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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 SPIN-OFF AND SEPARATE LISTING OF  
CITIC PRESS CORPORATION ON SHENZHEN GEM**

The board of directors of the CITIC Limited (the “**Company**”) would like to announce that CITIC Press Corporation (中信出版集團股份有限公司) (“**CITIC Press**”), a subsidiary of the Company, the shares of which are currently quoted on the National Equities Exchange and Quotations System, submitted an application to China Securities Regulatory Commission for listing of its shares on the Growth Enterprise Market (“**GEM**”) of the Shenzhen Stock Exchange (“**SSE**”) (the “**Proposed Spin-off**”) and received the letter of acknowledgement issued by China Securities Regulatory Commission on 26 May 2017.

The Company had submitted an application in relation to the Proposed Spin-off to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Practice Note 15 (“**Practice Note 15**”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

**REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF**

As CITIC Press’s business profile matures, the management of both CITIC Press and the Company believe that the Proposed Spin-off will better position both CITIC Press and the Company for their future development and deliver benefits to both CITIC Press and the Company by:

- (a) providing CITIC Press with an independent platform for possible raising of additional funds, by enhancing financing flexibility for CITIC Press; and
- (b) enhancing the investors’ understanding of CITIC Press as an entity distinct from the Company.

Upon completion of the Proposed Spin-off, the financial results of CITIC Press will continue to be consolidated into the Company's accounts. As such, the Company and its shareholders will continue to enjoy the benefits from the growth and development of CITIC Press.

## **NO ASSURED ENTITLEMENT TO SHAREHOLDERS**

Under Paragraph 3(f) of Practice Note 15, a listed issuer is required to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to the shares in the entity which is proposed to be spin-off for separate listing.

However, according to the PRC legal advisor to CITIC Press (the "**Legal Advisor**"), there are legal and regulatory impediments to the Company's provision of an assured entitlement to the shareholders in the Proposed Spin-off since:

(i) as shown in the register of members of the Company, most shareholders are foreign natural persons, legal persons and institutions located outside of mainland China. However, according to the Legal Advisor's opinion, only natural persons, legal persons and institutions that are located in mainland China and have already opened the stock exchange accounts of the SSE are permitted to invest in the shares to be listed on the SSE; and

(ii) according to the *Catalogue of Industries for Guiding Foreign Investment (2015 Revision)*, industries in which CITIC Press is currently operating, i.e., publication of books, and electronic publications, are industries prohibited from foreign (including Hong Kong) investment. Accordingly, a significant number of shareholders of the Company cannot directly invest in or hold the shares of CITIC Press. Thus, no assured entitlement either by way of a distribution in specie of existing shares in CITIC Press or by way of preferred application in any offering to be made by CITIC Press can be provided to the shareholders in the Proposed Spin-off.

Having considered the above as well as the reasons and the benefits of the Proposed Spin-off, the directors (including independent non-executive directors) of the Company are of the view that the Proposed Spin-off and no assured entitlement to the shareholders are fair and reasonable and in the interests of the Company and its shareholders as a whole. The Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements of Paragraph 3(f) of Practice Note 15.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Company indirectly holds an 83.6% equity interest in CITIC Press through CITIC Corporation Limited, which in turn holds another 4.4% equity interest in CITIC Press through its wholly-owned subsidiary CITIC Investment Holdings Ltd. As the Proposed Spin-off is expected to be effected by way of a public offering of new shares of CITIC Press and listing of such shares on the SSE, the Proposed Spin-off will fall to be a deemed disposal of the Company pursuant to Rule 14.29 of the Listing Rules. It is anticipated that the Company will continue to hold more than 50% of CITIC Press's share capital after the Proposed Spin-off, and hence, CITIC Press will continue to be a non-wholly owned subsidiary of the Company. It is expected the Proposed Spin-off would not constitute a notifiable transaction for the Company under the Listing Rules.

As the Proposed Spin-off involves a separate listing of assets within the Group, the Company has submitted an application in relation to the Proposed Spin-off to the Stock Exchange for approval pursuant to Practice Note 15.

## GENERAL INFORMATION

### The Company

CITIC Limited is the largest conglomerate in China. Its diverse businesses focus primarily on financial services, resources and energy, manufacturing, engineering contracting and real estate. CITIC Limited's rich history, diverse platform and strong corporate culture across all businesses, ensure that CITIC Limited is unrivalled in capturing opportunities arising from China's continued growth. CITIC Limited is listed on the Main Board of Stock Exchange where it is a constituent of the Hang Seng Index.

### CITIC Press

CITIC Press was incorporated in 1993 in the PRC and it holds all required licenses for publishing, distribution and retail of books in the PRC granted by the State Administration of Press, Publication, Radio, Film and Television and its Beijing municipal bureau. Its principal businesses include book publication, electronic publication, bookstore retailing, education training and other culture value-added services. The shares of CITIC Press were quoted on the National Equities Exchange and Quotations from 26 November 2015.

**Shareholders of the Company and other investors should note that the Proposed Spin-off may or may not proceed and are subject to various regulatory approvals. Shareholders of the Company and other investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 26 May 2017

*As at the date of this announcement, the executive directors of the Company are Mr Chang Zhenming (Chairman), Mr Wang Jiong, Ms Li Qingping and Mr Pu Jian; the non-executive directors of the Company are Mr Yang Jinming, Mr Liu Yeqiao, Mr Song Kangle, Ms Yan Shuqin, 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, Ms Lee Boo Jin, Mr Noriharu Fujita and Mr Paul Chow Man Yiu.*