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CITIC PACIFIC

CITIC Pacific Limited 中信泰富有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00267)

ANNOUNCEMENT SHARE SUBSCRIPTION

The Board is pleased to announce that, as of 5:30 pm on May 14, 2014, CITIC Pacific has entered into the Share Subscription Agreements with 15 Investors, pursuant to which the Investors have agreed to subscribe at the Subscription Price of HK\$13.48 per Share (save as otherwise disclosed in this announcement, subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable) for such number of Subscription Shares (rounded down to the nearest whole board lot of 1,000 Shares) that may be purchased for an aggregate amount of approximately US\$5.1 billion or approximately HK\$39.5 billion, representing approximately 11.78% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

CITIC Pacific will have a public float percentage of more than 15%, which will satisfy the minimum public float requirement of the Stock Exchange and the requirements for the Placing pursuant to the Share Transfer Agreement. On such basis, CITIC Pacific can proceed to complete the Acquisition after the fulfillment of other conditions of the Acquisition.

We refer to the announcement of CITIC Pacific Limited dated April 16, 2014 in relation to, among other things, the Acquisition and the issue of Consideration Shares and the specific mandate for the issue of the Placing Shares. Unless otherwise specified, capitalized terms used in this announcement shall have the same meaning as defined in the announcement mentioned above.

SHARE SUBSCRIPTION

As of 5:30 pm on May 14, 2014, CITIC Pacific has entered into the Share Subscription Agreements with 15 Investors, pursuant to which the Investors have agreed to subscribe at the Subscription Price of HK\$13.48 per Share (save as otherwise disclosed in this announcement, subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable) for such number of Subscription Shares (rounded down to the nearest whole board lot of 1,000 Shares) that may be purchased for an aggregate amount of approximately US\$5.1 billion or approximately HK\$39.5 billion. The Subscription Price represents:

- (i) a discount of approximately 1.75% to the closing price of HK\$13.72 per Share as quoted on the Stock Exchange on May 13, 2014, being the last trading day prior to the date of the Share Subscription Agreements;
- (ii) a discount of approximately 0.59% to the average closing price of HK\$13.56 per Share as quoted on the Stock Exchange for the last five trading days up to and including May 13, 2014; and
- (iii) a discount of approximately 0.78% to the average closing price of HK\$13.59 per Share as quoted on the Stock Exchange for the last ten trading days up to and including May 13, 2014.

The net Subscription Price is HK\$13.48 per Share (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The Subscription Price, which was agreed after arm's length negotiations between CITIC Pacific and the Investors, was determined by reference to, among other things, prevailing market conditions at the relevant time, Share price of CITIC Pacific, and investors' demands for the Shares.

The total number of Subscription Shares would be approximately 2,932,798,000 Shares, representing approximately 11.78% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued. CITIC Pacific will have a public float percentage of more than 15%, which will satisfy the minimum public float requirement of the Stock Exchange and the requirements for the Placing pursuant to the Share Transfer Agreement. On such basis, CITIC Pacific can proceed to complete the Acquisition after the fulfillment of other conditions of the Acquisition.

To the best knowledge, information and belief of the Directors after reasonable enquiry, each of the Investors and their respective beneficial owner(s), are third party(ies) independent of CITIC Pacific and not connected person(s) of CITIC Pacific. As at the date of this announcement, Temasek (as defined below) holds 11.46% interest in the issued share capital of CITIC Resources Holdings Ltd., a subsidiary of CITIC Limited. Assuming Temasek continues to hold 10% or more of the issued share capital of CITIC Resources Holdings Ltd., upon Completion, Temasek will become a connected person of CITIC Pacific upon Completion by virtue of being a substantial shareholder of one of CITIC Pacific's subsidiaries and the Shares held by Temasek will not be counted towards the public float of CITIC Pacific. It is expected that none of the other Investors would become a substantial shareholder (as defined in the Listing Rules) of CITIC Pacific as a result of the Share Subscription.

The Subscription Shares form part of the Placing Shares in all respects and will be issued by CITIC Pacific under the specific mandate to be sought from the Independent Shareholders at the EGM to issue the Placing Shares. The Subscription Shares, when issued and fully paid, will rank pari passu in all respects with the Shares in issue on Completion. Application will be made by CITIC Pacific to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

THE INVESTORS

As at 5:30 pm on May 14, 2014, CITIC Pacific has entered into Share Subscription Agreements with each of the following Investors in respect of the Share Subscription. The information about the Investors set forth below has been provided by the Investors in connection with the Share Subscription:

National Social Security Fund (“NSSF”)

NSSF, through ICBC Credit Suisse Asset Management (International) Company Limited (“**ICBC Credit Suisse**”), Bosera Asset Management Co. Limited (“**Bosera**”) and Bosera Asset Management (International) Co. Limited (“**Bosera International**”), has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of HK\$16,799,989,200 at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by NSSF would be 1,246,290,000 Subscription Shares, representing approximately 5.00% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued. ICBC Credit Suisse, Bosera and Bosera International entered into the Subscription Agreements with CITIC Pacific on behalf of National Social Security Fund Overseas Placement Investment Portfolio, which would be the ultimate beneficial owner of the relevant Subscription Shares.

NSSF was established by the State Council and is under the management of the National Council for Social Security Fund. It serves as a key national strategic reserve and is primarily established to meet the social security needs during the peak time period of the future aging population. The fund is authorised to make domestic and overseas investment, including bonds, shares and funds.

ICBC Credit Suisse is a wholly-owned subsidiary of ICBC Credit Suisse Asset Management Co., Ltd. and is incorporated in Hong Kong. It is qualified to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance and primarily provides investment portfolio management and advisory services. ICBC Credit Suisse and ICBC Credit Suisse Asset Management Co., Ltd. are both authorised as fund managers of the NSSF.

Bosera was founded on July 13, 1998 and headquartered in Shenzhen. The principal activities of Bosera include fund raising, fund distribution, asset management and any other businesses permitted by China Securities Regulatory Commission. It is an asset management company that provides professional investment services for clients. Bosera International is a wholly-owned subsidiary of Bosera and was established in March 2010 in Hong Kong. Bosera has type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management)

license issued by Hong Kong Securities and Futures Commission. Bosera and Bosera International are both authorised as fund managers of the NSSF.

AIA Company Limited

AIA Company Limited has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of US\$300 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by AIA Company Limited would be approximately 172,510,000 Subscription Shares, representing approximately 0.69% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

AIA Company Limited is an insurance company incorporated in Hong Kong. Its controlling shareholder is AIA Group Limited, which is listed on the Stock Exchange (stock code: 1299), and together with its subsidiaries (collectively “AIA”), comprises the largest independent publicly listed pan-Asian life insurance group. AIA has operations in 17 markets in Asia-Pacific – wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau and Brunei, a subsidiary in Sri Lanka, a joint venture in India and a representative office in Myanmar.

Safe Investment Company Limited (“SICL”)

SICL has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of HK\$4,650 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by SICL would be 344,955,000 Subscription Shares, representing approximately 1.39% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

SICL is an investment company.

Qatar Holding LLC

Qatar Holding LLC has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of US\$200 million at the Subscription Price of HK\$13.48 (subject to the decrease of such price corresponding to any decrease, if any, of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). If CITIC Pacific enters into any agreement with any other person to subscribe for the Shares pursuant to the Placing and agrees to a lower subscription price, the Subscription Price shall be reduced to the same lower level accordingly. The total number of Shares to be subscribed for by Qatar Holding LLC would be approximately 115,007,000 Subscription Shares, representing approximately 0.46% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

Qatar Holding LLC is a global investment holding company established in 2006, founded and wholly-owned by Qatar Investment Authority. Qatar Holding LLC invests internationally and locally in strategic, private and public equity, and other direct investments.

Other than the Conditions set out in the section titled “Conditions Precedent of the Share Subscription” below, completion of the subscription by Qatar Holding LLC is also conditional upon the following conditions:

- (a) there having been no breach of any of CITIC Pacific’s warranties, and no event has occurred and no matter has arisen rendering any of CITIC Pacific’s warranties untrue, inaccurate or misleading in any material respect; and
- (b) a written confirmation from a director of the CITIC Pacific being delivered to the Qatar Holding LLC confirming all conditions have been satisfied.

Other than the circumstances set out in the section titled “Termination” below, the Subscription Agreement may be terminated by Qatar Holding LLC:

- (a) in the event that the Transfer Consideration, being the consideration for the Acquisition, exceeds RMB226,995.6609 million or the Price per Consideration Share for the Acquisition is less than the Subscription Price;
- (b) upon any material adverse change in the earnings, net assets, business affairs, prospects, legal or financial condition, shareholders’ equity or results of operations of the Group and the Target Group taken as a whole since December 31, 2013; or
- (c) in the event that the terms of the Acquisition or the Placing are changed from the terms as set out in the CITIC Pacific’s announcement dated April 16, 2014 and such change would reasonably be expected to have a material adverse effect on Qatar Holding LLC’s investment in the Subscription Shares.

On May 14, 2014, CITIC Group Corporation and Qatar Investment Authority entered into a strategic cooperation agreement in relation to possible cooperation in certain areas in order to establish a long-term relationship to the mutual benefit of the parties.

China Life Insurance Company Limited (“China Life”)

China Life has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of US\$500 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by China Life would be approximately 287,518,000 Subscription Shares, representing approximately 1.15% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

China Life is an insurance company incorporated in the PRC. Its principal business covers life insurance, health insurance, accident insurance and reinsurance of life insurance. The ultimate controlling shareholder of China Life is China Life Insurance (Group) Company, whose principal business covers insurance services including receipt of premiums and payment of

benefits in respect of life, health, accident and other personal insurance policies, reinsurance, holding or investing in domestic and overseas insurance companies or other financial insurance institutions, and other fund management businesses permitted under PRC laws and regulations or approved by the State Council.

CTBC Life Insurance Co., Ltd. (“CTBC Life”)

CTBC Life has agreed to subscribe for such number of Shares which may be purchased with an aggregate amount of HK\$808.8 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by CTBC Life would be 60,000,000 Subscription Shares, representing approximately 0.24% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

CTBC Life is a Taiwanese insurance company and 100% subsidiary of CTBC Financial Holding Co., Ltd. (“**CTBC Holding**”). CTBC Life’s business line includes: life insurance, health insurance, accident insurance and pension insurance. Its major sales channels contain bank branches, insurance brokerage, agency and phone marketing. CTBC Life follows a set underwriting process to sell insurance products to proposed policy holders.

CTBC Holding is a Taiwanese financial holding company that invests in the areas of banking, bills finance, credit cards, trusts, insurance, securities, futures, venture capital and securities investment trusts as well as foreign financial institutions and other institutions and operations as approved by competent authorities.

East Global Investments Limited (“East Global Investments”)

East Global Investments has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of US\$250 million at the Subscription Price of HK\$13.48. If CITIC Pacific enters into any agreement with any other person to subscribe for the Shares pursuant to the Placing and agrees to a lower subscription price, the Subscription Price shall be reduced to the same lower level accordingly. The total number of Shares to be subscribed for by East Global Investments would be approximately 143,759,000 Subscription Shares, representing approximately 0.58% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

East Global Investments is a company incorporated in Hong Kong and wholly owned by Bank of China Group Investment Limited (“**BOCGI**”). BOCGI, also incorporated in Hong Kong, is a wholly-owned subsidiary of Bank of China Limited (“**BOC**”), which is listed on the Stock Exchange (stock code: 3988). BOCGI is principally engaged in investment activities, and has invested in a number of large infrastructure and other major projects in Mainland China, Hong Kong, Macau and overseas, covering such sectors as real estate, industrials, energy, transportation, media, hotels and financial services. BOC is one of the top four commercial banks in China. It provides a comprehensive range of financial services to customers across Mainland China, Hong Kong, Macau, Taiwan and 37 countries, with businesses including commercial banking, investment banking, insurance, investment management and aircraft leasing.

Tokio Marine & Nichido Fire Insurance Co., Ltd. (“Tokio Marine & Nichido”)

Tokio Marine & Nichido has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of HK\$780 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by Tokio Marine & Nichido would be 57,863,000 Subscription Shares, representing approximately 0.23% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

Tokio Marine & Nichido is a global non-life insurance company incorporated in Tokyo, Japan in 1879. It is the core company of Tokio Marine Group and is ultimately owned by Tokio Marine Holdings, Inc. (“**Tokio Marine Holdings**”), an insurance holding company listed on the Tokyo Stock Exchange (stock code: 8766). Tokio Marine Group has successfully concluded a number of acquisitions to expand its presence in the global markets.

CITIC Pacific and Tokio Marine & Nichido intend to cause their respective group to keep long-term cooperative partnership relationship and to jointly explore the possibility of business cooperation in the PRC insurance industry.

Harmony Glory Investment Limited (“Harmony Glory”)

Harmony Glory has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of US\$200 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by Harmony Glory would be approximately 115,007,000 Subscription Shares, representing approximately 0.46% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

Harmony Glory, an investment holding company incorporated in Hong Kong in 2014, is an indirect subsidiary of ABC International Holdings Limited. Acting as a professional platform for Agricultural Bank of China Limited to provide investment banking services, ABC International Holdings Limited provides integrated financial services in Hong Kong, including IPO sponsorship and underwriting, bond underwriting, financial advisory, asset management, direct investment, institutional sales, securities brokerage, securities advisory and other services, and offers a wide range of capital market services on the mainland, except A-share sponsorship.

Mizuho Bank, Ltd. (“Mizuho Bank”)

Mizuho Bank has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of HK\$780 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by Mizuho Bank would be 57,863,000 Subscription Shares, representing approximately 0.23% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

Mizuho Bank is a subsidiary of the Japan-based Mizuho Financial Group, Inc., one of the largest financial services companies in the world. Mizuho Bank provides financial and strategic solutions for the increasingly diverse and sophisticated needs of clients, focusing its efforts on serving major corporations, financial institutions, individuals, public sector entities and small and medium-sized enterprises. A relationship management approach to serving clients enables Mizuho Bank, together with its group companies including Mizuho Trust & Banking and Mizuho Securities, to develop customized solutions in areas such as corporate, structured and project finance, investment banking, transaction banking and risk management. With offices in 34 countries, Mizuho Bank offers clients both localized service and the extensive reach of a global business network.

CITIC Pacific and Mizuho Bank agree to cause their respective group to enter into a definitive business strategic alliance agreement mutually acceptable at the group level.

Giant Wave Investments Limited (“Giant Wave”)

Giant Wave has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of US\$150 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by Giant Wave would be approximately 86,255,000 Subscription Shares, representing approximately 0.35% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

Giant Wave is a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of CCBI Investments Limited. CCBI Investments Limited is an investment company incorporated in the Cayman Islands. The ultimate beneficial owner of CCBI Investments Limited is China Construction Bank Corporation, a company listed on the Main Board of the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939). The principal activities of Giant Wave is investment holding.

Temasek Holdings (Private) Limited (“Temasek”)

Temasek, through a wholly-owned subsidiary, Dunearn Investments (Mauritius) Pte Ltd, has agreed to subscribe for such number of Subscription Shares which may be purchased with US\$100 million, at the Subscription Price of HK\$13.48 per Share (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by Temasek’s subsidiary would be approximately 57,503,000 Shares, representing approximately 0.23% of the Shares in issue upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

As at the date of this announcement, Temasek holds 11.46% interest in the issued share capital of CITIC Resources Holdings Ltd., a subsidiary of CITIC Limited. Assuming Temasek continues to hold 10% or more of the issued share capital of CITIC Resources Holdings Ltd., upon Completion, Temasek will become a connected person of CITIC Pacific by virtue of being a substantial shareholder of one of CITIC Pacific’s subsidiaries and the Shares held by Temasek will not be counted towards the public float of CITIC Pacific.

Temasek is an Asia investment company headquartered in Singapore.

The Subscription Agreement may be terminated by Dunearn Investments (Mauritius) Pte Ltd upon any material adverse change in the earnings, net assets, business affairs, legal or financial condition, shareholders' equity or results of operations of the Group and the Target Group taken as a whole since December 31, 2013. For the avoidance of doubt, information already disclosed in the annual and interim reports, circulars and announcements made by CITIC Pacific pursuant to applicable legal or regulatory requirements published up to the date of this announcement shall not be regarded as material adverse change referred to above.

ICBC International Finance Limited (“ICBCI Finance”)

ICBCI Finance has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of US\$150 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by ICBCI Finance would be approximately 86,255,000 Subscription Shares, representing approximately 0.35% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

ICBCI Finance is a limited liability company incorporated in Hong Kong and is a wholly owned subsidiary of ICBC International Holdings Limited.

Fubon Life Insurance Co., Ltd (“Fubon Life Insurance”)

Fubon Life Insurance has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of US\$100 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by Fubon Life Insurance would be approximately 57,503,000 Subscription Shares, representing approximately 0.23% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

Fubon Life Insurance is a wholly-owned subsidiary of Fubon Financial Holding Co., Ltd. (stock code: TW2881), a company incorporated in Taiwan. Fubon Financial Holding Co., Ltd. has built a strong lineup of financial service companies. Its other subsidiaries include Taipei Fubon Commercial Bank Co., Ltd., Fubon Insurance Co., Ltd., Fubon Securities Co., Ltd., Fubon Bank (Hong Kong), Limited and Fubon Asset Management Co., Ltd, etc. Fubon Financial Holding Co., Ltd is one of the largest publicly listed financial holding companies in Taiwan.

Beijing Infrastructure Investment (Hong Kong) Limited (“Beijing Infrastructure Investment (Hong Kong)”)

Beijing Infrastructure Investment (Hong Kong) has agreed to subscribe for such number of Subscription Shares which may be purchased with an aggregate amount of HK\$600 million at the Subscription Price of HK\$13.48 (subject to the adjustment of the Price per Consideration Share under the Acquisition as announced by CITIC Pacific, if applicable). The total number of Shares to be subscribed for by Beijing Infrastructure Investment (Hong Kong) would be 44,510,000 Subscription Shares, representing approximately 0.18% of the Shares in issue of CITIC Pacific upon Completion, assuming a total of 21,253,879,470 Consideration Shares and Placing Shares are issued.

Beijing Infrastructure Investment (Hong Kong), a private company with limited liability incorporated in Hong Kong, is mainly engaged in investment, financing and other businesses. Beijing Infrastructure Investment (Hong Kong) is a wholly-owned subsidiary of Beijing Infrastructure Investment Co., Ltd., whose 100% equity interest is held by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality. Beijing Infrastructure Investment Co., Ltd. is mainly engaged in the investment and financing, preliminary planning, capital operation and land and property developments for the Beijing Subway.

CONDITIONS PRECEDENT OF THE SHARE SUBSCRIPTION

Save as otherwise disclosed in this announcement, the subscription obligation of each Investor is subject to, among other things, the following conditions precedent:

- (a) conditions precedent for the Completion as provided for in the Share Transfer Agreement having been satisfied or waived in accordance with the terms of the Share Transfer Agreement;
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares that the respective subscriber is subscribing on the Stock Exchange and such approval and permission remaining in full force and effect; and
- (c) all necessary regulatory approvals and consents of the Shareholders for the completion of the Placing having been obtained and such approvals and consents remaining in full force and effect.

TERMINATION

Save as otherwise disclosed in this announcement, a Subscription Agreement may be terminated:

- (a) in the event that completion of the Subscription does not take place by October 31, 2014, the parties to the relevant Share 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 such parties cannot agree to a later date, either party shall be entitled to terminate the Share Subscription Agreement by written notice to the other party and the Share 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 Share Subscription Agreement;
- (b) by any party to the relevant Share Subscription Agreement in the event there is a material breach of the Subscription Agreement on the part of the other party to the relevant Share Subscription Agreement;
- (c) with the written consents of all the parties to the relevant Share Subscription Agreement.

REASONS FOR THE SHARE SUBSCRIPTION AND USE OF PROCEEDS FROM THE SHARE SUBSCRIPTION

The Share Subscription can broaden the shareholder base of CITIC Pacific, maintain the minimum public float immediately following the Completion and raise extra funds for the Acquisition.

The aggregate proceeds from the Share Subscription are expected to be approximately US\$5.1 billion or approximately HK\$39.5 billion and will be used to settle part of the Cash Consideration for the Acquisition.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

CITIC Pacific has not carried out any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

CURRENCY CONVERSION

Under the relevant Share Subscription Agreements, where the total subscription amount of an Investor is denominated in US dollar, the relevant parties agree that such amount shall be converted into Hong Kong dollar at the exchange rate published by Reuters after the close of business as at the seventh business day prior to the date of completion of the Share Subscription.

Unless otherwise specified, amounts denominated in US\$ have been converted, for the purpose of illustration only, into HK\$ in this announcement at the following rate:

HK\$7.7515: US\$1.0000 (the exchange rate published by Reuters on May 9, 2014)

No representation is made that any amounts in US\$ or HK\$ can be or could have been at the relevant dates converted at the above rate or any other rate or at all.

Completion of the Share Subscription is subject to the satisfaction of certain conditions. Shareholders and potential investors are advised to exercise caution when dealing in the securities of CITIC Pacific.

DEFINITION

“Investors”, each an “Investor”	NSSF, AIA Company Limited, SICL, Qatar Holdings LLC, China Life, CTBC Life, East Global Investments, Tokio Marine & Nichido, Harmony Glory, Mizuho Bank, Giant Wave, Temasek, ICBCI Finance, Fubon Life Insurance, and Beijing Infrastructure Investment (Hong Kong)
“Subscription Price”	HK\$13.48 (subject to the adjustment of the Price per Consideration Shares under the Acquisition as announced by CITIC Pacific, if applicable)
“Share Subscription”	the subscription of the Subscription Shares by the Investors pursuant to the terms and conditions of their respective Share Subscription Agreement under the Placing
“Share Subscription Agreements”, each a “Share Subscription Agreement”	the share subscription agreements between CITIC Pacific and each of the Investors in respect of such Investor’s participation in the Share Subscription
“Subscription Shares”	the Shares to be subscribed for by the Investors pursuant to the terms and conditions of their respective Share Subscription Agreement under the Placing

By Order of the Board
CITIC Pacific Limited
Chang Zhenming
Chairman

Hong Kong, May 14, 2014

As at the date of this announcement, the executive Directors of CITIC Pacific are Messrs Chang Zhenming (Chairman), Zhang Jijing, Vernon Francis Moore, and Liu Jifu; the non-executive Directors of CITIC Pacific are Messrs André Desmarais, Ju Weimin, Yin Ke, Carl Yung Ming Jie, and Peter Kruyt (alternate director to Mr. André Desmarais); and the independent non-executive Directors of CITIC Pacific are Messrs Alexander Reid Hamilton, Gregory Lynn Curl, Francis Siu Wai Keung, and Dr. Xu Jinwu.