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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)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

On 30 November 2016, the Company entered into the 2016 Financial Assistance Framework Agreement with CITIC Group with a term from 1 January 2017 to 31 December 2019. Please refer to the announcement of Company dated 30 November 2016 for details of the 2016 Financial Assistance Framework Agreement.

The 2016 Financial Assistance Framework Agreement will expire on 31 December 2019. Considering the business development needs of the Group and CITIC Group, on 20 November 2019, the Company entered into the New Financial Assistance Framework Agreement with CITIC Group, which sets out the basis upon which members of the Group would continue to provide financial assistance to CITIC Group and/or its associates and the proposed annual caps. Separate agreements in respect of the transactions contemplated under the New Financial Assistance Framework Agreement will be entered into between members of the Group and CITIC Group and/or its associates. Such agreements will follow the guidelines and terms and conditions set out in the New Financial Assistance Framework Agreement in all material aspects.

As at the date of this announcement, CITIC Group is the controlling shareholder of the Company, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Thus, the transactions entered into between members of the Group with CITIC Group and/or its associates under the New Financial Assistance Framework Agreement will constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratios in respect of the transactions contemplated under the New Financial Assistance Framework Agreement is more than 0.1% and less than 5%, the New Financial Assistance Framework Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under the Listing Rules.

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1. CONTINUING CONNECTED TRANSACTIONS

New Financial Assistance Framework Agreement

Date:	20 November 2019
Parties:	the Company and CITIC Group
Term:	The New Financial Assistance Framework Agreement has a term commencing from 1 January 2020 and ending on 31 December 2022 (both days inclusive).

Principal Terms

The Group may provide financial assistance (including in the form of entrusted loans) to CITIC Group and/or its associates in the ordinary and usual course of business, and the Group, mainly CITIC Finance, may provide commercial loans and financing guarantee services to CITIC Group and/or its associates in the ordinary and usual course of its business in accordance with the following principles:

- (i) the Group will, from time to time, review and adjust relevant interest rates by reference to the benchmark loan rate published by the People's Bank of China and the interest rates charged by major and independent commercial banks in adjacent areas in the normal course of business for similar types of loan and financing guarantee services; and
- (ii) the Group will obtain the rates and terms offered by not less than three major and independent commercial banks for comparison against the Group's pre-determined assessment criteria. If the interest rate charged by the Group is (i) not lower than the loan benchmark interest rate set by the People's Bank of China; or (ii) not lower than the interest rates offered by the above mentioned commercial banks, the Group will provide the abovesaid loans and financing guarantee services to CITIC Group and/or its associates.

Historical Figures and Annual Caps

The table below sets out a summary of (1) the historical transaction amounts for the financial assistance provided by the Group to CITIC Group and/or its associates for the two years ended 31 December 2017 and 2018 and the period from 1 January 2019 to 30 September 2019 and (2) the annual caps for the three years ending 31 December 2020, 2021 and 2022.

Maximum daily balance (RMB) during the			Caps for the maximum daily balance (RMB) for the		
Year ended 31 December 2017	Year ended 31 December 2018	Period from 1 January 2019 to the 30 September 2019	Year ending 31 December 2020	Year ending 31 December 2021	Year ending 31 December 2022
3,477,500,000	2,202,500,000	1,783,310,000 ^(Note)	10,000,000,000	11,000,000,000	12,000,000,000

Note: Unaudited

Basis of the Annual Caps

The annual caps are determined based on the following factors, including (i) historical transaction amounts between the Group and CITIC Group and/or its associates; (ii) business expansion of the Group's subsidiaries and (iii) the expected financing demands of CITIC Group and/or its associates.

Reasons for and Benefits of the Transactions Contemplated under the New Financial Assistance Framework Agreement

The provision of the aforesaid financial assistance to CITIC Group and/or its associates can help members of the Group utilize their cash resources on a more efficient basis and extend their sources of revenue. The provision of commercial loans and financing guarantee services to CITIC Group and/or its associates is and will continue to be part of the business of CITIC Finance and contribute to the revenue of CITIC Finance.

The Directors (including independent non-executive Directors) are of the view that the Financial Assistance Framework Agreement is in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Shareholders as a whole.

2. LISTING RULES IMPLICATIONS

As at the date of this announcement, CITIC Group is the controlling shareholder of the Company, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Thus, the transactions entered into between members of the Group with CITIC Group and/or its associates under the New Financial Assistance Framework Agreement will constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the New Financial Assistance Framework Agreement is more than 0.1% and less than 5%, the New Financial Assistance Framework Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under the Listing Rules.

Mr Chang Zhenming, Mr Wang Jiong, Ms Li Qingping, Mr Song Kangle, Ms Yan Shuqin, Mr Liu Zhuyu and Mr Peng Yanxiang all have offices in CITIC Group, and in order to avoid the perception of a conflict of interest, each of them had either abstained from voting, or were not present at the relevant Board meeting to vote, on the Board resolutions to approve the New Financial Assistance Framework Agreement. Save as disclosed above, none of the other Directors has a material interest in the abovementioned agreement and the transactions contemplated thereunder or holds any position in CITIC Group and/or its associates which is required to abstain from voting on the relevant Board resolutions.

3. GENERAL INFORMATION

The Company

CITIC Limited is one of China's largest conglomerates. Among its diverse global businesses, CITIC Limited focuses primarily on financial services, resources and energy, manufacturing, engineering contracting and real estate. CITIC Limited enjoys leading market positions in sectors well matched to China's economy. CITIC's rich history, diverse platform and strong corporate culture across all businesses ensure that CITIC Limited is unrivalled for capturing opportunities arising in China and overseas. CITIC Limited is listed on the Stock Exchange, where it is a constituent of the Hang Seng Index.

CITIC Group

CITIC Group is a Chinese state-owned enterprise under the Ministry of Finance. Its main asset is a 58.13% interest in CITIC Limited. Since its establishment in 1979, CITIC Group has been a pioneer of China's economic reform. It makes investments in areas with long term potential as well as those aligned with national priorities.

CITIC Finance

CITIC Finance was incorporated in 2012 as a non-bank financial institution with the approval of the China Banking and Insurance Regulatory Commission. CITIC Finance is a subsidiary of the Company, and its principal businesses include accepting deposits, providing loans and loan agency services, internal transfer and settlement and corresponding planning, finance services and financing consulting for member companies and other businesses.

4. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set forth opposite them:

“2016 Financial Assistance Framework Agreement”	the framework agreement dated 30 November 2016, entered into between CITIC Limited and CITIC Group in relation to the provision of financial assistance by the Group to CITIC Group and/or its associates
“Board”	the board of the Company
“CITIC Finance”	CITIC Finance Company Limited, a subsidiary of the Company and a non-bank financial institution established with the approval of and under the supervision of the China Banking and Insurance Regulatory Commission
“CITIC Group”	CITIC Group Corporation, a state-owned enterprise under the Ministry of Finance of the PRC established in 1979 and the controlling shareholder of CITIC Limited
“Company” or “CITIC Limited”	CITIC Limited, a company incorporated in Hong Kong with limited liability with its shares listed on the Main Board of the Stock Exchange (Stock Code: 00267)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Financial Assistance Framework Agreement”	the framework agreement dated 20 November 2019, entered into between CITIC Limited and CITIC Group in relation to the provision of financial assistance by the Group to CITIC Group and/or its associates for the period from 1 January 2020 to 31 December 2022 (both days inclusive)
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan Region
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

In addition, the terms “associate”, “connected person”, “connected transaction”, “continuing connected transaction”, “controlling shareholder”, “percentage ratios” 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, 20 November 2019

As at the date of this announcement, the executive directors of the Company are Mr Chang Zhenming (Chairman), Mr Wang Jiong and Ms Li Qingping; the non-executive directors of the Company are Mr Song Kangle, Ms Yan Shuqin, Mr Liu Zhuyu, Mr Peng Yanxiang, Mr Liu Zhongyuan and Mr Yang Xiaoping; and the independent non-executive directors of the Company are Mr Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh, Mr Shohei Harada and Mr Gregory Lynn Curl.