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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 UNDER
(1) THE INVESTMENT BUSINESS FRAMEWORK AGREEMENT
AND
(2) THE FINANCE LEASE AND OPERATING LEASE SERVICES FRAMEWORK
AGREEMENT

CONTINUING CONNECTED TRANSACTIONS

The Company was recently informed by CITIC Group that, the financial results of Huarong Financial Leasing have been consolidated in the financial statements of CITIC Group as of 31 December 2024. Therefore, Huarong Financial Leasing has become a subsidiary of CITIC Group, rendering Huarong Financial Leasing, together with its subsidiaries (“**Huarong Financial Leasing Group**”) connected persons of the Company under Chapter 14A of the Listing Rules.

Investment Business Between CITIC Bank and CITIC Connected Persons

CITIC Bank, a non-wholly-owned subsidiary of the Company, has been conducting investment business during its ordinary and usual course of business, including investment business with Huarong Financial Leasing Group. As Huarong Financial Leasing Group became a connected person of the Group, the investment business transactions between CITIC Bank and Huarong Financial Leasing Group became continuing connected transactions of the Group under Rule 14A.60(1) of the Listing Rules. These transactions have been, and will continue to be conducted in accordance with the terms and conditions of the Investment Business Framework Agreement entered into between CITIC Bank and CITIC Group on 8 November 2023. For the Group, the transaction amount of such investment business with CITIC Connected Persons will be subject to the 2025-2026 Investment Business Caps as further set out in this announcement. Transactions entered into between CITIC Bank and the Group under the Investment Business Framework Agreement are intra-group transactions not constituting continuing connected transactions of the Company.

For the avoidance of doubt, as at the date of the Investment Business Framework Agreement, the transactions between CITIC Bank and CITIC Connected Persons contemplated thereunder were

expected to be *de minimis* for the Group, and fully exempt from independent shareholders' approval, reporting and announcement requirements pursuant to rule 14A.76(1) of the Listing Rules.

Finance Lease and Operating Lease Services Framework Agreement

Huarong Financial Leasing Group has been providing finance lease and operating lease services to the Group in the ordinary and usual course of business. On 28 March 2025, the Company entered into the Finance Lease and Operating Lease Services Framework Agreement with Huarong Financial Leasing with a term commencing from 28 March 2025 and ending on 31 December 2027, which sets out the basis upon which Huarong Financial Leasing Group would continue to provide finance lease and operating lease services to the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CITIC Group is the controlling shareholder of the Company, Huarong Financial Leasing is an associate of CITIC Group by virtue of being a subsidiary of CITIC Group. Therefore, CITIC Connected Persons (including Huarong Financial Leasing Group) are connected person of the Company under Chapter 14A of the Listing Rules. CITIC Bank is a non-wholly-owned subsidiary of the Company. As such, the transactions entered into between (i) CITIC Bank and CITIC Connected Persons under the Investment Business Framework Agreement; and (ii) the Group and Huarong Financial Leasing Group under the Finance Lease and Operating Lease Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of (i) the 2025-2026 Investment Business Caps; and (ii) the caps for the transactions contemplated under the Finance Lease and Operating Lease Services Framework Agreement, respectively, is more than 0.1% and less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under the Listing Rules, pursuant to Rule 14A.76(2) of the Listing Rules.

I. INTRODUCTION

The Company was recently informed by CITIC Group that, the financial results of Huarong Financial Leasing have been consolidated in the financial statements of CITIC Group as of 31 December 2024. Therefore, Huarong Financial Leasing has become a subsidiary of CITIC Group, and Huarong Financial Leasing Group has become a connected person of the Company.

Investment Business Between CITIC Bank and CITIC Connected Persons

CITIC Bank, a non-wholly-owned subsidiary of the Company, has been conducting investment business during its ordinary and usual course of business, including investment business with Huarong Financial Leasing Group. As Huarong Financial Leasing Group became a connected person of the Group, the investment business transactions between CITIC Bank and Huarong Financial Leasing Group also became continuing connected transactions of the Group under Rule 14A.60(1) of the Listing Rules. These transactions have been, and will continue to be conducted in accordance with the terms and conditions of the Investment Business Framework Agreement entered into between CITIC Bank and CITIC Group on 8 November 2023. For the Group, the transaction amount of such investment business with CITIC Connected Persons will be subject to the 2025-2026 Investment Business Caps as further set out in this announcement. Transactions entered into between CITIC Bank and the Group under the Investment Business Framework Agreement are intra-group transactions not constituting continuing connected transactions of the Company.

Detailed terms of the Investment Business Framework Agreement and the 2025-2026 Investment Business Caps in respect of the expected annual transaction amount of the investment business between CITIC Bank and CITIC Connected Persons are set out in “II. Continuing Connected Transactions under the Investment Business Framework Agreement” of this announcement.

Finance Lease and Operating Lease Services Framework Agreement

Huarong Financial Leasing Group has been providing finance lease and operating lease services to the Group in its ordinary and usual course of business. On 28 March 2025, the Company entered into the Finance Lease and Operating Lease Services Framework Agreement with Huarong Financial Leasing with a term commencing from 28 March 2025 and ending on 31 December 2027.

Detailed terms of the Finance Lease and Operating Lease Services Framework Agreement and the annual caps thereunder are set out in “III. Continuing Connected Transactions under the Finance Lease and Operating Lease Services Framework Agreement” of this announcement.

II. CONTINUING CONNECTED TRANSACTIONS UNDER THE INVESTMENT BUSINESS FRAMEWORK AGREEMENT

A. Particulars of the Investment Business Framework Agreement

Date: 8 November 2023

Parties: CITIC Bank and CITIC Group

Term: Three years, from 1 January 2024 to 31 December 2026.

Principal Terms and Pricing Principles

Principal Terms

- (i) Both parties agree, in the ordinary and usual course of business, to conduct the following investment business including, but not limited to, investment in securities, funds (including fund subsidiaries), insurance, trust and other financial institutions or (financial) products issued or established by competent persons (including, but not limited to, broker asset management plan, fund special plan, trust plan, trust beneficiary right, asset-backed securities, asset-backed notes, etc.); entrusted investment; bonds, non-standard creditor’s rights, equities and interbank deposits in which the wealth management funds are invested in and with connected persons as the financing entities; other investment transactions.
- (ii) The terms of transaction between a connected person and CITIC Bank shall not be more favorable to the connected person than those of same transactions between an independent third party and CITIC Bank.

Pricing Principles

The consideration for each investment business under the Investment Business Framework Agreement will be determined by the parties through arms-length negotiation and with reference to the market price of similar transactions. For details, please refer to the circular of CITIC Bank dated 13 December 2023.

B. Historical Transaction Amounts and the 2025-2026 Investment Business Caps

	Historical amount during			Annual cap during	
	the year ended 31 December		the two months ended 28 February	the year ending 31 December	
	2023	2024	2025	2025	2026
	<i>(RMB in millions, unaudited)</i>				
Investment Amount (balance at any time)	0.3 <i>(Note 1)</i>	3,861 <i>(Note 1)</i>	4,001 <i>(Note 1, 2)</i>	-	-
2025-2026 Investment Business Caps	-	-	10,000	10,000	10,000

Notes:

1. For illustration purpose and to provide meaningful reference of the historical transaction amount, relevant transaction amount represents the highest balance of the investment amount between CITIC Bank and CITIC Connected Persons as if expanded by the inclusion of Huarong Financial Leasing Group during the relevant year/period. For the avoidance of doubt, the transactions between CITIC Bank and Huarong Financial Leasing Group did not constitute connected transactions of the Group prior to 1 January 2025.
2. Such transaction amount is disclosed pursuant to Rule 14A.60 of the Listing Rules. As introduced above, the investment business between CITIC Bank and Huarong Financial Leasing Group has been, and will continue to be conducted in accordance with the terms and conditions of the Investment Business Framework Agreement, and the balance of such investment business throughout the year ending 31 December 2025 will not exceed the corresponding cap under the 2025-2026 Investment Business Caps.

C. Basis of the 2025-2026 Investment Business Caps

In arriving at the 2025-2026 Investment Business Caps, CITIC Bank has considered the historical figures for similar transactions and have taken into account the following factors: (1) for the purpose of strengthening the cooperation with quality enterprises within CITIC Group and giving full play to the synergistic advantages, CITIC Bank expands its business, and the cap for connected transactions in the category of investment is expected to be expanded; (2) since the establishment of CITIC Wealth Management Corporation Limited, a subsidiary of CITIC Bank, the scale of wealth management products issued or managed has grown steadily and the related transactions tend to increase; (3) as deposit interest rates fell, the substitution effect of time deposits for wealth management products weakens, the scale of products issued by wealth management companies keeps growing, and the scale of wealth management investment and the scale of investment in financial products issued by related persons also grow correspondingly; (4) CITIC Bank sets the amount of caps of connected transactions by referring to the authorization limit of a single mutual fund company.

D. Reasons for and Benefits of Entering into the Investment Business Transactions

CITIC Group is an international conglomerate enterprise group. It has different financial subsidiaries engaged in banking, securities, trust, insurance, fund, asset management and futures, and industrial companies engaged in machinery manufacturing, resources and energy, engineering contracting, infrastructure, information industry, etc. With the diversified industries it engages, CITIC Group enjoys comprehensive advantage and strength.

Through cooperation with CITIC Connected Persons, CITIC Bank is conducive to giving full play to the synergies of the group's integrated platform, reducing CITIC Bank's operating costs, increasing CITIC Bank's comprehensive income, and creating high return on investment for its shareholders. Cooperation with CITIC Connected Persons could optimize the allocation of resources, effectively control the operating costs, and enhance CITIC Bank's comprehensive service capabilities to customers.

The Directors (including independent non-executive Directors) are of the view that the transactions between CITIC Bank and CITIC Connected Persons under the Investment Business Framework Agreement are 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 Company and its Shareholders as a whole.

III. CONTINUING CONNECTED TRANSACTIONS UNDER THE FINANCE LEASE AND OPERATING LEASE SERVICES FRAMEWORK AGREEMENT

A. Particulars of the Finance Lease and Operating Lease Services Framework Agreement

Date:	28 March 2025
Parties:	The Company and Huarong Financial Leasing
Term:	From 28 March 2025 to 31 December 2027 (both days inclusive).

Principal Terms and Pricing Principles

(I) Finance Lease Service

Principal Terms

Huarong Financial Leasing Group may provide the following finance lease services (the "Finance Lease Services") to members of the Group in its ordinary and usual course of business:

- (i) **Direct Finance Leasing Service:** Huarong Financial Leasing Group shall purchase or acquire the ownership of the leased assets pursuant to the instructions given by the CITIC Group, and then lease the leased assets to the relevant member of the CITIC Group (as lessee) for its use in return for the lease payments. The lease payments include the asset price and lease interest, deposit or risk deposit (if applicable) and handling charges (if applicable); and
- (ii) **Sales and Leaseback Service:** the Group (as lessee) sells the leased assets to Huarong Financial Leasing Group (as lessor), and the Huarong Financial Leasing Group then leases the leased assets back to the Group for its use in return for the lease payments. The lease payments comprise the asset price and the lease interest, deposit, risk deposit (if applicable) and service fee (if applicable).

The leased interest and the service fee (if any) mentioned above is referred to as the "**Finance Lease Payment.**" The Finance Lease Payment shall exclude the asset price, any refundable deposits or risk deposits, and the nominal consideration for repurchasing the leased assets.

Pricing Principles

The pricing and terms of the Finance Lease Services shall be determined through arm's length negotiations in accordance with the principles set out below. Specific terms of the Finance Lease Services shall be determined through arm's length negotiations between the parties in individual agreements, and shall not be less favourable to the Group than those provided by the independent third parties to the Group for transactions of the same type. In particular:

- (i) **Direct Finance Leasing Services:** the asset price under the Direct Finance Leasing Services shall be determined with reference to the net book value or the appraised value of the leased assets provided by independent valuers, the Finance Lease Payment by the lessee shall be calculated based on a fixed interest rate throughout the lease term or a variable interest rate that will be adjusted yearly as the loan prime rate ("LPR") changes; and
- (ii) **Sales and Leaseback Services:** the asset price under the Sales and Leaseback Services shall be determined with reference to the net book value of the leased assets, and shall not be higher than the actual asset price paid by the Group for the acquisition of the leased assets, and the Finance Lease Payment by the lessee shall be calculated based on a fixed interest rate throughout the lease term or a variable interest rate that will be adjusted yearly as the LPR changes.

(II) Operating Lease

Principal Terms

Huarong Financial Leasing Group may provide operating lease service (the "**Operating Lease Service**") to the Group, i.e. leasing the leased assets to the Group in its ordinary and usual course of the business for its use in return for operating lease payments.

Pricing Principles

The pricing and terms of the Operating Lease Service shall be entered into in accordance with the principles set out below. Specific terms of the Operating Lease Service shall be determined through arm's length negotiations between the parties in individual agreements, and shall not be less favourable to the Group than those provided to the Group by independent third party service providers for transactions of the same type. In particular:

The amount payable by the Group under the Operating Lease Service shall be calculated based on the cost of constructing or purchasing the leased assets, the estimated cost of maintaining or operating the leased assets and the insurance premium payable in respect of the leased assets during the relevant lease term, the estimated income that the leased assets can bring to Huarong Financial Leasing Group during the relevant lease term, and the lease income and other receivables (including service fees, if any) charged for the leasing of comparable leased assets. The periodic lease payment shall be determined after arm's length negotiation based on the prevailing market rent in the same industry and the anticipated inflation rate. Terms shall be not less favourable to the Group than those provided to the Group by independent third parties service providers.

The terms of the existing Finance Lease Services and the Operating Lease Service before the date of the Finance Lease and Operating Lease Services Framework Agreement are in line with the principal terms and the pricing principles as set out above.

Note:

1. The historical transaction amount in respect of the existing Operating Lease Service for the two years ended 31 December 2023 and 2024 does not constitute connected transactions of the Company. The transaction amount in respect of the existing Operating Lease Service for the two months ended 28 February 2025 is disclosed pursuant to Rule 14A.60 of the Listing Rules.

C. Basis of the Annual Caps

The above proposed caps for the transactions contemplated under the Finance Lease and Operating Lease Services Framework Agreement are determined based on the following factors:

- (i) the historical transaction amounts between the Group and Huarong Financial Leasing Group;
- (ii) the outstanding principal amount and lease payments expected to be paid by the Group in the following three years under the existing Finance Lease Services and Operating Lease Services, respectively;
- (iii) the expected demand of the Group for additional Finance Lease Services to be provided by Huarong Financial Leasing Group in the following three years, based on the business development and the financing needs of the Group. In particular, with the rapid development of low-altitude economy, the leasing demand of CITIC Offshore Helicopter Co., Ltd., a member of the Group, for helicopters is increasing. In addition, with the gradual completion of environmental protection projects such as the sewage treatment projects of CITIC Envirotech Co., Ltd., the demand for the leasing of environmental protection equipment has also increased;
- (iv) the provision of a buffer of 50% for potential fluctuation in the market prices of the relevant leased assets and further potential increase in demand for additional assets to be included under the Finance Lease Services and the Operating Lease Service, in view that most target assets under the Finance Lease Services and the Operating Lease Service are high value and taking into account the Group's business plan and strategy; and
- (v) the current financing market conditions, including the interest rates and fees arrangement and level of similar services provided by independent third parties service providers.

D. Reasons for and Benefits of Entering into the Finance Lease and Operating Lease Services Framework Agreement

By leveraging the Finance Lease Services and the Operating Lease Service provided by Huarong Financial Leasing Group, the Group is able to gain access to necessary assets in a flexible and efficient manner, optimizing capital allocation, reducing upfront capital expenditures, and improving operational efficiency. Additionally, Huarong Financial Leasing Group, with its expertise and extensive experience, offers high-standard financing solutions and asset management support, further enhancing the market competitiveness of the Group. Relevant transactions align with the overall strategy of business synergy and resource optimization of the Group, facilitating business growth for both parties and achieving mutual benefits.

The Directors (including independent non-executive Directors) are of the view that the transactions contemplated under the Finance Lease and Operating Lease Services Framework Agreement are 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 Company and its Shareholders as a whole.

IV. LISTING RULES IMPLICATIONS

As at the date of this announcement, CITIC Group is the controlling shareholder of the Company, and Huarong Financial Leasing is an associate of CITIC Group by virtue of being a subsidiary of CITIC Group. Therefore, CITIC Connected Persons (including Huarong Financial Leasing Group) are connected persons of the Company under Chapter 14A of the Listing Rules. CITIC Bank is a non-wholly-owned subsidiary of the Company.

As such, the transactions entered into between (i) CITIC Bank and CITIC Connected Persons under the Investment Business Framework Agreement; and (ii) the Group and Huarong Financial Leasing Group under the Finance Lease and Operating Lease Services Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

For the avoidance of doubt, as at the date of the Investment Business Framework Agreement, the transactions between CITIC Bank and CITIC Connected Persons contemplated thereunder were expected to be *de minimis* for the Group, and fully exempt from independent shareholders' approval, reporting and announcement requirements pursuant to rule 14A.76(1) of the Listing Rules.

As the highest applicable percentage ratio in respect of (i) the 2025-2026 Investment Business Caps and (ii) the caps for transactions contemplated under the Finance Lease and Operating Lease Services Framework Agreement, respectively, is more than 0.1% and less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under the Listing Rules, pursuant to Rule 14A.76(2) of the Listing Rules.

Mr. Xi Guohua, Mr. Zhang Wenwu, Mr. Liu Zhengjun, Mr. Wang Guoquan, Ms. Yu Yang, Mr. Zhang Lin, Ms. Li Yi, Mr. Yue Xuekun and Mr. Li Zimin all have offices in CITIC Group or China CITIC Financial Asset Management Co., Ltd., which holds approximately 19.92% interest in Huarong Financial Leasing, and in order to avoid the perception of a conflict of interest, each of them had either abstained from voting, or was not present at the relevant Board meeting to vote, on the Board resolutions to approve the continuing connected transactions entered into between (i) CITIC Bank and CITIC Connected Persons under the Investment Business Framework Agreement; and (ii) the Group and Huarong Financial Leasing Group under the Finance Lease and Operating Lease Services Framework Agreement. Save as disclosed above, none of the other Directors has a material interest in the continuing connected transactions mentioned above or holds any position in CITIC Group and/or its associates which would require them to abstain from voting on the relevant Board resolutions.

V. INFORMATION ABOUT THE PARTIES INVOLVED

The Company

CITIC Limited (SEHK: 00267) is one of China's largest conglomerates and a constituent of the Hang Seng Index. Tracing our roots to the beginning of China's opening and reform, CITIC has grown in step with the country's rise and modernisation. We have built a remarkable portfolio of businesses in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation. Our platform is unique in its diversity and scale, allowing CITIC to capture emerging opportunities in China and around the world. Guiding us as we grow is our fundamental commitment to create long-term value for all of its shareholders.

CITIC Group

CITIC Group is a Chinese state-owned enterprise under the Ministry of Finance. Its main asset is a 53.12% 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 Bank

CITIC Bank (Shanghai Stock Exchange stock code: 601998; Stock Exchange stock code: 00998), formerly known as CITIC Industrial Bank (中信實業銀行), was incorporated in 1987. As at the date of this announcement, CITIC Bank is a non-wholly-owned subsidiary of the Company. CITIC Bank's principal businesses include corporate finance, retail finance, financial markets and other businesses.

Huarong Financial Leasing

Huarong Financial Leasing is a joint stock limited liability company incorporated in the PRC. Huarong Financial Leasing is a national non-banking financial institution regulated by the National Financial Regulatory Administration. As at the date of this announcement, Huarong Financial Leasing is a non-wholly-owned subsidiary of CITIC Group. Its main scope of business is to carry out leasing business and other businesses approved by the National Financial Regulatory Administration.

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“2025-2026 Investment Business Caps”	the annual caps for each of the two years ending 31 December 2026 for transactions between CITIC Bank and CITIC Connected Persons contemplated under the Investment Business Framework Agreement
“Board”	the board of directors of the Company
“CITIC Bank”	CITIC Bank Corporation Limited (中信銀行股份有限公司), a non-wholly-owned subsidiary of the Company
“CITIC Connected Person(s)”	CITIC Group and/or its associates (excluding the Group), and including Huarong Financial Leasing Group from 1 January 2025
“CITIC Group”	CITIC Group Corporation (中國中信集團有限公司)
“Company” or “CITIC Limited”	CITIC Limited (中國中信股份有限公司)
“Director(s)”	the director(s) of the Company

“Finance Lease and Operating Lease Services Framework Agreement”	the finance lease and operating lease services framework agreement entered into between the Company and Huarong Financial Leasing on 28 March 2025
“Finance Lease Services”	the finance leasing services contemplated under the Finance Lease and Operating Lease Services Framework Agreement
“Group”	the Company and its subsidiaries
“Huarong Financial Leasing”	Huarong Financial Leasing Co., Ltd.
“Huarong Financial Leasing Group”	Huarong Financial Leasing and its subsidiaries
“Investment Business Framework Agreement”	the investment business framework agreement entered into between CITIC Bank and CITIC Group dated 8 November 2023
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Operating Lease Service”	the operating lease service contemplated under the Finance Lease and Operating Lease Services Framework Agreement
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

In addition, the terms “associate”, “connected person”, “connected transaction”, “continuing connected transaction”, “controlling shareholder”, “percentage ratio(s)”, and “subsidiary” shall have the meanings ascribed to them under the Listing Rules.

By Order of the Board
CITIC Limited
Xi Guohua
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Xi Guohua (Chairman), Mr. Zhang Wenwu, Mr. Liu Zhengjun and Mr. Wang Guoquan; the non-executive directors of the Company are Ms. Yu Yang, Mr. Zhang Lin, Ms. Li Yi, Mr. Yue Xuekun, Mr. Yang Xiaoping and Mr. Li Zimin; and the independent non-executive directors of the Company are Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Anthony Francis Neoh, Mr. Gregory Lynn Curl, Mr. Toshikazu Tagawa and Mr. Chen Yuyu.