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**CITIC Limited**  
**中國中信股份有限公司**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 00267)**

**PROPOSED ISSUE OF SHARES UNDER GENERAL MANDATE**  
**SUBSCRIPTION OF NEW SHARES BY YOUNGOR**

**Placing Agents**



**Morgan Stanley**  
摩 根 士 丹 利

**Financial Advisors**



On 17 July 2015, the Company and Youngor entered into the Subscription Agreement pursuant to which Youngor has conditionally agreed to subscribe for the Subscription Shares at the Subscription Price of HK\$13.95 per Share. The Subscription Price of HK\$13.95 per Share:

- (i) represents a premium of approximately 2.12% to the closing price of HK\$13.66 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) represents a premium of approximately 2.05% to the average closing price of HK\$13.67 per Share for the last five consecutive trading days prior to the date of the Subscription Agreement.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and Youngor.

The Subscription Shares represent approximately 3.45% of the existing issued share capital of the Company of 24,903,323,630 Shares as at the date of this announcement and approximately 3.34% of the then issued share capital of 25,762,541,630 Shares as enlarged by the issue of the Subscription Shares, assuming that there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Subscription. The Subscription Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM.

**Completion of the Subscription is subject to the satisfaction of the conditions precedent in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTION AGREEMENT**

### **Date**

17 July 2015

### **Parties:**

(1) the Company (the issuer); and

(2) Youngor (the subscriber)

Youngor has conditionally agreed to subscribe for the Subscription Shares at the Subscription Price of HK\$13.95 per Share for an aggregate amount of HK\$11,986,091,100.

Youngor is a limited liability company incorporated in Hong Kong whose principal business is investment holding and is a wholly-owned subsidiary of Youngor Group. Youngor Group was founded in 1979 and was listed on the Shanghai Stock Exchange (stock code: 600177) in 1998. Its principal activities include production of branded garments, real estate development and investment. Youngor Group is one of the largest private conglomerates in China, ranked 235th among the 2013 Top 500 Chinese Enterprises and 37th among the Top 500 Chinese Private Enterprises. For over 30 years, Youngor Group has been focusing on the research, development and design of branded garments, distribution network expansion and industrial chain development, and is one of the leading Chinese brands in men's wear. After 22 years' development, Youngor Group has become a regional leader with its real estate development business. Its investment business covers financial investment, industrial investment and private equity investment, with assets of more than RMB10 billion.

To the best knowledge, information and belief of the Directors, Youngor, Youngor Group, the controlling shareholder of Younger Group and its ultimate beneficial owner and concert parties (as the term is defined under the Shanghai Listing Rules), are all third party(ies) independent of the Company and not connected person(s) of the Company. As at the date of this announcement, Youngor Group, through its wholly-owned subsidiary Youngor (Hong Kong) Industrial Company Limited and Youngor, held 115,800,000 Shares in the Company, representing approximately 0.46% of the total issued share capital of the Company as at the date of this announcement.

## **Number of Subscription Shares**

The 859,218,000 Subscription Shares represent approximately 3.45% of the existing issued share capital of the Company of 24,903,323,630 Shares as at the date of this announcement and approximately 3.34% of the then issued share capital of 25,762,541,630 Shares as enlarged by the issue of the Subscription Shares, assuming that there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Subscription.

## **Ranking of Subscription Shares**

The Subscription Shares will be issued fully paid up and will rank *pari passu* in all respects among themselves and with Shares in issue as at the date of allotment and issue of the Subscription Shares including the right to receive all dividends and distributions which may be declared, made or paid, the record date for which falls on or after the Closing Date, except that if the Company declares any dividend in respect of a financial period which has ended prior to the Closing Date, and Youngor is the registered holder of the Subscription Shares on the record date of such dividend and receives such dividend from the Company, Youngor must within 15 Business Days of receipt of such dividend pay such dividend to the Company.

## **Subscription Price**

The Subscription Price of HK\$13.95 per Share:

- (i) represents a premium of approximately 2.12% to the closing price of HK\$13.66 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and; and
- (ii) represents a premium of approximately 2.05% to the average closing price of HK\$13.67 per Share for the last five consecutive trading days prior to the date of the Subscription Agreement.

The Subscription Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and Youngor.

## **The General Mandate**

The Subscription Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM to issue up to 4,980,664,726 Shares, representing 20% of the 24,903,323,630 Shares in issue as at the date of the AGM. Up to the date of this announcement, no Share has been allotted and issued under the General Mandate. The Subscription is not subject to additional Shareholders' approval.

## **Application For Listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **Conditions of the Subscription Agreement**

Completion of the Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (ii) the shareholders of Youngor Group approving the Subscription at the shareholders' meeting of Youngor Group and the completion of necessary approval procedures.

## **Completion of the Subscription**

Subject to the fulfilment of the conditions as set out in the Subscription Agreement, completion of the Subscription will take place on the Closing Date.

## **Non-disposal Undertaking**

Youngor undertakes to the Company that for a period of two years from the Closing Date, Youngor will not dispose of any interest in the Subscription Shares.

## **Termination**

The Subscription Agreement may be terminated:

- (a) in the event that completion of the Share Subscription does not take place by 31 December 2015, the parties to the Subscription Agreement shall then consult each other and discuss a later date for the satisfaction of the conditions and the completion of the Subscription as the parties may agree in writing. In the event that the parties cannot agree to a later date, either party shall be entitled to terminate the Subscription Agreement by written notice to the other party and the Subscription Agreement and all rights and obligations of the parties thereunder shall cease and terminate save for accrued rights and obligations of the parties under the Subscription Agreement;
- (b) by any party to the Subscription Agreement in the event there is a material breach of the Subscription Agreement on the part of the other party; and
- (c) with the written consent of all the parties to the Subscription Agreement.

## **APPOINTMENT OF PLACING AGENTS**

The Company has appointed each of CLSA Limited, China Securities (International) Corporate Finance Company Limited and Morgan Stanley Asia Limited as placing agent of the Company (the "**Placing Agents**") in relation to the Subscription.

## **REASON FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The Company has agreed, in the Preferred Shares Subscription Agreement, to 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 date of completion of the proposed issue of Preferred Shares, or such later date as CT Bright consents

to. The Subscription is mainly for the purpose of increasing the Public Float Percentage. Assuming that there is no other change in the issued share capital of the Company, the Public Float Percentage would be 24.69% upon completion of the Subscription and 21.87% upon conversion of the Preferred Shares. The Company is also of the view that the Subscription represents a good opportunity to raise capital for the Company for its future business development.

The net subscription price of the Subscription is HK\$13.95 per Share and the net proceeds from the Subscription is HK\$11,986,091,100. The Company intends to use the proceeds from the Subscription for general corporate purposes.

### **CAPITAL RAISING ACTIVITIES DURING THE PAST 12 MONTHS**

<b>Date of announcement or circular</b>	<b>Description</b>	<b>Net proceeds raised</b>	<b>Proposed use of proceeds</b>	<b>Actual use of proceeds as at date of announcement</b>
25 August 2014 (announcement)	(i) placing of 3,952,114,000 placing Shares; and (ii) allotment and issue of an aggregate of 17,301,765,470 consideration Shares	(i) approximately HK\$53.042 billion  (ii) approximately HK\$233.228 billion	(i) 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 (ii) 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.	Used as intended

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

Save as disclosed above and the proposed issue of Preferred Shares to CT Bright, the Company has not carried out any other capital raising activities during the 12 months immediately before the date of this announcement.

## EFFECTS ON THE SHAREHOLDING STRUCTURE

The expected changes in the share capital and shareholding structure of the Company resulting from the Subscription are as follows:

Shareholders	Existing shareholding as at the date of this announcement		Shareholding immediately upon completion of the Subscription		Shareholding immediately upon completion of the Subscription and upon full exercise of the conversion rights in the Preferred Shares	
	Number of Shares	Approximate percentage of total issued Shares	Number of Shares	Approximate percentage of total issued Shares	Number of Shares	Approximate percentage of total issued Shares
CITIC Glory	7,446,906,755	29.90%	7,446,906,755	28.91%	7,446,906,755	25.60%
CITIC Polaris	9,463,262,637	38.00%	9,463,262,637	36.73%	9,463,262,637	32.53%
CT Bright	2,490,332,363	10.00%	2,490,332,363	9.67%	5,818,053,363	20.00%
(Other) Public Shareholders	5,387,021,875	21.63%	5,387,021,875	20.91%	5,387,021,875	18.52%
Youngor Group (Note)	115,800,000	0.46%	975,018,000	3.78%	975,018,000	3.35%
<b>Total</b>	<b>24,903,323,630</b>	<b>100.00%</b>	<b>25,762,541,630</b>	<b>100.00%</b>	<b>29,090,262,630</b>	<b>100.00%</b>

**Note:** Youngor Group held its interest in the Company through its wholly-owned subsidiary Youngor (Hong Kong) Industrial Company Limited and Youngor.

## DEFINITIONS

<b>“AGM”</b>	the annual general meeting of the Company held on Tuesday, 2 June 2015 at 11:00 a.m., at which, amongst others, the grant of the General Mandate, details of which were set out in the Company’s circular dated 27 April 2015, was approved
<b>“Board”</b>	the board of Directors of the Company
<b>“Business Day(s)”</b>	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 and the PRC
<b>“Company”</b>	CITIC Limited, a company incorporated in Hong Kong in 1985 with its shares listed on the Stock Exchange (Stock Code: 00267)
<b>“CITIC Corporation Limited”</b>	CITIC Corporation Limited, a company incorporated in the PRC in 2011, a wholly-owned subsidiary of the Company
<b>“CITIC Glory”</b>	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
<b>“CITIC Polaris”</b>	CITIC Polaris Limited, a company incorporated in the British Virgin Islands, directly holding approximately 38.00% equity interest in the Company, and a wholly-owned subsidiary of CITIC Group
<b>“CITIC Group”</b>	CITIC Group Corporation, a state-owned enterprise established under the laws of the PRC in 1979, the controlling shareholder of the Company, indirectly holding approximately 67.90% equity interest in the Company
<b>“Closing Date”</b>	the third Business Day after fulfilment of all the conditions provided for in the Subscription Agreement or such other time and/or date as the Company and Youngor may agree in writing
<b>“CPG”</b>	CPG Overseas Company Limited, a company incorporated in Hong Kong with limited liability, being the beneficial owner of 50% equity interest in CT Bright and a wholly owned subsidiary of Charoen Pokphand Group Company Limited
<b>“CT Bright”</b>	Chia Tai Bright Investment Company Limited, a company incorporated in the British Virgin Islands, holds 2,490,332,363 Shares in the Company, representing approximately 10.00% of the total issued share capital of

	the Company as at the date of this announcement, and each of CPG and ITOCHU is the beneficial owner of 50% equity interest in CT Bright, respectively
<b>“Director(s)”</b>	the director(s) of the Company
<b>“General Mandate”</b>	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“HK dollar(s)” or “HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“ITOCHU”</b>	ITOCHU Corporation, a company incorporated under the laws of Japan with limited liability, being the beneficial owner of 50% equity interest in CT Bright
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Minimum Public Float Percentage”</b>	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 Stock Exchange
<b>“PRC” or “China”</b>	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
<b>“Preferred Share(s)”</b>	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 Preferred Shares Subscription Agreement, convertible into Shares at an initial conversion price of HK\$13.80 per Share, further details of which are set out in the announcement of the Company dated 20 January 2015 and the circular to Shareholders dated 16 February 2015
<b>“Preferred Shares Subscription Agreement”</b>	the subscription agreement dated 20 January 2015 entered into among the Company, CITIC Group, CT Bright, CPG and ITOCHU in relation to the subscription of the Preferred Shares by CT Bright, as amended on 15 July 2015, further details of which are set out in the announcement of the Company dated 20 January 2015, the circular to Shareholders dated 16 February 2015 and the announcement of the Company dated 15 July 2015



<b>“Public Float Percentage”</b>	the percentage of the total issued and outstanding share capital of the Company held by the public, calculated in accordance with the Listing Rule
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Share(s)”</b>	the ordinary share(s) of the Company
<b>“Shareholder(s)”</b>	the shareholder(s) of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subscription”</b>	the subscription of Subscription Shares by Youngor pursuant to the terms of the Subscription Agreement
<b>“Subscription Agreement”</b>	the subscription agreement dated 17 July 2015 entered into between the Company and Youngor in relation to the Subscription
<b>“Subscription Price”</b>	HK\$13.95 per Share
<b>“Subscription Share(s)”</b>	859,218,000 new Shares to be issued pursuant to the Subscription Agreement
<b>“Youngor”</b>	Xin Ma Apparel International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Youngor Group
<b>“Youngor Group”</b>	Youngor Group CO., Ltd., a company incorporated in the PRC in 1979 with its shares listed on the Shanghai Stock Exchange (Stock Code: 600177)

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

By Order of the Board  
**CITIC Limited**  
**Chang Zhenming**  
*Chairman*

Hong Kong, 17 July 2015

*As at the date of this announcement, the executive directors of the Company are Mr Chang Zhenming (Chairman), Mr Wang Jiong and Mr 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 Mr Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh and Ms Lee Boo Jin.*