

REPORT OF THE DIRECTORS

The directors have pleasure in presenting to shareholders their report for the year ended 31 December 2021.

Principal Activities

CITIC Limited is one of China's largest conglomerates and its subsidiaries are engaged in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation both in China and overseas.

Subsidiary Companies

The name of the principal subsidiaries, their countries of incorporation, principal activities and shares issued are set out in note 56 to the consolidated financial statements.

Business Review

A fair review, discussion and analysis of the Group's business as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including the material factors underlying its results and financial position are set out in the sections headed "Chairman's Letter to Shareholders", "Our Businesses" and "Financial Review" on pages 4 to 80 of this annual report. An account of the principal risks and uncertainties facing the Group is provided in the "Risk Management" section on pages 81 to 86 of this annual report. Particulars of important events affecting CITIC Limited that have occurred since the end of the financial year 2021 (if any) and the likely future development in CITIC Limited's business can also be found in this annual report. The above discussions form an integral part of the Report of the Directors.

In addition, an account of CITIC Limited's performance by reference to environmental and social-related policies is provided in the "Environmental, Social and Governance Report" on pages 141 to 191 of this annual report.

Dividends

On 27 August 2021, the directors declared an interim dividend of HK\$0.15 per share (2020: HK\$0.10 per share) for the year ended 31 December 2021 which was paid on 3 November 2021. At the board meeting held on 31 March 2022, the directors recommended a final dividend ("2021 Final Dividend") of HK\$0.456 per share (2020: HK\$0.388 per share) in respect of the year ended 31 December 2021. Subject to approval of the shareholders at the forthcoming annual general meeting of CITIC Limited to be held on 14 June 2022 (the "2022 AGM"), the proposed final dividend will be paid on Monday, 8 August 2022 to shareholders on CITIC Limited's register of members at the close of business on Wednesday, 22 June 2022. This represents a total distribution for the year of HK\$17,629 million.

The proposed 2021 Final Dividend will be payable in cash to each shareholder in HK Dollars ("HKD") unless an election is made to receive the same in Renminbi ("RMB").

Shareholders will be given the option to elect to receive all (but not part) of the 2021 Final Dividend in RMB at the average benchmark exchange rate of HKD to RMB as published by the People's Bank of China during the five business days ending on 14 June 2022 (inclusive), being the date of the 2022 AGM. To make such election, shareholders should complete the Dividend Currency Election Form, which is expected to be despatched to shareholders in late June 2022 as soon as practicable after the record date of 22 June 2022 to determine shareholders' entitlement to the proposed 2021 Final Dividend, and return it to CITIC Limited's Share Registrar, Tricolor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 14 July 2022.

Shareholders who are minded to elect to receive all (but not part) of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honoured for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant shareholders by ordinary post on Monday, 8 August 2022 at the shareholders' own risk.

If no election is made by a shareholder or no duly completed Dividend Currency Election Form in respect of that shareholder is received by CITIC Limited's Share Registrar by 4:30 p.m. on Thursday, 14 July 2022, such shareholder will automatically receive the 2021 Final Dividend in HKD. All dividend payments in HKD will be made in the usual way on Monday, 8 August 2022.

If shareholders wish to receive the 2021 Final Dividend in HKD in the usual way, no additional action is required.

Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the proposed dividend payment.

Donations

Donations made by CITIC Limited and its subsidiary companies during the year are set out in the "Environmental, Social and Governance Report" of this annual report.

Share Capital and Reserves

Movements in the share capital and reserves of CITIC Limited and the Group during the year are set out in note 44 to the consolidated financial statements.

Fixed Assets

Movements in fixed assets during the year are set out in note 31 to the consolidated financial statements.

Major Customers and Suppliers

During the year, both the aggregate percentage of purchases from the Group's five largest suppliers and the aggregate percentage of sales to the Group's five largest customers were less than 30% of the total purchases and sales of the Group respectively.

Borrowings and Debt Instruments Issued

Particulars of borrowings and debt instruments issued of CITIC Limited and its subsidiary companies as at 31 December 2021 are set out in notes 41 and 42 to the consolidated financial statements.

Equity-linked Agreements

Save as disclosed below in the section headed “Share Option Plan Adopted by CITIC Limited”, no equity-linked agreements that will or may result in CITIC Limited issuing shares or that require CITIC Limited to enter into any agreements that will or may result in CITIC Limited issuing shares were entered into by CITIC Limited during the year or subsisted at the end of the year.

Directors

The directors of CITIC Limited during the year and up to the date of this report are:

Executive Directors

Mr Zhu Hexin (*Chairman*)

Mr Xi Guohua (*Vice Chairman and President*)

Ms Li Qingping

Non-executive Directors

Mr Song Kangle

Mr Liu Zhuyu (*resigned on 29 December 2021*)

Mr Peng Yanxiang

Ms Yu Yang

Mr Zhang Lin (*appointed on 4 January 2022*)

Mr Liu Zhongyuan (*resigned on 29 December 2021*)

Mr Yang Xiaoping

Mr Tang Jiang (*appointed on 4 January 2022*)

Independent Non-executive Directors

Mr Francis Siu Wai Keung

Dr Xu Jinwu

Mr Anthony Francis Neoh

Mr Shohei Harada (*resigned on 3 May 2021*)

Mr Gregory Lynn Curl

Mr Toshikazu Tagawa (*appointed on 3 May 2021*)

Mr Liu Zhuyu, Mr Liu Zhongyuan and Mr Shohei Harada have confirmed that they have no disagreement with the board and there is no matter relating to their resignation that need to be brought to the attention of the shareholders of CITIC Limited.

Mr Toshikazu Tagawa who was appointed by the board as director of CITIC Limited on 3 May 2021 was re-elected as director at the annual general meeting held on 9 June 2021. Pursuant to Article 95 of the articles of association of CITIC Limited, Mr Zhang Lin and Mr Tang Jiang who were appointed by the board as directors of CITIC Limited on 4 January 2022 shall hold office only until the next following annual general meeting, or if earlier, the next following extraordinary general meeting of CITIC Limited and, being eligible, offer themselves for re-election. In addition, pursuant to Article 104(A) of CITIC Limited’s articles of association, Ms Li Qingping, Mr Yang Xiaoping, Mr Francis Siu Wai Keung, Mr Anthony Francis Neoh and Mr Gregory Lynn Curl shall retire by rotation at the 2022 AGM and, all being eligible, have offered themselves for re-election at the 2022 AGM.

The biographical details of current directors and senior management are set out in the “Board of Directors” and “Senior Management” sections on pages 120 to 126 of this annual report.

Directors of Subsidiaries

The list of directors who have served on the boards of the subsidiaries of CITIC Limited during the year and up to the date of this report is available on CITIC Limited's website at www.citic.com.

Directors' Material Interests in Transactions, Arrangements or Contracts

Save as disclosed in the section headed "Non-Exempt Continuing Connected Transactions" below and "Material related parties" in note 48 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to CITIC Limited's business to which CITIC Limited's subsidiaries, fellow subsidiaries or its holding company was a party or were parties and in which a director of CITIC Limited or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Service Contracts

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Management Contracts

No contracts concerning the management and/or administration of the whole or any substantial part of the business of CITIC Limited were entered into during the year or existed at the end of the year.

Permitted Indemnity

Pursuant to CITIC Limited's articles of association and subject to the provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), every director or other officers of CITIC Limited shall be entitled to be indemnified out of the assets of CITIC Limited against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. CITIC Limited has arranged Directors & Officers Liability and Company Reimbursement Insurance for its directors and officers to protect them against potential costs and liabilities arising from claims brought against them.

Related Party Transactions

CITIC Limited and its subsidiaries entered into certain transactions in the ordinary course of business and on normal commercial terms which were "Material related parties", the details of which are set out in note 48 to the consolidated financial statements of CITIC Limited. Some of these transactions also constituted "Continuing Connected Transactions" under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as summarised below.

Non-Exempt Continuing Connected Transactions

During the year under review, the Group engaged in the following non-exempt continuing connected transactions with CITIC Group Corporation (“CITIC Group”) and/or its associates (the “Connected Persons”), particulars of which were previously disclosed in the announcements of CITIC Limited and are required under the Listing Rules to be disclosed in this annual report and the consolidated financial statements of CITIC Limited.

1. Financial Assistance Framework Agreement — financial assistance provided by the Group to the Connected Persons in the form of entrusted loans or commercial loans

The Financial Assistance Framework Agreement dated 30 November 2016 ended on 31 December 2019. Considering the business development needs of the Group and CITIC Group, CITIC Limited entered into a new financial assistance framework agreement (“New Financial Assistance FA”) with CITIC Group on 20 November 2019 under which the Group would continue to provide financial assistance to the Connected Persons in the form of entrusted loans, commercial loans and financing guarantee service, etc. Details of the above were set out in CITIC Limited’s announcement dated 20 November 2019.

New Financial Assistance FA

Period: commencing from 1 January 2020 and ending on 31 December 2022

Maximum	<i>for year ended 31/12/2021</i>	<i>for year ending 31/12/2022</i>
Daily Balance:	RMB11,000,000,000	RMB12,000,000,000

The maximum daily balance of the financial assistance under New Financial Assistance FA for the year ended 31 December 2021 was approximately RMB6,862,905,844.00.

2. Aluminum Alloy Hub and Raw Materials Procurement Framework Agreement (“Aluminum Alloy Hub and Raw Materials Procurement FA”) – procurement of aluminum alloy hubs and the raw materials by the Group from the Connected Persons

Reference is made to the Aluminum Alloy Hub Procurement Framework Agreement entered into between CITIC Limited and CITIC Group on 28 March 2018 which expired on 31 December 2020. Considering the business development needs of the Group, members of the Group intend to continue to procure aluminum alloy hubs (“Aluminum Alloy Hubs”) and further procure casted round al-alloy bars and aluminum alloy ingot (collectively the “Raw Materials”) from the Connected Persons. CITIC Limited entered into the Aluminum Alloy Hub and Raw Materials Procurement FA with CITIC Group on 1 April 2021, details of which were set out in CITIC Limited’s announcement dated 1 April 2021.

Period: commencing from 1 April 2021 and ending on 31 December 2023

Annual Caps:	<i>for the period from</i>	<i>for the year ending</i>	<i>for the year ending</i>
	<i>1/04/2021 to 31/12/2021</i>	<i>31/12/2022</i>	<i>31/12/2023</i>
– Aluminum Alloy Hubs	RMB380,000,000	RMB380,000,000	RMB380,000,000
– Raw Materials	RMB600,000,000	RMB600,000,000	RMB600,000,000
Total Annual Caps:	RMB980,000,000	RMB980,000,000	RMB980,000,000

The transaction amounts under the Aluminum Alloy Hub and Raw Materials Procurement FA for the year ended 31 December 2021 were approximately RMB289,192,372.54 for Aluminum Alloy Hubs and approximately RMB104,923,100.35 for the Raw Materials.

3. Asset Transfer Framework Agreement and Financial Consulting Service and Asset Management Service Framework Agreement

Reference is made to the announcement dated 27 August 2020 and the circular dated 12 October 2020 issued by China CITIC Bank Corporation Limited (“CITIC Bank”, a non wholly-owned subsidiary of the Company), with respect to, among other things, the asset transfer framework agreement (the “Asset Transfer FA”) in relation to the transfer of loans and other related assets, and the financial consulting service and asset management service framework agreement (the “Financial Consulting Service and Asset Management Service FA”) in relation to the entrusted disposal of overdue personal credit assets and written-off overdue corporate assets, both entered into on 27 August 2020 between CITIC Bank and CITIC Group (the Asset Transfer FA together with the Financial Consulting Service and Asset Management Service FA, the “Agreements”). The Asset Transfer FA was a renewal of the asset transfer framework agreement dated 24 August 2017, and the Financial Consulting Service and Asset Management Service FA was a renewal of the financial consulting service and asset management service framework agreement dated 24 August 2017. The transactions contemplated under the Agreements entered into between CITIC Bank and the Group are intra-group transactions not constituting continuing connected transactions of CITIC Limited, while those entered into between CITIC Bank and CITIC Group and its associates (excluding the Group) constitute continuing connected transactions of CITIC Limited. Details of the above were set out in CITIC Limited’s announcement dated 9 June 2021 and its half-year report 2021.

Asset Transfer FA

Period: commencing from 1 January 2021 and ending on 31 December 2023

	<i>for year ended</i> 31/12/2021	<i>for the year ending</i> 31/12/2022	<i>for the year ending</i> 31/12/2023
Annual Cap:	RMB6,600,000,000	RMB6,600,000,000	RMB6,600,000,000

The transaction amount under the Asset Transfer FA for the year ended 31 December 2021 was approximately RMB15,850,500.00.

Financial Consulting Service and Asset Management Service FA

Period: commencing from 1 January 2021 and ending on 31 December 2023

	<i>for year ended</i> 31/12/2021	<i>for the year ending</i> 31/12/2022	<i>for the year ending</i> 31/12/2023
Annual Cap: (Service Fees)	RMB400,000,000	RMB400,000,000	RMB400,000,000

The service fees under the Financial Consulting Service and Asset Management Service FA for the year ended 31 December 2021 was approximately RMB13,762,100.00.

The independent non-executive directors of CITIC Limited have reviewed the aforesaid continuing connected transactions for the year ended 31 December 2021 (collectively the “Transactions”) and confirmed that:

- the Transactions have been entered into in the ordinary and usual course of business of the Group;
- the Transactions have been entered into on normal commercial terms or better; and
- the Transactions were entered into according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of CITIC Limited as a whole.

CITIC Limited's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 131 to 132 of this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by CITIC Limited to The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

Share Option Plan Adopted by CITIC Limited

CITIC Pacific Share Incentive Plan 2011

The CITIC Pacific Share Incentive Plan 2000 adopted by CITIC Limited on 31 May 2000 for a term of ten years expired on 30 May 2010. CITIC Limited adopted a new plan, the CITIC Pacific Share Incentive Plan 2011 (the "Plan 2011") on 12 May 2011, which was valid and effective till 11 May 2021. The major terms of the Plan 2011 are as follows:

1. The purpose of the Plan 2011 is to promote the interests of CITIC Limited and its shareholders by (i) providing the eligible participants with additional incentives to continue and increase their efforts in achieving success in the business of the Group, and (ii) attracting and retaining the best available personnel to participate in the on-going business operation of the Group.
2. The eligible participants of the Plan 2011 are any employee, executive director, non-executive director, independent non-executive director or officer, consultant or representative of any member of CITIC Limited as the board may in its discretion select.
3. The total number of shares which may be issued upon exercise of all options to be granted under the Plan 2011 must not in aggregate exceed 10% of the shares in issue as at the date of adopting the Plan 2011.
4. The total number of shares issued and to be issued upon exercise of options (whether exercised or outstanding) in any 12-month period granted to each participant must not exceed 1% of the shares of CITIC Limited in issue. Where any further grant of options to a participant would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of CITIC Limited's shares in issue, such further grant shall be subject to separate approval by the shareholders of CITIC Limited in general meeting.
5. The exercise period of any option granted under the Plan 2011 must not be more than ten years commencing on the date of offer of the grant.
6. The acceptance of an offer of the grant of the option must be made within 28 days from the date of grant with a non-refundable payment of HK\$1.00 from the grantee.
7. The subscription price determined by the board will be at least the higher of (i) the nominal value of CITIC Limited's shares; (ii) the closing price of CITIC Limited's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of offer of the grant; and (iii) the average of the closing prices of CITIC Limited's shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer of the grant.

The Plan 2011 was valid and effective, during the period from 12 May 2011 to 11 May 2021, being the date falling 10 years from the date on which the Plan 2011 was adopted. No share options were granted under the Plan 2011 during the period from 1 January 2021 (i.e. at the beginning of the financial year of 2021) to 11 May 2021 (i.e. upon expiry of the Plan 2011).

Share Option Plan Adopted by Subsidiaries of CITIC Limited

CITIC Telecom International Holdings Limited (“CITIC Telecom”)

CITIC Telecom adopted a share option plan (the “CITIC Telecom Share Option Plan”) on 17 May 2007, which was valid and effective till 16 May 2017. The major terms of the CITIC Telecom Share Option Plan are as follows:

1. The purpose of the CITIC Telecom Share Option Plan is to attract and retain the best quality personnel for the development of CITIC Telecom’s businesses; to provide additional incentives to CITIC Telecom Directors, Officers and Employees (as defined here below); and to promote the long term financial success of CITIC Telecom by aligning the interests of grantees to shareholders of CITIC Telecom.
2. The grantees of the CITIC Telecom Share Option Plan are any person employed by CITIC Telecom or any of its subsidiaries and any person who is an officer or director (whether executive or non-executive) of CITIC Telecom or any of its subsidiaries (collectively the “CITIC Telecom Directors, Officers and Employees”) as the board of CITIC Telecom may, in its absolute discretion, select.
3. The total number of shares of CITIC Telecom (the “CITIC Telecom Shares”) issued and to be issued upon exercise of options (whether exercised or outstanding) in any 12-month period granted to each grantee must not exceed 1% of the CITIC Telecom Shares in issue. Where any further grant of options to a grantee would result in the CITIC Telecom Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the CITIC Telecom Shares in issue, such further grant shall be subject to separate approval by the shareholders of CITIC Telecom in general meeting.
4. The exercise period of any option granted under the CITIC Telecom Share Option Plan must not be more than ten years commencing on the date of grant.
5. The acceptance of an offer of the grant of the options must be made within 28 days from the date of grant with a non-refundable payment of HK\$1.00 from the grantee.
6. The subscription price determined by the board of CITIC Telecom will not be less than the higher of (i) the closing price of CITIC Telecom’s shares as stated in the daily quotations sheet of the Hong Kong Stock Exchange on the date of grant; and (ii) the average closing price of CITIC Telecom’s shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant.

As approved at the annual general meeting of CITIC Telecom held on 25 April 2014, the mandate limit is refreshed so that taking into account the overriding limit of the CITIC Telecom Share Option Plan, the total number of the CITIC Telecom Shares which may be issued upon the exercise of all options to be granted under the CITIC Telecom Share Option Plan, together with all outstanding options granted and yet to be exercised under the CITIC Telecom Share Option Plan, shall not exceed 333,505,276 CITIC Telecom Shares, being 10% of the number of the CITIC Telecom Shares in issue as at the date of approval of the refreshment of the mandate limit.

Particulars of the outstanding share options granted under the CITIC Telecom Share Option Plan and their movements during the year ended 31 December 2021 are as follows:

Date of grant	Number of share options	Exercise period	Exercise price per share HK\$
24.03.2015	43,756,250	24.03.2016 – 23.03.2021	2.612
24.03.2015	43,756,250	24.03.2017 – 23.03.2022	2.612
24.03.2017	45,339,500	24.03.2018 – 23.03.2023	2.45
24.03.2017	45,339,500	24.03.2019 – 23.03.2024	2.45

The grantees were CITIC Telecom Directors, Officers and Employees. None of these options were granted to the directors, chief executives or substantial shareholders of CITIC Limited.

The first 50% of the share options granted on 24 March 2015 have expired at the close of business on 23 March 2021. The above outstanding options granted and accepted under the CITIC Telecom Share Option Plan can be exercised in whole or in part within 5 years from the date of commencement of the exercise period.

As at 1 January 2021, options for 58,326,317 CITIC Telecom Shares were outstanding under the CITIC Telecom Share Option Plan. During the year ended 31 December 2021, options for 18,396,000 CITIC Telecom Shares were exercised, options for 9,655,067 CITIC Telecom Shares have lapsed. No share options were granted nor cancelled in 2021. As at 31 December 2021, options for 30,275,250 CITIC Telecom Shares under the CITIC Telecom Share Option Plan were exercisable.

A summary of the movements of the share options during the year ended 31 December 2021 is as follows:

Employees of CITIC Limited/CITIC Telecom under continuous contracts (as defined in the Employment Ordinance)

Date of grant	Exercise period	Number of share options			
		Balance as at 01.01.2021	Exercised during the year ended 31.12.2021 (Note 1)	Lapsed during the year ended 31.12.2021 (Note 2)	Balance as at 31.12.2021
24.03.2015	24.03.2016 – 23.03.2021	10,017,067	789,000	9,228,067	–
24.03.2015	24.03.2017 – 23.03.2022	15,624,250	7,497,000	117,000	8,010,250
24.03.2017	24.03.2018 – 23.03.2023	13,793,500	4,801,000	145,000	8,847,500
24.03.2017	24.03.2019 – 23.03.2024	18,891,500	5,309,000	165,000	13,417,500

Notes:

- The weighted average closing price of CITIC Telecom Shares immediately before the dates on which the options were exercised was HK\$2.77.
- These are in respect of options granted to some employees under continuous contracts who have subsequently resigned. Such options have lapsed during the year ended 31 December 2021.

CITIC Resources Holdings Limited (“CITIC Resources”)

The share option scheme adopted by CITIC Resources on 30 June 2004 (the “Old Scheme”) for a term of 10 years expired on 29 June 2014. The share options granted under the Old Scheme have been lapsed.

To enable CITIC Resources to continue to grant share options as an incentive or reward to eligible persons, a new share option scheme was adopted by CITIC Resources on 27 June 2014 (the “New Scheme”).

Pursuant to the New Scheme, CITIC Resources may grant options to eligible persons to subscribe for shares of CITIC Resources subject to the terms and conditions stipulated therein. A summary of some of the principal terms of the New Scheme is as follows:

- (a) To allow CITIC Resources (i) to be competitive and to be able to attract, retain and motivate appropriate personnel to assist the CITIC Resources group in attaining its strategic objectives by offering share options to enhance general remuneration packages; (ii) to align the interests of the directors and employees of the CITIC Resources group with the performance of CITIC Resources and the value of the shares; and (iii) to align the commercial interests of business associates, customers and suppliers of the CITIC Resources group with the interests and success of the CITIC Resources group.
- (b) The eligible persons include employees and directors of CITIC Resources and any of its subsidiaries (including their respective executive and non-executive directors), business associates and advisers who will provide or have provided services to the CITIC Resources group.
- (c) The total number of shares which may be issued upon the exercise of all outstanding options granted under the New Scheme and any other schemes of CITIC Resources shall not exceed 10% of the total number of shares of CITIC Resources in issue as at the date of adoption of the New Scheme.
- (d) The total number of shares issued and to be issued upon the exercise of the options granted to an eligible person (including any exercised, cancelled and outstanding options) in any 12-month period up to and including the date of grant shall not exceed 1% of the total number of shares of CITIC Resources in issue at the date of grant.
- (e) The period during which an option may be exercised is determined by the board of directors of CITIC Resources at its absolute discretion, except that no option may be exercised after 10 years from the date of grant.
- (f) The minimum period for which an option must be held before it can be exercised is one year.
- (g) The exercise price payable in respect of each share of CITIC Resources shall be not less than the greater of (i) the closing price of the shares of CITIC Resources on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the date of grant (which must be a business day); (ii) the average closing price of the shares of CITIC Resources on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares of CITIC Resources.
- (h) The New Scheme remains in force until 26 June 2024 unless otherwise terminated in accordance with the terms stipulated therein.

Share options do not confer rights on the holders to dividends or to vote at general meetings.

No share options were granted under the New Scheme during the year ended 31 December 2021.

Directors' Interests in Securities

As at 31 December 2021, none of the directors of CITIC Limited had nor were they taken or deemed to have, under Part XV of the Securities and Futures Ordinance ("SFO"), any interests or short positions in the shares, underlying shares and debentures of CITIC Limited or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by CITIC Limited pursuant to section 352 of the SFO or as otherwise notified to CITIC Limited and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules.

Arrangement to Acquire Shares or Debentures

Save for the share option plans as disclosed above, at no time during the year was CITIC Limited, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangements to enable the directors of CITIC Limited (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, CITIC Limited or any other body corporate.

Interests of Substantial Shareholders

As at 31 December 2021, substantial shareholders of CITIC Limited (other than directors of CITIC Limited) who had interests or short positions in the shares or underlying shares of CITIC Limited which would fall to be disclosed to CITIC Limited under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by CITIC Limited under section 336 of the SFO, or which were notified to CITIC Limited, were as follows:

Name	Nature of interest/capacity	Number of ordinary shares held	Approximate percentage to the total number of issued shares
CITIC Group Corporation ("CITIC Group") (Note 1)	Interests in a controlled corporation and interests in a section 317 concert party agreement	22,728,222,755 (Long position)	78.13% (Long position)
CITIC Glory Limited ("CITIC Glory") (Note 2)	Beneficial owner	7,446,906,755 (Long position)	25.60% (Long position)
CITIC Polaris Limited ("CITIC Polaris") (Note 3)	Beneficial owner and interests in a section 317 concert party agreement	22,728,222,755 (Long position)	78.13% (Long position)
Chia Tai Bright Investment Company Limited ("CT Bright") (Note 4)	Beneficial owner and interests in a section 317 concert party agreement	22,728,222,755 (Long position) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (Short position)
CT Brilliant Investment Holdings Limited ("CT Brilliant") (Note 5)	Interests in a controlled corporation and interests in a section 317 concert party agreement	22,728,222,755 (Long position) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (Short position)
Charoen Pokphand Group Company Limited ("CPG") (Note 6)	Interests in a controlled corporation and interests in a section 317 concert party agreement	22,728,222,755 (Long position) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (Short position)
ITOCHU Corporation ("ITOCHU") (Note 7)	Interests in a controlled corporation and interests in a section 317 concert party agreement	22,728,222,755 (Long position) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (Short position)

Notes:

- (1) CITIC Group is deemed to be interested in 22,728,222,755 shares: (i) by attribution of the interests of its two wholly-owned subsidiaries, CITIC Polaris (9,463,262,637 shares) and CITIC Glory (7,446,906,755 shares); and (ii) because CITIC Group is a party to the Share Purchase Agreement and the Preferred Shares Subscription Agreement which, reading together, constitute an agreement to which section 317(1) of the SFO applies, and accordingly CITIC Group has aggregated its interests in the shares with the interests of the other parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement. For clarity, CITIC Group's interest in CITIC Limited did not increase, decrease, or otherwise change in the past year. The discrepancy between CITIC Group's interest disclosed in this report (22,728,222,755 shares) and its interest disclosed in the 2019 annual report (26,055,943,755 shares) was caused by a revision of calculation methodology adopted by CITIC Group for the purpose of aligning CITIC Group's disclosure of interest with the disclosures of the other parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement. The revised calculation methodology has been agreed among the parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement.
- (2) CITIC Glory is beneficially interested in 7,446,906,755 shares of CITIC Limited.
- (3) CITIC Polaris is deemed to be interested in 22,728,222,755 shares: (i) by including 9,463,262,637 shares it holds as beneficial owner; and (ii) because CITIC Polaris is a party to the Share Purchase Agreement which, reading together with the Preferred Shares Subscription Agreement, constitute an agreement to which section 317(1) of the SFO applies, and accordingly CITIC Polaris has aggregated its interests in the shares with the interests of the other parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement. For clarity, CITIC Polaris' interest in CITIC Limited did not increase, decrease, or otherwise change in the past year. The discrepancy between CITIC Polaris' interest disclosed in this report (22,728,222,755 shares) and its interest disclosed in the 2019 annual report (18,609,037,000 shares) was caused by a revision of calculation methodology adopted by CITIC Polaris for the purpose of aligning CITIC Polaris' disclosure of interest with the disclosures of the other parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement. The revised calculation methodology has been agreed among the parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement.
- (4) CT Bright is deemed to be interested in 22,728,222,755 shares: (i) by including 5,818,053,363 shares it holds as beneficial owner; and (ii) because CT Bright is a party to the Share Purchase Agreement and the Preferred Shares Subscription Agreement which, reading together, constitute an agreement to which section 317(1) of the SFO applies, and accordingly CT Bright has aggregated its interests in the shares with the interests of the other parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement. CT Bright has a short position of 5,818,053,363 shares because it is under an obligation to deliver a maximum of 5,818,053,363 shares to CITIC Polaris if CITIC Polaris' right of first refusal under the Share Purchase Agreement is exercised in full.
- (5) CT Brilliant is deemed to be interested in 22,728,222,755 shares and to have a short position of 5,818,053,363 shares as a shareholder of CT Bright directly holding 50% equity interest in CT Bright.
- (6) CPG is deemed to be interested in 22,728,222,755 shares and to have a short position of 5,818,053,363 shares as a shareholder of CT Bright indirectly holding 50% equity interest in CT Bright through CT Brilliant, its wholly-owned subsidiary.
- (7) ITOCHU is deemed to be interested in 22,728,222,755 shares and to have a short position of 5,818,053,363 shares as a shareholder of CT Bright directly holding 50% equity interest in CT Bright.

Shareholding Statistics

Based on the share register records of CITIC Limited, set out below is a shareholding statistics chart of the registered shareholders of CITIC Limited as at 31 December 2021:

Number of shares held	Number of shareholders	Percentage
1 to 1,000	3,908	56.876
1,001 to 10,000	2,285	33.255
10,001 to 100,000	621	9.038
100,001 to 1,000,000	50	0.728
1,000,001 to 100,000,000	1	0.015
100,000,001 to 500,000,000	1	0.015
500,000,001 to 2,000,000,000	1	0.015
2,000,000,001 above	4	0.058
Total:	6,871	100

As at 31 December 2021, the total number of ordinary shares in issue of CITIC Limited was 29,090,262,630 and based on the share register records of CITIC Limited, HKSCC Nominees Limited held 9,818,507,043 ordinary shares in entities ranging from 1,000 to 1,000,000,000 ordinary shares and representing 33.75% of the total number of ordinary shares in issue of CITIC Limited.

Purchase, Sale or Redemption of Listed Securities

On 15 April 2021, CITIC Limited fully redeemed the USD750 million 6.625% notes under the Medium Term Note Programme upon maturity. These notes were issued in two tranches – USD500 million issued on 15 April 2011 and USD250 million issued on 23 June 2014. On 14 December 2021, CITIC Limited also fully redeemed the USD500 million 2.80% notes issued on 14 June 2016 under the Medium Term Note Programme upon maturity. All the notes issued as mentioned above were listed on the Hong Kong Stock Exchange.

Save as disclosed above, neither CITIC Limited nor any of its subsidiary companies has purchased, sold or redeemed any of CITIC Limited's listed securities during the year ended 31 December 2021.

Sufficiency of Public Float

The Hong Kong Stock Exchange has granted a waiver (the "Waiver") to CITIC Limited from strict compliance with the minimum public float of 25% upon completion of the acquisition of CITIC Corporation Limited (the "Acquisition") on 25 August 2014. Pursuant to the Waiver, CITIC Limited has complied with the public float requirement which is at the higher of such a percentage (being 21.87%) of shares held by the public immediately after completion of the Acquisition. Based on the information that is publicly available to CITIC Limited and within the knowledge of the directors as at the date of this annual report, CITIC Limited has maintained the prescribed public float under the Waiver.

Auditor

The Group's consolidated financial statements for the year have been audited by Messrs PricewaterhouseCoopers, Certified Public Accountants and registered PIE Auditor, who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Messrs PricewaterhouseCoopers as auditor of CITIC Limited is to be proposed at the 2022 AGM.

By Order of the Board,
Zhu Hexin
Chairman
Hong Kong, 31 March 2022