



PRESS RELEASE

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CITIC Limited Receives Investment from Charoen Pokphand Group and ITOCHU

The three parties enter into a strategic cooperation agreement

CITIC Limited (SEHK:00267), Charoen Pokphand Group ("C.P. Group") and ITOCHU Corporation ("ITOCHU", TYO:8001) announced today that C.P. Group and ITOCHU had agreed to invest in CITIC Limited through a joint investment vehicle, Chia Tai Bright Investment Company Limited ("CT Bright"), which is held in equal 50% shares by C.P. Group and ITOCHU. The three parties have also entered into a strategic cooperation agreement to work together across sectors and countries, bringing mutual opportunities for close collaboration to three of Asia's largest conglomerates. A Strategic Cooperation Committee will be established to agree on joint priorities and evaluate potential areas for collaboration.

Investment Structure

The proposed strategic investment comprises two transactions the total combined value of which is HK\$80bn (US\$10.4bn).

- First, CT Bright will purchase 2,490,332,363 shares which is equivalent to 10% of shares in CITIC Limited (total proceeds approximately HK\$34.4bn (US\$4.54bn)). These shares are currently held by CITIC Group Corporation ("CITIC Group"), a PRC government-owned entity which currently owns around 78% of CITIC Limited.
- Second, in several months, CITIC Limited will issue 3,327,721,000 convertible preferred shares to CT Bright (total proceeds approximately HK\$45.9bn (US\$5.9bn)), of which the proceeds will be received in cash by CITIC Limited.
- For both transactions, the agreed price per share/convertible preferred share is set at HK\$13.80.

Upon the completion of the two transactions and assuming full conversion of the preferred shares, and subject to full compliance of the minimum public float requirement, CT Bright will hold around 20% of shares of CITIC Limited and CITIC Group will remain as the controlling shareholder. CT Bright shall have the right to nominate one non-executive director and one independent non-executive director to the board of CITIC Limited.

Strategic Rationale

For CITIC Limited, the strategic investment will further diversify its share ownership structure and raise capital from the convertible preferred share issuance totalling approximately HK\$45.9 bn. Proceeds will be used to further develop CITIC Limited's businesses and to invest in emerging opportunities in sectors well matched to China's development. C.P. Group and ITOCHU, two leading conglomerates in Asia, will also bring fresh industry insights and expertise to CITIC Limited.

By owning a meaningful stake in China's largest conglomerate, C.P. Group and ITOCHU are gaining a valuable opportunity to participate in China's growth.

For all three parties, there are substantial opportunities for value creation and potential co-investment across sectors and geographies. CITIC Limited, C.P. Group and ITOCHU are all major players in their respective markets, and by leveraging their respective strengths, networks and complementary resources the strategic investment and cooperation agreement is expected to facilitate mutual business success, promote regional economic ties and enhance trade across Asia.

Both C.P. Group and ITOCHU are among the earliest pioneers to have invested in China following the country's opening-up policy, and the three companies are well-known to each other. In 2011, ITOCHU invested approximately US\$100m in a Hong Kong asset management arm of CITIC Group, and ITOCHU and CITIC Group signed a comprehensive strategic cooperation agreement. C.P. Group and ITOCHU also entered into a significant cross-shareholding agreement in the summer of 2014, forming their own strategic alliance to pursue joint opportunities across the region, primarily in non-resource sectors.

Chang Zhenming, Chairman of CITIC Limited, explained the rationale behind today's announcement: "We are very pleased to welcome C.P. Group and ITOCHU as shareholders, and we look forward to exploring opportunities in different countries and sectors. Not only have we brought in private investors, but they are attractive global conglomerates who will extend our reach and complement our infrastructure and knowledge. This investment is a continuation of our reform and globalization that began last year when we transformed from CITIC Pacific to become CITIC Limited, a Hong Kong listed company and the largest conglomerate in China."

Dhanin Chearavanont, Chairman of C.P. Group, said: "As the first international company to invest in China following the re-opening of the economy, since 1979 C.P. Group has built a significant presence in a range of business areas and we are excited by this opportunity to invest in the country's largest diversified conglomerate. We believe that greater collaboration with CITIC and ITOCHU will broaden our opportunities in agriculture, industry, retail, financial services and international trade, and pave the way for our future development by leveraging the respective expertise of each party. This partnership will help to stimulate trade and promote investment in Thailand, and across the region. It will also help to create better connectivity between Asia's economies."

Masahiro Okafuji, President & CEO of ITOCHU, added: "We have been seeking to expand our business in China and Asia, hence we are very pleased to enter into this meaningful alliance with CITIC and C.P. Group, leading conglomerates in the region. We believe this alliance will contribute to further business development between Japan, China and the Asian countries. Lastly, I would like to show great gratitude to our predecessors, as this is an outcome of their efforts in our business in China ever since ITOCHU's designation as the first ever "friendly trading house" from the Chinese government in 1972."

Process Before Closing

CT Bright's purchase of shares from CITIC Group and subscription of the convertible preferred shares of CITIC Limited is expected to be completed after receiving approval from relevant regulators and the satisfaction or waiver of other agreed conditions precedent. The share issuance will also require the approval of independent minority shareholders of CITIC Limited. Neither CITIC Group nor CT Bright will be entitled to vote. A CITIC Limited Independent Board Committee has been formed, and an Independent Financial Advisor has been appointed to advise CITIC Limited's independent shareholders, who will vote on the proposed share subscription at an EGM expected to be held in March.

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About CITIC Limited

CITIC Limited is China's largest conglomerate. Its businesses include financial services, resources and energy, manufacturing, real estate and infrastructure, engineering contracting, and other businesses in China and overseas. With over 120,000 employees in mainland China, Hong Kong and overseas, as well as its leading market positions in sectors well matched to China's development, deep understanding and strong expertise in the industries in which it operates, CITIC Limited is well-equipped to capture the opportunities arising from China's continued growth. 78% owned by CITIC Group Corporation in Beijing and listed in Hong Kong (SEHK: 267), CITIC Limited is one of the largest companies on the Hang Seng Index. For more information about CITIC Limited, please visit the company website at www.citic.com.

About Charoen Pokphand Group

Charoen Pokphand Group (C.P. Group) is one of Thailand's largest private businesses and one of Asia's leading conglomerates, with a global and diversified business across a variety of geographies, sectors and industries. From its beginnings in 1921, C.P. Group has grown into a global company with over 300,000 employees, operating in 17 countries, including China, India, Russia, Turkey and ASEAN nations and maintaining offices in 14 other countries such as the US, the UK, France, Germany, and Italy. C.P. Group's flagship companies span agrifood, retail and telecommunications. C.P. Group was the first foreign investor in China after the economy was reopened to outside investment in late 1970's. In addition to establishing itself as China's largest exporter of poultry, C.P. Group in China has more than 300 companies in a wide range of businesses from agrifood to real estate development, covering 29 of China's 31 provinces and employing over 80,000 staff. For more information about C.P. Group, please visit the company website at www.C.P.groupglobal.com.

About ITOCHU Corporation

ITOCHU is one of the leading trading companies in the world. The history of ITOCHU (Stock Listings: Tokyo, Website : <http://www.itochu.co.jp/>) dates back to 1858 when the Company's founder Chubei Itoh commenced linen trading operations. Since then, ITOCHU has evolved and grown over 150 years. With approximately 350 branches, subsidiaries and affiliates in 65 countries, ITOCHU, as one of the leading sogo shoshas, actively engages in domestic and international trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, information and communications technology, realty, general products, insurance, logistics services, construction, and finance, as well as business investment worldwide.

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