directly or indirectly, as a result of its exercise of the Anti-Dilution Right shall not become 20.005% or more of the total number of outstanding issued Shares, by: (i) participating in the New Share Issue/New Equity Issue of the Company or (ii) purchasing Ordinary Shares from any person in accordance with terms of the Subscription Agreement
“AoA Amendments”	the amendments to the Articles of Association in light of the issue of the Preferred Shares, which shall be incorporated into the Articles of Association as a schedule
“Articles of Association”	the articles of association of the Company
“Australia”	Commonwealth of Australia
“Banking Ordinance”	the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Board”	the board of Directors of the Company
“Business Day(s)”	a day, other than a Saturday or Sunday or public holiday, on which commercial banks are generally open for normal banking business in Hong Kong, Thailand, Japan, New York and the PRC
“CITIC” or “Company”	CITIC Limited, a company incorporated in Hong Kong in 1985 with its shares listed on the Hong Kong Stock Exchange (Stock Code: 00267)

“CITIC Corporation Limited”	CITIC Corporation Limited, a company incorporated in the PRC in 2011, a wholly-owned subsidiary of the Company
“CITIC Glory”	CITIC Glory Limited, a company incorporated in the British Virgin Islands, directly holding approximately 29.90% equity interest in the Company, and a wholly-owned subsidiary of CITIC Group
“CITIC Polaris”	CITIC Polaris Limited, a company incorporated in the British Virgin Islands, directly holding approximately 48.00% equity interest in the Company, and a wholly-owned subsidiary of CITIC Group
“CITIC Group”	CITIC Group Corporation, a state-owned enterprise established under the laws of the PRC in 1979, whose legal address is at Capital Mansion, 6 Xinyuan Nanlu, Chaoyang District, Beijing, the PRC, and the controlling shareholder of the Company, indirectly holding approximately 77.90% equity interest in the Company
“Competition and Consumer Act”	the Competition and Consumer Act 2010 (Cth), an Act of the Parliament of Australia (as amended)
“Conversion Date”	the conversion date in respect of a Preferred Share
“Conversion Price”	price per Share at which Shares will be issued upon exercise of the Conversion Right, such price initially being HK\$13.80 per Share, subject to adjustment in accordance with the terms of the AoA Amendments
“Conversion Right”	right of a registered Preferred Shareholder, subject to the provisions of the AoA Amendments and the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and to any other applicable fiscal or other laws or regulations, to convert the relevant Preferred Shares into Shares
“Conversion Share(s)”	the Shares which fall to be issued by the Company upon conversion of the Preferred Shares pursuant to the Subscription Agreement and which are to be issued as fully paid and listed and traded on the Hong Kong Stock Exchange
“CPG Group”	Charoen Pokphand Group Company Limited, a company incorporated in Thailand with limited liability, holding directly 100% equity interests in CPG
“CPG”	CPG Overseas Company Limited, a company incorporated in Hong Kong with limited liability, being the beneficial owner of 50% equity interest in CT

Bright

“CT Bright”

Chia Tai Bright Investment Company Limited, a company incorporated in the British Virgin Islands, holds 249,033,000 Shares in the Company, representing approximately 1% of the total issued share capital of the Company and each of CPG and ITOCHU is the beneficial owner of 50% equity interest in CT Bright, respectively

“Current Market Price”

in respect of an Ordinary Share at a particular date, the arithmetic average of the closing price for one share (being an Ordinary Share carrying a full entitlement to dividends) for the five consecutive Trading Days ending on such date; provided that if at any time during the said five Trading Day period the Ordinary Share shall have been quoted ex-dividend and during some other part of that period the Ordinary Share shall have been quoted cum-dividend then:

- (a) if the Ordinary Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Ordinary Share shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Ordinary Share; or
- (b) if the Ordinary Share to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Ordinary Share shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the such similar amount;

and provided further that if the Ordinary Share on each of the said five Trading Days has been quoted cum-dividend in respect of a dividend which has been declared or announced but the Ordinary Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Ordinary Share

“Director(s)”

the director(s) of the Company

“Distribution”

any Dividend declared on the Shares, which shall be entitled to the Preferred Shareholders on a pro rata basis with holders of the Shares, as if each Preferred Share held by the Preferred Shareholders had been converted

into Shares on the record date for determining the holders of Shares eligible to receive such Dividend

“Dividend”

any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described provided that where a cash dividend is announced which is to be, or may at the election of a holder or holders of Ordinary Shares be, satisfied by the issue or delivery of other property or assets, then, the dividend in question shall be treated as a dividend of: (a) the cash dividend so announced; or (b) the Fair Market Value of other property or assets to be delivered in satisfaction of such dividend (or which would be delivered if all holders of Ordinary Shares elected therefor, regardless of whether any such election is made) if the Fair Market Value of other property or assets is greater than the cash dividend so announced; and any issue of Ordinary Shares as a result of capitalisation of profits or reserves shall be excluded

“EGM”

the extraordinary general meeting to be held by the Company to approve (1) the Subscription Agreement and the transactions contemplated thereunder; (2) the Specific Mandate; and (3) the creation of the Preferred Shares and the AoA Amendments

“Equity Security(ies)”

any securities which are by their terms convertible into or exchangeable or exercisable for Shares, or any option or securities which confer on the holder the right to call for an issue of, or to receive, Shares or securities which are by their terms convertible into or exchangeable or exercisable for Shares, or any other type of equity or ownership interest in the Company

“Fair Market Value”

with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank selected by the Directors; provided that: (i) the fair market value of a cash Dividend paid or to be paid per Ordinary Share shall be the amount of such cash Dividend per Ordinary Share determined as at the date of announcement of such Dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such investment banks) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day on which such options, warrants or other rights are publicly traded

“FATA”	the Foreign Acquisitions and Takeovers Act 1975 (Cth), an Act of the Parliament of Australia (as amended)
“financial period”	the period from and including 00:00 on 1 July up to and including 23:59 on 31 December in respect of a final dividend for a year ending on 31 December or the period from and including 00:00 on 1 January up to and including 23:59 on 30 June in respect of an interim dividend for a period of six calendar months ending on 30 June
“Group”	the Company and its subsidiaries
“Government Authority”	any national, provincial, municipal or local government, administrative or regulatory body or department, court, tribunal, arbitrator or anybody that exercises the function of a regulator, in any country or territory
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKIAC”	the Hong Kong International Arbitration Centre
“HKMA”	the Hong Kong Monetary Authority
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent committee of the Board, comprising Mr. Alexander Reid Hamilton, Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Anthony Francis Neoh and Ms Lee Boo Jin, all of whom are independent non-executive Directors, to provide recommendations to the Independent Shareholders in respect of the transactions contemplated under the Subscription Agreement and the Specific Mandate
“Independent Financial Adviser” or “Sommerley”	Sommerley Capital Limited, a corporation licensed by the SFC to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, appointed by the Company to make recommendations to the Independent Board Committee and the Independent Shareholders in relation to the proposed transactions contemplated under the Subscription Agreement
“Independent Investment	means an independent investment bank of international

Bank	repute not connected to the Company or its Affiliates (acting as an expert) or any Director or any directors of its Affiliates, selected by the Directors
“Independent Shareholders”	shareholders of the Company who are not required to abstain from voting under the Listing Rules at the EGM on the resolutions in respect of (1) the Subscription Agreement and the transactions contemplated thereunder; (2) the Specific Mandate; and (3) the creation of the Preferred Shares and the AoA Amendments, namely shareholders other than CITIC Polaris, CT Bright and their respective associates
“Issue Date”	the date on which the Preferred Shares are issued
“Issue Price”	HK\$13.80 per Preferred Share
“ITOCHU”	ITOCHU Corporation, a company incorporated under the laws of Japan with limited liability, being the beneficial owner of 50% equity interest in CT Bright
“Key Company Warranties”	certain key warranties made by the Company as stipulated in the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MAS”	the Monetary Authority of Singapore
“Minimum Public Float Percentage”	the minimum percentage of the total issued and outstanding share capital of the Company which must be held by the public pursuant to the Listing Rules, subject to any applicable waiver granted by the Hong Kong Stock Exchange
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“New Equity Issue”	the Company issues or proposes to issue any new Equity Securities other than Shares
“New Share Issue”	the Company issues or proposes to issue any new Shares (excluding any issue of new Shares pursuant to the terms of any Equity Security)
“Non Cash Equity Issue”	The issue of Shares or Equity Securities of more than five per cent. of the total issued outstanding Shares by the Company under any New Share Issue or New Equity Issue for non-cash consideration
“Ordinary Dividend”	the final cash dividend of the Company to be declared in respect of the financial year ended on 31 December 2014

as approved by the shareholders of the Company at its annual general meeting and the interim cash dividend of the Company to be declared in respect of the six months ending on 30 June 2015 as approved by the Board, or if the Share Purchase Long Stop Date or Subscription Long Stop Date is postponed, such final or interim cash dividend of the Company to be declared in respect of a complete financial year (and as approved by the Shareholders at its annual general meeting) or a six-month period of a complete financial year (and as approved by the Board) after 30 June 2015; provided in all cases that the dividend is the only dividend in respect of the relevant financial period which has ended prior to the Subscription Completion Date or the Share Purchase Completion Date, as the case may be

“Permitted Transferee”	(i) CT Bright; (ii) any 75% Subsidiary of CT Bright; (iii) ITOCHU; (iv) CPG; (v) any 75% Subsidiary of ITOCHU; and (vi) any 75% Subsidiary of CPG
“PRC” or “China”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Preferred Share(s)”	3,327,721,000 fully paid convertible preferred shares in the share capital of the Company to be subscribed by CT Bright pursuant to the Subscription Agreement, convertible into Shares at an initial Conversion Price of HK\$13.80 per Share the rights attached to which are set out in the AoA Amendments, and each being a Preferred Share
“Preferred Shareholder(s)”	holder of the Preferred Shares
“Pricing Date”	19 January 2015, the last Trading Date immediately preceding the date of the Subscription Agreement
“Principal Subsidiaries”	each of CITIC Limited Corporation, CITIC Pacific Limited, CITIC Ming International Ltd, each of the subsidiaries of CITIC Corporation Limited as set out in note 53(a) to the financial statements of CITIC Corporation Limited as of 31 December 2013 as set out in the circular of the Company dated 14 May 2014 and each of the entities listed in note 43 to the financial statements of CITIC Pacific Limited contained in the CITIC Pacific Limited Annual Report 2013 published on the website of the Hong Kong Stock Exchange on 17 March 2014
“Public Float Percentage”	the percentage of the total issued and outstanding share capital of the Company held by the public, calculated in

accordance with the Listing Rule

“Registration Date”

the date on which the Preferred Shareholder(s) become the holder(s) of record of the number of Shares issuable upon conversion of the relevant Preferred Shares

“Relevant Sale Shares”

the Sale Shares, the Preferred Shares and with respect to each conversion of the Preferred Shares, the relevant Conversion Shares so issued and any shares or other securities of the Company deriving from the Sale Shares, the Preferred Shares or the relevant Conversion Shares, or any interest therein, including but not limited to (i) any convertibles, equity-linked securities and derivatives with underlying assets being the Sale Shares, the Preferred Shares or the relevant Conversion Shares (pursuant to any rights issue, capitalisation issue or other form of capital reorganisation) whether such other transaction is to be settled by delivery of such securities in cash or otherwise or (ii) any interest in any company or entity holding (directly or indirectly) any of the Sale Shares, the Preferred Shares or the relevant Conversion Shares, other than ITOCHU, CPG or any subsidiary of ITOCHU or CPG whose shares are traded on a recognised stock or securities exchange.

“Relevant Shares”

the Relevant Sale Shares and the Relevant Subscription Shares

“Relevant Subscription Shares”

the Preferred Shares and with respect to each conversion of the Preferred Shares, the relevant Conversion Shares so issued and any shares or other securities of the Company deriving from the Preferred Shares or relevant Conversion Shares or any interest therein, including but not limited to (i) any convertibles, equity-linked securities and derivatives with underlying assets being the Preferred Shares or the relevant Conversion Shares (pursuant to any rights issue, capitalisation issue or other form of capital reorganisation) whether such other transaction is to be settled by delivery of such securities in cash or otherwise or (ii) any interest in any company or entity holding (directly or indirectly) any of the Preferred Shares or the relevant Conversion Shares, other than ITOCHU, CPG or any subsidiary of ITOCHU or CPG whose shares are traded on a recognised stock or securities exchange

“Sale Shares”

2,490,332,363 Shares of the Company to be purchased by CT Bright from CITIC Polaris under and subject to the Share Purchase Agreement, each of which are fully paid and listed and traded on the Hong Kong Stock Exchange

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)” or “Ordinary Shares”	the ordinary share(s) of the Company
“Share Option Scheme”	the CITIC Pacific Share Incentive Plan 2011 adopted by the Company on 12 May 2011
“Share Purchase”	the purchase of the Sale Shares by CT Bright from CITIC Polaris in accordance with the terms and conditions under the Share Purchase Agreement
“Share Purchase Agreement”	the share purchase agreement entered into among CITIC Polaris, CITIC Group, CT Bright, CPG and ITOCHU on 20 January 2015 in relation to the purchase of the Sale Shares by CT Bright from CITIC Polaris
“Share Purchase Completion”	completion of the Share Purchase in accordance with the terms and conditions of the Share Purchase Agreement
“Share Purchase Completion Date”	the date of Share Purchase Completion, which shall be the later of (i) the tenth Business Day after the date on which the relevant conditions precedent have been satisfied or waived in accordance with the terms of the Share Purchase Agreement; and (ii) 2 April 2015
“Share Purchase Long Stop Date”	31 October 2015 or any later date for the satisfaction of the conditions precedent and Share Purchase Completion agreed by the parties
“Share Purchase Termination Fee”	being an amount equal to three per cent. of the Total Purchase Price
“Shareholder(s)”	the shareholder(s) of the Company
“Specific Mandate”	the specific mandate to be approved by the Independent Shareholders at the EGM to allot and issue to CT Bright the Preferred Shares and the Conversion Shares upon the conversion of the Preferred Shares
“Strategic Cooperation Agreement”	a strategic cooperation agreement entered into among the Company, CPG and ITOCHU on 20 January 2015
“Subscription”	the subscription by CT Bright for the Preferred Shares in accordance with the terms and conditions under the Subscription Agreement
“Subscription Agreement”	a subscription agreement entered into among the Company, CITIC Group, CT Bright, CPG and ITOCHU on 20 January 2015 in respect of the Subscription by

CT Bright for the Preferred Shares

“Subscription Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Subscription Completion Date”	the date of Subscription Completion, which shall be the later of (i) the tenth Business Day after the date on which the relevant conditions precedent have been satisfied or waived in accordance with the terms of the Subscription Agreement; and (ii) the date falling 185 days after the Share Purchase Completion Date, and if such day is not a Business Day, the next Business Day immediately after such day
“Subscription Long Stop Date”	31 March 2016 or any later date for the satisfaction of the conditions precedent and Subscription Completion agreed by the parties
“Subscription Price”	HK\$13.80 per Preferred Share
“Subscription Termination Fee”	being an amount equal to three per cent. of the Total Subscription Price
“Total Purchase Price”	HK\$ 34,366,586,609.00
“Total Subscription Price”	HK\$45,922,549,800.00
“Trading Day”	a day when the Hong Kong Stock Exchange is open for business in dealing securities, and there is no trading halt or suspension in the trading in the Shares
“Transactions and Arrangements”	transactions and arrangements contemplated under the Subscription Agreement, Share Purchase Agreement and Strategic Cooperation Agreement
“US\$”	US dollars, the lawful currency of the U.S.
“United States” or “U.S.”	the United States of America, its territories and possession, any state of the United States and the District of Columbia
“Winding-up”	a final and effective order or resolution for winding up or liquidation in respect of the Company
“75% Subsidiary” of any entity	any company in which the entity, directly or indirectly, holds at least 75 per cent. of the issued share capital

In addition, the terms “associate”, “connected person”, “controlling shareholder”, and “subsidiary” shall have the meanings ascribed to them under the Listing Rules.

The exact phrase “up to 20.00%” shall mean any percentage up to, but not including 20.005%;

The exact phrase “shall not exceed 20.00%” shall mean shall not be 20.005% or higher;

The exact phrase “at least 20.00%” shall mean at least 19.995%; and

The exact phrase “at least 10.00%” shall mean at least 9.995%.

By Order of the Board
CITIC Limited
Chang Zhenming
Chairman

Hong Kong, 20 January 2015

As at the date of this announcement, the executive directors of the Company are Messrs Chang Zhenming (Chairman), Wang Jiong, Dou Jianzhong and Zhang Jijing; the non-executive directors of the Company are Mr Yu Zhensheng, Mr Yang Jinming, Ms Cao Pu, Mr Liu Zhongyuan and Mr Liu Yeqiao; and the independent non-executive directors of the Company are Messrs Alexander Reid Hamilton, Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh and Ms Lee Boo Jin.