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中信銀行

CHINA CITIC BANK

中信銀行股份有限公司

China CITIC Bank Corporation Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 998)

**ANNOUNCEMENT
PROPOSED PRIVATE PLACEMENT OF A SHARES**

The Board resolved on 29 October 2014 to approve the Issue of not more than 2,462,490,897 (inclusive) A Shares by private placement. The Private Placement is subject to the satisfaction of a number of conditions, details of which are described below.

A circular, which will contain, among others, further details of the Private Placement, together with the notice of the second extraordinary general meeting of 2014 of the Bank and the respective notices of the Class Meetings, will be despatched to the Shareholders as soon as practicable.

This announcement is made pursuant to Rule 13.09(1) and Rule 13.28 of the Hong Kong Listing Rules.

The completion of the Private Placement remains subject to the satisfaction of a number of conditions described below, which include, among others, approvals by the Shareholders and the relevant PRC authorities. There is no assurance that the Private Placement will proceed. Investors and potential investors are advised to exercise caution in dealing in the Shares.

1. A SHARE PRIVATE PLACEMENT SCHEME

A special resolution will be submitted to the Second EGM of 2014 and the Class Meetings to approve the A Share Private Placement Scheme. The particulars are set out below.

1.1 Introduction

The Board resolved on 29 October 2014 to approve the Issue of not more than 2,462,490,897 (inclusive) A Shares by private placement. Particulars of the Private Placement are set out below.

1.2 Structure of the Private Placement

Class of the Shares to be issued	:	Domestic listed RMB-denominated ordinary Shares (A Shares)
Offering size	:	Not more than 2,462,490,897 (inclusive) Shares in the Private Placement, i.e. the upper limit of proceeds divided by the issue price
Pricing Base Date	:	The Pricing Base Date of the Private Placement is 30 October 2014

If the Bank involves ex-right activities, including distribution of bonus shares, capitalization of capital reserve or rights issue from the Pricing Base Date to the issue date, the maximum offering size shall be adjusted correspondingly according to the above-mentioned adjusted issue price, and the adjusted offering size is the maximum proceeds divided by ex-right issue price. If the Bank involves ex-dividend activities, including distribution of cash dividends from the Pricing Base Date to the issue date, no adjustment will be made to the offering size

Par value	:	RMB1.00 per share
Target placee	:	CNTC

CNTC and its related parties do not hold any Share in the Bank as at the date of this announcement

Basis for determining the issue price	:	The issue price of the Private Placement is RMB4.84 per share, which shall be no less than 90% of the average trading price of A Shares of the Bank in the 20 trading days prior to the Pricing Base Date. If the Bank involves such ex-right activities as distribution of bonus shares, capitalization of capital reserve and rights issue from the Pricing Base Date to the issue date, the issue price shall be adjusted correspondingly according to relevant rules of Shanghai Stock Exchange. If the Bank involves ex-divided activities, including distribution of cash dividends, from the Pricing Base Date to the issue date, no adjustment will be made to the issue price.
Issue method and issue time	:	The Private Placement is to issue shares to the specific investor in a non-public offering manner within six months upon approval by CSRC. The investor will subscribe, in cash, for the shares to be issued in the Private Placement.
Arrangements for accumulated retained profits	:	After completion of the Issue, the accumulated retained profits prior to the Issue will be shared by old and new Shareholders of the Bank in their interest.
Issue market	:	After end of the lock-up period, the shares to be issued in the Private Placement will be traded on the Shanghai Stock Exchange.
Term of validity of the Private Placement resolution	:	12 months after the Private Placement resolution is approved at the general meeting
Lock-up period	:	According to the regulations of CSRC on Private Placement, shares to be purchased by CNTC in the Private Placement shall not be transferred within 36 months after completion of the Issue. After end of the lock-up period, transfer of the shares shall comply with relevant regulations of CSRC and Shanghai Stock Exchange. If relevant regulatory authorities otherwise have regulations on the lock-up period of the shares subscribed by investors, these regulations shall be observed

- Conditions precedent : The Private Placement shall be subject to the following prerequisites:
- Relevant resolutions have been approved by the Board
 - A special resolution has been approved by Shareholders at the Second EGM of 2014
 - A special resolution has been approved by A Share holders at the general meeting of relevant class of Shareholders
 - A special resolution has been approved by H Share holders at the general meeting of relevant class of Shareholders
 - Issue of additional A shares has been approved by CSRC
 - Shanghai Stock Exchange has approved the trading of A Shares to be issued by the Private Placement on Shanghai Stock Exchange
 - CBRC has approved the Private Placement and other administrative approval matters in relation to the Private Placement
 - The Ministry of Finance has approved CNTC's subscription for A Shares of the Bank
 - Approval by other relevant regulatory authorities of China in accordance with pertinent laws and regulations of the country (if necessary)
 - The Bank has entered into an unconditional subscription agreement on the Private Placement

1.3 Proceeds from the Private Placement and Use of Proceeds

The Private Placement is intended to raise not more than RMB11,918,455,941.48 in aggregate, which, after deducting the issue cost, will be fully used to replenish the Bank's core tier-1 capital.

1.4 Approval of General Meeting and Class Meetings

Pursuant to China's relevant laws and regulations and Hong Kong Listing Rules, the Private Placement shall not proceed until approved by Shareholders at, among others, the Second EGM of 2014 and the Class Meetings through a special resolution.

1.5 Whether the Private Placement is a Connected Transaction

Pursuant to the Hong Kong Listing Rules, SSE Listing Rules and other relevant regulations, the Private Placement does not constitute a connected transaction since CNTC is not a connected person of the Bank.

1.6 Influence of the Private Placement on the Equity Structure of the Bank

The table below lists the Bank's equity structure on the date of this announcement and immediately after completion of the Private Placement (assume that a total of 2,462,490,897 A Shares will be issued in the Private Placement and the Bank's current equity structure is not further changed before completion of the Private Placement):

	Date of this announcement		Immediately after the Private Placement	
	<i>Number of issued shares</i>	<i>%</i>	<i>Number of issued shares</i>	<i>%</i>
H Shares	14,882,162,977	31.81	14,882,162,977	30.22
A Shares	<u>31,905,164,057</u>	<u>68.19</u>	<u>34,367,654,954</u>	<u>69.78</u>
Total	<u>46,787,327,034</u>	<u>100</u>	<u>49,249,817,931</u>	<u>100</u>

1.7 Whether the Private Placement will Lead to Changes in the Rights of Control of the Bank

After completion of the Private Placement, CITIC Limited will be still the controlling Shareholder of the Bank, and CITIC Group will be still the de facto controller of the Bank, and no change will occur in the right of control over the Bank.

1.8 Issue of Securities within the Past 12 Months

The Bank did not issue any securities within 12 months preceding the date of this announcement.

2. AUTHORIZATION TO THE BOARD OF DIRECTORS FOR THE MATTERS IN RELATION TO THE PRIVATE PLACEMENT

The Second EGM of 2014 and the Class Meetings will be proposed to approve, by a special resolution, the authorization to the Board for the matters in relation to the Private Placement. The particulars are set out below.

For the purpose of the smooth Private Placement, we proposed to the general meeting to authorize the Board to deal with matters in relation to the Issue. Authorization contents and scope include but are not limited to:

- 2.1 Specifying the issue terms and plan prior to the Issue, finalizing and implementing the issue plan and deciding on the issue time according to market conditions, policy adjustments and opinions of the regulators and the stock exchanges, taking into account the Bank's conditions;
- 2.2 Going through the formalities with relevant domestic and overseas regulators, institutions and exchanges for the Issue, including its approval, registration, filing, ratification and permission;
- 2.3 Signing, executing, modifying, supplementing, completing, submitting and issuing all agreements, contracts and documents (including but not limited to announcement, circular and share subscription agreement) to be submitted to domestic and overseas regulatory authorities, institutions, exchanges, organizations and individuals concerned;
- 2.4 Engaging a specialized intermediary agency to undertake relevant tasks in relation to the Issue, including but not limited to preparing and submitting documents as required by the regulators and deciding on the matters in relation to the payment of compensation to the intermediary agency;

2.5 After completion of the Issue, amending the following terms of Articles 19, 20 and 24 of the Articles of Association:

Article No.	Original provisions	Provisions to be amended
Article 19	<p>As approved by the examination and approval authority authorized by the State Council, the Bank can issue up to 46,787,327,034 ordinary shares.</p> <p>31,113,111,400 shares were issued to the promoters when the Bank was restructured into a joint stock limited company, representing approximately 66.50% of the total number of ordinary shares the Bank is authorized to issue.</p> <p>The promoters of the Bank, and their respective capital contribution, numbers of shares acquired, and shareholding percentage in the Bank were as follows:</p> <p>CITIC Group: CITIC Group contributed RMB26,394,202,200 as capital contribution to the Bank, acquiring 26,394,202,200 shares, representing 84.83% of the total number of shares issued upon the incorporation of the Bank as a joint stock limited company and 56.41% of the total number of ordinary shares the Bank is authorized to issue;</p> <p>CITIC International Financial Holdings Limited: CITIC International Financial Holdings Limited contributed RMB4,718,909,200 as capital contribution to the Bank, acquiring 4,718,909,200 shares, representing 15.17% of the total number of shares issued upon the incorporation of the Bank as a joint stock limited company and 10.09% of the total number of ordinary shares the Bank is authorized to issue.</p>	<p>As approved by the examination and approval authority authorized by the State Council, the Bank can issue up to [Number of shares upon the Private Placement of A Shares] ordinary shares.</p> <p>31,113,111,400 shares were issued to the promoters when the Bank was restructured into a joint stock limited company, representing [the percentage against the ordinary shares of shares upon the Private Placement of A shares] of the total number of ordinary shares the Bank is authorized to issue.</p> <p>The promoters of the Bank, and their respective capital contribution, numbers of shares acquired, and shareholding percentage in the Bank were as follows:</p> <p>CITIC Group: CITIC Group contributed RMB26,394,202,200 as capital contribution to the Bank, acquiring 26,394,202,200 shares, representing 84.83% of the total number of shares issued upon the incorporation of the Bank as a joint stock limited company and [the percentage against the ordinary shares of shares upon the Private Placement of A shares] of the total number of ordinary shares the Bank is authorized to issue;</p> <p>CITIC International Financial Holdings Limited: CITIC International Financial Holdings Limited contributed RMB4,718,909,200 as capital contribution to the Bank, acquiring 4,718,909,200 shares, representing 15.17% of the total number of shares issued upon the incorporation of the Bank as a joint stock limited company and [the percentage against the ordinary shares of shares upon the Private Placement of A shares] of the total number of ordinary shares the Bank is authorized to issue.</p>

Article No.	Original provisions	Provisions to be amended
Article 20	<p>Upon its incorporation as a joint stock limited company, the Bank issued 7,920,232,654 ordinary shares, among which, 5,618,300,000 shares are foreign-listed shares, representing 14.39% of the total number of ordinary shares the Bank is authorized to issue then, and 2,301,932,654 shares are domestic-listed shares, representing 5.90% of the total number of ordinary shares the Bank is authorized to issue then.</p> <p>The Bank issued 7,753,982,980 ordinary shares through the Rights Issue in 2011, among which, 5,273,622,484 shares are domestic-listed shares and 2,480,360,496 shares are foreign-listed shares.</p> <p>The shareholding structure of the Bank upon completion of the aforementioned Rights Issues as follows: 46,787,327,034 ordinary shares in issue, among which 31,905,164,057 shares are held by DLSs shareholders and 14,882,162,977 shares are held by FLSs shareholders.</p>	<p>Upon its incorporation as a joint stock limited company, the Bank issued 7,920,232,654 ordinary shares, among which, 5,618,300,000 shares are foreign-listed shares, representing 14.39% of the total number of ordinary shares the Bank is authorized to issue then, and 2,301,932,654 shares are domestic-listed shares, representing 5.90% of the total number of ordinary shares the Bank is authorized to issue then.</p> <p>The Bank issued 7,753,982,980 ordinary shares through the Rights Issue in 2011, among which, 5,273,622,484 shares are domestic-listed shares and 2,480,360,496 shares are foreign-listed shares.</p> <p>The Bank issued [Number of Shares upon the Private Placement of A Shares] ordinary shares by the Private Placement in 2014, all of which are domestic listed Shares.</p> <p>The shareholding structure of the Bank upon completion of the aforementioned Private Placement of A Shares as follows: [Number of Shares upon the Private Placement of A Shares] ordinary shares in issue, among which [Number of domestic listed shares upon the Private Placement of domestic A Shares] shares are held by DLSs shareholders and 14,882,162,977 shares are held by FLSs shareholders.</p>
Article 24	The registered capital of the Bank is RMB46,787,327,034.	The registered capital of the Bank is RMB [Amount of capital based on the number of all ordinary shares upon the Private Placement of A Shares] .

Upon completion of the Issue, increasing the Bank’s registered capital based on the Issue, accordingly amending the “[]” parts in the Articles of Association, and going through the relevant approval formalities with regulatory authorities and the formalities for registration and filing with the administration of industry and commerce (including application for change of the Company’s registration matters and update of business license);

- 2.6 After completion of the Issue, handling the matters including share registration, lock-up and listing;
- 2.7 Opening a special account for the proceeds from the Issue;
- 2.8 Dealing with all the other matters that the Bank considers necessary or appropriate for the Issue, without prejudice to relevant laws and regulations.
- 2.9 We proposed to the general meeting to approve that the Board may, upon receipt of the above authorization, re-delegate the authority to any one executive Director or senior management, unless otherwise stipulated by laws or regulations.

The authorizations will be effective within 12 months from the date when this proposal is approved by the general meeting of Shareholders.

3. DEFINITIONS

Unless the context requires otherwise, the following expressions in this announcement shall have the meanings set out below.

“A Share(s)”	ordinary share(s) of the Bank, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“Articles of Association”	the articles of association of China CITIC Bank Corporation Limited
“Bank”, “Company”, “we” or “us”	China CITIC Bank Corporation Limited (中信銀行股份有限公司), a joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (stock code: 998) and the Shanghai Stock Exchange (stock code: 601998), respectively, and, unless the context otherwise requires, including all its subsidiaries
“Board” or “Board of Directors”	The board of Directors of the Bank
“CBRC”	China Banking Regulatory Commission
“Class Meeting(s)”	the H Shareholders Class Meeting and the A Shareholders Class Meeting of the Bank to be held at 9:30 a.m. on Tuesday, 16 December 2014 at the Conference Room, 16th Floor, Block C, Fuhua Mansion, No. 8 Chaoyangmen Beidajie, Dongcheng District, Beijing, the PRC

“CNTC”	China National Tobacco Corporation, a joint stock limited company incorporated in China with limited liability, which is an independent third party as to the Bank
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Bank
“H Share(s)”	ordinary share(s) of the Bank, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s republic of China, but for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pricing Base Date”	The base date for calculating the floor price of the Issue. For the Issue, 30 October 2014 is fixed as the pricing base date
“Private Placement” or “the Issue”	the proposed issue of not more than 2,462,490,897 (inclusive) A Shares to China National Tobacco Corporation by Private Placement
“RMB”	Renminbi, the lawful currency of the PRC
“Second EGM of 2014”	the second extraordinary general meeting of 2014 of the Bank to be held at 9:30 a.m. on Tuesday, 16 December 2014 at the Conference Room, 16th Floor, Block C, Fuhua Mansion, No. 8 Chaoyangmen Beidajie, Dongcheng District, Beijing, the PRC
“Shares”	the ordinary share(s) of RMB1.00 each in the share capital of the Bank

“Shareholder(s)”

the holders of the Bank’s Share(s)

“SSE Listing Rules”

the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange

By order of the Board of
China CITIC Bank Corporation Limited
Chang Zhenming
Chairman

Beijing, the PRC
29 October 2014

As at the date of this announcement, the executive directors of the Bank are Ms. Li Qingping and Mr. Sun Deshun; the non-executive directors are Mr. Chang Zhenming, Dr. Chen Xiaoxian, Dr. Zhu Xiaohuang, Mr. Dou Jianzhong, Mr. Guo Ketong, Mr. Zhang Xiaowei and Mr. Gonzalo José Torano Vallina; and the independent non-executive directors are Mr. Li Zheping, Dr. Xing Tiancai, Ms. Wu Xiaoqing, Mr. Wong Luen Cheung Andrew and Mr. Yuan Ming.