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If you have sold or transferred all your shares in China CITIC Bank Corporation Limited (中信銀行股份有限公司), you should at once hand this circular to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSAL ON AMENDMENTS TO THE RULES OF
PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING OF
CHINA CITIC BANK CORPORATION LIMITED
PROPOSAL ON AMENDMENTS TO THE RULES OF
PROCEDURES OF THE BOARD OF SUPERVISORS OF
CHINA CITIC BANK CORPORATION LIMITED
PROPOSAL ON APPLICATION FOR THE CAPS OF
RELATED PARTY TRANSACTIONS WITH SHAREHOLDER
RELATED PARTIES FOR THE YEARS 2018-2020
PROPOSAL ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF
CHINA CITIC BANK CORPORATION LIMITED
PROPOSAL ON ISSUANCE OF TIER-TWO CAPITAL BONDS
AND
NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2017**

**Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders**



The 2017 Second EGM is to be held at 9:30 a.m. on Thursday, 30 November 2017 at Conference Room, B1 Floor, CITIC Bank, No. 9 Chaoyangmen Beidajie, Dongcheng District, Beijing, PRC.

A proxy form and reply slip for use at the 2017 Second EGM were published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Bank (www.citicbank.com) on 12 October 2017 respectively, and were dispatched on 13 October 2017. If you intend to appoint a proxy to attend the 2017 Second EGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the 2017 Second EGM (i.e. not later than 9:30 a.m. on Wednesday, 29 November 2017). Completion and return of the proxy form will not preclude you from attending the 2017 Second EGM and voting in person if you so wish. Shareholders who intend to attend the meeting in person or by proxy should complete and return the reply slip in accordance with the instructions printed thereon on or before Friday, 10 November 2017.

1 November 2017

References to dates and times in this circular are to Hong Kong dates and times.

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DEFINITIONS

Unless the context otherwise requires, the following expressions in this circular shall have the following meanings:

“2017 Second EGM”	the second extraordinary general meeting of 2017 of the Bank to be held at 9:30 a.m. on 30 November 2017 at Conference Room, B1 Floor, CITIC Bank, No. 9 Chaoyangmen Beidajie, Dongcheng District Beijing, PRC
“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
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Articles of Association”	the Articles of Association of the Bank (as amended from time to time)
“Bank” or “Company”	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: 00998) and the Shanghai Stock Exchange (stock code: 601998), respectively, includes all of its subsidiaries unless context otherwise requires
“Beijing Honglian”	Beijing Honglian Nine Five Information Industry Limited Company (北京鴻聯九五信息產業有限公司)
“Board” or “Board of Directors”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“CBRC”	China Banking Regulatory Commission
“China Tobacco”	China Tobacco Corporation
“CITIC Corporation Limited”	CITIC Corporation Limited (中國中信有限公司)
“CITIC CP”	CITIC CP Asset Management Company Limited (中信信誠資產管理有限公司)
“CITIC Group”	CITIC Group Corporation (中國中信集團有限公司), formerly known as CITIC Group (中國中信集團公司)
“CITIC Limited”	CITIC Limited (中國中信股份有限公司), the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 0267)

DEFINITIONS

“CITIC Press”	CITIC Press Group Limited (中信出版集團股份有限公司)
“CITIC Prudential Fund”	CITIC Prudential Fund Management Company Limited (信誠基金管理有限公司)
“CITIC Prudential Life”	CITIC Prudential Life Insurance Company (信誠人壽保險有限公司)
“CITIC Securities”	CITIC Securities Company Limited (中信證券股份有限公司)
“CITIC Trust”	CITIC Trust Co., Ltd (中信信託有限責任公司)
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“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
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors of the Bank
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, and being the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the Asset Transfer Framework Agreement, the Wealth Management and Investment Service Framework Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholders of the Bank excluding CITIC Group and its associates

DEFINITIONS

“Latest Practicable Date”	Thursday, 26 October 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shanghai Listing Rules”	the Listing Rules of Shanghai Stock Exchange
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Shareholder(s)”	the holders of the Bank’s Share(s)
“Shares”	the ordinary share(s) of RMB1.00 each in the share capital of the Bank
“substantial shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Xinhu Zhongbao”	Xiuhu Zhongbao Corporation Limited

LETTER FROM THE BOARD



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)

Executive Directors:

Ms. Li Qingping (*Chairperson*)
Mr. Sun Deshun (*President*)

Non-executive Directors:

Mr. Chang Zhenming
Mr. Zhu Gaoming
Ms. Huang Fang
Mr. Wan Liming

Independent non-executive Directors:

Ms. Wu Xiaoqing
Mr. Wong Luen Cheung Andrew
Mr. He Cao
Ms. Chen Lihua
Mr. Qian Jun

Registered Office:

No. 9 Chaoyangmen Beidajie,
Dongcheng District,
Beijing, China, 100010

Principal Place of Business in Hong Kong:

Level 54, Hopewell Centre,
183 Queen's Road East, Hong Kong

1 November 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSAL ON AMENDMENTS TO THE RULES OF
PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING OF
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LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to give you notice of the 2017 Second EGM and to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against certain of the resolutions to be proposed at the 2017 Second EGM as described below.

At the 2017 Second EGM, ordinary resolutions will be proposed to consider and approve (i) Proposal on Amendments to the Rules of Procedures of the Shareholders' General Meeting of China CITIC Bank Corporation Limited, (ii) Proposal on Amendments to the Rules of Procedures of the Board of Supervisors of China CITIC Bank Corporation Limited; and (iii) Proposal on Application for the Caps of Related Party Transactions with Shareholder Related Parties for the Years 2018-2020.

At the 2017 Second EGM, special resolutions will be proposed to consider and approve (i) Proposal on Amendments to the Articles of Association of China CITIC Bank Corporation Limited, and (ii) Proposal on Issuance of Tier-two Capital Bonds.

PROPOSAL ON AMENDMENTS TO THE RULES OF PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING OF CHINA CITIC BANK CORPORATION LIMITED

For the purpose of improving the operating mechanism of the shareholders' general meeting and protecting the legitimate rights and interests of investors, according to the most recent regulatory requirements and directions and related contents of the amended Articles of Association, the Bank proposes to make certain amendments to the Rules of Procedures of The Shareholders' General Meeting.

Details regarding the proposed amendments are set out in Appendix I of this circular.

PROPOSAL ON AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS OF CHINA CITIC BANK CORPORATION LIMITED

For the purpose of improving the operating mechanism of the Board of Supervisors, according to the most recent regulatory requirements and directions and related contents of the amended Articles of Association, the Bank proposes to make certain amendments to the Rules of Procedures of The Board of Supervisors.

Details regarding the proposed amendments are set out in Appendix II of this circular.

PROPOSAL ON APPLICATION FOR THE CAPS OF RELATED PARTY TRANSACTIONS WITH SHAREHOLDER RELATED PARTIES FOR THE YEARS 2018-2020

At the 2017 Second EGM, Proposal on Application for the Caps of Related Party Transactions with Shareholder Related Parties for the Years 2018-2020, which includes (1) application for the annual caps of non-credit extension connected transactions, including caps for asset transfer with CITIC Group and its associates for the years 2018-2020, and caps for wealth management and investment services with CITIC Group and its associates for the years 2018-2020; (2) application for the annual caps of credit extension related party transactions, including caps for credit extension with CITIC Group and its associates for the

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years 2018-2020, caps for credit extension with Xinhua Zhongbao and its associates for the years 2018-2020, and caps for credit extension with China Tobacco and its associates for the years 2018-2020, will be submitted for approval by way of ordinary resolutions. Details of such proposals are as follows:

APPLICATION FOR CAPS FOR NON-CREDIT EXTENSION CONNECTED TRANSACTIONS WITH SHAREHOLDER RELATED PARTIES FOR THE YEARS 2018-2020

Background and General Information on the Bank and CITIC Group and its Associates

The Bank is a competitive national commercial bank in China with a strong and established branch network and market position. With the Bank's market leading capabilities, the Bank provides a full range of financial products and services to our customers nationwide, with corporate banking, personal banking and financial market operations being our principal business activities.

As CITIC Group is a de facto controller of the Bank and held approximately 65.97% of the total issued share capital of the Bank as at the Latest Practicable Date, CITIC Group constitutes a connected person of the Bank under Chapter 14A of the Hong Kong Listing Rules. Since each of CITIC Limited, CITIC Trust, CITIC Prudential Life and CITIC Prudential Fund is a subsidiary of CITIC Group, each of CITIC Limited, CITIC Trust, CITIC Prudential Life and CITIC Prudential Fund constitutes a connected person of the Bank under Rule 14A.07 of the Hong Kong Listing Rules. The Bank conducts connected transactions with CITIC Group and its associates in the ordinary and usual course of its business and on normal commercial terms. Information of CITIC Group and its associates is as below:

CITIC Group is a state-owned comprehensive transnational holding financial and industrial conglomerate. It conducts businesses in banking, securities, trust, insurance, funds, asset management and other financial areas; and real estate, engineering contracting, resources and energy, infrastructure, machine manufacturing, information industry and other industrial areas with comprehensive strengths and favourable development trend. The legal representative of CITIC Group is Chang Zhenming, and its address is No. 6 Xinyuan South Road, Chaoyang District, Beijing, with a registered capital of RMB184,198,156,859.03. CITIC Group has converted into a wholly state-owned company in 2011 and changed its name as CITIC Group Corporation Limited.

CITIC Limited is a company incorporated in Hong Kong and listed on the Hong Kong Stock Exchange (stock code: 267). Its business extends globally covering financial services, real estate and infrastructure, engineering contracting, resources and energy, manufacturing and other segments. In 2016, the total assets, total ordinary shareholders' funds and perpetual capital securities, operating income and net profit attributable to ordinary shareholders of CITIC Limited amounted to HKD7,238 billion, HKD490.6 billion, HKD380.8 billion and HKD43.1 billion, respectively.

CITIC Corporation Limited is a limited liability company which is solely directly controlled by CITIC Limited. Its legal representative is Chang Zhenming and its address is No. 6 Xinyuan South Road, Chaoyang District, Beijing, with a registered capital of RMB139,000 million.

CITIC Securities is a joint stock limited company and its ordinary shares are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. Its legal representative is Zhang Youjun and its address is Phase II Time Square, No. 8 Third Central Road, Shenzhen, Guangdong Province, with a

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registered capital of RMB12,116.91 million. Its principal businesses include securities brokerage, securities trading, securities underwriting, securities proprietary trading, asset management and investment advisory services, etc. In 2016, the total assets, net assets, operating income and net profit of CITIC Securities amounted to RMB597.4 billion, RMB145.8 billion, RMB38 billion and RMB10.4 billion, respectively. Its return on equity and financial leverage ratio was 7.36% and 3.18, respectively.

CITIC Trust is a limited liability company whose substantial shareholders are CITIC Corporation Limited and CITIC Industrial Investment Group Corp., Ltd., and its legal representative is Chen Yisong. Its address is Jingcheng Tower, No. 6 Xinyuan South Road, Chaoyang District, Beijing, with a registered capital of RMB10,000 million. Its principal businesses include trust asset management, financial advisory and private equity investment fund management, etc. In 2016, the assets under management, total assets, operating income and net profit of CITIC Trust amounted to RMB1,760 billion, RMB27.9 billion, RMB5.8 billion and RMB3.1 billion, respectively.

CITIC Prudential Life is a joint venture limited liability company whose substantial shareholders are CITIC Corporation Limited and Prudential plc. Its legal representative is TONY PAUL WILKEY and its address is Units 01, 02, 15 and 16 of 5th Floor and Units 01-16 of 16th Floor East Global Financial Centre, No. 1 East Third Ring Middle Road, Chaoyang District, Beijing, with a registered capital of RMB2,360 million. Its principal businesses include life insurance, health insurance, accident insurance, etc., covering guarantee, deposits, investment, pension and medical treatment. In 2016, the total assets, net assets, principle business income and net profit of CITIC Prudential Life amounted to RMB54.7 billion, RMB3.8 billion, RMB9.8 billion and RMB700 million, respectively.

CITIC Prudential Fund is a joint venture limited liability company whose substantial shareholders are CITIC Trust, Prudential plc and China-Singapore Suzhou Industrial Park Ventures Co., Ltd. Its legal representative is Zhang Xiangyan and its address is Floor 9, HSBC Building, Shanghai International Financial Tower, No. 8 Century Road, China (Shanghai) Free Trade Zone with a registered capital of RMB200 million. Its principle businesses include fund raising, fund sale, asset management, outbound securities investment management and other businesses approved by the CSRC.

CITIC CP is a limited liability company whose substantial shareholders are CITIC Trust and CITIC Prudential Fund. Its legal representative is Zhang Xiangyan and its address is Room 101-2, No. 128 Zhangjiabang Road, China (Shanghai) Free Trade Zone with a registered capital of RMB50 million. The principle businesses of CITIC CP include specific customer asset management and other businesses approved by the CSRC.

CITIC Press is a corporation whose substantial shareholders are CITIC Group and CITIC Investment Holdings Limited. Its legal representative is Wang Bin and its address is Floor 8-10, No. Jia 4, Huixindong Street, Chaoyang District, Beijing, with a registered capital of RMB142.61 million. Its principal businesses include book publication and other businesses. In 2016, the total assets, net assets, operating income and net profit of CITIC Press amounted to RMB1,175 million, RMB601 million, RMB941 million and RMB128 million, respectively.

Beijing Honglian is a limited liability company whose shareholders are CITIC GUOAN Information Industry Co., Ltd. and ALIBABA Health Information Technology Limited. Its legal representative is Chen Xiaoying and its address is 6001A, Floor 6, No. 19 Haidian South Road, Haidian District, Beijing, with a

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registered capital of RMB60 million. Its principle businesses include Internet data centre business, call centre business, Internet connection business, information service business; computer information spreading network project, information network design project; product information consultation; technology development, technology transaction; sales of developed electronic devices products, etc. In 2016, the total assets, net assets, operating income and net profit of Beijing Honglian amounted to RMB459 million, RMB94 million, RMB1,458 million and RMB20 million, respectively.

(1) Asset Transfer Framework Agreement

General information of the transaction

The Bank entered into the existing Asset Transfer Framework Agreement with CITIC Group on 8 December 2014. In light of the impending expiration of the existing Asset Transfer Framework Agreement on 31 December 2017 and in order to satisfy business development needs, the Bank entered into a new Asset Transfer Framework Agreement with CITIC Group on 24 August 2017. The new Asset Transfer Framework Agreement has a term of three years from 1 January 2018 to 31 December 2020, and is renewable subject to agreement between both parties and compliance with the Hong Kong Listing Rules.

The Bank sells loans and other related assets to CITIC Group and its associates in order to optimize the credit structure of the Bank. At the same time, the Bank may purchase the same type of assets from CITIC Group and its associates to adjust the credit structure of the Bank and to achieve optimal assets allocation. As an approach of the Bank to conduct assets and liabilities management, when there is excessive growth in the Bank's credit, it will sell on-balance sheet loans through market channels to achieve its balance sheet adjustment and the satisfaction of related regulation indicators, such as capital adequacy ratio, liquidity ratio and liquidity coverage ratio. While the Bank is conducting businesses such as factoring, it will purchase assets such as receivables from its clients. In addition, the purchase of loans and other related assets may increase the interest income of the Bank which improves profitability of the Bank. The Asset Transfer Framework Agreement includes both the sale and purchase of loans and other related assets to/from CITIC Group and its associates. Along with business development, the Bank anticipates to purchase loans and other related assets from CITIC Group and its associates. The annual cap will be calculated based on the gross amount of the sale and purchase of loans and other related assets.

Principal terms of the Asset Transfer Framework Agreement

The principal terms of the Asset Transfer Framework Agreement are set out as follows:

- The Bank in the daily course of business buys from or sells to CITIC Group and its associates the interests in loans and other related assets (including, but not limited to, directly or through asset management plan, asset securitization, factoring or other forms to sell corporate and retail loan assets, and inter-bank loan receivables).
- The course of business under the agreement shall be made on terms no less favorable to the Bank than terms available to or from independent third parties.

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- The agreement shall specify the management rights of the loans and other related assets.
- The Bank and CITIC Group and its associates shall undertake confidentiality in respect of asset transfer transactions.

Pricing

The asset transfers under the Asset Transfer Framework Agreement are divided into normal asset transfer and securitization asset transfer. The main differences between normal asset transfer and securitization asset transfer are: (1) securitization asset transfer performs structural arrangements to assets in priority or secondary level, and is engaged in through issuance of carriers, including but not limited to trust plans, asset-backed special plans and asset management plans, while for normal asset transfer, the Bank engages in asset transfer directly or through issuance of carriers; and (2) generally speaking, multiple assets are involved in the securitization asset transfer, while single or multiple assets are involved in the normal asset transfer. The price for the transfer payable by transferee to transferor shall be determined by the following principles:

- **Normal asset transfer:** in accordance with the *Notice on Further Regulating the Credit Asset Transfer Business of Banking Financial Institutions* issued by the CBRC, “banking financial institutions shall follow the principle of integrity when engage in the transfer of credit assets, i.e. the transferred credit asset shall include all of the outstanding principal and its interest receivable, which should not be separated.” In the transfer of credit assets by the transferor to the transferee, the principals under the loan shall be taken as the consideration of the transaction, while transferring at par without discount and premium. In addition to the market supply and demand, the obligations to be assumed by the transferor and the transferee after the transfer will be taken into account as a key consideration, mainly referring to the subsequent asset management services and collection services provided by the transferor with respect to the transferred assets, e.g. the Bank will act as an agent to provide subsequent loan collection, loan management and information statistics services to the transferee after the credit asset transfer, and will charge transferee service fees. The service fee rate generally ranges between 0~3% of the loan principal. The amount of such service fee has been counted within the annual cap under the Financial Consulting Service and Asset Management Service Framework Agreement entered into between the Bank and CITIC Group on 24 August 2017.
- **Securitization asset transfer:** In setting the interest rate for the loan asset securitization products transferred by the Bank to connected persons, the Bank adopts the loan principal as the consideration of the transaction, while using transformation at par except for the securitization of non-performing asset. In terms of the issuance rate of the assets-backed securities, the prioritized asset-backed securities (with exclusion of the sections held by the originating institutions) are determined by the approach of single spread (Netherlands Style) or book building through the bidding system of China Central Depository & Clearing Co., Ltd., and the secondary assets-backed securities (with exclusion of the sections held by the originating institutions) are determined by the number of tenders or by the book building approach. Due to the nature of the

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securitization asset transfer business, the Bank is not able to engage in securitization asset transfer with CITIC Group or its associates as transferee, therefore the transfer of assets from connected persons to the Bank is not included in the securitization asset transfer.

- Currently, there is no national price scale for the transfer. Should there be a national price scale in the future, pricing will be conducted in accordance with such.

The Asset & Liabilities Management Committee of the Bank will determine whether the Bank need to buy/sell the assets to optimize the credit structure. In determining whether to buy/sell certain assets, the Committee will take into consideration the Bank's overall development strategy and asset & liabilities status, as well as making assessment to the Bank's asset & liabilities business growth rate and the prevailing market conditions. The Bank's business management departments for the asset transfer are responsible for selecting the transferees and transferors. The members of the above Committee and departments are all experienced in the relevant industry. Although the Bank normally transfer the credit assets at par without discount or premium, the above Committee and departments will seek quotations from not less than two transferees/transferors, and will evaluate the business scale, relevant experience, previous cooperation with the Bank, team members, service proposal and quotations of the relevant transferees and transferors. In specifically, the Bank's business department for the asset transfer will perform credit assessment/recoverability assessment when acquiring assets from CITIC Group or its associates, as well as considering the industry, quality, loan balance and interest rates of the relevant assets.

The Bank undertakes the following internal procedures to ensure that the course of business under the agreement will be no less favorable to the Bank than those available from or offered to independent third parties.

Normal asset transfer: the Bank has set up several working groups to conduct road shows, promotion and price enquiries for the qualified potential investors and selected market-competitive offeror therefrom as counterparty.

Securitization asset transfer: The Bank will conduct sufficient market investigation on market mainstream service suppliers and choose suppliers in light of the financial situation, inter-bank business experience and distribution capacity. Large state-owned banks and joint-stock banks are the mainstream investors of the credit assets securitization products, representing over 80% of the investment scale. Other investment sources include city commercial banks, rural credit cooperatives, insurance institutions, fund companies and security companies. In terms of the issuance of credit assets securitization, the Bank has established a specialized road show team to conduct road shows, mainly visiting large state-owned banks and joint-stock banks. The specific issuance rate of the assets-backed securities will be jointly determined by supply and demand of market, credit demand, risk-free interest rate, risk premium for underlying assets and the efficiency of asset transfer of the Bank, etc.

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The Bank will also compare for various financial products with comparable duration, interest rates, with or without security, while referencing the return rate of similar products in the PRC inter-bank market disclosed on the websites of China Bond and China Money, as well as through the price enquiry process (with at least three investors) to set a fair and reasonable market price.

Historical amounts and proposed annual caps

	Actual historical amount for the year ended 31 December <i>(RMB millions)</i>		Actual historical amount for the six months ended 30 June <i>(RMB millions)</i>	Approved annual cap for the year ending 31 December <i>(RMB millions)</i>			Proposed annual cap for the year ending 31 December <i>(RMB millions)</i>			
	2015	2016	2017	2015	2016	2017	2018	2019	2020	
	Transaction Amount	<u>22,378</u>	<u>15,256.3</u>	<u>20,728</u>	<u>62,000</u>	<u>76,000</u>	<u>92,000</u>	<u>210,000</u>	<u>220,000</u>	<u>230,000</u>

Basis for the proposed caps

In arriving at the above caps, the Directors have considered the historical figures for similar transactions and have taken into account the following factors: (1) the business scale of the previous year, the expectation for the future market financing demand, and the annual work plan of the Bank; (2) in November 2014, the CBRC issued the *Notice on the Record Filing and Registration Work for the Securitization of Credit Assets*, which specifies that the CBRC will adopt record filing for credit assets securitization business. In March 2015, the People's Bank of China issued an announcement specifying that the People's Bank of China will adopt registration filing for certain securitizations of credit assets which have relatively high level of homogenization. The domestic securitization market underwent a round of expansion and development. From year 2013 to year 2016, the compound growth rate of the market issuance scale of credit asset securitization in China reached around 192%, leading to a large-scale expansion of the participants, a diversification of product coverage and a constant improvement in institutional construction. Thus, the development model steadily changes from being “policy-driven” to “market-initiated”; (3) under the double drivers of the regulatory institutions and market demand, the credit assets securitization business of commercial banks developed rapidly. In recent years, the Bank has been constantly improving the institutions of securitization. In addition, it established a securitization business system and constructed a basic asset sequence with full coverage, such that the development foundation of asset securitization business may be effectively strengthened, and asset securitization business can be further enhanced; (4) asset securitization business is an important measure for the Bank’s transformation from stock management to flow management and for formalizing its business strategy of “decreasing development speed, increasing transformation speed”. The Bank will persistently increase its force of asset securitization and promote securitization projects such as credit card installments, corporate loans, home mortgage loans and non-performing loans to improve the development of the asset transfer business of securitized assets; (5) in line with the innovative development of the inter-bank products in the market, it is anticipated that the inter-bank asset transfer business of the Bank will attain a breakthrough in the coming years. At the same time, the amount of inter-bank assets is generally

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large, and the scale of a single business is relatively large. In light of the several hundreds of billions and even over one trillion stock of the current main joint-stock inter-bank assets scale, there will be several billion or more than ten billion of assets transfer even calculated based on 1% business incidence rate; (6) since functions of product promotion and investment and financing under the financial leasing industry adapt to the transformation needs of the Chinese manufacturing industry, financial leasing has assumed increasing significance in the domestic economic development. According to the description in the “12th five-year plan”, the domestic financing industry will lead to the formation of a group of leading financial leasing enterprises, which are of large scale, exceptional competitive advantage and strong business expansion abilities. In the meantime, the proportion of factoring business in modes of trade settlement is constantly rising, with a share of 60% in global trade settlement, demonstrating a huge potential market demand. As a factoring service provider, the Bank may provide comprehensive financial services to CITIC Group and its associates, which include the collection of receivables, management, guarantee for bad debts and financing. In the coming years, there is expected to be potential business collaboration between CITIC Group and its associates, in areas such as leasing and factoring. Leasing companies of the connected persons may transfer to the Bank their rights to collect leasing debts, thus promoting the rapid development of the asset-transfer business; (7) currently, the banking industry is under relatively great pressure handling non-performing assets and it is expected to be a trend to promote the handling of non-performing asset, including but not limited to the transfer, securitization or liquidation of non-performing assets. Thus, businesses related to the transfer of non-performing assets between the Bank and CITIC Group and its associates will have large space for business development; (8) the Bank made an application to the People’s Bank of China for an RMB100 billion cap of residential mortgage securitization, aiming to complete the aforesaid securitization by the year 2020. CITIC Trust was engaged as trust service provider in this regard. As such, the asset transfer annual cap for the above securitization with CITIC Trust for each of the years from 2018 to 2020 may be approximately RMB30 billion, so as to meet the RMB100 billion cap by the year 2020. The above factors provide additional support for the significant increase in the proposed annual cap from year 2017 to year 2018; and (9) according to the Bank’s 2016 annual report, the balances of corporate loans and personal loans of the Bank were approximately RMB1,846,274 million and RMB956,606 million, respectively (approximately RMB2,802,880 million in aggregate), of which the amount of asset transfer transactions was RMB119,126 million, representing 4.25% of the Bank’s loan balance. The abovementioned corporate loans and personal loans may require securitization. Given that CITIC Group and its associates have relatively strong strength and credentials, the Bank may consider conducting asset transfer transactions with CITIC Group and its associates under circumstances where the quotation, business scale, relevant experience and service proposal of CITIC Group and its associates, when taken as a whole, is more favorable to the Bank than other counterparties. In addition, it is expected that the Bank’s asset scale and loan balance will continue to increase in the following three years, and the asset transfer scale is estimated to represent approximately 4% to 7% of the Bank’s loan balance. Accordingly, taking into consideration the buffer made by the Bank with respect to the annual caps considering unforeseeable circumstances, it is estimated that the asset transfer annual caps for year 2018, 2019 and 2020 will be RMB210,000 million, RMB220,000 million and RMB230,000 million.

In 2017, the reasons for the disparity between the actual amount and the proposed caps for the next three years is that in the first half of 2017, under the double influences of the tightening of monetary policies and regulatory control, the interest rate of asset-backed securities rises exponentially, causing the emergence of lower long-term interest rates versus short-term interest

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rates in part of the basic assets. Although such market environment is temporarily incapable of supporting the large-scale development of asset securitization business, future room for business development remains favorable. Moreover, the business of leasing companies is mainly concerned with mid-term and long-term businesses. As such, the short-term nature of bank loans and the terms of leasing businesses are incompatible with each other. The Bank is thus seeking to develop relevant businesses, in order to render its businesses and those of leasing companies compatible with each other. The factoring business of the Bank has been gradually enhancing its channel construction, institutional construction, product system construction and risk management construction, in order to achieve greater space for business expansion amidst intense competition within the factoring industry.

Requirements of the Hong Kong Listing Rules

As the highest applicable percentage ratio of the annual caps for the Asset Transfer Framework Agreement exceeds 5% as set forth in the Hong Kong Listing Rules on an annual basis, such transaction constitutes a continuing connected transaction under Chapter 14A of the Hong Kong Listing Rules and is subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Hong Kong Listing Rules.

(2) *Wealth Management and Investment Service Framework Agreement*

General information of the transaction

The Bank entered into the existing Wealth Management and Investment Service Framework Agreement with CITIC Group on 8 December 2014. In light of the impending expiration of the Wealth Management and Investment Service Framework Agreement on 31 December 2017 and in order to satisfy the investment needs of the Bank, the Bank entered into a new Wealth Management and Investment Service Framework Agreement with CITIC Group on 24 August 2017, which involves (1) non-principal-guaranteed wealth management and agency services; (2) principal-guaranteed wealth management and investment, including investment with principle-guaranteed wealth management funds and investment with the Bank's own funds. With respect to non-principal-guaranteed wealth management services, the Bank sells wealth management products to investors without bearing investment risk. Such risk shall be borne by investors themselves. The Bank will charge investor service fees for such wealth management service. The non-principal-guaranteed and principal-guaranteed wealth management business with CITIC Group and its associates does not include providing non-principal-guaranteed and principal-guaranteed wealth management service by CITIC Group or its associates to CITIC Bank. With respect to principal-guaranteed wealth management service, the Bank sells wealth management products to investors and guarantees the investment principal on the maturity date. The Bank will bear the investment risks in providing such services. In specifically, the Bank will make investment with wealth management funds and return the principals and pay investment returns to the investors on the maturity date. The main difference between non-principal-guaranteed wealth management and principal-guaranteed wealth management is whether the Bank will bear the risk for the investment principals. With respect to agency services, the Bank and CITIC Group/its associates with providing agency services to each other, charge service fees. The new Wealth Management and Investment Service Framework Agreement has a term of three years from 1 January 2018 to 31 December 2020, and is renewable subject to agreement between both parties and compliance with the Hong Kong Listing Rules.

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Principal terms of the Wealth Management and Investment Service Framework Agreement

The principal terms of the Wealth Management and Investment Service Framework Agreement are set out as follows:

- The Bank agrees to provide wealth management and investment services to CITIC Group and its associates, including non-principal-guaranteed wealth management services and agency services, principal-guaranteed wealth management, and investment with the Bank's own funds; and CITIC Group and its associates will provide the Bank with wealth management intermediary services, including trust services and management services.
- CITIC Group shall procure its associates to, pay service fees to the Bank with respect to the wealth management and investment services provided by the Bank. The Bank shall also pay service fees to associates of CITIC Group with respect to the wealth management intermediary services provided.
- The services to be provided under the agreement shall be made on terms no less favorable to the Bank than those available to or from independent third parties.

For non-principal-guaranteed wealth management and agency services, with respect to the non-principal-guaranteed wealth management services or agency services provided by the Bank to CITIC Group and its associates, the Bank will receive service fees which comprise of sales commission for non-principal-guaranteed wealth management services, commission for agency sales of investment product and commission for agency issue of bank cards from CITIC Group and its associates. With respect to the agency services provided by CITIC Group or its associates to the Bank, the Bank will pay service fee to CITIC Group or its associates.

Principal-guaranteed wealth management and investment services are conducted in the following three circumstances:

- (1) CITIC Group or its associates purchase principal-guaranteed wealth management products from the Bank;
- (2) The Bank uses wealth management funds or its own funds to invest in connected persons (e.g. CITIC Trust) or their issued financial products; or
- (3) The Bank uses wealth management funds or its own funds to invest in actual financier through connected persons (e.g. CITIC Trust) or their issued financial products.

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For principal-guaranteed wealth management and investment services, the Bank will receive proceeds when making investment with its own funds in CITIC Group and its associates or their issued financial products; and pay costs to CITIC Group or its associates when making investment in actual financier through CITIC Group and its associates, or through the financial products issued by CITIC Group and its associates:

- **Proceeds received from CITIC Group and its associates:** the Bank makes investment to CITIC Group and its associates, or the financial products issued by CITIC Group and its associates with its own funds, including trust plans, trust beneficiary rights, asset management plans of securities companies and special plans of funds, and receive proceeds out of such investment; and
- **Costs paid to CITIC Group and its associates:** CITIC Group and its associates, including trust companies and securities companies will provide the Bank with services in relation to structural design of wealth management products and consulting and daily management services of the wealth management business. In return, the Bank will pay trustee fees, management fees and consulting fees corresponding to the service and management responsibilities undertaken by CITIC Group and its associates.

Pricing

- **Non-principal-guaranteed wealth management and agency services – service fees:** When charge service fees from or pay service fees to CITIC Group or its associates, the Bank obtains the then prevailing market prices of wealth management products through channels including financial advisor terminals (such as CNBENEFIT and Wind Information) and China Banking Wealth Management Information website of China Banking Association on a weekly basis, and calculates a competitive price of wealth management products taking into consideration the prevailing market price and the demand for financial service provided by financial products together with the costs of it. Such price applies to both independent third parties and connected persons. The final price will ultimately be determined by the pricing team of the Bank. All the members of the current pricing team have an average of 10 years' relevant experience in asset management business in financial institutions. When entering into specific service agreements, the parties will determine the prices of the financial products on normal commercial terms, which are no less favorable than terms available to or from independent third parties according to the type and scope of services of the wealth management products through arm's length negotiations between the parties, and will also make real-time adjustments according to the changes of market price. The service fee rates vary from different types of investors, including retail investors, institutional investors and other banks and financial institutions.
- **Principal-guaranteed wealth management and investment services – proceeds and costs:** For trustee fees, management fees and consulting fees payable by the Bank to CITIC Group and its associates, the Bank will consider the service level of its counterparty, including its operational effectiveness, the level of detail of their reports, operational control, after-sales services and due diligence under the agreement based on

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business negotiations with institutions with experience of historical cooperation as well as the provision of services needed in the current market, and select the counterparty based on merits through quotation or bidding process as well as consequently determine the price. The cooperation institutions which are connected person of the Bank are mainly asset management institutions such as trust companies, securities companies, fund companies and fund subsidiaries. Before conducting transactions with its connected persons, the Bank will conduct a price enquiry process by which the Bank will seek price quotations from at least two independent third-party service providers, and both parties will conduct price negotiations through market pricing mechanism to determine the final service fee, and will finalize the service fee for the corresponding service provided through entering into an agreement.

For investment returns of the Bank when making investment with its own funds, the Bank obtains the then prevailing market prices of similar wealth management products through channels including financial advisory terminals such as Wind Information and the China Banking Wealth Management Information website of the China Banking Association, and chooses investment products with reference to the terms of products, previous management performance and credibility of the counterparty.

- **Principal-guaranteed wealth management and investment services-daily maximum balance of investment:** The pricing basis is not applicable to daily maximum balance of investment.

The Bank also undertakes the following internal procedures to ensure that the terms of the Wealth Management and Investment Service Framework Agreement obtained by the Bank from CITIC Group will be no less favorable to the Bank than those available from or offered to independent third parties. The Bank will conduct a price enquiry process by which the Bank will select the favorable price and terms, or reference several other contemporaneous transactions with independent third parties for products of similar amount to determine whether the price and terms offered by a connected person are fair and reasonable and comparable to those offered by independent third parties.

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Historical amounts and proposed annual caps

	Actual historical amount		Actual historical amount for the six months ended	Approved annual cap for the year ending			Proposed annual cap for the year ending 31 December		
	for the year ended 31 December		30 June	31 December			for the year ending 31 December		
	(RMB millions)		(RMB millions)	(RMB millions)			(RMB millions)		
	2015	2016	2017	2015	2016	2017	2018	2019	2020
Non-principal-guaranteed wealth management services and agency services									
Service Fees	553	608.9	278	2,500	3,200	4,800	2,000	3,000	5,000
Principal-guaranteed wealth management and investment services									
Proceeds and costs ^{Note}									
(Bank investment)	605	101.1	76	4,400	6,500	8,600	5,500	6,800	7,500
Daily maximum balance of investment	8,783	83.9	10,149	44,000	56,000	68,000	85,000	100,000	110,000

Note: Proceeds and costs refer to the aggregate of the absolute amount of proceeds obtained and costs paid by the Bank without offset from each other.

Basis of the proposed caps

In arriving at the above annual caps, the Directors have considered the historical figures for similar transactions and have taken into account the following factors:

Non-principal-guaranteed wealth management and agency services

(1) Along with the deepened reform of the PRC investment and financing system, the direct financing market develops prosperously, and the awareness of risks and the tolerance against risks in the securities market, financial business market, and life insurance market have been constantly improved. Wealth management business has come to an age of mature development; (2) the products offered or managed by CITIC Group and its associates are well reputed and rank high in the industry. For example, CITIC Trust, its subsidiary, is the president unit in the China Trustee Association, and as at the end of 2016, the management scale of trust assets was approximately RMB1,764 billion, which has continuously ranked the first across the country. CITIC Securities is a chief supervisory unit in the Securities Association of China, of which its principal businesses remain at the market forefront. As at the end of 2016, the total assets of the company reached RMB597.4 billion, which rendered it the largest securities company in China. It is believed that our agency sale of the wealth management products of the abovementioned institutions will bring better investment return for our clients; and (3) the Bank will reinforce its agency sale business, which is expected to grow rapidly. In addition to the bank wealth management products, the Bank will continue to bring in products from external institutions so that our customers could have more options when selecting wealth management products.

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In 2017, the reason for the excessive disparity between the actual amount and the proposed caps for the next three years is that the business of agency sale of funds is impacted by the simultaneous fall in stock and bond prices and market fluctuations within the capital market since the second half of 2016, leading to a proportional year-on-year decline in the sales volume of non-currency funds, which resulted in the year-on-year decline in the actual business amount in 2016. In the future, under the guiding direction of focused development on light-capital business income, the Bank shall regard innovative products, such as Xinjin Bao, automatic investment plan and intelligent investment and consultancy as its main development area and shall constantly strengthen its investment research skills, marketing skills and asset-allocation abilities, in order to lower the impacts of market fluctuations on fund sales and to gradually promote its revenue from agency sales of funds as a stable source of income for its light-capital businesses. In the meantime, the agency insurance business shall transform into a strategic product of the Bank's retail banking through market adaptation. CITIC Group and its associates shall also set their insurance businesses developed through various channels provided by the Bank as the core strategy. Both parties shall strengthen their cooperation through innovative sales model, expanding sales channels and expediting system construction, so as to achieve a release and an improvement in the production capacity of outlets.

Principal-guaranteed wealth management and investment service

(1) Along with the deepened reform of the PRC investment and financing system, the direct financing market develops prosperously, and the awareness of risks and the tolerance against risks in the securities market, financial business market, and life insurance market has constantly improved. The wealth management business has come to an age of mature development; (2) there are many non-banking financial enterprises inside CITIC Group, which rank highly in their own sectors. These large-scale enterprises act actively in the market. The Bank will deepen the cooperation with non-banking financial enterprises inside CITIC Group in the coming several years, and will definitely have a significant growth in terms of transaction volume. The scope of wealth management business will include investments in the financial products issued or formed by such financial institutions as securities companies, funds, insurance companies and trusts (including trust schemes, beneficial rights of trust, assets management schemes of securities companies and the specific scheme of funds). The scale of cooperation of wealth management business is expected to enlarge accordingly; (3) investment in financial products issued or formed by financial institutions, such as securities dealers, funds, insurance, trust and other products (such as trust plans, trust beneficiary rights, asset management plans of securities dealers and special plans of funds) by using the Bank's own capital is rapidly developing. And in consideration of aspects such as reasonable arrangement of capital, diversified investment of capital, safety and prudence of investment and increase of capital income, the Bank anticipates a rapid expansion of such investment scale going forward, and thus a higher cap is proposed; (4) the capital demands of CITIC Group and its associates are expected to continue growing steadily and the Bank has sufficient knowledge of the quality of its assets, and will try to have more of the existing proprietary capital invested in the wealth management products issued by institutions of good quality of CITIC Group and its associates. As such, the potential of business of the Bank to meet the capital demands of CITIC Group and its associates by issuing relevant wealth management products is expected to be enlarged; (5) due to changes in partnering institutions caused by adjustments in business models, the asset management fees under structured financing and trusts service fees are met with drastic alterations in recent years. In view of the fact that structured financing remains the main direction of the Bank's allocation of general categories of assets, the asset

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management fees under structured financing will also increase accordingly; (6) as of current, the scale of principal-guaranteed wealth management of the Bank's asset management business remains at a level above RMB 200 billion. In the next three years, as the overall scale of wealth management increases, the scale of principal-guaranteed wealth management will also increase. Currently, the risk preference of principal-guaranteed wealth management products is relatively low, with a main focus on investment of high-quality bonds. Since high-quality bonds are of high market demand and relatively difficult to acquire; and CITIC Group and its associates are in most cases issuers of high-quality bonds. Therefore, the Bank may invest in the bonds issued by CITIC Group and its associates at any time; and (7) considering the Bank's overall wealth management scale, including the scale of principal-guaranteed wealth management business and investment scale with its own funds, it is estimated that the annual cap for the principal-guaranteed wealth management business with connected person is RMB35,000 million, and the scale of investment with its own funds is RMB49,000 million. Considering that the Bank's rapid development trend in wealth management and investment business, as well as the buffer made by the Bank with respect to the annual caps considering unforeseeable circumstances, the proposed annual cap for the daily maximum balance of investment of the Bank for the years 2018, 2019 and 2020 is RMB85,000 million, RMB100,000 million and RMB110,000 million.

In 2017, the reason for the excessive disparity between the actual amount and the proposed caps in the next three years is that when proposing the annual cap for 2017, the Company took into consideration the potential cooperation with CITIC Group and all its associates. However, when conducting wealth management business, the choice of wealth management business cooperation institutions will need to consider the suitability of the development orientation of the Bank's wealth management business as well as the risk preference, innovation orientation and key business strengths of the cooperation institutions, and the response measures of these institutions under the new regulatory policies. In view of the above, the Bank made selections among the CITIC Group and its associates. When proposing the annual caps for the next three years, considering that CITIC Group and its associates are of stronger comprehensive capability than other wealth management institutions, the Bank will take into consideration the potential cooperation with CITIC Group and all its associates.

In addition, in the next few years, along with interest rate marketization, financial disintermediation and the emergence of internet finance, customer's awareness of capital management and the demand for maintenance and appreciation of assets are persistently strengthened, presenting a trend in favor of fixed deposits and wealth management. In the meantime, with the thorough promotion of the comprehensive operation of CITIC Group, the Bank will further strengthen the overall cooperation with the associates, such as CITIC Trust, and the cooperation scale of wealth management business is expected to enlarge correspondingly. On the above basis, in order to protect interests of customers and to ensure smooth conduction of normal investments, the Bank set forth the above caps for 2018 to 2020.

Taking into consideration the factors mentioned below, the Bank used the daily maximum balance of the investment products held by the Bank, rather than the annual aggregated transaction amount of the investment products as the basis for the annual caps. The reasons and bases for such approach are as follows:

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(1) Given that when the price is fair or when refunding may increase the efficiency of the Bank's funds before the maturity date of such investment products, the Bank may transfer the investment products purchased from its connected persons to third parties before the maturity date and use the returned principal and returns to purchase new investment products. On such rolling basis, the actual risk exposed to the Bank for this investment business is the maximum balance of principal instead of the annual aggregate amount, which is unable to reflect the actual position and risk exposure of such transaction borne by the Bank as a result. Therefore our Directors are of the view that the daily maximum balance of the principal of the investment products held by the Bank, rather than the annual aggregated transaction amount shall be deemed as the basis for the annual cap. In addition, taking the daily maximum balance as the basis of the connected transaction is in line with the accounting processing approach adopted by the auditors of the Bank; (2) it is difficult to estimate the aggregate amount of the investment plans because the transfer of the investment products is dependent on the conditions of the capital market which is beyond the control of the Bank. Any change in demand for the products in the capital market and the quick change in the market conditions, such as the changes in macroeconomic conditions, official interest rate, liquidity of the market, foreign exchange rate and financial regulatory framework, will necessarily result in a significant increase or decrease of the trading volume of investment products as well as the market price, duration, terms and conditions thereof; and (3) based on the reasons stated above, it is highly likely for the actual amount of the aggregated transaction amount of the purchase of the investment products to deviate from the annual caps set beforehand. In particular, in the case that the annual cap is about to be exceeded, the Bank would not be able to purchase any new investment products for several months if the highest applicable ratio calculated based on the annual caps under Chapter 14A of the Hong Kong Listing Rules exceeds 5%, as a Shareholders' general meeting would need to be convened to revise the caps and the Bank is required under its articles of association to give at least a 45-day notice to Shareholders to convene the Shareholders' general meeting. Such delay or suspension in business would have a direct adverse impact on the profitability of the Bank which in turn would be materially detrimental to the interests of the shareholders of the Bank as a whole.

Requirements of the Hong Kong Listing Rules

As the highest applicable percentage ratio of the annual caps for the principal-guaranteed wealth management and investment service under the Wealth Management and Investment Service Framework Agreement exceeds 5% as set forth in the Hong Kong Listing Rules on an annual basis, such transaction under the Wealth Management and Investment Service Framework Agreement constitutes a continuing connected transaction under Chapter 14A of the Hong Kong Listing Rules and is subject to the annual reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Hong Kong Listing Rules.

Requirements of the Shanghai Listing Rules

According to the requirements of the Shanghai Listing Rules, the Bank shall set annual caps for the daily maximum balance of principals and proceeds generated from principal guaranteed wealth management services provided by the Bank to CITIC Group and its associates under the Wealth Management Service and Investment Framework Agreement, and seek approval from the Independent Shareholders. With respect to the Hong Kong Listing Rules, the purchase of wealth management products under the principal-guaranteed wealth management services is a continuing connected

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transaction exempted from the annual reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Hong Kong Listing Rules, as the business nature of the purchase of wealth management products of the Bank under the principal-guaranteed wealth management services is essentially the same as the deposit business of the Bank, which is conducted on normal commercial terms of the Bank and not secured by its assets.

Historical amounts and proposed annual caps

	Actual historical amount		Actual historical amount for the six months ended	Approved annual cap for the year ending	Proposed annual cap for the year ending 31 December		
	for the year ended		30 June	31 December	for the year ending 31 December		
	31 December		30 June	31 December	for the year ending 31 December		
	(RMB millions)		(RMB millions)	(RMB millions)	(RMB millions)		
	2015	2016	2017	2017	2018	2019	2020
Daily maximum balance of the principals for wealth management	2,768	3,230.3	3,706	40,000	10,000	14,000	16,000
Return of customers	81	17.1	44	1,400	400	600	600

REASONS AND BENEFITS FOR THE CONTINUING CONNECTED TRANSACTIONS BETWEEN THE BANK AND CITIC GROUP

CITIC Group is an international conglomerate enterprise group. It has different financial subsidiaries engaged in banking, securities, trust, insurance, fund, asset management and futures. The types of financial departments in CITIC Group are comprehensive, and the integrated advantage is manifest. One of the subsidiaries of CITIC Group, CITIC Trust, is a president unit in the China Trustee Association. As at the end of 2016, the management scale of trust assets was approximately RMB1,764 billion, which has continuously ranked the first across the country. CITIC Securities is a chief supervisory unit in the Securities Association of China, of which its principal businesses remain at the market forefront. As at the end of 2016, the total assets of the company reached RMB597.4 billion, which rendered it the largest securities company in China. CITIC Group and its associates have built a comprehensive risk management and internal control procedure, thereby its financial product has high level of security and has a higher competitiveness among the industry.

The demand by CITIC Group and its associates for financial services, including investment with their own funds, wealth management services and asset transfer is increasing. By cooperating with CITIC Group and its associates, the Bank is able to effectively raise the integrated return of the Bank and reduce the Bank's operating risk to a certain extent, to fully utilize the cooperative effect of the integrated financial platform of CITIC Group and generate higher returns for all the Shareholders.

The Bank believes that the cooperation with CITIC Group and its associates in respect of asset transfer, wealth management and investments, and other financial services will contribute to the adjustment of asset liquidity, the optimization of asset structure and the increase of profit channels, so as to further create greater value for the Shareholders as a whole.

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APPLICATION FOR CAPS FOR CREDIT EXTENSION RELATED PARTY TRANSACTIONS WITH SHAREHOLDER RELATED PARTIES FOR THE YEARS 2018-2020

Information on related parties

According to the relevant rules of the CBRC, CSRC and the Shanghai Stock Exchange, the Bank plans to conduct reasonable estimations on the amount of recurring credit extension for the related party transactions with CITIC Group and its relevant parties, Xinhua Zhongbao and its relevant parties and China Tobacco and its relevant parties for the years 2018-2020. The related parties refer to the legal person related parties which are determined by the Audit and Related Party Transactions Control Committee under the Board of Directors as the Bank's related parties under CITIC Group, Xinhua Zhongbao or China Tobacco in accordance with the relevant laws and regulations of the Shanghai Stock Exchange.

Transaction types

The transaction types of the recurring related party transactions for which the estimations would be conducted refer to the credit extension businesses between the Bank and CITIC Group and its relevant parties, Xinhua Zhongbao and its relevant parties and China Tobacco and its relevant parties, which include funding directly provided by the Bank to the customers or guarantees provided by the Bank in relation to customers' compensation and payment liabilities that may arise in the relevant economic activities. Actual transactions will include loans, loan commitments, bill acceptance and discount, securities repurchase, debt securities investments, foreign exchange and derivatives, trade financing, factoring, letters of credit, letters of guarantee, overdrafts, lending, guarantee and other on-balance sheet and off balance-sheet credit extension businesses.

Estimated amounts for the recurring credit extension related party transactions for the years 2018-2020

1. Recurring credit extension related party transactions with CITIC Group

Estimated amount and actual usage of credit extension related party transactions in 2017

(Unit: RMB millions)

Type of related party transaction	Basis	Estimated cap for 2017	Actual historical amount for the six months ended 30 June 2017	Credit balance for the six months ended 30 June 2017
Credit line	Credit amount	Not more than 14% of the disclosed net capital of the preceding quarter of the Bank ¹	61,368	26,386

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Notes:

1. According to the disclosed net capital of the Bank for the first quarter of 2017, the estimated annual cap for 2017 is approximately RMB67 billion.
2. In accordance with the regulatory requirements of the CBRC, the above related party credit lines do not include the deductible marginal deposit, amount of pledge by certificate of deposit, and treasury bonds.
3. The amount of the above credit line is on an aggregate basis, including the credit lines granted by the Bank's subsidiaries to CITIC Group and its subsidiaries.

Estimated amount of recurring credit extension related party transactions for the years 2018-2020

(Unit: RMB millions)

Type of related party transaction	Basis	Estimated annual cap		
		(Approved effective amount)		
		2018	2019	2020
Credit line	Credit amount	150,000	150,000	150,000

Notes:

1. In accordance with the regulatory requirements of the CBRC, the above related party credit lines do not include the deductible marginal deposit, amount of pledge by certificate of deposit, and treasury bonds.
2. The amount of the above credit line is on an aggregate basis, including the credit lines granted by the Bank's subsidiaries to CITIC Group and its relevant parties.

2. Recurring credit extension related party transactions with Xinhua Zhongbao

Estimated amount and actual usage of credit extension related party transactions in 2017

(Unit: RMB millions)

Type of related party transaction	Basis	Estimated cap for 2017	Actual historical amount for the six months ended 30 June 2017	Credit balance for the six months ended 30 June 2017
			Credit line	Credit amount

Notes:

1. In accordance with the regulatory requirements of the CBRC, the above related party credit lines do not include the deductible marginal deposit, amount of pledge by certificate of deposit, and treasury bonds.
2. The amount of the above credit line is on an aggregate basis, including the credit lines granted by the Bank's subsidiaries to Xinhua Zhongbao and its relevant parties.

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Estimated amount of recurring credit extension related party transactions for the years 2018-2020

(Unit: RMB millions)

Type of related party transaction	Basis	Estimated annual cap (Approved effective amount)		
		2018	2019	2020
Credit line	Credit amount	20,000	20,000	20,000

Notes:

- In accordance with the regulatory requirements of the CBRC, the above related party credit lines do not include the deductible marginal deposit, amount of pledge by certificate of deposit, and treasury bonds.
- The amount of the above credit line is on an aggregate basis, including the credit lines granted by the Bank's subsidiaries to Xinhua Zhongbao and its relevant parties.

3. Recurring credit extension related party transactions with China Tobacco

Estimated amount and actual usage of credit extension related party transactions in 2017

(Unit: RMB millions)

Type of related party transaction	Basis	Estimated cap for 2017	Actual historical amount for the six months ended 30 June 2017	Credit balance for the six months ended 30 June 2017
Credit line	Credit amount	15,800	0	0

Notes:

- In accordance with the regulatory requirements of the CBRC, the above related party credit lines do not include the deductible marginal deposit, amount of pledge by certificate of deposit, and treasury bonds.
- The amount of the above credit line is on an aggregate basis, including the credit lines granted by the Bank's subsidiaries China Tobacco and its relevant parties.

Estimated amount of recurring credit extension related party transactions for the years 2018-2020

(Unit: RMB millions)

Type of related party transaction	Basis	Estimated annual cap (Approved effective amount)		
		2018	2019	2020
Credit line	Credit amount	20,000	20,000	20,000

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Notes:

1. In accordance with the regulatory requirements of the CBRC, the above related party credit lines do not include the deductible marginal deposit, amount of pledge by certificate of deposit, and treasury bonds.
2. The amount of the above credit line is on an aggregate basis, including the credit lines granted by the Bank's subsidiaries to China Tobacco and its relevant parties.

Implementation

The resolutions have been approved by the Board. The Bank shall strengthen its tracking and management of related party transactions concluded during the year, monitor and control the related risks, and make relevant disclosure in the interim report and the annual report in accordance with the regulatory requirements.

Principles for conducting transactions

The Bank enters into related party transactions in strict compliance with the regulatory requirements and under the principles of controllable risks, fairness and in line with the interests of the Shareholders as a whole. Detailed principles include that the related party credit extension transactions shall be of good quality, that the operation condition of the relevant parties shall be normal, and that the overall credit risk shall be controllable; securities shall be provided for related party credit extension transactions and in compliance with the regulatory requirements; and the pricing of related party credit extension shall be determined on an arm's length basis, and the terms for related party credit extension shall not be more favourable than those granted for other credit-extension businesses of the Bank. The above application for the caps for credit extension related party transactions with shareholder related parties for the years 2018-2020 has been approved by the Audit and Related Party Transactions Control Committee under the Board.

Requirements of the Hong Kong Listing Rules

According to Chapter 14A of the Hong Kong Listing Rules, the recurring credit extension related party transactions between the Bank and CITIC Group and its relevant parties constitute connected transactions in the form of financial assistance provided by the Bank to CITIC Group and its associates. Since such connected transactions are entered into by the Bank in its ordinary and usual course of business on normal commercial terms, according to Rule 14A.87(1), the connected transactions will be exempted from the announcement, Independent Shareholders' approval, annual reporting and annual review requirements as set out in Rules 14A.35, 14A.36, 14A.49 and 14A.71 of the Hong Kong Listing Rules. As each of Xinhua Zhongbao and China Tobacco holds less than 10% of the total issued shares of the Bank, Xinhua Zhongbao and China Tobacco and their respective relevant parties are not connected persons of the Bank according to Chapter 14A of the Hong Kong Listing Rules, and the respective recurring credit extension related party transactions between the Bank and Xinhua Zhongbao and its relevant parties, and China Tobacco and its relevant parties do not constitute connected transactions under the Hong Kong Listing Rules.

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Requirements of the Shanghai Listing Rules

As the estimated amount of the recurring credit extension for related party transactions between the Bank and each of CITIC Group, Xinhua Zhongbao, and China Tobacco and their respective relevant parties exceeds 5% of the net assets of the Bank as shown in its latest audited financial statements, according to the Shanghai Listing Rules, the recurring credit extension related party transactions and their estimated amount between the Bank and each of CITIC Group, Xinhua Zhongbao, and China Tobacco and their respective relevant parties shall be subject to approval by Independent Shareholders of the Bank at a Shareholders' general meeting.

REASONS AND BENEFITS FOR ENTERING INTO RECURRING RELATED PARTY TRANSACTIONS

CITIC Group is an international conglomerate enterprise group, it has financial subsidiaries engaging in banking, securities, trusts, insurance, funds, asset management and futures, as well as a complete range of subsidiaries engaged in industries including machinery manufacturing, resources and power, engineering contracting, infrastructure and information industry with clear comprehensive advantages and overall strength.

The Bank's cooperation with CITIC Group and its relevant parties is conducive to giving full play to the synergy of the Group's comprehensive platform, reducing the operating costs of the Bank, increasing the Bank's comprehensive income and creating high returns on investments for Shareholders. The Board is of the view that the Bank's cooperation with CITIC Group and its relevant parties can also enhance resource allocation, effectively control the Bank's operating costs and increase the Bank's comprehensive service ability for its customers.

Xinhua Zhongbao has substantial assets and comprehensive strength. As the Bank and Xinhua Zhongbao continue to deepen their business cooperation, the Board is of the view that this business relationship is conducive to optimising the Bank's customer resources and enhancing the Bank's operating efficiency.

China Tobacco is a strategic customer of the Bank and a high-quality corporate resource. As the Bank and China Tobacco continue to deepen their business cooperation, the Board is of the view that this business relationship is conducive to optimising the Bank's customer structure and enhancing the Bank's operating efficiency.

The recurring related party transactions and the corresponding annual caps were approved by the Board on 24 August 2017. Ms. Li Qingping (deputy general manager of CITIC Limited), Mr. Chang Zhenming (Chairman of the board of directors of CITIC Limited/Chairman of the board of directors of CITIC Group), and Mr. Zhu Gaoming (deputy general manager of CITIC Limited), simultaneously holding position in CITIC Group or its associates, have material interests in Proposal on Application for the Caps of Related Party Transactions with Shareholder Related Parties for the Years 2018-2020: Non-credit Extension Connected Transactions – 3.1 Caps for asset transfer with CITIC Group and its associates for the years 2018-2020, 3.2 Caps for wealth management and investment services with CITIC Group and its associates for the years 2018-2020 and Credit Extension Related Party Transactions – 3.3 Caps for credit extension with CITIC Group and its associates for the years 2018-2020, and both abstained from voting on such

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resolutions. Ms. Huang Fang, a non-executive Director of the Bank, simultaneously holding position in Xinhua Zhongbao or its associates, has material interests in the Proposal on Application for the Caps of Related Party Transactions with Shareholder Related Parties for the Years 2018-2020 – 3.4 Caps for credit extension with Xinhua Zhongbao and its associates for the years 2018-2020 and abstained from voting on such resolution. Mr. Wan Liming, a non-executive Director of the Bank, simultaneously holding position in China Tobacco or its associates, has material interests in the Proposal on Application for the Caps of Related Party Transactions with Shareholder Related Parties for the Years 2018-2020 – 3.5 Caps for credit extension with China Tobacco and its associates for the years 2018-2020 and abstained from voting on such resolution.

PROPOSAL ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF CHINA CITIC BANK CORPORATION LIMITED

According to the requirements of the Company Law of the People's Republic of China, the rules by the CBRC and other regulators, and the general requirements for including the Party-building work into articles of association, the Bank, taking into account the Bank's actual situations, makes certain amendments to several articles of the Articles of Associations.

Details regarding the proposed amendments are set out in Appendix VI of this circular.

PROPOSAL ON ISSUANCE OF TIER-TWO CAPITAL BONDS

To further replenish the tier-2 capital of the Bank, optimize capital structure, ensure that the Bank capital adequacy ratio satisfies the regulatory requirements and the need of sustainable development, the Bank plans to issue tier-2 capital bonds under the following terms and conditions by obtaining the approval of general meeting and relevant regulatory authorities:

Nature of bonds: qualified tier-2 capital instruments satisfying the regulatory requirements under the Regulation Governing Capital of Commercial Banks (Provisional), with write-down terms but no share conversion terms.

Offering size: no more than (including) RMB50 billion.

Target market: national interbank bond market.

Maturity of the bonds: 5+5 years or 10+5 years, i.e. the maturity of bonds is 10 years or 15 years with an early redemption option for the issuer at the end of the fifth year or the tenth year.

Means of loss absorption: upon the occurrence of the triggering events specified in the offering documents, the loss will be absorbed by means of write-down.

Interest rate: to be determined with reference to the market interest rate.

Use of proceeds: pursuant to the applicable laws and as approved by the regulatory authorities, all funds raised from the issuance of tier-2 capital bonds shall replenish the tier-2 capital of the Bank, increase capital adequacy ratio of the Bank after deduction of the cost of issuance, enhance the operation capability, improve risk resistance capacity and support the healthy and robust development of business of the Bank.

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Term of validity of the issuance plan: from the date of Shareholders' approval of the issuance of qualified tier-2 capital instruments at the general meeting to 31 December 2019.

Particulars of the proposed authorizations to the Board and the management in relation to the issuance which is submitted to the 2017 Second EGM for approval are set out below:

Scope of authorization to the Board: to deal with the relevant matters in relation to the issuance, including but not limited to, filing with the relevant regulatory authorities, determining the offering batches and size, offering timing, offering targets, offering method, place of offering, offering terms, maturity of the bonds, interest rates, price of the bonds, and denomination of the bonds, dealing with bond registration and depository, applying for listing of the bonds, arranging repayment of the principle and interests, writing down upon the occurrence of the triggering events as agreed, signing related legal documents and adjusting offering plan, filing materials and other relevant matters in relation to the issuance of tier-2 capital bonds according to the requirements of relevant regulatory authorities.

Scope of authorization to the management: The Board submits to the 2017 Second EGM to grant the above authorization to the Board to delegate management to handle relevant affairs regarding the issuance of tier-2 capital bonds according to the specific circumstances.

Terms of authorization: from the date of Shareholders' approval at the general meeting to 31 December 2019.

SECOND EXTRAORDINARY GENERAL MEETING OF 2017

A notice of the 2017 Second EGM to be held at 9:30 a.m. on Thursday, 30 November 2017 at Conference Room, B1 Floor, CITIC Bank, No. 9 Chaoyangmen Beidajie, Dongcheng District, Beijing, PRC is set out on pages 99 to 101 in this circular.

As at the Latest Practicable Date, CITIC Group is the de facto controller of the Bank, holding 32,284,227,773 Shares, amounting to 65.97% of the total issued ordinary share capital of the Bank. Since CITIC Group and its associates have material interests in relation to the Proposal on Application for the Caps of Related Party Transactions with Shareholder Related Parties for the Years 2018-2020: Non-credit Extension Connected Transactions – 3.1 Caps for asset transfer with CITIC Group and its associates for the years 2018-2020, 3.2 Caps for wealth management and investment services with CITIC Group and its associates for the years 2018-2020 and Credit Extension Related Party Transactions – 3.3 Caps for credit extension with CITIC Group and its associates for the years 2018-2020, they will abstain from voting on the proposed ordinary resolutions at the 2017 Second EGM.

As at the Latest Practicable Date, Xinhua Zhongbao is the Shareholder of the Bank, holding 2,446,265,000 Shares, amounting to 4.999% of the total issued ordinary share capital of the Bank. Since Xinhua Zhongbao and its associates have material interests in relation to the Proposal on Application for the Caps of Related Party Transactions with Shareholder Related Parties for the Years 2018-2020 – 3.4 Caps for credit extension with Xinhua Zhongbao and its associates for the years 2018-2020, they will abstain from voting on the proposed ordinary resolutions at the 2017 Second EGM.

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As at the Latest Practicable Date, China Tobacco is the Shareholder of the Bank, holding 2,147,469,539 Shares, amounting to 4.39% of the total issued ordinary share capital of the Bank. Since China Tobacco and its associates have material interests in relation to the Proposal on Application for the Caps of Related Party Transactions with Shareholder Related Parties for the Years 2018-2020 – 3.5 Caps for credit extension with China Tobacco and its associates for the years 2018-2020, they will abstain from voting on the proposed ordinary resolutions at the 2017 Second EGM.

In order to determine the Shareholders who are entitled to attend the 2017 Second EGM, the Bank's register of H Shareholders will be closed from Monday, 30 October 2017 to Thursday, 30 November 2017 (both days inclusive) during which period no transfer of H Shares will be effected. Holders of H Shares whose names appear on the Bank's register of members on Thursday, 30 November 2017 are entitled to attend the meeting. In order to qualify to attend and vote at the 2017 Second EGM, holders of H Shares whose transfers have not been registered must deposit the transfer documents together with the relevant share certificates at the office of the H Share registrar of the Bank, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m., Friday, 27 October 2017.

A form of proxy for use at the 2017 Second EGM was published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Bank (www.citicbank.com) on 12 October 2017, and was dispatched on 13 October 2017. If you intend to appoint a proxy to attend the 2017 Second EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the 2017 Second EGM (i.e. not later than 9:30 a.m. on Wednesday, 29 November 2017). Completion and return of the form of proxy will not preclude you from attending the 2017 Second EGM and voting in person if you so wish. Shareholders who intend to attend the meeting in person or by proxy should complete and return the reply slip in accordance with the instructions printed to the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong thereon on or before Friday, 10 November 2017.

PROCEDURES FOR VOTING AT THE SECOND EXTRAORDINARY GENERAL MEETING OF 2017

According to Rule 13.39(4) of the Hong Kong Listing Rules, the vote of Shareholders at the 2017 Second EGM will be taken by poll.

RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the above-mentioned continuing connected transactions or related party transactions and their proposed annual caps have been conducted in the ordinary and usual course of business of the Bank and on normal commercial terms. Therefore, the Board is of the view that these continuing connected transactions are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

The Independent Board Committee comprising Ms. Wu Xiaoqing, Mr. Wong Luen Cheung Andrew, Mr. He Cao, Ms. Chen Lihua and Mr. Qian Jun (all being independent non-executive Directors) has been appointed by the Board to advise the Independent Shareholders in respect of the Asset Transfer Framework

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Agreement and the Wealth Management and Investment Service Framework Agreement as contained in the application for the caps of non-credit extension connected transactions with a connected person, the transactions contemplated thereunder and the proposed annual caps for each of the three years ending 31 December 2018, 31 December 2019 and 31 December 2020. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 63 to 64 of this circular. The Independent Board Committee, having taken into account the letter from Gram Capital, the text of which is set out on pages 65 to 91 of this circular, considers that the terms of the transactions contemplated under the Asset Transfer Framework Agreement and Wealth Management and Investment Service Framework Agreement as contained in the application for caps for non-credit extension connected transactions with shareholder related parties for the years 2018-2020 are on normal commercial terms and fair and reasonable and in the interest of the Company and its Shareholders as a whole, and that the proposed annual caps are fair and reasonable. The Independent Board Committee, as stated in its letter, recommends the Independent Shareholders to vote in favour of the resolution to approve the Asset Transfer Framework Agreement and the Wealth Management and Investment Service Framework Agreement as contained in the application for caps for non-credit extension connected transactions with shareholder related parties for the years 2018-2020, the transactions contemplated thereunder and the proposed annual caps for each of the three years ending 31 December 2018, 31 December 2019 and 31 December 2020.

The Directors (including the independent non-executive Directors who have considered the advice of Gram Capital) believe that the proposals mentioned above are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the resolutions to be proposed at the 2017 Second EGM as set out in the Notice of the Second Extraordinary General Meeting of 2017.

By order of the Board of
China CITIC Bank Corporation Limited
LI Qingping
Chairperson

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
1.	Article 3 The shareholders' general meeting shall be convened by the Board of Directors of the Bank in accordance with the Company Law and other laws, regulations, regulatory documents, the Articles of Association of the Bank and the provisions of this Rules on convening the shareholders' general meeting. All directors of the Bank shall bear fiduciary duties for the normal convening of the shareholders' general meeting and shall not hinder the shareholders' general meeting from performing its duties and exercising its power according to the law.	Article 3 The shareholders' general meeting shall be convened by the Board of Directors of the Bank in accordance with the Company Law and other laws, regulations, regulatory documents, the Articles of Association of the Bank and the provisions of this Rules on convening the shareholders' general meeting. All directors of the Bank shall bear fiduciary duties for the normal convening of the shareholders' general meeting and shall not hinder the shareholders' general meeting from performing its duties and exercising its power according to the law.	Article 3 The shareholders' general meeting shall be convened by the Board of Directors in accordance with the Company Law and other laws, regulations, regulatory documents, the Articles of Association of the Bank and the provisions of this Rules on convening the shareholders' general meeting. All directors of the Bank shall bear fiduciary duties for the normal convening of the shareholders' general meeting and shall not hinder the shareholders' general meeting from performing its duties and exercising its power according to the law.	Textual amendment.
2.	Article 4 The preparation and organization of the shareholders' general meeting shall be implemented by secretary to the Board of Directors and the Board of Directors Office of the Bank.	Article 4 The preparation and organization of the shareholders' general meeting shall be implemented by the Board of Directors and secretary to the Board of Directors and the Board of Directors Office of the Bank.	Article 4 The preparation and organization of the shareholders' general meeting shall be implemented by the Board of Directors and secretary to the Board of Directors.	Textual amendment. Corresponding amendment is made in accordance with Article 2 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016).
3.	Article 5 Shareholders holding shares in the Bank shall have the right to attend or authorize their proxies to attend the shareholders' general meeting and shall have the right to know, speak, inquire and vote and other rights of shareholders in accordance with laws, regulations, regulatory documents, the Articles of Association and this Rules. Shareholders and their proxies attending the shareholders' general meeting shall abide by the relevant laws, regulations, regulatory documents, the Articles of Association of the Bank and this Rules, and consciously maintain the order of the meeting and shall not infringe upon the legitimate rights and interests of other shareholders.	Article 5 Shareholders holding shares in the Bank All ordinary shareholders of the Bank who are registered in the register of shares on the date of registration of shares (including the preference shareholders with voting rights restored) Shareholders holding shares in the Bank shall have the right to attend or authorize their proxies to attend the shareholders' general meeting, and shall have the right to know, speak, inquire and vote and other rights of shareholders in accordance with laws, regulations, regulatory documents, the Articles of Association and this Rules. <u>Except as otherwise provided in Article 39 of this Rules, the preference shareholders shall not attend the shareholders' general meeting and the shares held by them shall not have voting rights.</u>	Article 5 All ordinary shareholders of the Bank who are registered in the register of shares on the date of registration of shares (including the preference shareholders with voting rights restored) shall have the right to attend or authorize their proxies to attend the shareholders' general meeting, and shall have the right to know, speak, inquire and vote and other rights of shareholders in accordance with laws, regulations, regulatory documents, the Articles of Association and this Rules. Except as otherwise provided in Article 39 of this Rules, the preference shareholders shall not attend the shareholders' general meeting and the shares held by them shall not have voting rights.	Corresponding amendment is made in accordance with Para. (5), Article 1 of the Guiding Opinions of the State Council on Carrying out the Pilot Program for Preference Shares, and Article 23 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016).

**PROPOSED AMENDMENTS TO THE RULES OF
PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING OF
CHINA CITIC BANK CORPORATION LIMITED**

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
		Shareholders and their proxies attending the shareholders' general meeting shall abide by the relevant laws, regulations, regulatory documents, the Articles of Association of the Bank and this Rules, and consciously maintain the order of the meeting and shall not infringe upon the legitimate rights and interests of other shareholders.	Shareholders and their proxies attending the shareholders' general meeting shall abide by the relevant laws, regulations, regulatory documents, the Articles of Association of the Bank and this Rules, and consciously maintain the order of the meeting and shall not infringe upon the legitimate rights and interests of other shareholders.	
4.	<p>Article 6 The Shareholders' General Meeting is the organ of supreme authority of the Bank and shall have the following functions and powers in accordance with law:</p> <p>...</p> <p>(12) Make resolutions on the repurchase of the Bank's shares;</p> <p>...</p> <p>(18) Deliberate on the related party transactions that shall be considered and approved by the shareholders' general meeting as prescribed by the laws, administrative regulations, regulations, and the securities regulatory rules of the place where the Bank's shares are listed.</p> <p>(19) Deliberate on other matters that shall be considered and approved by the shareholders' general meeting as prescribed by the laws, administrative regulations, departmental regulations, the relevant provisions of the securities regulatory authorities of the place where the Bank's shares are listed and the Articles of Association of the Bank.</p>	<p>Article 6 The Shareholders' General Meeting is the organ of <u>supreme</u> authority of the Bank and shall have the following functions and powers in accordance with law:</p> <p>...</p> <p>(12) Make resolutions on the repurchase of the Bank's <u>ordinary</u> shares;</p> <p>...</p> <p>(18) <u>Decide or authorize the Board of Directors to determine the matters relating to the issued preference shares of the Bank, including but not limited to deciding whether to repurchase, switch or pay dividends;</u></p> <p>(18)—(19) Deliberate on the related party transactions that shall be considered and approved by the shareholders' general meeting as prescribed by the laws, administrative regulations, regulations, and the securities regulatory rules of the place where the Bank's shares are listed.</p> <p>(19)—(20) Deliberate on other matters that shall be considered and approved by the shareholders' general meeting as prescribed by the laws, administrative regulations, departmental regulations, the relevant provisions of the securities regulatory authorities of the place where the Bank's shares are listed and the Articles of Association of the Bank.</p>	<p>Article 6 The Shareholders' General Meeting is the organ of authority of the Bank and shall have the following functions and powers in accordance with law:</p> <p>...</p> <p>(12) Make a resolution on the repurchase of the Bank's ordinary shares;</p> <p>...</p> <p>(18) Decide or authorize the Board of Directors to determine the matters relating to the issued preference shares of the Bank, including but not limited to deciding whether to repurchase, switch or pay dividends;</p> <p>(19) Deliberate on the related party transactions that shall be considered and approved by the shareholders' general meeting as prescribed by the laws, administrative regulations, regulations, and the securities regulatory rules of the place where the Bank's shares are listed.</p> <p>(20) Deliberate on other matters that shall be considered and approved by the shareholders' general meeting as prescribed by the laws, administrative regulations, departmental regulations, the relevant provisions of the securities regulatory authorities of the place where the Bank's shares are listed and the Articles of Association of the Bank.</p>	<p>Corresponding amendment is made in accordance with Article 98 of the Company Law, and Article 79 of the Articles of Association of China CITIC Bank Corporation Limited.</p> <p>Corresponding amendment is made in accordance with Article 142 of the Company Law, Article 55 of the Measures for the Administration of the Preference Share Pilot, Article 79 of the Articles of Association of China CITIC Bank Corporation Limited.</p> <p>Corresponding amendment is made in accordance with Articles 11 and 55 of the Measures for the Administration of the Preference Share Pilot and Article 79 of the Articles of Association of China CITIC Bank Corporation Limited.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
5.	Article 8 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings.	Article 8 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings.	Article 8 Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings.	Corresponding amendment in Chinese is made in accordance with Article 82 of the Articles of Association of China CITIC Bank Corporation Limited.
6.	Article 9 The annual general meeting shall be convened once a year and shall be convened within 6 months after the end of each fiscal year. In the event that the meeting is postponed under special circumstances, reports shall be promptly submitted to the banking regulatory authority of the State Council, and the reasons for postponement shall be clarified.	Article 9 The annual general meeting shall be convened once a year and shall be convened within 6 months after the end of each fiscal year. In the event that the meeting is postponed under special circumstances, reports shall be promptly submitted to the banking regulatory authority of the State Council, and the reasons for postponement shall be clarified.	Article 9 The annual general meeting shall be convened once a year and shall be convened within 6 months after the end of each fiscal year. In the event that the meeting is postponed under special circumstances, reports shall be promptly submitted to the banking regulatory authority of the State Council, and the reasons for postponement shall be clarified.	Corresponding amendment in Chinese is made in accordance with Article 82 of the Articles of Association of China CITIC Bank Corporation Limited.
7.	Article 10 The annual general meeting shall at least deliberate on the following proposals: ...	Article 10 The annual general meeting shall at least deliberate on the following proposals: ...	Article 10 The annual general meeting shall at least deliberate on the following proposals: ...	Corresponding amendment in Chinese is made in accordance with Article 82 of the Articles of Association of China CITIC Bank Corporation Limited.

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
8.	<p>Article 11 The Bank shall convene an extraordinary general meeting within two months after the occurrence of any one of the following events:</p> <p>...</p> <p>(3) Shareholder(s) who individually or jointly hold over ten percent of the issued voting shares (not including the right to vote by proxy) request(s) convening of the meeting;</p> <p>...</p> <p>(6) More than half of the independent directors or more than half of the external supervisors propose the convening; in the event that the Bank has only two external supervisors, the convening of the extraordinary general meeting shall be submitted to the two external supervisors for their unanimous consent;</p> <p>(7) Any other circumstance prescribed by related laws or administrative regulations occurs.</p>	<p>Article 11 The Bank shall convene an extraordinary general meeting within two months after the occurrence of any one of the following events:</p> <p>...</p> <p>(3) Shareholder(s) who individually or jointly hold over ten percent of the issued voting shares (not including the right to vote by proxy) (hereinafter referred to as the "Proposed Shareholder(s)") request(s) convening of the meeting <u>in writing (the number of shares held is calculated based on that of the date when the shareholders propose a written request);</u></p> <p>...</p> <p>(6) More than half of the independent directors or more than half <u>all</u> of the external supervisors propose the convening; in the event that the Bank has only two external supervisors, the convening of the extraordinary general meeting shall be submitted to the two external supervisors for their unanimous consent;</p> <p>(7) Any other circumstance prescribed by related laws or administrative regulations occurs.</p>	<p>Article 11 The Bank shall convene an extraordinary general meeting within two months after the occurrence of any one of the following events:</p> <p>...</p> <p>(3) Shareholder(s) who individually or jointly hold over ten percent of the issued voting shares (not including the right to vote by proxy) (hereinafter referred to as the "Proposed Shareholder(s)") request(s) convening of the meeting in writing (the number of shares held is calculated based on that of the date when the shareholders propose a written request);</p> <p>...</p> <p>(6) More than half of the independent directors or all of the external supervisors propose the convening;</p> <p>(7) Any other circumstance prescribed by related laws or administrative regulations occurs.</p>	<p>Corresponding amendment is made in accordance with Para. (1), Article 72 of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, and Article 82 of the Articles of Association of China CITIC Bank Corporation Limited.</p> <p>Corresponding amendment is made in accordance with Article 19 of the Guidelines for the Board of Supervisors of Commercial Banks, and Article 82 of the Articles of Association of China CITIC Bank Corporation Limited.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
9.	<p>Article 16 In the event that the Board of Supervisors or the Proposed Shareholders decide to convene the shareholders' general meeting on their own, they shall inform the Board of Directors in writing and report to the banking supervision authority of the State Council and the local office of the securities regulatory authority of the State Council in the place where the Bank is located and the domestic stock exchanges for filing, and issue the notice on convening the extraordinary general meeting. The contents of the notice shall comply with Article 27 of this Rules of Procedure as well as the following provisions:</p> <p>(1) The proposal shall not add new contents, otherwise the Proposed Shareholders or the Board of Supervisors shall propose a request to convene an extraordinary shareholders' meeting to the Board of Directors again in accordance with the aforesaid procedures.</p> <p>(2) The place of the meeting shall be the Bank's domicile.</p> <p>When giving a notice of a shareholders' general meeting and announcing resolutions of the shareholders' general meeting, the shareholders convening a shareholders' general meeting shall submit relevant evidence materials to the local office of the securities regulatory authority of the State Council in the place where the Bank is located and domestic stock exchanges.</p> <p>The shareholders convening a shareholders' general meeting shall hold no less than 10% of total shares before resolutions of the shareholders' general meeting are announced.</p>	<p>Article 16 In the event that the Board of Supervisors or the Proposed Shareholders decide to convene the shareholders' general meeting on their own, they shall inform the Board of Directors in writing and report to the banking supervision authority of the State Council and the local office of the securities regulatory authority of the State Council in the place where the Bank is located and the domestic stock exchanges for filing, and issue the notice on convening the extraordinary general meeting. The contents of the notice shall comply with Article 27 of this Rules of Procedure as well as the following provisions:</p> <p>(1) The proposal shall not add new contents, otherwise the Proposed Shareholders or the Board of Supervisors shall propose a request to convene an extraordinary shareholders' meeting to the Board of Directors again in accordance with the aforesaid procedures.</p> <p>(2) The place of the meeting shall be the Bank's domicile.</p> <p>When giving a notice of a shareholders' general meeting and announcing resolutions of the shareholders' general meeting, <u>the Board of Supervisors and</u> the shareholders convening a shareholders' general meeting shall submit relevant evidence materials to the local office of the securities regulatory authority of the State Council in the place where the Bank is located and domestic stock exchanges.</p> <p>The shareholders convening a shareholders' general meeting shall hold no less than 10% of total shares <u>of the Bank with voting rights</u> before resolutions of the shareholders' general meeting are announced.</p>	<p>Article 16 In the event that the Board of Supervisors or the Proposed Shareholders decide to convene the shareholders' general meeting on their own, they shall inform the Board of Directors in writing and report to the banking supervision authority of the State Council and the local office of the securities regulatory authority of the State Council in the place where the Bank is located and the domestic stock exchanges for filing, and issue the notice on convening the extraordinary general meeting. The contents of the notice shall comply with Article 27 of this Rules of Procedure as well as the following provisions:</p> <p>(1) The proposal shall not add new contents, otherwise the Proposed Shareholders or the Board of Supervisors shall propose a request to convene an extraordinary shareholders' meeting to the Board of Directors again in accordance with the aforesaid procedures.</p> <p>(2) The place of the meeting shall be the Bank's domicile.</p> <p>When giving a notice of a shareholders' general meeting and announcing resolutions of the shareholders' general meeting, the Board of Supervisors and the shareholders convening a shareholders' general meeting shall submit relevant evidence materials to the local office of the securities regulatory authority of the State Council in the place where the Bank is located and domestic stock exchanges.</p> <p>The shareholders convening a shareholders' general meeting shall hold no less than 10% of total shares of the Bank with voting rights before resolutions of the shareholders' general meeting are announced.</p>	<p>Corresponding amendment is made in accordance with Article 10 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016), and Article 100 of the Articles of Association of China CITIC Bank Corporation Limited.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
10.	<p>Article 19 In the event of convening a shareholders' general meeting by the Bank, the shareholders holding over three percent of the shares of the Bank individually or collectively shall have the right to propose and submit extraordinary proposals in writing ten days before a shareholders' general meeting is convened. The convener shall issue a supplementary notice on the shareholders' general meeting within two days after receiving the proposal so as to announce the contents of the extraordinary proposal, and submit the extraordinary proposals to the shareholders' general meeting for deliberation. The contents of the extraordinary proposals shall fall within the scope of functions and powers of shareholders' general meeting, set forth a clear topic for discussion and specific matters for which resolutions need to be made.</p> <p>Save as otherwise provided in the preceding paragraph, after issuing a notice of a shareholders' general meeting, the convener shall not alter the proposals that have been listed in the notice of the shareholders' general meeting or add new proposals.</p>	<p>Article 19 In the event of convening a shareholders' general meeting by the Bank, the <u>ordinary</u> shareholders holding over three percent of the shares of the Bank individually or collectively <u>(including the preference shareholders with voting rights restored)</u> shall have the right to propose and submit extraordinary proposals in writing ten days before a shareholders' general meeting is convened <u>or prior to the deadline for giving a supplementary notice on the shareholders' general meeting in accordance with the relevant provisions of the securities regulatory authorities in the place where the Bank's shares are listed (whichever is earlier).</u> The convener shall issue a supplementary notice on the shareholders' general meeting within two days after receiving the proposal <u>in accordance with the relevant provisions of the securities regulatory authorities in the place where the Bank's shares are listed,</u> so as to announce the contents of the extraordinary proposal, and submit the extraordinary proposals to the shareholders' general meeting for deliberation. The contents of the extraordinary proposals shall fall within the scope of functions and powers of shareholders' general meeting, set forth a clear topic for discussion and specific matters for which resolutions need to be made.</p> <p>Save as otherwise provided in the preceding paragraph, after issuing a notice of a shareholders' general meeting, the convener shall not alter the proposals that have been listed in the notice of the shareholders' general meeting or add new proposals.</p>	<p>Article 19 In the event of convening a shareholders' general meeting by the Bank, the ordinary shareholders holding over three percent of the shares of the Bank individually or collectively (including the preference shareholders with voting rights restored) shall have the right to propose and submit extraordinary proposals in writing ten days before a shareholders' general meeting is convened or prior to the deadline for giving a supplementary notice on the shareholders' general meeting in accordance with the relevant provisions of the securities regulatory authorities in the place where the Bank's shares are listed (whichever is earlier). The convener shall issue a supplementary notice on the shareholders' general meeting within two days after receiving the proposal in accordance with the relevant provisions of the securities regulatory authorities in the place where the Bank's shares are listed, so as to announce the contents of the extraordinary proposal, and submit the extraordinary proposals to the shareholders' general meeting for deliberation. The contents of the extraordinary proposals shall fall within the scope of functions and powers of shareholders' general meeting, set forth a clear topic for discussion and specific matters for which resolutions need to be made.</p> <p>Save as otherwise provided in the preceding paragraph, after issuing a notice of a shareholders' general meeting, the convener shall not alter the proposals that have been listed in the notice of the shareholders' general meeting or add new proposals.</p>	<p>Corresponding amendment is made in accordance with Article 14 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016) and Article 13.73 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
11.	<p>Article 22 The Board of Directors of the Bank shall regard the best interests of the Bank and the shareholders as the code of conduct and review the proposals of the shareholders' general meeting on the basis of the following conditions:</p> <p>(1) The contents shall not be inconsistent with the laws, administrative regulations and the Articles of Association of the Bank and fall within the scope of business of the Bank and the functions and powers of the shareholders' general meeting;</p> <p>(2) With a clear topic for discussion and specific matters for which resolutions need to be made;</p> <p>(3) The proposals shall be submitted or served to the Board of Directors in writing.</p>	<p>Article 22 The Board of Directors of the Bank shall regard the best interests of the Bank and the shareholders as the code of conduct and review the proposals of the shareholders' general meeting on the basis of the following conditions:</p> <p>(1) The contents shall not be inconsistent with the laws, administrative regulations and the Articles of Association of the Bank and fall within the scope of business of the Bank and the functions and powers of the shareholders' general meeting;</p> <p>(2) With a clear topic for discussion and specific matters for which resolutions need to be made;</p> <p>(3) The proposals shall be submitted or served to the Board of Directors in writing.</p>	<p>Article 22 The Board of Directors shall regard the best interests of the Bank and the shareholders as the code of conduct and review the proposals of the shareholders' general meeting on the basis of the following conditions:</p> <p>(1) The contents shall not be inconsistent with the laws, administrative regulations and the Articles of Association of the Bank and fall within the scope of business of the Bank and the functions and powers of the shareholders' general meeting;</p> <p>(2) With a clear topic for discussion and specific matters for which resolutions need to be made;</p> <p>(3) The proposals shall be submitted or served to the Board of Directors in writing.</p>	Textual amendment.
12.	<p>Article 24 Written notice of a shareholders' general meeting shall be issued by the Bank forty-five days prior to the date of the meeting to notify all the registered shareholders of the matters to be deliberated on at the meeting and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver a written reply confirming his attendance at the meeting to the Bank twenty days prior to the date of the meeting.</p>	<p>Article 24 Written notice of a shareholders' general meeting shall be issued by the Bank forty-five days prior to the date of the meeting to notify all the registered shareholders <u>who have the right to attend the shareholders' general meeting</u> of the matters to be deliberated on at the meeting and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver a written reply confirming his attendance at the meeting to the Bank twenty days prior to the date of the meeting.</p>	<p>Article 24 Written notice of a shareholders' general meeting shall be issued by the Bank forty-five days prior to the date of the meeting to notify all the registered shareholders who have the right to attend the shareholders' general meeting of the matters to be deliberated on at the meeting and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver a written reply confirming his attendance at the meeting to the Bank twenty days prior to the date of the meeting.</p>	Corresponding amendment is made in accordance with Article 15 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016).

**PROPOSED AMENDMENTS TO THE RULES OF
PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING OF
CHINA CITIC BANK CORPORATION LIMITED**

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
13.	<p>Article 27 A notice on a shareholders' general meeting shall meet the following requirements:</p> <p>...</p> <p>(7) Contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on behalf of him and that a proxy does not need to be a shareholder;</p> <p>...</p>	<p>Article 27 A notice on a shareholders' general meeting shall meet the following requirements:</p> <p>...</p> <p>(7) Contain conspicuously a statement that a shareholder <u>an ordinary shareholder (including the preference shareholders with voting rights restored)</u> entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on behalf of him and that a proxy does not need to be a shareholder;</p> <p>...</p>	<p>Article 27 A notice on a shareholders' general meeting shall meet the following requirements:</p> <p>...</p> <p>(7) Contain conspicuously a statement that an ordinary shareholder (including the preference shareholders with voting rights restored) entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on behalf of him and that a proxy does not need to be a shareholder;</p> <p>...</p>	<p>Corresponding amendment is made in accordance with Article 55 of the Guidelines for the Articles of Association of Listed Companies (Revised in 2016).</p>
14.	<p>None.</p>	<p><u>Article 28 In the event that election of directors or supervisors is to be discussed at a shareholders' general meeting, the notice or circular attached to the notice of the shareholders' general meeting shall adequately disclose detailed information on the candidates as director or supervisor and include at least the following information:</u></p> <p>(1) <u>Academic background, working experiences, concurrent jobs and other personal information;</u></p> <p>(2) <u>Whether the candidates are related to the Bank or the controlling shareholder and actual controller of the Bank;</u></p> <p>(3) <u>Number of the Bank's shares the candidates hold;</u></p> <p>(4) <u>Whether the candidates have been punished by the CSRC, other relevant authorities or stock exchanges;</u></p> <p>(5) <u>Other information that must be specified in accordance with the provisions of the securities regulatory authorities in the place where the Bank's shares are listed.</u></p>	<p>Article 28 In the event that election of directors or supervisors is to be discussed at a shareholders' general meeting, the notice or circular attached to the notice of the shareholders' general meeting shall adequately disclose detailed information on the candidates as director or supervisor and include at least the following information:</p> <p>(1) Academic background, working experiences, concurrent jobs and other personal information;</p> <p>(2) Whether the candidates are related to the Bank or the controlling shareholder and actual controller of the Bank;</p> <p>(3) Number of the Bank's shares the candidates hold;</p> <p>(4) Whether the candidates have been punished by the CSRC, other relevant authorities or stock exchanges;</p> <p>(5) Other information that must be specified in accordance with the provisions of the securities regulatory authorities in the place where the Bank's shares are listed.</p>	<p>Addition is made in accordance with Article 17 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016), Article 56 of the Guidelines for the Articles of Association of Listed Companies (Revised in 2016) and Article 13.52 (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
15.	<p>Article 28 The notice on a shareholders' general meeting shall be sent in accordance with the following requirements and ways:</p> <p>(1) The ways of sending the notice on a shareholders' general meeting include: sent in person; sent by prepaid mail; announcement to the shareholders with domestically listed shares.</p> <p>...</p>	<p>Article 28²⁹ The notice on a shareholders' general meeting shall be sent in accordance with the following requirements and ways:</p> <p>(1) The ways of sending the notice on a shareholders' general meeting include <u>may be sent in the following ways:</u> sent in person; sent by prepaid mail; announcement to the shareholders with domestically listed shares. <u>With regard to shareholders of foreign shares listed overseas, the notices on a shareholders' general meeting, shareholders' circulars and other relevant documents shall be issued by way of announcement via the Bank's website and the website of The Stock Exchange of Hong Kong Limited forty-five days prior to the convening of the meeting, provided that such notices, circulars and documents meet the relevant laws and regulations, the relevant provisions of the securities regulatory authorities in the place where the Bank's shares are listed and the Articles of Association of the Bank.</u></p> <p>...</p>	<p>Article 29 The notice on a shareholders' general meeting shall be sent in accordance with the following requirements and ways:</p> <p>(1) The notice on a shareholders' general meeting may be sent in the following ways: sent in person; sent by prepaid mail; announcement to the shareholders with domestically listed shares. With regard to shareholders of foreign shares listed overseas, the notices on a shareholders' general meeting, shareholders' circulars and other relevant documents shall be issued by way of announcement via the Bank's website and the website of The Stock Exchange of Hong Kong Limited forty-five days prior to the convening of the meeting, provided that such notices, circulars and documents meet the relevant laws and regulations, the relevant provisions of the securities regulatory authorities in the place where the Bank's shares are listed and the Articles of Association of the Bank.</p> <p>...</p>	<p>Corresponding amendment is made in accordance with Articles 19A.39A and 19A.39B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
16.	<p>Article 33 The contents of the power of attorney issued by the shareholders to authorize others to attend the shareholders' general meeting shall specify:</p> <p>(1) The name of the proxies;</p> <p>(2) Whether the proxies have the voting right;</p> <p>(3) Respective instructions on voting in favor, against or abstain each deliberation matters listed in the agenda of the shareholders' general meeting;</p> <p>(4) The issuance date and expiration date of the power of attorney;</p> <p>(5) The signature (or seal) of the authorizing shareholder. In the event that the authorizing shareholder is a corporate shareholder, the seal of the legal person shall be affixed.</p>	<p>Article 33<u>34</u> The contents of the power of attorney issued by the shareholders to authorize others to attend the shareholders' general meeting shall specify:</p> <p>(1) The name of the proxies;</p> <p><u>(2) The number and types of shares represented by the proxies;</u></p> <p>(2)<u>(3)</u> Whether the proxies have the voting right;</p> <p>(3)<u>(4)</u> Respective instructions on voting in favor, against or abstain each deliberation matters listed in the agenda of the shareholders' general meeting;</p> <p>(4)<u>(5)</u> The issuance date and expiration date of the power of attorney;</p> <p>(5)<u>(6)</u> The signature (or seal) of the authorizing shareholder. In the event that the authorizing shareholder is a corporate shareholder, the seal of the legal person shall be affixed.</p>	<p>Article 34 The contents of the power of attorney issued by the shareholders to authorize others to attend the shareholders' general meeting shall specify:</p> <p>(1) The name of the proxies;</p> <p>(2) The number and types of shares represented by the proxies;</p> <p>(3) Whether the proxies have the voting right;</p> <p>(4) Respective instructions on voting in favor, against or abstain each deliberation matters listed in the agenda of the shareholders' general meeting;</p> <p>(5) The issuance date and expiration date of the power of attorney;</p> <p>(6) The signature (or seal) of the authorizing shareholder. In the event that the authorizing shareholder is a corporate shareholder, the seal of the legal person shall be affixed.</p>	<p>Corresponding amendment is made in accordance with Article 92 of the Articles of Association of China CITIC Bank Corporation Limited.</p>
17.	<p>Article 34 Any form of blank power of attorney issued to a shareholder by the Board of Directors of the Bank or the convener for the purpose of appointing a proxy shall be such as to enable the shareholder, according to his free will, to instruct his proxy to vote in favor of or against the motions proposed or abstained from voting and in respect of each individual matter to be voted on at the meeting. Such power of attorney shall contain a statement that in the absence of instructions from the authorizing shareholder, the proxy may vote at his will.</p>	<p>Article 34<u>35</u> Any form of blank power of attorney issued to a shareholder by the Board of Directors of the Bank or the convener for the purpose of appointing a proxy shall be such as to enable the shareholder, according to his free will, to instruct his proxy to vote in favor of or against the motions proposed or abstained from voting and in respect of each individual matter to be voted on at the meeting. Such power of attorney shall contain a statement that in the absence of instructions from the authorizing shareholder, the proxy may vote at his will.</p>	<p>Article 35 Any form of blank power of attorney issued to a shareholder by the Board of Directors or the convener for the purpose of appointing a proxy shall be such as to enable the shareholder, according to his free will, to instruct his proxy to vote in favor of or against the motions proposed or abstained from voting and in respect of each individual matter to be voted on at the meeting. Such power of attorney shall contain a statement that in the absence of instructions from the authorizing shareholder, the proxy may vote at his will.</p>	<p>Textual amendment.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
18.	Article 36 The Board of Directors Office shall be responsible for preparing the register of meetings of the Attendees of the shareholders' general meeting, and such register shall be signed by the attendees. The register of the attendees shall specify the attendees' name (and/or the designation of the organizations), identity document number, address or domicile, number of the held or represented shares with voting rights, name of the principal (or the name of the organizations) and other matters.	Article 36 ³⁷ The Board of Directors Office <u>Bank</u> shall be responsible for preparing the register of meetings of the attendees of the shareholders' general meeting, and such register shall be signed by the attendees. The <u>meeting</u> register of the attendees shall specify the attendees' name (and/or the designation of the organizations), identity document number, address or domicile, number <u>and type</u> of the held or represented shares with voting rights, name of the principal (or the name of the organizations) and other matters.	Article 37 The Bank shall be responsible for preparing the register of meetings of the attendees of the shareholders' general meeting, and such register shall be signed by the attendees, and such register shall be signed by the attendees. The meeting register of the attendees shall specify the attendees' name (and/or the designation of the organizations), identity document number, address or domicile, number and class of the held or represented shares with voting rights, name of the principal (or the name of the organizations) and other matters.	Corresponding amendment is made in accordance with Article 64 of the Guidelines for the Articles of Association of Listed Companies and Article 95 of the Articles of Association of China CITIC Bank Corporation Limited.
19.	Article 37 The conveners and the lawyers engaged by the Bank shall verify the legitimacy of the shareholders' qualification in accordance with the register of shareholders provided by the domestic stock and foreign stock registration institutions and register the names (or designations) of the shareholders and the number of shares with voting right held by the shareholders. Before the host of the meeting announces the number of shareholders and proxies attending the meeting and the total number of shares with voting right held by such shareholders and proxies, the registration of the meeting shall be terminated.	Article 37 ³⁸ The conveners and the lawyers engaged by the Bank shall verify the legitimacy of the shareholders' qualification in accordance with the register of shareholders provided by the domestic stock and foreign stock registration institutions and register the names (or designations) of the shareholders and the number of shares with voting right held by the shareholders. Before the host <u>chairman</u> of the meeting announces the number of shareholders and proxies attending the meeting and the total number of shares with voting right held by such shareholders and proxies, the registration of the meeting shall be terminated.	Article 38 The conveners and the lawyers engaged by the Bank shall verify the legitimacy of the shareholders' qualification in accordance with the register of shareholders provided by the domestic stock and foreign stock registration institutions and register the names (or designations) of the shareholders and the number of shares with voting right held by the shareholders. Before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of shares with voting right held by such shareholders and proxies, the registration of the meeting shall be terminated.	Corresponding amendment is made in accordance with Article 96 of the Articles of Association of China CITIC Bank Corporation Limited.

**PROPOSED AMENDMENTS TO THE RULES OF
PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING OF
CHINA CITIC BANK CORPORATION LIMITED**

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
20.	None.	<p><u>Article 39 Except for the following matters, the preference shareholders shall not attend the shareholders' general meeting and the shares held by them shall not have voting rights.</u></p> <p>(1) <u>Modify the contents of the Articles of Association in relation to the preference shares;</u></p> <p>(2) <u>Decrease registered capital of the Bank by more than ten percent once or in total;</u></p> <p>(3) <u>The Bank merges, splits, dissolves or changes its form;</u></p> <p>(4) <u>Issue preference shares;</u></p> <p>(5) <u>Other circumstances provided for in laws, administrative regulations, regulations of governmental agencies and the Articles of Association.</u></p> <p><u>In the event that the shareholders' general meeting involves the deliberation on the aforesaid matters, the Bank shall notify the preference shareholders in accordance with the Company Law and the procedures of notifying ordinary shareholders provided in the Company Law and the notice of ordinary shareholders of the Bank. The preference shareholders shall have the right to attend the shareholders' general meeting and make classified voting on the aforesaid matters. Each preference share held by the preference shareholders shall have one voting right, but the Bank's preference shares held by the Bank shall not have voting right.</u></p>	<p>Article 39 Except for the following matters, the preference shareholders shall not attend the shareholders' general meeting and the shares held by them shall not have voting rights.</p> <p>(1) Modify the contents of the Articles of Association in relation to the preference shares;</p> <p>(2) Decrease registered capital of the Bank by more than ten percent once or in total;</p> <p>(3) The Bank merges, splits, dissolves or changes its form;</p> <p>(4) Issue preference shares;</p> <p>(5) Other circumstances provided for in laws, administrative regulations, regulations of governmental agencies and the Articles of Association.</p> <p>In the event that the shareholders' general meeting involves the deliberation on the aforesaid matters, the Bank shall notify the preference shareholders in accordance with the Company Law and the procedures of notifying ordinary shareholders provided in the Company Law and the notice of ordinary shareholders of the Bank. The preference shareholders shall have the right to attend the shareholders' general meeting and make classified voting on the aforesaid matters. Each preference share held by the preference shareholders shall have one voting right, but the Bank's preference shares held by the Bank shall not have voting right.</p>	<p>Addition is made in accordance with Article 10 of the Measures for the Administration of the Preference Share Pilot, Article 23 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016) and Article 43 of the Articles of Association of China CITIC Bank Corporation Limited.</p>

**PROPOSED AMENDMENTS TO THE RULES OF
PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING OF
CHINA CITIC BANK CORPORATION LIMITED**

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
		<u>In addition to the fact that more than two thirds of votes held by the ordinary shareholders attending the meeting (including the preference shareholders with voting rights restored) must be exercised in favor of the aforesaid matters, more than two thirds of votes held by the preference shareholders attending the meeting (excluding the preference shareholders with voting rights restored) must be exercised in favor of the aforesaid matters.</u>	In addition to the fact that more than two thirds of votes held by the ordinary shareholders attending the meeting (including the preference shareholders with voting rights restored) must be exercised in favor of the aforesaid matters, more than two thirds of votes held by the preference shareholders attending the meeting (excluding the preference shareholders with voting rights restored) must be exercised in favor of the aforesaid matters.	
21.	None.	<p><u>Article 40 In the event that the Bank has not paid dividends on the preference shares as agreed for three fiscal years accumulatively or two consecutive fiscal years, from the next day after the shareholders' general meeting approves the program of not districting profits as agreed in that year, the preference shareholders have the right to attend the shareholders' general meeting and vote jointly with the ordinary shareholders. The voting right carried by each preference share shall be determined in the ways as agreed in accordance with the laws, administrative regulations, departmental rules and regulations or upon the issuance of such preference share.</u></p> <p><u>The voting rights of the preference shares are restored until the Bank has paid the full dividends on that date of dividends of the year.</u></p>	<p>Article 40 In the event that the Bank has not paid dividends on the preference shares as agreed for three fiscal years accumulatively or two consecutive fiscal years, from the next day after the shareholders' general meeting approves the program of not districting profits as agreed in that year, the preference shareholders have the right to attend the shareholders' general meeting and vote jointly with the ordinary shareholders. The voting right carried by each preference share shall be determined in the ways as agreed in accordance with the laws, administrative regulations, departmental rules and regulations or upon the issuance of such preference share.</p> <p>The voting rights of the preference shares are restored until the Bank has paid the full dividends on that date of dividends of the year.</p>	Corresponding amendment is made in accordance with Article 11 of the Administrative Measures for the Preference Share Pilot, and Article 44 of the Articles of Association of China CITIC Bank Corporation Limited.

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
22.	<p>Article 38 In the event that a shareholders' general meeting is convened by the Board of Directors, the chairman shall act as the host of the meeting and preside over the meeting. In the event that the chairman of the Board of Directors cannot attend the meeting for any reason, the chairman of the Board of Directors shall appoint a Vice chairman to convene the meeting and serve as the host of the meeting. In the event that the chairman and vice chairman of the Board of Directors cannot attend the meeting, the Board of Directors may appoint a Director of the Bank to convene the meeting on his behalf and serve as the host of the meeting. In the event that the host of the meeting is not appointed, the shareholders present at the meeting may elect one person to preside over the meeting.</p> <p>...</p> <p>In the event that the shareholders' general meeting cannot be continued because the host of the meeting violates the rules of procedure at the shareholders' general meeting, the shareholders' general meeting may elect one person to serve as the host of the meeting after the consent of more than half of the shareholders with voting right who attend the meeting is obtained.</p>	<p>Article 38<u>41</u> In the event that a shareholders' general meeting is convened by the Board of Directors, the chairman shall act as the host chairman of the meeting and preside over the meeting. In the event that the chairman of the Board of Directors cannot attend the meeting for any reason, the chairman of the Board of Directors shall appoint a vice chairman to convene the meeting and serve as the host chairman of the meeting. In the event that the chairman and vice chairman of the Board of Directors cannot attend the meeting, the Board of Directors may appoint a director of the Bank to convene the meeting on his behalf and serve as the host chairman of the meeting. In the event that the host chairman of the meeting is not appointed, the shareholders present at the meeting may elect one person to preside over the meeting.</p> <p>...</p> <p>In the event that the shareholders' general meeting cannot be continued because the host chairman of the meeting violates the rules of procedure at the shareholders' general meeting, the shareholders' general meeting may elect one person to serve as the host chairman of the meeting after the consent of more than half of the shareholders with voting right who attend the meeting is obtained.</p>	<p>Article 41 In the event that a shareholders' general meeting is convened by the Board of Directors, the chairman shall act as the chairman of the meeting and preside over the meeting. In the event that the chairman of the Board of Directors cannot attend the meeting for any reason, the chairman of the Board of Directors shall appoint a Vice chairman to convene the meeting and serve as the chairman of the meeting. In the event that the chairman and vice chairman of the Board of Directors cannot attend the meeting, the Board of Directors may appoint a Director of the Bank to convene the meeting on his behalf and serve as the chairman of the meeting. In the event that the chairman of the meeting is not appointed, the shareholders present at the meeting may elect one person to preside over the meeting.</p> <p>...</p> <p>In the event that the shareholders' general meeting cannot be continued because the chairman of the meeting violates the rules of procedure at the shareholders' general meeting, the shareholders' general meeting may elect one person to serve as the chairman of the meeting after the consent of more than half of the shareholders with voting right who attend the meeting is obtained.</p>	<p>Corresponding amendment is made in accordance with Article 101 of the Articles of Association of China CITIC Bank Corporation Limited.</p>
23.	<p>Article 39 At the annual general meeting, the Board of Directors and the Board of Supervisors shall report to the shareholders' general meeting on their work over the past year. Each independent director shall also deliver work reports.</p>	<p>Article 39<u>42</u> At the annual general meeting, the Board of Directors and the Board of Supervisors shall report to the shareholders' general meeting on their work over the past year. Each independent director shall also deliver work reports.</p>	<p>Article 42 At the annual general meeting, the Board of Directors and the Board of Supervisors shall report to the shareholders' general meeting on their work over the past year. Each independent director shall also deliver work reports.</p>	<p>Corresponding amendment in Chinese is made in accordance with Article 103 of the Articles of Association of China CITIC Bank Corporation Limited.</p>
24.	<p>Article 41 The host of the meeting shall declare the number of shareholders and proxies present at the meeting and the total number of shares held by the meeting before the voting. The number of shareholders and proxies present at the meeting and the total number of shares with voting right shall be subject to the registration of the meeting.</p>	<p>Article 41<u>44</u> The host chairman of the meeting shall declare the number of shareholders and proxies present at the meeting and the total number of shares held by the meeting before the voting. The number of shareholders and proxies present at the meeting and the total number of shares with voting right shall be subject to the registration of the meeting.</p>	<p>Article 44 The chairman of the meeting shall declare the number of shareholders and proxies present at the meeting and the total number of shares held by the meeting before the voting. The number of shareholders and proxies present at the meeting and the total number of shares with voting right shall be subject to the registration of the meeting.</p>	<p>Corresponding amendment is made in accordance with Article 105 of the Articles of Association of China CITIC Bank Corporation Limited.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
25.	<p>Article 44 The Bank shall facilitate the participation of shareholders in the shareholders' general meeting through various means and ways, provided that the shareholders' general meeting is lawful and effective.</p>	<p>Article <u>4447</u> The Bank shall facilitate the participation of shareholders in the shareholders' general meeting through various means and ways, provided that the shareholders' general meeting is lawful and effective.</p> <p><u>In the event that the Bank convenes a shareholders' general meeting in relation to issuance of preference shares, the Bank shall provide online voting, and can facilitate the participation of shareholders in the shareholders' general meeting through other means approved by the CSRC.</u></p>	<p>Article 47 The Bank shall facilitate the participation of shareholders in the shareholders' general meeting through various means and ways, provided that the shareholders' general meeting is lawful and effective.</p> <p>In the event that the Bank convenes a shareholders' general meeting in relation to issuance of preference shares, the Bank shall provide online voting, and can facilitate the participation of shareholders in the shareholders' general meeting through other means approved by the CSRC.</p>	<p>Corresponding amendment is made in accordance with Article 38 of the Administrative Measures for the Preference Share Pilot, and Article 114 of the Articles of Association of China CITIC Bank Corporation Limited.</p>
26.	<p>Article 45 A shareholder (including his proxy) may exercise voting rights at the shareholders' general meeting according to the number of shares which carry the right to vote held by him and each share shall have one vote.</p> <p>The Bank's shares held by the Bank do not have the right to vote, and they shall not be counted into the total number of the voting shares attending the shareholders' general meeting.</p> <p>Any shares in the share capital of the Bank carrying no right to vote shall be marked with "Without Voting Rights" in its name.</p> <p>If the share capital of the Bank consists of shares with different voting rights attached, each class of shares (except for those with the most preferential voting rights attached) shall be marked with "Limited Voting Right" or "Restricted Voting Right" in their name.</p> <p>Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.</p>	<p>Article <u>4548</u> <u>A An ordinary</u> shareholder (including his proxy) may exercise voting rights at the shareholders' general meeting according to the number of shares which carry the right to vote held by him and each share shall have one vote. <u>The proportion of the corresponding voting rights of each preference share held by preference shareholders with voting rights restored shall be calculated in accordance with the relevant provisions of the specific issuance clauses. In the event of classified voting, each preference share (excluding preference share with voting rights restored) shall have one vote.</u></p> <p><u>In the event that a shareholders' general meeting deliberates on major matters affecting the interests of medium and small investors, the votes of medium and small investors shall be counted separately. The results of separate counting shall be disclosed in a timely manner.</u></p> <p>The Bank's shares held by the Bank do not have the right to vote, and they shall not be counted into the total number of the voting shares attending the shareholders' general meeting.</p> <p>Any shares in the share capital of the Bank carrying no right to vote shall be marked with "Without Voting Rights" in its name.</p>	<p>Article 48 An ordinary shareholder (including his proxy) may exercise voting rights at the shareholders' general meeting according to the number of shares which carry the right to vote held by him and each share shall have one vote. The proportion of the corresponding voting rights of each preference share held by preference shareholders with voting rights restored shall be calculated in accordance with the relevant provisions of the specific issuance clauses. In the event of classified voting, each preference share (excluding preference share with voting rights restored) shall have one vote.</p> <p>In the event that a shareholders' general meeting deliberates on major matters affecting the interests of medium and small investors, the votes of medium and small investors shall be counted separately. The results of separate counting shall be disclosed in a timely manner.</p> <p>The Bank's shares held by the Bank do not have the right to vote, and they shall not be counted into the total number of the voting shares attending the shareholders' general meeting.</p> <p>Any shares in the share capital of the Bank carrying no right to vote shall be marked with "Without Voting Rights" in its name.</p>	<p>Corresponding amendment is made in accordance with Article 78 of the Guidelines for the Articles of Association of Listed Companies (Revised in 2016) and the annotations.</p> <p>Corresponding amendment is made in accordance with Article 31 of the Rules of Meetings of Listed Companies (Revised in 2016), and Article 116 of the Articles of Association of China CITIC Bank Corporation Limited.</p> <p>Corresponding amendment is made in accordance with Article 31 of the Rules for the Shareholders' Meetings of Listed Companies (Revised in 2016), and Article 116 of the Articles of Association of China CITIC Bank Corporation Limited.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
		<p>If the share capital of the Bank consists of shares with different voting rights attached, each class of shares (except for those with the most preferential voting rights attached) shall be marked with "Limited Voting Right" or "Restricted Voting Right" in their name.</p> <p>Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.</p> <p><u>The Board of Directors, the independent directors and the shareholders who meet the relevant requirements may solicit the voting rights of shareholders. In the event of the solicitation of shareholders' voting rights, specific voting intentions and other information shall be fully disclosed to persons whose voting rights are solicited. The paid or disguised paid solicitation of shareholders' voting rights shall be forbidden. The Bank shall not impose a minimum shareholding limit on the solicitation of shareholders' voting rights.</u></p>	<p>If the share capital of the Bank consists of shares with different voting rights attached, each class of shares (except for those with the most preferential voting rights attached) shall be marked with "Limited Voting Right" or "Restricted Voting Right" in their name.</p> <p>Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.</p> <p>The Board of Directors, the independent directors and the shareholders who meet the relevant requirements may solicit the voting rights of shareholders. In the event of the solicitation of shareholders' voting rights, specific voting intentions and other information shall be fully disclosed to persons whose voting rights are solicited. The paid or disguised paid solicitation of shareholders' voting rights shall be forbidden. The Bank shall not impose a minimum shareholding limit on the solicitation of shareholders' voting rights.</p>	
27.	<p>Article 46 A shareholder attending a shareholders' general meeting shall state one of the following opinions on the proposal submitted for voting: consent, objection or waiver.</p> <p>In the event that the votes are not filled in, incorrectly filled in or illegible or not cast, the voters shall be deemed to have abstained from voting, and the voting result of the number of shares held by such voters shall be recorded as "abstention".</p>	<p>Article 46<u>49</u> A shareholder attending a shareholders' general meeting shall state one of the following opinions on the proposal submitted for voting: consent, objection or waiver. <u>Except when the securities registration and settlement institutions shall, as the nominee holder of the shares under interconnection mechanism for mainland and Hong Kong stock markets, make declarations in accordance with the actual holder's intention.</u></p> <p>In the event that the votes are not filled in, incorrectly filled in or illegible or not cast, the voters shall be deemed to have abstained from voting, and the voting result of the number of shares held by such voters shall be recorded as "abstention".</p>	<p>Article 49 A shareholder attending a shareholders' general meeting shall state one of the following opinions on the proposal submitted for voting: consent, objection or waiver. Except when the securities registration and settlement institutions shall, as the nominee holder of the shares under interconnection mechanism for mainland and Hong Kong stock markets, make declarations in accordance with the actual holder's intention.</p> <p>In the event that the votes are not filled in, incorrectly filled in or illegible or not cast, the voters shall be deemed to have abstained from voting, and the voting result of the number of shares held by such voters shall be recorded as "abstention".</p>	<p>Corresponding amendment is made in accordance with Article 36 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016).</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
28.	<p>Article 47 The shareholders' general meeting will vote on all proposals on a case-by-case basis, and in the event that there are different proposals for the same matter, the shareholders' general meeting will vote on such proposals in the chronological order that they are proposed. Except that the shareholders' general meeting is suspended or cannot make resolutions due to force majeure and other special reasons, the shareholders' general meeting shall not put aside or not vote on proposals.</p> <p>The shareholders' general meeting shall not make any modification to the proposals in the event of deliberating on such proposal. Otherwise, such modification shall be deemed as a new proposal and cannot be voted on at the shareholders' general meeting.</p>	<p>Article 4750 The shareholders' general meeting will vote on all proposals on a case-by-case basis, and in the event that there are different proposals for the same matter, the shareholders' general meeting will vote on such proposals in the chronological order that they are proposed. Except that the shareholders' general meeting is suspended or cannot make resolutions due to force majeure and other special reasons, the shareholders' general meeting shall not put aside or not vote on proposals.</p> <p>The shareholders' general meeting shall not make any modification to the proposals in the event of deliberating on such proposal. Otherwise, such modification shall be deemed as a new proposal and cannot be voted on at the shareholders' general meeting.</p> <p><u>In the event of deliberating on the issuance of preference shares, the shareholders' general meeting shall vote on the following matters on a case-by-case basis:</u></p> <p>(1) <u>The type and quantity of the preference shares issued;</u></p> <p>(2) <u>The manner and target of issuance and arrangements for allocation to the original shareholders;</u></p> <p>(3) <u>The face amount, the issue price or the pricing range and the principle of determining such range;</u></p> <p>(4) <u>The way in which the preference shareholders participate in the distribution of profits, including the dividend yield and the principle of determining the dividend yield, the conditions for dividend distribution, the manner of dividend payment, whether the dividends are accumulated and whether the dividends can participate in the distribution of surplus profits;</u></p>	<p>Article 50 The shareholders' general meeting will vote on all proposals on a case-by-case basis, and in the event that there are different proposals for the same matter, the shareholders' general meeting will vote on such proposals in the chronological order that they are proposed. Except that the shareholders' general meeting is suspended or cannot make resolutions due to force majeure and other special reasons, the shareholders' general meeting shall not put aside or not vote on proposals.</p> <p>The shareholders' general meeting shall not make any modification to the proposals in the event of deliberating on such proposal. Otherwise, such modification shall be deemed as a new proposal and cannot be voted on at the shareholders' general meeting.</p> <p><u>In the event of deliberating on the issuance of preference shares, the shareholders' general meeting shall vote on the following matters on a case-by-case basis:</u></p> <p>(1) The type and quantity of the preference shares issued;</p> <p>(2) The manner and target of issuance and arrangements for allocation to the original shareholders;</p> <p>(3) The face amount, the issue price or the pricing range and the principle of determining such range;</p> <p>(4) The way in which the preference shareholders participate in the distribution of profits, including the dividend yield and the principle of determining the dividend yield, the conditions for dividend distribution, the manner of dividend payment, whether the dividends are accumulated and whether the dividends can participate in the distribution of surplus profits;</p>	

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
		<p>(5) <u>The repurchase clauses, including the conditions, period and price of repurchase, the principle of determining the price, and the subjects of exercising repurchase option, etc. (if any);</u></p> <p>(6) <u>The purpose of raising funds;</u></p> <p>(7) <u>The conditional share subscription contract executed by the Bank and the relevant issuing targets;</u></p> <p>(8) <u>The validity of resolutions;</u></p> <p>(9) <u>The amendment plans for clauses in connection with profit distribution policy of preference shareholders and ordinary shareholders in the Bank's Articles of Association;</u></p> <p>(10) <u>Delegation of the Board of Directors for handling matters relevant to this issuance;</u></p> <p>(11) <u>Other matters.</u></p>	<p>(5) The repurchase clauses, including the conditions, period and price of repurchase, the principle of determining the price, and the subjects of exercising repurchase option, etc. (if any);</p> <p>(6) The purpose of raising funds;</p> <p>(7) The conditional share subscription contract executed by the Bank and the relevant issuing targets;</p> <p>(8) The validity of resolutions;</p> <p>(9) The amendment plans for clauses in connection with profit distribution policy of preference shareholders and ordinary shareholders in the Bank's Articles of Association;</p> <p>(10) Delegation of the Board of Directors for handling matters relevant to this issuance;</p> <p>(11) Other matters.</p>	Corresponding amendment is made in accordance with Article 37 of the Administrative Measures for the Preference Share Pilot, (Revised in 2016) and Article 33 of the Rules of Shareholders' General Meetings of Listed Companies.
29.	<p>Article 48 The list of nominated directors and supervisors shall be submitted to the shareholders' general meeting for vote in the form of proposal. The shareholders' general meeting shall deliberate on the proposals of directors and supervisors, and shall vote on each of candidates for directors and supervisors on a case-by-case basis.</p> <p>...</p> <p>(7) Before convening a shareholders' general meeting, the Board of Directors and the Board of Supervisors shall disclose detailed information on candidates for director and supervisor to the shareholders according to laws, regulations and the Articles of Association to ensure that the shareholders have sufficient knowledge of the candidates when voting.</p>	<p>Article 4851 The list of nominated directors and supervisors shall be submitted to the shareholders' general meeting for vote in the form of proposal. The shareholders' general meeting shall deliberate on the proposals of directors and supervisors, and shall vote on each of candidates for directors and supervisors on a case-by-case basis.</p> <p>...</p> <p>(7) Before convening a shareholders' general meeting, the Board of Directors and the Board of Supervisors shall disclose detailed information on candidates for director and supervisor to the shareholders according to laws, regulations and the Articles of Association <u>of the Bank</u> to ensure that the shareholders have sufficient knowledge of the candidates when voting.</p>	<p>Article 51 The list of nominated directors and supervisors shall be submitted to the shareholders' general meeting for vote in the form of proposal. The shareholders' general meeting shall deliberate on the proposals of directors and supervisors, and shall vote on each of candidates for directors and supervisors on a case-by-case basis.</p> <p>...</p> <p>(7) Before convening a shareholders' general meeting, the Board of Directors and the Board of Supervisors shall disclose detailed information on candidates for director and supervisor to the shareholders according to laws, regulations and the Articles of Association of the Bank to ensure that the shareholders have sufficient knowledge of the candidates when voting.</p>	Textual amendment.

**PROPOSED AMENDMENTS TO THE RULES OF
PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING OF
CHINA CITIC BANK CORPORATION LIMITED**

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
30.	<p>Article 49 Resolutions of the shareholders' general meeting are divided into ordinary resolutions and special resolutions.</p> <p>(1) Ordinary resolutions</p> <p>1. To adopt an ordinary resolution, more than half of the votes represented by shareholders (including proxies) present at the shareholders' general meeting must be exercised in favor of the resolution.</p> <p>...</p> <p>(2) Special resolutions</p> <p>1. To adopt a special resolution, more than two thirds of the votes represented by the shareholders (including proxies) present at the shareholders' general meeting must be exercised in favor of the resolution.</p> <p>2. The following matters shall be adopted by special resolution at a shareholders' general meeting:</p> <p>...</p> <p>(4) Repurchase shares of the Bank;</p> <p>...</p> <p>(8) Other matters which will produce major impacts and need to be adopted with special resolution as adopted by the shareholders' general meeting with ordinary resolution.</p>	<p>Article 4952 Resolutions of the shareholders' general meeting are divided into ordinary resolutions and special resolutions.</p> <p>(1) Ordinary resolutions</p> <p>1. To adopt an ordinary resolution, more than half of the votes represented by <u>ordinary</u> shareholders (including <u>preference shareholders with voting rights restored and their proxies</u>) present at the shareholders' general meeting must be exercised in favor of the resolution.</p> <p>...</p> <p>(2) Special resolutions</p> <p>1. To adopt a special resolution, more than two thirds of the votes represented by <u>the ordinary</u> shareholders (including <u>preference shareholders with voting rights restored and their proxies</u>) present at the shareholders' general meeting must be exercised in favor of the resolution. Where the preference shareholders (excluding the preference shareholders with voting rights restored) attend the shareholders' general meeting and exercise the voting right in accordance with laws, regulations and the Articles of Association of the Bank, more than two thirds of votes held by the preference shareholders attending the meeting (excluding the preference shareholders with voting rights restored) must be exercised in favor of the special resolution.</p>	<p>Article 52 Resolutions of the shareholders' general meeting are divided into ordinary resolutions and special resolutions.</p> <p>(1) Ordinary resolutions</p> <p>1. To adopt an ordinary resolution, more than half of the votes represented by ordinary shareholders (including preference shareholders with voting rights restored and their proxies) present at the shareholders' general meeting must be exercised in favor of the resolution.</p> <p>(2) Special resolutions</p> <p>1. To adopt a special resolution, more than two thirds of the votes represented by the ordinary shareholders (including preference shareholders with voting rights restored and their proxies) present at the shareholders' general meeting must be exercised in favor of the resolution. Where the preference shareholders (excluding the preference shareholders with voting rights restored) attend the shareholders' general meeting and exercise the voting right in accordance with laws, regulations and the Articles of Association of the Bank, more than two thirds of votes held by the preference shareholders attending the meeting (excluding the preference shareholders with voting rights restored) must be exercised in favor of the special resolution.</p>	<p>Corresponding amendment is made in accordance with Articles 75 to 77 of the Guidelines for the Articles of Association of Listed Companies (Revised in 2016) and the annotations, and Article 109 of the Articles of Association of China CITIC Bank Corporation Limited.</p> <p>Corresponding amendment is made in accordance with Articles 75 to 77 of the Guidelines for the Articles of Association of Listed Companies (Revised in 2016) and the annotations, and Article 109 of the Articles of Association of China CITIC Bank Corporation Limited.</p> <p>Corresponding amendment is made in accordance with Article 55 of the Administrative Measures for the Preference Share Pilot, and Article 111 of the Articles of Association of China CITIC Bank Corporation Limited.</p> <p>Corresponding amendment is made in accordance with Articles 11 and 55 of the Administrative Measures for the Preference Share Pilot, and Article 111 of the Articles of Association of China CITIC Bank Corporation Limited.</p>

**PROPOSED AMENDMENTS TO THE RULES OF
PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING OF
CHINA CITIC BANK CORPORATION LIMITED**

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
		<p>2. The following matters shall be adopted by special resolution at a shareholders' general meeting:</p> <p>...</p> <p>(4) Repurchase <u>ordinary</u> shares of the Bank;</p> <p>...</p> <p><u>(8) Decide or authorize the Board of Directors to determine the matters relating to the issued preference shares of the Bank, including but not limited to deciding whether to repurchase, switch or pay dividends;</u></p> <p>(8) <u>(9)</u> Other matters which will produce major impacts and need to be adopted with special resolution as adopted by the shareholders' general meeting with ordinary resolution.</p>	<p>2. The following matters shall be adopted by special resolution at a shareholders' general meeting:</p> <p>...</p> <p>(4) Repurchase ordinary shares of the Bank;</p> <p>...</p> <p>(8) Decide or authorize the Board of Directors to determine the matters relating to the issued preference shares of the Bank, including but not limited to deciding whether to repurchase, switch or pay dividends;</p> <p>(9) Other matters which will produce major impacts and need to be adopted with special resolution as adopted by the shareholders' general meeting with ordinary resolution.</p>	
31.	Article 51 In the event that the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited stipulates that any shareholder is required to abstain from voting on any particular matter deliberated or restricted to voting only for (or only against) any particular matter deliberated, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.	Article 51 <u>54</u> In the event that the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited stipulates that any shareholder is required to abstain from voting on any particular matter deliberated or restricted to voting only for (or only against) any particular matter deliberated, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.	Article 54 In the event that the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited stipulates that any shareholder is required to abstain from voting on any particular matter deliberated or restricted to voting only for (or only against) any particular matter deliberated, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.	Textual amendment in Chinese

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
32.	<p>Article 53 On a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes does not need to cast all his votes in the same way.</p> <p>In the event of an equality of votes, whether by a show of hands or on a poll, the host of the meeting shall be entitled to an additional vote.</p> <p>Before the shareholders' general meeting is to vote on a proposal, it shall be determined that two shareholders' representatives participate in the counting and scrutinizing. In the event that the matters to be deliberated on are of interest to the shareholders, the relevant shareholders and proxies shall not participate in the counting and scrutinizing.</p> <p>In the event that the shareholders' general meeting votes on each matter to be deliberated on, the lawyers, the shareholders' representatives and the supervisors' representatives shall be responsible for counting and scrutinizing the votes and announcing the voting results on the spot.</p>	<p>Article 53<u>56</u> On a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes does not need to cast all his votes in the same way.</p> <p>In the event of an equality of votes, whether by a show of hands or on a poll, the host <u>chairman</u> of the meeting shall be entitled to an additional vote.</p> <p>Before the shareholders' general meeting is to vote on a proposal, it shall be determined that two shareholders' representatives participate in the counting and scrutinizing. In the event that the matters to be deliberated on are of interest to the shareholders, the relevant shareholders and proxies shall not participate in the counting and scrutinizing.</p> <p>In the event that the shareholders' general meeting votes on each matter to be deliberated on, the lawyers, the shareholders' representatives and, the supervisors' representatives and the <u>designated persons appointed by the securities regulatory authorities in the place where the Bank's shares are listed</u> shall be responsible for counting and scrutinizing the votes and announcing the voting results on the spot.</p> <p><u>Shareholders or their proxies who vote through network or otherwise shall have the right to check their votes through the corresponding voting system.</u></p>	<p>Article 56 On a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes does not need to cast all his votes in the same way.</p> <p>In the event of an equality of votes, whether by a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional vote.</p> <p>Before the shareholders' general meeting is to vote on a proposal, it shall be determined that two shareholders' representatives participate in the counting and scrutinizing. In the event that the matters to be deliberated on are of interest to the shareholders, the relevant shareholders and proxies shall not participate in the counting and scrutinizing.</p> <p>In the event that the shareholders' general meeting votes on each matter to be deliberated on, the lawyers, the shareholders' representatives, the supervisors' representatives and the designated persons appointed by the securities regulatory authorities in the place where the Bank's shares are listed shall be responsible for counting and scrutinizing the votes and announcing the voting results on the spot.</p> <p>Shareholders or their proxies who vote through network or otherwise shall have the right to check their votes through the corresponding voting system.</p>	<p>Corresponding amendment is made in accordance with Article 118 of the Articles of Association of China CITIC Bank Corporation Limited.</p> <p>Corresponding amendment is made in accordance with Article 13.39(5) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.</p> <p>Corresponding amendment is made in accordance with Para. 3, Article 37 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016).</p>
33.	<p>Article 54 The shareholders' general meeting shall form a written resolution, and the host of the meeting shall decide whether or not the resolution of the shareholders' general meeting is adopted in accordance with the provisions of the Articles of Association of the Bank. The decision shall be final and shall be announced and recorded at the meeting minutes.</p>	<p>Article 54<u>57</u> The shareholders' general meeting shall form a written resolution, and the host <u>chairman</u> of the meeting shall decide whether or not the resolution of the shareholders' general meeting is adopted in accordance with the provisions of the Articles of Association of the Bank. The decision shall be final and shall be announced and recorded at the meeting minutes.</p>	<p>Article 57 The shareholders' general meeting shall form a written resolution, and the chairman of the meeting shall decide whether or not the resolution of the shareholders' general meeting is adopted in accordance with the provisions of the Articles of Association of the Bank. The decision shall be final and shall be announced and recorded at the meeting minutes.</p>	<p>Corresponding amendment is made in accordance with Article 119 of the Articles of Association of China CITIC Bank Corporation Limited.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
34.	Article 55 In the event that the host of the meeting has any doubts as to the result of the resolution, the number of votes cast may be counted; in the event that the host of the meeting does not count the votes and that the shareholders or shareholders' proxies who attend the meeting raise any objections to the results announced by the host, such shareholders or proxies shall have the right to immediately request counting of votes after the announcement of the voting results, and the host of the meeting shall immediately count the votes.	Article 55 <u>58</u> In the event that the host <u>chairman</u> of the meeting has any doubts as to the result of the resolution, the number of votes cast may be counted; in the event that the host <u>chairman</u> of the meeting does not count the votes and that the shareholders or shareholders' proxies who attend the meeting raise any objections to the results announced by the host <u>chairman</u> , such shareholders or proxies shall have the right to immediately request counting of votes after the announcement of the voting results, and the host <u>chairman</u> of the meeting shall immediately count the votes.	Article 58 In the event that the chairman of the meeting has any doubts as to the result of the resolution, the number of votes cast may be counted; in the event that the chairman of the meeting does not count the votes and that the shareholders or shareholders' proxies who attend the meeting raise any objections to the results announced by the chairman, such shareholders or proxies shall have the right to immediately request counting of votes after the announcement of the voting results, and the chairman of the meeting shall immediately count the votes.	Corresponding amendment is made in accordance with Article 121 of the Articles of Association of China CITIC Bank Corporation Limited.
35.	Article 56 In the event that the contents of a resolution of the shareholders' general meeting violate any law or administrative regulation, such resolution shall be invalid.	Article 56 <u>59</u> In the event that the contents of a resolution of the shareholders' general meeting violate any law or administrative regulation, such resolution shall be invalid. <u>The controlling shareholder and the actual controllers of the Bank shall not restrict or hinder medium and small investors from exercising the voting right according to law and shall not harm the lawful rights and interests of the Bank and the medium and small investors.</u>	Article 59 In the event that the contents of a resolution of the shareholders' general meeting violate any law or administrative regulation, such resolution shall be invalid. The controlling shareholder and the actual controllers of the Bank shall not restrict or hinder medium and small investors from exercising the voting right according to law and shall not harm the lawful rights and interests of the Bank and the medium and small investors.	Corresponding amendment is made in accordance with Article 46 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016).
36.	Article 57 The shareholders' general meeting shall have the meeting minutes and the secretary to the Board of Directors shall be held responsible for such minutes. The contents which the meeting minutes shall record shall include: (1) Time, place, agenda of the meeting and conveners' name or designation; (2) The names of the host of the meeting, directors and supervisors, general managers and other senior officers attending or present at the meeting;	Article 57 <u>60</u> The shareholders' general meeting shall have the meeting minutes and the secretary to the Board of Directors shall be held responsible for such minutes. The contents which the meeting minutes shall record shall include: (+) i. Time, place, agenda of the meeting and conveners' name or designation; (-) ii. The names of the host <u>chairman</u> of the meeting, directors and supervisors, general managers and other senior officers attending or present at the meeting;	Article 60 The shareholders' general meeting shall have the meeting minutes and the secretary to the Board of Directors shall be held responsible for such minutes. The contents which the meeting minutes shall record shall include: i. Time, place, agenda of the meeting and conveners' name or designation; ii. The names of the chairman of the meeting, directors and supervisors, general managers and other senior officers attending or present at the meeting;	Corresponding amendment is made in accordance with Article 106 of the Articles of Association of China CITIC Bank Corporation Limited.

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
	<p>(3) The number of shares held by shareholders with domestically listed shares (including their proxies) attending the meeting and by shareholders with overseas listed shares attending the meeting and the proportion of the total number of such shares to the shares of the Bank;</p> <p>(4) Deliberation process, main points of statements of each proposal and voting results of such proposal by shareholders with domestically listed shares and shareholders with overseas listed shares;</p> <p>(5) The opinions or suggestions on the shareholders' questions and the corresponding replies or explanations;</p> <p>(6) The names of lawyers, vote counters and scrutineers;</p> <p>(7) Other contents that shall be included in the meeting minutes in accordance with the provisions of the Articles of Association.</p>	<p>(3) iii. The number of shares held by shareholders with domestically listed shares (including their proxies) attending the meeting and by shareholders with overseas listed shares attending the meeting and the proportion of the total number of such shares to the shares of the Bank;</p> <p>(4) iv. Deliberation process, main points of statements of each proposal and voting results of such proposal by shareholders with domestically listed shares and shareholders with overseas listed shares;</p> <p>(5) v. The opinions or suggestions on the shareholders' questions and the corresponding replies or explanations;</p> <p>(6) vi. The names of lawyers, vote counters and scrutineers;</p> <p>(7) vii. Other contents that shall be included in the meeting minutes in accordance with the provisions of the Articles of Association <u>of the Bank</u>.</p>	<p>iii. The number of shares held by shareholders with domestically listed shares (including their proxies) attending the meeting and by shareholders with overseas listed shares attending the meeting and the proportion of the total number of such shares to the shares of the Bank;</p> <p>iv. Deliberation process, main points of statements of each proposal and voting results of such proposal by shareholders with domestically listed shares and shareholders with overseas listed shares;</p> <p>v. The opinions or suggestions on the shareholders' questions and the corresponding replies or explanations;</p> <p>vi. The names of lawyers, vote counters and scrutineers;</p> <p>vii. Other contents that shall be included in the meeting minutes in accordance with the provisions of the Articles of Association of the Bank.</p>	
37.	<p>Article 58 The conveners shall ensure that the contents of the meeting minutes are true, accurate and complete. The directors, supervisors, the secretary to the Board of Directors, the conveners or their representatives and the host of the meeting attending the meeting shall sign on the meeting minutes. The meeting minutes shall be kept together with the signatures of shareholders present, the power of attorney for proxies and valid information on voting, and shall be kept for no less than ten years.</p>	<p>Article 5861 The conveners shall ensure that the contents of the meeting minutes are true, accurate and complete. The directors, supervisors, the secretary to the Board of Directors, the conveners or their representatives and the host <u>chairman</u> of the meeting attending the meeting shall sign on the meeting minutes. The meeting minutes shall be kept together with the signatures of shareholders present, the power of attorney for proxies and valid information on voting, and shall be kept for no less than ten years.</p>	<p>Article 61 The conveners shall ensure that the contents of the meeting minutes are true, accurate and complete. The directors, supervisors, the secretary to the Board of Directors, the conveners or their representatives and the chairman of the meeting attending the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the signatures of shareholders present, the power of attorney for proxies and valid information on voting, and shall be kept for no less than ten years.</p>	<p>Corresponding amendment is made in accordance with Article 107 of the Articles of Association of China CITIC Bank Corporation Limited.</p>

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
38.	Article 61 The Bank may not vary or abrogate rights attached to any class of shares unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Article 63 to Article 66 of the Articles of Association.	Article 61 <u>64</u> The Bank may not vary or abrogate rights attached to any class of shares unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Article 63 <u>66</u> to Article 66 <u>69</u> of the Articles of Association.	Article 64 The Bank may not vary or abrogate rights attached to any class of shares unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Article 66 to Article 69 of the Articles of Association.	The sequence number of the articles is adjusted accordingly.
39.	Article 62 The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a type of shares: ... (12) Vary or abrogate the provisions in the chapter	Article 62 <u>65</u> The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a type of shares: ... (12) Vary or abrogate the provisions in the chapter <u>section</u> .	Article 65 The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a type of shares: ... (12) Vary or abrogate the provisions in the section.	Textual amendment.
40.	Article 63 Shareholders of the affected class, whether or not having the right to vote at shareholders' general meeting, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of Article 62, but Interested Shareholder(s) shall not be entitled to vote at class meetings. The foregoing Interested shareholder(s) is defined as follows: (1) Where the Bank issues a repurchase offer to all shareholders at the same rate in accordance with the provisions of Article 28 of the Bank's Articles of Association or repurchases its shares on the stock exchange by way of public transactions, the "Interested Shareholder(s)" refers to the controlling shareholder(s) as defined in Article 62 of the Bank's Articles of Association; ...	Article 63 <u>66</u> Shareholders of the affected class, whether or not having the right to vote at shareholders' general meeting, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of Article 62 <u>65</u> , but Interested Shareholder(s) shall not be entitled to vote at class meetings. The foregoing Interested shareholder(s) is defined as follows: (1) Where the Bank issues a repurchase offer to all shareholders at the same rate in accordance with the provisions of Article 28 of the Bank's Articles of Association or repurchases its shares on the stock exchange by way of public transactions, the "Interested Shareholder(s)" refers to the controlling shareholder(s) as defined in Article 62 <u>71</u> of the Bank's Articles of Association; ...	Article 66 Shareholders of the affected class, whether or not having the right to vote at shareholders' general meeting, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of Article 65, but Interested Shareholder(s) shall not be entitled to vote at class meetings. The foregoing Interested shareholder(s) is defined as follows: (1) Where the Bank issues a repurchase offer to all shareholders at the same rate in accordance with the provisions of Article 28 of the Bank's Articles of Association or repurchases its shares on the stock exchange by way of public transactions, the "Interested Shareholder(s)" refers to the controlling shareholder(s) as defined in Article 71 of the Bank's Articles of Association; ...	The sequence number of the clauses is adjusted accordingly.

**PROPOSED AMENDMENTS TO THE RULES OF
PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING OF
CHINA CITIC BANK CORPORATION LIMITED**

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
41.	Article 64 The resolution of the classified shareholders' meeting shall be adopted by votes representing more than two thirds of shareholders with voting rights attending the classified shareholders' meeting in accordance with Article 63.	Article 64 ⁶⁷ The resolution of the classified shareholders' meeting shall be adopted by votes representing more than two thirds of shareholders with voting rights attending the classified shareholders' meeting in accordance with Article 63 ⁶⁶ .	Article 67 The resolution of the classified shareholders' meeting shall be adopted by votes representing more than two thirds of shareholders with voting rights attending the classified shareholders' meeting in accordance with Article 66.	The sequence number of the clauses is adjusted accordingly.
42.	Article 68 The resolution of the shareholders' general meeting shall be promptly announced, and the announcement shall specify the number of shareholders and their proxies present at the meeting, the total number of shares with voting right held by such shareholders and their proxies and the proportion of the total voting shares of the Bank, the voting means and voting results of each proposal and the details of the adopted resolutions.	Article 68 ⁷¹ The resolutions of the shareholders' general meeting shall be promptly announced, <u>and the Bank shall announce the resolution the next day after the shareholders' general meeting has made the resolution of repurchase of ordinary shares.</u> The announcement shall specify the number of shareholders and their proxies present at the meeting, the total number of shares with voting right held by such shareholders and their proxies and the proportion of the total voting shares of the Bank, the voting means and voting results of each proposal <u>and, the details of the adopted resolutions; and other information that must be specified in accordance with the provisions of the securities regulatory authorities in the place where the Bank's shares are listed.</u> <u>In the event of voting on the circumstances set out in Article 39 of this Rules, the Bank shall separately calculate and announce the information on attending the meeting and voting by ordinary shareholders (including the preference shareholders with voting rights restored) and preference shareholders (excluding the preference shareholders with voting rights restored).</u>	Article 71 Resolutions of the shareholders' general meeting shall be promptly announced, and the Bank shall announce the resolution the next day after the shareholders' general meeting has made the resolution of repurchase of ordinary shares. The announcement shall specify the number of shareholders and their proxies present at the meeting, the total number of shares with voting right held by such shareholders and their proxies and the proportion of the total voting shares of the Bank, the voting means and voting results of each proposal, the details of the adopted resolutions, and other information that must be specified in accordance with the provisions of the securities regulatory authorities in the place where the Bank's shares are listed. In the event of voting on the circumstances set out in Article 39 of this Rules, the Bank shall separately calculate and announce the information on attending the meeting and voting by ordinary shareholders (including the preference shareholders with voting rights restored) and preference shareholders (excluding the preference shareholders with voting rights restored).	Corresponding amendment is made in accordance with Article 45 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016) and Article 13.39(5) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Corresponding amendment is made in accordance with Article 10 of the Administrative Measures for the Preference Share Pilot, and Article 39 of the Rules of Shareholders' General Meetings of Listed Companies (Revised in 2016).

Proposed Amendments to the Rules of Procedures of the Shareholders' General Meeting				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
43.	Article 70 The secretary to Board of Directors shall be responsible for filing the relevant materials such as meeting minutes and resolutions of the shareholders' general meeting with the banking regulatory authority of the State Council in accordance with relevant laws, regulations and regulatory documents.	Article 70-73 The secretary to Board of Directors shall be responsible for filing the relevant materials such as meeting minutes and resolutions of the shareholders' general meeting with the banking regulatory authority of the State Council in accordance with relevant laws, regulations and regulatory documents— <u>and with the requirements of the securities regulatory authorities in the place where the Bank's shares are listed.</u>	Article 73 The secretary to Board of Directors shall be responsible for filing the relevant materials such as meeting minutes and resolutions of the shareholders' general meeting with the banking regulatory authority of the State Council in accordance with relevant laws, regulations and regulatory documents and with the requirements of the securities regulatory authorities in the place where the Bank's shares are listed.	Corresponding amendment is made in accordance with Article 19A.50 (7) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
44.	Article 72 The Board of Directors of the Bank shall formulate the standards, methods and means for information disclosure, and establish and perfect the Bank's information disclosure policy in accordance with laws, administrative regulations and rules, relevant provisions of the securities regulatory authorities in the place where the Bank's shares are listed and the Articles of Association of the Bank.	Article 72 ⁷⁵ The Board of Directors of the Bank shall formulate the standards, methods and means for information disclosure, and establish and perfect the Bank's information disclosure policy in accordance with laws, administrative regulations and rules, relevant provisions of the securities regulatory authorities in the place where the Bank's shares are listed and the Articles of Association of the Bank.	Article 75 The Board of Directors shall formulate the standards, methods and means for information disclosure, and establish and perfect the Bank's information disclosure policy in accordance with laws, administrative regulations and rules, relevant provisions of the securities regulatory authorities in the place where the Bank's shares are listed and the Articles of Association of the Bank.	Textual amendment.
45.	Necessary revisions to the sequence numbers of all articles are made based on the addition and deletion.			

APPENDIX II

PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS OF CHINA CITIC BANK CORPORATION LIMITED

Proposed Amendments to the Rules of Procedures of the Board of Supervisors				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
1.	Article 1 To ensure that the board of supervisors (hereinafter referred to as the “Board of Supervisors”) of China CITIC Bank Corporation Ltd. (hereinafter referred to as the “Bank”) can exercise its supervisory authority independently in accordance with laws, ensure an efficient and standard operation and a scientific decision-making of the Board of Supervisors, and perfect the corporate governance of the Bank, the Rules of Procedure of the Board of Supervisors (hereinafter referred to as the “Rules of Procedure”) are hereby formulated in accordance with pertinent laws and administrative regulations including the <i>Company Law of the People’s Republic of China</i> (hereinafter, the “Company Law”), the <i>Commercial Banking Law of People’s Republic of China</i> (hereinafter referred to as the “Commercial Bank Law”), and <i>Articles of Association of China CITIC Bank Corporation Limited</i> (hereinafter referred to as the “Articles of Association”), taking into consideration the reality of the Bank.	Article 1 To ensure that the board of supervisors (hereinafter referred to as the “Board of Supervisors”) of China CITIC Bank Corporation Ltd. (hereinafter referred to as the “Bank”) can exercise its supervisory authority independently in accordance with laws, ensure an efficient and standard operation and a scientific decision-making of the Board of Supervisors, perfect the <u>corporate</u> governance of the Bank, and <u>promote the Bank’s prudent operation and healthy development</u> , the Rules of Procedure of the Board of Supervisors (hereinafter referred to as the “Rules of Procedure”) are hereby formulated in accordance with pertinent laws and administrative regulations including the <i>Company Law of the People’s Republic of China</i> (hereinafter, the “Company Law”), the <i>Commercial Banking Law of People’s Republic of China</i> (hereinafter referred to as the “Commercial Bank Law”), <u>the Guidelines on Corporate Governance of Commercial Banks</u> , <u>the Guidelines for the Board of Supervisors of Commercial Banks</u> , and <i>Articles of Association of China CITIC Bank Corporation Limited</i> (hereinafter referred to as the “Articles of Association”), taking into consideration the reality of the Bank.	Article 1 To ensure that the board of supervisors (hereinafter referred to as the “Board of Supervisors”)of China CITIC Bank Corporation Ltd. (hereinafter referred to as the “Bank”) can exercise its supervisory authority independently in accordance with laws, ensure an efficient and standard operation and a scientific decision-making of the Board of Supervisors, perfect the corporate governance of the Bank, and promote the Bank’s prudent operation and healthy development, the Rules of Procedure of the Board of Supervisors (hereinafter referred to as the “Rules of Procedure”) are hereby formulated in accordance with pertinent laws and administrative regulations including the <i>Company Law of the People’s Republic of China</i> (hereinafter, the “Company Law”), the <i>Commercial Banking Law of People’s Republic of China</i> (hereinafter referred to as the “Commercial Bank Law”), the <i>Guidelines on Corporate Governance of Commercial Banks</i> , <i>the Guidelines for the Board of Supervisors of Commercial Banks</i> , and <i>Articles of Association of China CITIC Bank Corporation Limited</i> (hereinafter referred to as the “Articles of Association”), taking into consideration the reality of the Bank.	Revised in accordance with Article 1 of the <i>Guidelines on Corporate Governance of Commercial Banks</i> and Article 1 of the <i>Guidelines on Work of Board of Supervisors of Commercial Banks</i> .
2.	Article 2 The Board of Supervisors, the supervisory organ of the Bank, is accountable to the shareholders’ general meeting. The Board of Supervisors supervises the performance of functions and duties of care of the Bank’s financial personnel, the Board of Directors and senior management including the President of the Bank to prevent them from abusing the powers, so as to safeguard the legitimate rights and interests of shareholders.	Article 2 The Board of Supervisors, the <u>internal</u> supervisory organ of the Bank, is accountable to the shareholders’ general meeting. The Board of Supervisors supervises the performance of functions and duties of care of the Bank’s financial personnel, the Board of Directors and senior management including the President of the Bank to prevent them from abusing the powers, so as to safeguard the legitimate rights and interests of shareholders.	Article 2 The Board of Supervisors, the internal supervisory organ of the Bank, is accountable to the shareholders’ general meeting. The Board of Supervisors supervises the performance of functions and duties of care of the Bank’s financial personnel, the Board of Directors and senior management including the President of the Bank to prevent them from abusing the powers, so as to safeguard the legitimate rights and interests of shareholders.	Revised in accordance with Article 32 of the <i>Guidelines on Corporate Governance of Commercial Banks</i> .

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PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS OF CHINA CITIC BANK CORPORATION LIMITED

Proposed Amendments to the Rules of Procedures of the Board of Supervisors				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
3.	<p>Article 5 The election and discharge of shareholder representative supervisors and external supervisors shall be decided by the shareholders' general meeting; employee representative supervisors shall be elected and removed through a democratic process by employees of the Bank.</p> <p>Directors, President of the Bank and other senior management may not serve concurrently as supervisors.</p> <p>Employee representative supervisors shall be entitled to participate and formulate rules and regulations concerning interests of employees and shall actively participate and supervise and inspect the implementation of such rules and regulations.</p>	<p>Article 5 The election <u>and</u> <u>discharge and removal</u> of shareholder representative supervisors and external supervisors shall be decided by the shareholders' general meeting; employee representative supervisors shall be elected, <u>discharged</u> and removed through a democratic process by employees of the Bank.</p> <p>Directors, President of the Bank and other senior management may not serve concurrently as supervisors.</p> <p>Employee representative supervisors shall be entitled to participate and formulate rules and regulations concerning interests of employees and shall actively participate and supervise and inspect the implementation of such rules and regulations.</p>	<p>Article 5 The election, discharge and removal of shareholder representative supervisors and external supervisors shall be decided by the shareholders' general meeting; employee representative supervisors shall be elected, discharged and removed through a democratic process by employees of the Bank.</p> <p>Directors, President of the Bank and other senior management may not serve concurrently as supervisors.</p> <p>Employee representative supervisors shall be entitled to participate and formulate rules and regulations concerning interests of employees and shall actively participate and supervise and inspect the implementation of such rules and regulations.</p>	<p>Revised in accordance with Article 59 of the <i>Guidelines on Corporate Governance of Commercial Banks</i> and Article 7 of the <i>Guidelines for the Board of Supervisors of Commercial Banks</i>.</p>
4.	None.	<p>Article 8 <u>The day-to-day executive body of the Board of Supervisors shall set up a work supporting team together with relevant departments of the Bank to provide support and guarantee for the performance and operation of special committees of the Board of Supervisors such as the Supervision Committee and the Nomination Committee.</u></p>	<p>Article 8 The day-to-day executive body of the Board of Supervisors shall set up a work supporting team together with relevant departments of the Bank to provide support and guarantee for the performance of special committees of the Board of Supervisors such as the Supervision Committee and the Nomination Committee.</p>	<p>To give better play to the functions of special committees of the Board of Supervisors, the Bank further specified the mechanism for providing support and guarantee for special committees of the Board of Supervisors.</p>
5.	<p>Article 8 The Board of Supervisors shall exercise the following functions and powers:</p> <p>.....</p> <p>(4) to propose the removal of or bring a lawsuit against, in accordance with the law, directors and the senior management who violates the laws, administrative regulations, rules, the Articles of Association or the resolutions adopted by the shareholders general meeting;</p> <p>.....</p>	<p>Article 8 9 The Board of Supervisors shall exercise the following functions and powers:</p> <p>.....</p> <p>(4) to propose the removal of or bring a lawsuit against, in accordance with the law, directors and the senior management who violates the laws, administrative regulations, rules, the Articles of Association <u>of the Bank</u> or the resolutions adopted by the <u>shareholders' general meeting</u>;</p> <p>.....</p>	<p>Article 9 The Board of Supervisors shall exercise the following functions and powers:</p> <p>.....</p> <p>(4) to propose the removal of or bring a lawsuit against, in accordance with the law, directors and the senior management who violates the laws, administrative regulations, rules, the Articles of Association of the Bank or the resolutions adopted by the shareholders' general meeting;</p> <p>.....</p>	<p>Revised as per Article 144 (3) of the <i>Guidelines on the Articles of Association of Listed Companies</i> (revised in 2016).</p>

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PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS OF CHINA CITIC BANK CORPORATION LIMITED

Proposed Amendments to the Rules of Procedures of the Board of Supervisors				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
	<p>(8) to audit the operational decisions, the risk management and the internal control of the Bank, and provide guidance on the internal auditing activities of the Bank where necessary;</p> <p>.....</p> <p>In performing its functions, the Board of Supervisors shall have the power to require the Board of Directors and senior management to provide all necessary information relating to disclosures of information and audits. The Board of Supervisors may designate supervisors to attend meetings of the senior management, if necessary.</p>	<p>(8) to audit the operational decisions, the risk management and the internal control of the Bank, and provide guidance on guide and supervise the internal auditing activities of the Bank where necessary;</p> <p>.....</p> <p>In performing its functions, the Board of Supervisors shall have the power to require the Board of Directors and senior management to provide all necessary information relating to disclosures of information and audits. The Board of Supervisors may designate supervisors to attend meetings of the <u>senior management</u>, if necessary.</p>	<p>(8) to audit the operational decisions, the risk management and the internal control of the Bank, and guide and supervise the internal auditing activities of the Bank where necessary;</p> <p>.....</p> <p>In performing its functions, the Board of Supervisors shall have the power to require the Board of Directors and senior management to provide all necessary information relating to disclosures of information and audits. The Board of Supervisors may designate supervisors to attend meetings of the senior management, if necessary.</p>	<p>Revised as per Article 223 (8) of the Bank's <i>Articles of Association</i>.</p> <p>Revised in accordance with Article 37 of the <i>Guidelines on Corporate Governance of Commercial Banks</i>.</p>
6.	<p>Article 9 Audit results of the internal functional departments and branches of the Bank made by the internal audit department shall be delivered to the Board of Supervisors timely and completely. If the Board of Supervisors has any doubts in relation to the audit results submitted by the internal audit departments, the Board of Supervisors is entitled to require the Board of Directors or the internal audit department to make explanation.</p> <p>The profit distribution plan formulated by the Board of Directors shall be submitted to the Board of Supervisors in advance. The Board of Supervisors shall express its opinions within five working days, and the Board of Supervisors shall be deemed as approving the plan if no opinion is expressed within the above period.</p>	<p>Article 910 Audit results of the internal functional departments and branches of the Bank made by the internal audit department shall be delivered to the Board of Supervisors timely and completely. If the Board of Supervisors has any doubts in relation to the audit results submitted by the internal audit departments, the Board of Supervisors is entitled to require the Board of Directors <u>President</u> or the internal audit department to make explanation.</p> <p>The profit distribution plan formulated by the Board of Directors shall be submitted to the Board of Supervisors in advance. The Board of Supervisors shall express its opinions <u>on the compliance and rationality of the profit distribution plan</u> within five working days, and the Board of Supervisors shall be deemed as approving the plan if no opinion is expressed within the above period.</p>	<p>Article 10 Audit results of the internal functional departments and branches of the Bank made by the internal audit department shall be delivered to the Board of Supervisors timely and completely. If the Board of Supervisors has any doubts in relation to the audit results submitted by the internal audit departments, the Board of Supervisors is entitled to require the President or the internal audit department to make explanation.</p> <p>The profit distribution plan formulated by the Board of Directors shall be submitted to the Board of Supervisors in advance. The Board of Supervisors shall express its opinions on the compliance and rationality of the profit distribution plan within five working days, and the Board of Supervisors shall be deemed as approving the plan if no opinion is expressed within the above period.</p>	<p>Revised pursuant to Article 225 of the Bank's <i>Articles of Association</i> and Article 29 of the <i>Guidelines for the Board of Supervisors of Commercial Banks</i>.</p>

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PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS OF CHINA CITIC BANK CORPORATION LIMITED

Proposed Amendments to the Rules of Procedures of the Board of Supervisors				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
7.	<p>Article 10 In case that the Board of Supervisors finds the inadequate implementation of prudential accounting standards by the Board of Directors and the senior management, or interest rate receivable that has not be strictly calculated, or insufficient bad debts reserves, the Board of Supervisors shall order the Board of Directors and the senior management to rectify.</p> <p>The Board of Supervisors shall question the Board of Directors or the senior management about the abnormal fluctuation of the Bank's business.</p>	<p>Article 10<u>11</u> In case that the Board of Supervisors finds the inadequate implementation of prudential accounting standards by the Board of Directors and the senior management, or interest rate receivable that has not be strictly calculated, or insufficient bad debts reserves, the Board of Supervisors shall order the Board of Directors and the senior management to rectify.</p> <p>The Board of Supervisors shall question the Board of Directors or the senior management about the abnormal fluctuation of the Bank's business.</p> <p><u>Where the Board of Supervisors find the Board of Directors, the senior management and their members have problems in important financial decision-making and implementation, it shall order them to correct. It may report to regulatory authorities when necessary.</u></p>	<p>Article 11 In case that the Board of Supervisors finds the inadequate implementation of prudential accounting standards by the Board of Directors and the senior management, or interest rate receivable that has not be strictly calculated, or insufficient bad debts reserves, the Board of Supervisors shall order the Board of Directors and the senior management to rectify.</p> <p>The Board of Supervisors shall question the Board of Directors or the senior management about the abnormal fluctuation of the Bank's business.</p> <p>Where the Board of Supervisors find the Board of Directors, the senior management and their members have problems in important financial decision-making and implementation, it shall order them to correct. It may report to regulatory authorities when necessary.</p>	<p>Supplemented in line with Article 32 of the <i>Guidelines for the Board of Supervisors of Commercial Banks</i>.</p>
8.	<p>Article 11 The Board of Supervisors shall suggest punishing relevant responsible person and timely issue rectification notification with specific timeframe, when it finds the violation of laws, regulations and other regulative documents and the Articles of Association of the Bank. The Board of Directors or the senior management shall conduct the punishment and rectification in time and report to the Board of Supervisors.</p>	<p>Article 11<u>12</u> The Board of Supervisors shall suggest punishing relevant responsible person and timely issue rectification notification with specific timeframe, when it finds the violation of laws, regulations and other regulative documents and the Articles of Association of the Bank <u>by the Board of Directors, the senior management and their members.</u> The Board of Directors or the senior management shall conduct the punishment and rectification in time and report to the Board of Supervisors.</p>	<p>Article 12 The Board of Supervisors shall suggest punishing relevant responsible person and timely issue rectification notification with specific timeframe, when it finds the violation of laws, regulations and other regulative documents and the Articles of Association of the Bank by the Board of Directors, the senior management and their members. The Board of Directors or the senior management shall conduct the punishment and rectification in time and report to the Board of Supervisors.</p>	<p>Revised in line with Article 25 of the <i>Guidelines for the Board of Supervisors of Commercial Banks</i>.</p>
9.	<p>Article 19 The regular meetings of the Board of Supervisors shall be held at least four times each year. The Board of Supervisor shall notify all supervisors in writing ten days prior to such meeting.</p>	<p>Article 19<u>20</u> The regular meetings of the Board of Supervisors shall be held at least four times each year, <u>at least once each quarter.</u> The Board of Supervisor shall notify all supervisors in writing ten days prior to such meeting.</p>	<p>Article 20 The regular meetings of the Board of Supervisors shall be held at least once each quarter. The Board of Supervisor shall notify all supervisors in writing ten days prior to such meeting.</p>	<p>Supplemented in accordance with Article 36 of the <i>Guidelines on Corporate Governance of Commercial Banks</i>.</p>

APPENDIX II

PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS OF CHINA CITIC BANK CORPORATION LIMITED

Proposed Amendments to the Rules of Procedures of the Board of Supervisors				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
10.	Article 25 Supervisors should attend meetings of the Board of Supervisors in person. If the supervisors are unable to attend the meetings for certain reasons, they may entrust other supervisors in writing to attend the meeting on their behalf. The power of attorney shall contain the names of agents, matters, scope of authority and the limited duration, with signatures or seals of the consigner. The authorized supervisor shall fulfill his duties according to the power of attorney.	Article 25 <u>26</u> Supervisors should attend meetings of the Board of Supervisors in person. If the supervisors are unable to attend the meetings for certain reasons, they may entrust other supervisors in writing to attend the meeting on their behalf. <u>However, one supervisor shall not accept the entrustment of more than two supervisors at one meeting of the Board of Supervisors.</u> The power of attorney shall contain the names of agents, matters, scope of authority and the limited duration, with signatures or seals of the consigner. The authorized supervisor shall fulfill his duties according to the power of attorney.	Article 26 Supervisors should attend meetings of the Board of Supervisors in person. If the supervisors are unable to attend the meetings for certain reasons, they may entrust other supervisors in writing to attend the meeting on their behalf. However, one supervisor shall not accept the entrustment of more than two supervisors at one meeting of the Board of Supervisors. The power of attorney shall contain the names of agents, matters, scope of authority and the limited duration, with signatures or seals of the consigner.	Revised in line with Article 21 of the <i>Guidelines for the Board of Supervisors of Commercial Banks</i> and deleted the contents which have included in other articles.
11.	Article 26 Working time of the shareholder representative supervisors and external supervisors for the Bank shall not be less than 15 days per year. External supervisors may appoint other external supervisors to attend the meetings of the Board of Supervisors for them; however, the number of meeting attended in person of a supervisor each year shall not be less than two thirds of the total number of the meetings of the Board of Supervisors. If the external supervisors have any of the circumstances stipulated in Article 13 (3), the Board of Supervisors shall appeal to the shareholders' general meeting for removal.	Article 26 <u>27</u> The shareholder representative supervisors and external supervisors shall attend at least two thirds of the meetings of the Board of Supervisors in person each year. Working time of the shareholder representative supervisors and external supervisors for the Bank's supervision shall not be less than 15 days per year. External supervisors may appoint other external supervisors to attend the meetings of the Board of Supervisors for them; however, the number of meeting attended in person of a supervisor each year shall not be less than two thirds of the total number of the meetings of the Board of Supervisors. If the external supervisors have any of the circumstances stipulated in Article 13 (3), the Board of Supervisors shall appeal to the shareholders' general meeting for removal.	Article 27 The supervisors shall attend at least two thirds of the meetings of the Board of Supervisors in person each year. Working time of the shareholder representative supervisors and external supervisors for the Bank's supervision shall not be less than 15 days per year.	Revised in line with Article 21 of the <i>Guidelines for the Board of Supervisors of Commercial Banks</i> .
12.	Article 29 The host of the meeting shall announce the open of the meeting and meeting agenda at the prescribed time. All proposals shall be deliberated one after another under the instructions of the meeting host.	Article 29 <u>30</u> The host of the meeting shall announce the open of the meeting and meeting agenda at the prescribed time. All proposals shall be deliberated one after another under the instructions of the meeting host. <u>The host of the meeting shall request the supervisors attending the meeting to provide explicit comments on all proposals.</u>	Article 30 The host of the meeting shall announce the open of the meeting and meeting agenda at the prescribed time. All proposals shall be deliberated one after another under the instructions of the meeting host. The host of the meeting shall request the supervisors attending the meeting to provide explicit comments on all proposals.	Supplemented in accordance with Article 11 of the <i>Model Rules of Procedures of Shanghai Stock Exchange for the Board of Supervisors of Listed Companies</i> .

APPENDIX II

PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD OF SUPERVISORS OF CHINA CITIC BANK CORPORATION LIMITED

Proposed Amendments to the Rules of Procedures of the Board of Supervisors				
No.	Current Articles	After revision (with marks)	After revision (clean)	Description
13.	Article 32 Resolutions shall be formed for all proposals deliberated. Any resolution shall be approved by more than two-thirds of the Board of Supervisors by voting.	<p>Article 32-33 Resolutions shall be formed for all proposals deliberated. Any resolution shall be approved by more than two-thirds of the Board of Supervisors by voting.</p> <p><u>If all external supervisors believe materials for proposals of the meeting of the Board of Supervisors are insufficient or augmentation is unclear, they may jointly propose in writing delaying the meeting of the Board of Supervisors or the deliberation of relevant proposals, and the Board of Supervisors shall accept it.</u></p>	<p>Article 33 Resolutions shall be formed for all proposals deliberated. Any resolution shall be approved by more than two-thirds of the Board of Supervisors by voting.</p> <p>If all external supervisors believe materials for proposals of the meeting of the Board of Supervisors are insufficient or augmentation is unclear, they may jointly propose in writing delaying the meeting of the Board of Supervisors or the deliberation of relevant proposals, and the Board of Supervisors shall accept it.</p>	Supplemented in line with Article 19 of the <i>Guidelines for the Board of Supervisors of Commercial Banks</i> .
14.	None.	<p>Article 41 <u>The Board of Supervisors shall establish a sound tracing and implementation mechanism for meeting resolutions and other relevant matters. The Bank's senior management and relevant departments shall provide support and guarantee.</u></p>	<p>Article 41 The Board of Supervisors shall establish a sound tracing and implementation mechanism for meeting resolutions and other relevant matters. The Bank's senior management and relevant departments shall provide support and guarantee.</p>	To support the needs to perform duties by the Board of Supervisors, the Bank specified requirements for the implementation of meeting resolutions of the Board of Supervisors and other matters.
15.	The serial numbers of all articles in this Rules are revised based on the adding and deleting of articles.			Format revision.



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)

1 November 2017

To the Independent Shareholders

Dear Sir or Madam,

**THE CONTINUING CONNECTED TRANSACTIONS UNDER THE
ASSET TRANSFER FRAMEWORK AGREEMENT
AND THE CORRESPONDING ANNUAL CAPS**

**THE CONTINUING CONNECTED TRANSACTIONS UNDER THE
WEALTH MANAGEMENT AND INVESTMENT SERVICES
FRAMEWORK AGREEMENT AND THE CORRESPONDING ANNUAL CAPS**

We refer to the circular dated 1 November 2017 of the Bank (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

On 24 August 2017, the Board announced that the Bank entered into a new Asset Transfer Framework Agreement and a new Wealth Management and Investment Services Framework Agreement with CITIC Group governing the terms and conditions of any transactions thereunder between the Bank and CITIC Group and its associates. The Asset Transfer Framework Agreement and the Wealth Management and Investment Service Framework Agreement will have a term of three years expiring on 31 December 2020. The above- mentioned two transactions constitute continuing connected transactions of the Bank under the Hong Kong Listing Rules.

We have been appointed as the Independent Board Committee to make a recommendation to the Independent Shareholders as to whether, in our opinion, (1) the continuing connected transactions under the Asset Transfer Framework Agreement and its corresponding annual caps; and (2) the continuing connected transactions under the Wealth Management and Investment Services Framework Agreement and its corresponding annual caps are fair and reasonable and in the interests of the Bank and its Shareholders as a whole.

Gram Capital has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of (1) the continuing connected transactions under the Asset Transfer Framework Agreement and its corresponding annual caps; (2) the continuing connected transactions under the Wealth Management and Investment Service Framework Agreement and its corresponding annual caps. The letter from Gram Capital containing recommendations and the principal factors that they have taken into account in arriving at their recommendations are set out in Appendix IV of the Circular.

Having taken into account the information set out in the Letter from the Board and the principal factors, reasons and recommendations set out in the Letter from Gram Capital, we consider the continuing connected transactions are conducted in the ordinary and usual course of business, on normal commercial terms, and their corresponding annual caps are fair and reasonable and in the interests of the Bank and its Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution on application for the caps of related party transactions with shareholder related parties for the years 2018-2020 set out in the Notice of the 2017 Second EGM on pages 99 to 101 of the Circular to approve (1) the continuing connected transactions under the Asset Transfer Framework Agreement and its corresponding proposed annual caps; and (2) the continuing connected transactions under the Wealth Management and Investment Services Framework Agreement and its corresponding proposed annual caps.

Yours faithfully,

Independent Board Committee

Wu Xiaoqing

*Independent
non-executive
Director*

**Wong Luen
Cheung Andrew**

*Independent
non-executive
Director*

He Cao

*Independent
non-executive
Director*

Chen Lihua

*Independent
non-executive
Director*

Qian Jun

*Independent
non-executive
Director*

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Asset Transfer Framework Agreement, the Wealth Management and Investment Service Framework Agreement and the transactions contemplated thereunder for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

1 November 2017

*To: The independent board committee and the independent shareholders
of China CITIC Bank Corporation Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Asset Transfer Framework Agreement, the Wealth Management and Investment Service Framework Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 1 November 2017 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 24 August 2017, in light of the impending expiry of the existing Asset Transfer Framework Agreement and the existing Wealth Management and Investment Service Framework Agreement with CITIC Group, the Bank entered into the new Asset Transfer Framework Agreement and the new Wealth Management and Investment Service Framework Agreement with CITIC Group, with a term of three years from 1 January 2018 to 31 December 2020 and which are renewable subject to the agreement of the parties and the compliance with the Hong Kong Listing Rules.

With reference to the Board Letter, the new Asset Transfer Framework Agreement and the new Wealth Management and Investment Service Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and are subject to the annual reporting, announcement, annual review and Independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Independent Board Committee comprising Ms. Wu Xiaoqing, Mr. Wong Luen Cheung Andrew, Mr. He Cao, Ms. Chen Lihua and Mr. Qian Jun (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Asset Transfer Framework Agreement and the Wealth Management and Investment Service Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned;

(ii) the entering into of the new Asset Transfer Framework Agreement and the new Wealth Management and Investment Service Framework Agreement are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Bank; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the new Asset Transfer Framework Agreement and the new Wealth Management and Investment Service Framework Agreement at the 2017 Second EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors and the management of the Bank (the “**Management**”), for which they are solely and wholly responsible, are true and accurate in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Bank and/or the Directors, which have been provided to us. Our opinion is based on the Directors’ representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Asset Transfer Framework Agreement and the Wealth Management and Investment Service Framework Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Hong Kong Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Bank, the CITIC Group and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Bank or the Shareholders as a result of the entering into of the new Asset Transfer Framework Agreement and the new Wealth Management and Investment Service Framework Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation

to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Asset Transfer Framework Agreement and the Wealth Management and Investment Service Framework Agreement, we have taken into consideration the following principal factors and reasons:

Information on the Bank

With reference to the Board Letter, the Bank is a competitive national commercial bank in China with a strong and established branch network and market position. With the Bank's market leading capabilities, the Bank provides a full range of financial products and services to its customers nationwide, with corporate banking, personal banking and financial market operations being its principal business activities.

Set out below are the audited consolidated financial information of the Bank for the two years ended 31 December 2016 as extracted from the annual report of the Bank for the year ended 31 December 2016 (the "2016 Annual Report"):

	For the year ended 31 December 2016	For the year ended 31 December 2015	Change from 2015 to 2016
	<i>RMB'million</i>	<i>RMB'million</i>	<i>%</i>
Net interest income	106,138	104,433	1.63
Net fee and commission income	42,280	35,674	18.52
Operating income	154,159	145,545	5.92
Profit before tax	54,608	54,986	(0.69)
Profit for the year	41,786	41,740	0.11

As illustrated in the above table, the Bank's net interest income and net fee and commission income increased by approximately 1.63% and 18.52% for the year ended 31 December 2016 ("FY2016") as compared to those for the year ended 31 December 2015 ("FY2015") respectively. With reference to the 2016 Annual Report, the aforesaid increases were mainly due to growth in bank card fees, agency fees and commission, and commission for wealth management services, etc. The profit before tax and the profit of the Bank for FY2016 remained stable.

With reference to the 2016 Annual Report, the Bank reinforced its efforts to manage and control costs, optimized resource allocation, continued to improve refined management, focused on profit orientation and strengthened the guidance for capital-light development. In 2017, the Bank will maintain relatively aggressive goals of development, follow the path of “asset-light, capital-light and cost-light” development, make optimal adjustments to its structures and upgrade capacity for provision of comprehensive financing services. The aim is to realize steady improvement in operating results, stable growth of net operating income, continuous rise in the proportion of non-interest income, further lift of input-output efficiency, and stabilization of asset quality in the overall sense.

Information on CITIC Group

With reference to the Board Letter, CITIC Group is a state-owned comprehensive transnational holding financial and industrial conglomerate. It conducts business in banking, securities, trust, insurance, funds, asset management and other financial areas; and real estate, engineering contracting, resources and energy, infrastructure, machine manufacturing, information industry and other industrial areas with comprehensive strengths and favourable development trend.

Reasons for and benefit of entering into of the new Asset Transfer Framework Agreement and the new Wealth Management and Investment Service Framework Agreement

With reference to the Board Letter, CITIC Group is an international conglomerate enterprise group. It has different financial subsidiaries engaged in banking, securities, trust, insurance, fund, asset management and futures. The types of financial departments in CITIC Group are comprehensive, and the integrated advantage is manifest. One of the subsidiaries of CITIC Group, CITIC Trust, is a president unit in the China Trustee Association. As at the end of 2016, the management scale of trust assets held by CITIC Trust was approximately RMB1,764 billion, which has continuously ranked the first across the country. CITIC Securities, a member of CITIC Group, is a chief supervisory unit in the Securities Association of China, of which its principal businesses remain at the market forefront. As at the end of 2016, the total assets of CITIC Securities reached RMB597.4 billion, which rendered it the largest securities company in China. CITIC Group and its associates have built a comprehensive risk management and internal management procedure, thereby its financial product has high level of security and has a higher competitiveness among the industry.

The demand by CITIC Group and its associates for financial services, including investment with their own funds, wealth management services and assets transfer is increasing. By cooperating with CITIC Group and its associates, the Bank is able to effectively raise the integrated return of the Bank and reduce the Bank’s operating risk to a certain extent, to fully utilize the cooperative effect of the integrated financial platform of CITIC Group and generate higher returns for all the Shareholders.

The Bank believes that the cooperation with CITIC Group and its associates in respect of assets transfer, wealth management and investments, and other financial services will contribute to the adjustment of asset liquidity, the optimization of asset structure and the increase of profit channels, so as to further create more value for the Shareholders as a whole.

As advised by the Management, the Bank has been selling or purchase interest in loan and other related assets to CITIC Group and/or its associates since 2007. Loan assets transfers are commonly used by financial institutions to adjust their loan portfolio by transferring certain loan assets in or out of their loan portfolio in order to achieve a desired loan portfolio mix based on their desired risk, return or liquidity. The Asset & Liabilities Management Committee (the “**ALM Committee**”) of the Bank will determine whether the Bank need to buy/sell the assets, which include loan assets, to optimize the credit structure. In determining whether to buy/sell certain assets, the ALM Committee will take into consideration the Bank’s overall development strategy and asset & liabilities status, as well as making assessment to the Bank’s asset & liabilities business growth rate and the prevailing market conditions. The members of the ALM Committee are all experienced in the relevant industry.

As advised by the Management, the Bank has been cooperating with CITIC Group and its associates in respect of wealth management services since 2006. According to the 2016 Annual Report, as at 31 December 2016, the scale of all wealth management products of the Bank was in the amount of RMB1,135.186 billion, an increase of 18.95% over the end of the previous year, of which bank wealth management products registered RMB1,031.293 billion, a growth of 20.80% over the end of the previous year. For FY2016, the Bank realized RMB7.032 billion business income from bank wealth management, a growth of 21.07% over last year. Relying on the CITIC Group comprehensive financial platform, the Bank continued to build the CITIC asset management brand.

Given the above, we consider the entering into of the new Asset Transfer Framework Agreement and the new Wealth Management and Investment Service Framework Agreement are in the interests of the Bank and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Bank.

Principal terms of the new Asset Transfer Framework Agreement

Date:	24 August 2017
Parties:	The Bank and CITIC Group
Term:	For the three years from 1 January 2018 to 31 December 2020
Subject matters:	The Bank in the daily course of business buys from or sells to CITIC Group and its associates the interests in loans and other related assets (including, but not limited to, directly or through assets management plan, assets securitization, factoring or other forms to sell corporate and retail loan assets, and inter-bank loan receivables).
Pricing:	The price payable by the transferee to the transferor shall be determined on the basis of the following principles:

Normal asset transfer: In accordance with the *Notice on Further Regulating the Credit Asset Transfer Business of Banking Financial Institutions* issued by the CBRC, “banking financial institutions shall follow the principle of integrity when engage in the transfer of credit assets, i.e. the transferred credit asset shall include all of the outstanding principal and its interest receivable, which should not be separated”. In the transfer of credit assets by the transferor to the transferee, the principals under the loan shall be taken as the consideration of the transaction, while transferring at par without discount and premium. In addition to the market supply and demand, the obligations to be assumed by the transferor and the transferee after the transfer will be taken into account as a key consideration, mainly referring to the subsequent asset management services and collection services provided by the transferor with respect to the transferred assets, e.g. the Bank will act as an agent to provide subsequent loan collection, loan management and information statistics services to the transferee after the credit asset transfer, and will charge transferee service fees. The service fee rate generally ranges between 0~3% of the loan principal. The amount of such service fee has been counted within the annual cap under the Financial Consulting Service and Asset Management Service Framework Agreement entered into between the Bank and CITIC Group on 24 August 2017.

Securitization asset transfer: In setting the price for the loan asset securitization products transferred by the Bank to connected persons, the Bank adopts the loan principal as the consideration of the transaction, while using transformation at par except for the securitization of non-performing asset. In terms of the issuance rate of the assets-backed securities, the prioritized asset-backed securities (with exclusion of the sections hold by the originating institutions) are determined by the approach of single spread (Netherlands Style) through the bidding system of China Central Depository & Clearing Co., Ltd., or by the book building approach, and the secondary assets-backed securities (with exclusion of the sections hold by the originating institutions) are determined by the number of tenders or by the book building approach. Due to the nature of the securitization asset transfer business, the Bank is not able to engage in securitization asset transfer with CITIC Group or its associates as transferee, therefore the transfer of assets from connected persons to the Bank is not included in the securitization asset transfer.

Currently, there is no national price scale for the transfer. Should there be a national price scale in the future, pricing will be conducted in accordance with the same.

The ALM Committee of the Bank will determine whether the Bank need to buy/sell the assets to optimize the credit structure. In determining whether to buy/sell certain assets, the ALM Committee will take into consideration the Bank's overall development strategy and asset & liabilities status, as well as making assessment to the Bank's asset & liabilities business growth rate and the prevailing market conditions. The Bank's business management departments for the asset transfer are responsible for selecting the transferees and transferors. The members of the above ALM Committee and departments are all experienced in the relevant industry. Although the Bank normally transfer the credit assets at par without discount or premium, the above Committee and departments will seek quotations from not less than two transferees/transferors, and will evaluate the business scale, relevant experience, previous cooperation with the Bank, team members, service proposal and quotations of the relevant transferees and transferors. In specifically, the Bank's business department for the asset transfer will perform credit assessment/recoverability assessment when acquiring assets from CITIC Group or its associates, as well as considering the industry, quality, loan balance and interest rates of the relevant assets.

The Bank undertakes the following internal procedures (the “**Asset Transfer IC Measures**”) to ensure that the course of business under the agreement will be no less favorable to the Bank than those available from or offered to independent third parties.

Normal asset transfer: The Bank has set up several working groups to conduct roadshows, promotion and price enquiry for the qualified potential investors and selected market-competitive offer or therefrom as counterparty.

Securitization asset transfer: The Bank will conduct sufficient market investigation on market mainstream service suppliers and choose suppliers considering the financial situation, interbank business experience and distribution capacity. The market investigation will be conducted through the study of public information of the suppliers, as the suppliers are also issuers of various publicly issued asset & loan securitization products. The Investment Banking Department (the “IBD”) of the Bank is responsible for the market investigation, since the IBD possesses deep understanding on market mainstream service suppliers. In addition, all the members of the market investigation team have an average of fifteen years’ experiences in the investment banking industry. Large state-owned banks and joint-stock banks are the mainstream investors of the credit assets securitization products, representing over 80% of the investment scale. Other investment sources include city commercial banks, rural credit cooperatives, insurance institutions, fund companies and security companies. In terms of the issuance of credit assets securitization, the Bank has established a specialized roadshow team to conduct roadshows and visit mainly large state-owned banks and joint-stock banks. The specific issuance rate of the assets-backed securities will be jointly determined by supply and demand of market, credit demand, risk-free interest rate, risk premium for underlying assets and the efficiency of asset transfer of the Bank, etc.

The Bank will also compare for various financial products with comparable duration, interest rates, with or without security, while referencing the bond return rate of similar products in the PRC inter-bank market disclosed on the websites of China Bond and China Money, as well as through price enquiry process (with at least three investors) to set fair and reasonable market price. As advised by the Management, the Bank usually obtain around 100 comparable financial products (subject to availability) for comparison in this regard.

For our due diligence purpose, we have obtained and reviewed sample contracts of historical transactions of assets transfer between the Bank and CITIC Group and its associates against similar transactions between the Bank and independent third parties. We note that the terms under the contracts of individual transactions between the Bank and CITIC Group and its associates are comparable with the terms available to or from independent third parties and nothing has come to our attention that causes us to believe that such contracts were not complied with the Asset Transfer IC Measures.

In respect of the pricing mechanism, the transfer of normal assets will be priced based on the principal of such loan while taking into consideration of other factors such as market supply and the obligations to be assumed by the transferor or the transferee after the transfer and the securitization asset transfers will be priced based on the principal of such loan and with reference to bond yields of similar products in the PRC inter-bank market as disclosed on the websites of China Central Depository & Clearing Company Limited (www.chinabond.com.cn) and China Foreign Exchange Trade System (www.chinamoney.com.cn/en/index.html).

Having considered that both of normal asset transfer and securitization asset transfer will be priced based on the principal of loan which reflects the intrinsic value of such asset and for the issuance rate of the assets-backed securities, single spread (Netherlands Style) bidding system and bidding system determined by number of tenders through the bidding system of China Government Securities Depository Trust & Clearing Company Limited are the market practice for the prioritized assets-backed securities (with exclusion of the sections held by the originating institutions) and secondary assets-backed securities (with exclusion of the sections held by the originating institutions) respectively as noted from our market researches, we are of the view that the pricing mechanism under the CITIC Bank and CITIC Group Asset Transfer Framework Agreement is fair and reasonable.

We have also discussed with the Management and were advised that the Bank will compare the market prevailing prices of various financial products with comparable duration, interest rates, securities, while making reference to bond yields of similar products in the PRC inter-bank market as disclosed on the websites of China Central Depository & Clearing Company Limited (www.chinabond.com.cn/) and China Foreign Exchange Trade System (www.chinamoney.com.cn/en/index.html). The Bank will also conduct price enquiries with at least three investors to agree on a fair and reasonable market price. We have reviewed the websites of China Central Depository & Clearing Company Limited and China Foreign Exchange Trade System and noted that (i) China Central Depository & Clearing Company Limited is a state-owned company established with the consent of the State Council of the PRC to undertake the function of centralized depository and settlement for the inter-bank bond market, it provides market data and news in relation to bonds issued in the PRC; and (ii) China Foreign Exchange Trade System is a sub-institution of the People's Bank of China and its core functions include providing, among other things, market data on bond market and undertakes monitoring of market transactions in the PRC.

Taking into consideration that (i) market prices and bond yields of similar products are publicly available and reflects the fair market values of the comparable financial products; and (ii) the Bank would conduct roadshows and price enquiries, we are of the view that the aforesaid pricing mechanism and internal procedures are effective means to ensure that terms from CITIC Group and its associates to the Bank will be no less favourable than those available to or from independent third parties.

In addition, we have also obtained the relevant internal control policies of the Bank in respect of the Asset Transfer IC Measures as set out above. We consider that the effective implementation of the Asset Transfer IC Measures would help to ensure fair pricing of the transactions contemplated under the Asset Transfer Framework Agreement according to the pricing policies.

With reference to the 2016 Annual Report and as confirmed by the Management, the independent non-executive Directors reviewed relevant continuing connected transactions of the Bank during FY2016 and confirmed that such continuing connected transactions were (i) entered into during the Bank's ordinary and usual course of business; (ii) followed normal commercial terms; and (iii) abided by the terms and conditions of the concerned transaction contracts that were fair, reasonable and consistent with the overall interests of the Shareholders as a whole (the "**INED's Confirmation**").

In addition, the Bank's external auditor was engaged to report on the Bank's continuing connected transaction for FY2016 in accordance with Hong Kong Standard on Assurance Engagements 3000 "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. For the purpose of Rule 14A.56 of the Listing Rules, the auditor of the Bank, has provided a letter to the Board confirming that: (i) nothing has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board; (ii) for transactions involving the provisions of goods or services by the Bank, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Bank; (iii) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the agreements governing the transactions; and (iv) nothing has come to their attention that causes them to believe that the continuing connected transactions have exceeded the maximum aggregate annual value as disclosed in the relevant announcements (the “**Auditor’s Confirmation**”).

Having considered the INED’s Confirmation and the Auditor’s Confirmation, we have no doubt on the effectiveness of the the Asset Transfer IC Measures.

In light of the above, we are of the view that the terms of the Asset Transfer Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The historical amounts and the proposed annual caps

Set out below are the actual historical transaction amount, previous annual cap under the Asset Transfer Framework Agreement; and (ii) the proposed annual caps for the three years ending 31 December 2020 (the “**Asset Transfer Annual Cap(s)**”):

	Actual historical amount for the year ended 31 December		Actual historical amount for the six months ended 30 June	Approved annual cap for the year ending 31 December			Proposed annual cap for the year ending 31 December		
	(RMB millions)		(RMB millions)	(RMB millions)			(RMB millions)		
	2015	2016	2017	2015	2016	2017	2018	2019	2020
Transaction amount*	22,378	15,256.3	20,728	62,000	76,000	92,000	210,000	220,000	230,000

* The transaction amount for each of the historical amounts and approved and proposed annual caps in this table are presented in gross amount.

With reference to the Board Letter, in arriving at the above caps, the Directors have considered the historical figures for similar transactions and have taken into account, amongst others, the following factors:

- (1) the business scale of the previous year, the expectation for the future market financing demand, and the annual work plan of the Bank;

- (2) in November 2014, the CBRC issued the *Notice on the Record Filing and Registration Work for the Securitization of Credit Assets*, which specifies that the CBRC will adopt record filing for credit assets securitization business. In March 2015, the People's Bank of China issued an announcement specifying that the People's Bank of China will adopt registration filing for certain securitizations of credit assets which have relatively high level of homogenization. The domestic securitization market underwent a round of expansion and development. From year 2013 to year 2016, the compound growth rate of market issuance scale of credit asset securitization in China reached around 192%, leading to a large-scale expansion of the participants, a diversification of product coverage and a constant improvement in institutional construction. Thus, the development model steadily changes from being "policy-driven" to "market-initiated";
- (3) under the double drivers of the regulatory institutions and market demand, the credit assets securitization business of commercial banks developed rapidly. In recent years, the Bank has been constantly improving the institutions of securitization. In addition, it established a securitization business system and constructed a basic asset sequence with full coverage, such that the development foundation of asset securitization business may be effectively strengthened, and asset securitization business can be further enhanced;
- (4) asset securitization business is an important measure for the Bank's transformation from stock management to liquid management and for formalizing its business strategy of "decreasing development speed, increasing transformation speed". The Bank will persistently increase its force of asset securitization and promote securitization projects such as credit card instalments, public loans, home mortgage loans and non-performing loans to improve the development of the asset transfer business of securitized assets;
- (5) in line with the innovative development of the inter-bank products in the market, it is anticipated that the inter-bank asset transfer business of the Bank will attain a breakthrough in the coming years. At the same time, the amount of inter-bank assets is generally large, and the scale of a single business is relatively large. In light of the several hundreds of billions and even over one trillion stock of the current main joint-stock inter-bank assets scale, there will be several billion or more than ten billion of assets transfer even calculated based on 1% business incidence rate; and
- (6) since functions of product promotion and investment and financing under the financial leasing industry adapt to the transformation needs of the Chinese manufacturing industry, financial leasing has assumed increasing significance in the domestic economic development. According to the description in the "12th five-year plan", the domestic financing industry will lead to the formation of a group of leading financial leasing enterprises, which are of large scale, exceptional competitive advantage and strong business expansion abilities. In the meantime, the proportion of factoring business in modes of trade settlement is constantly rising, with a share of 60% in global trade settlement, demonstrating a huge potential market demand. As a factoring service provider, the Bank may provide comprehensive financial services to CITIC Group and its associates, which include the collection of receivables, management, guarantee for bad debts and financing. In the coming years, there is expected to be potential business collaboration between CITIC Group and its associates, in areas such as financial leasing and

factoring. Financial leasing companies of the related parties may transfer to the Bank their rights to collect leasing debts, thus promoting the rapid development of the asset-transfer business; and

- (7) currently, the banking industry is under relatively great pressure handling non-performing assets, including but not limited to the transfer, securitization, or liquidation of non-performing assets. Thus, businesses related to the transfer of non-performing assets between the Bank and CITIC Group and its associates will have large space for business development.

With reference to the Board Letter, the reasons for the disparity between the actual amount and the proposed caps for the next three years is that (1) in the first half of 2017, under the double influences of the tightening of monetary policies and regulatory control, the interest rate of asset-backed securities rises exponentially, causing the emergence of negative interest rate in part of the basic assets. Although such market environment is temporarily incapable of supporting the large-scale development of asset securitization business, future room for business development remains favourable. Moreover, (2) the business of leasing companies is mainly concerned with mid-term and long-term businesses. As such, the short-term nature of bank loans and the terms of leasing businesses are incompatible with each other. The Bank is thus seeking to develop relevant businesses, in order to render its businesses and those of leasing companies compatible with each other. The factoring business of the Bank has been gradually enhancing its channel construction, institutional construction, product system construction and risk management construction, in order to achieve greater space for business expansion amidst intense competition within the factoring industry.

We understand from our discussion with the Management that the aforementioned tightened policies and control mainly include (i) commercial banks are required to undertake that their own wealth management products will neither directly nor indirectly invest in subordinated tranche of the asset-backed securities and no individual investor will be allowed to invest in subordinated tranche of the asset-backed securities through the banks; and (ii) “銀監會三三四監管檢查” (CBRC’s “three violations, three arbitrages, four improprieties” supervisory inspection*), which triggered a set of new measures to strengthen CBRC’s supervisions to banking industry. The management consider that the tightening policies and control affected the asset securitization business in the first half of 2017. Nonetheless, the actual historical amount still recorded a substantial increase for the six months ended 30 June 2017 as compared to the same period in 2016. The policies and control would eventually benefited the business of the Bank in the long run as the Bank can achieve growth under a healthier industrial environment.

To assess the fairness and reasonableness of the Asset Transfer Annual Caps, we have (i) studied relevant PRC government policies; and (ii) discussed with the Management regarding the aforesaid basis for the Asset Transfer Annual Caps for the three years ending 31 December 2020.

During our discussion with the Management, we understand that the Directors have also considered the below quantitative basis in determining the Asset Transfer Annual Cap for the year ending 31 December 2018:

- (i) with reference to the 2016 Annual Report and the interim report of the Bank for the six months ended 30 June 2017, the balances of corporate loans (the “**Bank’s Loan Balance (Corporate)**”) and personal loans (the “**Bank’s Loan Balance (Personal)**”) of the Bank (a)

as at 30 June 2017 were approximately RMB1,855,818 million and RMB1,132,297 million respectively (RMB2,988,115 million in aggregate (the “**Bank’s Loan Balance**”)); (b) as at 31 December 2016 were RMB1,846,274 million and RMB956,606 million respectively (RMB2,802,880 million in aggregate) and the amount of asset transfer transactions during FY2016 was RMB119,126 million, representing approximately 4.25% of the Bank’s Loan Balance; and (c) as at 31 December 2015 were RMB1,767,422 million and RMB668,613 million respectively (RMB2,436,035 million in aggregate) and the amount of asset transfer transactions during FY2015 was RMB84,305 million, representing approximately 3.46% of the Bank’s Loan Balance. The aforesaid corporate loans and personal loans of the Bank may require securitization and asset transfer arrangement.

Given that the CITIC Group and its associates have relatively strong strength and credentials, the Bank may consider conducting asset transfer transactions with CITIC Group and its associates under circumstances where the quotation, business scale, relevant experience and service proposal of CITIC Group and its associates, when taken as a whole, is more favourable to the Bank than other counterparties. In addition, it is expected that the Bank’s asset scale and loan balance will continue to increase in the following three years, and the asset transfer scale is estimated to represent approximately 4% to 7% of the Bank’s Loan Balance.

As illustrated above, the Bank’s Loan Balance increased by approximately 15.06% from 31 December 2015 and reached approximately RMB2,802,880 million as at 31 December 2016. The Bank’s Loan Balance further increased by approximately 6.61% from 31 December 2016 and reached approximately RMB2,988,115 million as at 30 June 2017. In addition, the amount of asset transfer transactions as a proportion to the Bank’s Loan Balance also increased from approximately 3.46% in FY2015 to approximately 4.25% in FY2016.

The Asset Transfer Annual Cap of RMB210,000 million for the year ending 31 December 2018 represents less than 10% of the Bank’s Loan Balance as at 30 June 2017, which is not a substantial percentage. It is reasonable for the Bank to utilise the Asset Transfer Annual Cap for the year ending 31 December 2018 if part of the corporate loans and personal loans of the Bank require asset transfer arrangement with CITIC Group.

- (ii) RMB20,000 million of the Asset Transfer Annual Cap was set to cover the potential securitization asset transfer in respect of the Bank’s Loan Balance (Corporate) to be conducted with CITIC Group. Such amount only represents around 1% of the Bank’s Loan Balance (Corporate) as at 30 June 2017 (i.e. Approximately RMB1,855,818 million).
- (iii) RMB130,000 million of the Asset Transfer Annual Cap was set to cover the potential securitization asset transfer in respect of the Bank’s Loan Balance (Personal) to be conducted with CITIC Group.

As mentioned in point (i) above, the Bank’s Loan Balance (Personal) grew from RMB668,613 million as at 31 December 2015 to RMB956,606 million as at 31 December 2016 and RMB1,132,297 million as at 30 June 2017. Having considered the expected growth of the

Bank's Loan Balance (Personal), the Bank expects that the amount of RMB130,000 million shall represent around 7% of the expected Bank's Loan Balance (Personal) as at 31 December 2018.

The Bank made application to The People's Bank of China for a RMB100,000 million limit of residential mortgage (under the Bank's Loan Balance) securitization. The Bank intends to complete the aforesaid securitization during the three years ending 31 December 2020. CITIC Trust was engaged as trust service provider in this regard. As such, the aforesaid securitization may require for approximately RMB30,000 million under the Asset Transfer Annual Cap for each of the three years ending 31 December 2020.

- (iv) RMB10,000 million of the Asset Transfer Annual Cap was set to cover the potential securitization asset transfer in respect of the other assets of the Bank which can be securitised. As advised by the Directors, the amount of RMB10,000 only represents around 1% of such other assets of the Bank.
- (v) RMB10,000 million of the Asset Transfer Annual Cap was set to cover the transfer of non-performing assets from the Bank to CITIC Group.
- (vi) RMB30,000 million of the Asset Transfer Annual Cap was set to cover the transfer of assets by CITIC Group to the Bank. As advised by the Directors, CITIC Group transferred assets of approximately RMB12,396 million in FY2016 and RMB13,755 million in the six months ended 30 June 2017 to the Bank.
- (vii) Buffer of around 5% for unforeseeable circumstances. We consider this conservative buffer to be fair and reasonable.

In respect of the Asset Transfer Annual Caps for the each of the two years ending 31 December 2020, we understand from the Management that the Directors applied moderate growth rates of around 5% in determining such caps. We consider the moderate growth rates to be fair and reasonable.

Given the above, we consider that the Asset Transfer Annual Caps for the three years ending 31 December 2020 are fair and reasonable.

Hong Kong Listing Rules implication

The Management confirmed that the Bank shall comply with the requirements of Rules 14A.53 to 14A.59 of the Hong Kong Listing Rules pursuant to which (i) the maximum values of the transactions under the Asset Transfer Framework Agreement must be restricted by the Asset Transfer Annual Caps for the period concerned under the new Asset Transfer Framework Agreement; (ii) the terms of the transactions under the Asset Transfer Framework Agreement must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Asset Transfer Framework Agreement must be included in the Bank's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Hong Kong Listing Rules that the auditors of the Bank must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the transactions under the Asset Transfer Framework

Agreement (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps. In the event that the maximum amounts of the transactions under the Asset Transfer Framework Agreement are anticipated to exceed the Asset Transfer Annual Caps, or that there is any proposed material amendment to the terms of the Asset Transfer Framework Agreement, as confirmed by the Management, the Bank shall comply with the applicable provisions of the Hong Kong Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Hong Kong Listing Rules, we are of the view that there are adequate measures in place to monitor the Asset Transfer Framework Agreement and thus the interest of the Independent Shareholders would be safeguarded.

Principal terms of the new Wealth Management and Investment Service Framework Agreement

Date: 24 August 2017

Parties: The Bank and CITIC Group

Term: For the three years from 1 January 2018 to 31 December 2020

Subject matters: The Bank agrees to provide wealth management and investment services to CITIC Group and its associates, including non-principal-guaranteed wealth management services and agency services, principal-guaranteed wealth management, and investment with the Bank's own fund; and CITIC Group and its associates will provide the Bank with financial intermediary services, including trust services and management services.

CITIC Group shall procure its associates to, pay service fees to the Bank with respect to the wealth management and investment services provided by the Bank. The Bank shall also pay service fees to associates of CITIC Group with respect to the wealth management intermediary services provided.

The services to be provided under the agreement shall be made on terms no less favorable to the Bank than those available to or from independent third parties.

For non-principal-guaranteed wealth management and agency services, with respect to the non-principal-guaranteed wealth management services or agency services provided by the Bank to CITIC Group and its associates, the Bank will receive service fees which comprise of sales commission for non-principal-guaranteed wealth management service, commission for agency sales of investment product and commission for agency issue of bank cards from CITIC Group and its associates. With respect to the agency services provided by CITIC Group or its associates to the Bank, the Bank will pay service fee to CITIC Group or its associates.

Principal-guaranteed wealth management and investment services are conducted in the following three circumstances:

- (1) CITIC Group or its associates purchase principal-guaranteed wealth management products from the Bank;
- (2) The Bank uses wealth management funds or its own funds to invest in connected persons (e.g. CITIC Trust) or their issued financial products; or
- (3) The Bank uses wealth management funds or its own funds to invest in actual financier through connected persons (e.g. CITIC Trust) or their issued financial products.

For principal-guaranteed wealth management and investment services, the Bank will receive proceeds when making investment with its own funds in CITIC Group and its associates or their issued financial products; and pay costs to CITIC Group or its associates when making investment in actual financier through CITIC Group and its associates, or through the financial products issued by CITIC Group and its associates:

Proceeds received from CITIC Group and its associates: The Bank makes investment to CITIC Group and its associates, or the financial products issued by CITIC Group and its associates with its own funds, including trust plans, trust beneficiary rights, asset management plans of securities companies and special plans of funds, and receive proceeds out of such investment; and

Costs paid to CITIC Group and its associates: CITIC Group and its associates, including trust companies and securities companies will provide the Bank with services in relation to structural design of wealth management products and consulting and daily management services of the wealth management business. In return, the Bank will pay trustee fees, management fees and consulting fees corresponding to the service and management responsibilities undertaken by CITC Group and its associates.

Pricing:

Non-principal-guaranteed wealth management and agency services – service fees: When charge service fees from or pay service fees to CITIC Group or its associates, the Bank obtains the then prevailing market prices of wealth management products through channels including financial advisor terminals (such as CNBENEFIT (<http://www.pywm.com.cn/>) and Wind Information (<http://www.wind.com.cn/en/>)) and China Banking Wealth Management Information website of China Banking Association (<http://www.cblicai.com/>) on a weekly basis, and calculates a competitive price of wealth management products taking into consideration the prevailing market price and the demand for financial service provided by financial products together with the costs of it. Such price applies to both independent third parties and connected persons. The final price will ultimately be determined by the pricing team of the Bank. All the members of the current pricing team have an average of 10 years' relevant experience in asset management business in financial institutions. When entering into specific service agreements, the parties will determine the prices of the financial products on normal commercial terms, which are no less favorable to the Bank than terms available to or from independent third parties according to the type and scope of service of the financial products through arm's length negotiation between the parties, and also make real-time adjustment according to the changes of market price. The service fee rates vary from different types of investors, including retail investor, institutional investors and other banks and financial institutions.

Principal-guaranteed wealth management and investment services – proceeds and costs: For trustee fee, management fee and consulting fees payable by the Bank to CITIC Group and its associates, the Bank will consider the service level of counterparty, including its operational effectiveness, the level of detail of their reports, operational control, after-sales services and due diligence under the agreement based on the business negotiations with institutions with experience of historical cooperation as well as the provision of services needed in the current market, and select the counterparty based on merits through quotation or bidding process as well as determine the price. The cooperation institutions which are connected person of the Bank are mainly asset management institutions such as trust companies, securities companies, fund companies and fund subsidiaries. Before conducting transactions with its connected persons, the pricing team of the Bank will conduct pricing enquiry process by which the Bank will seek price quotations from at least two independent third-party service providers, and both parties will conduct price negotiations through market pricing mechanism to determine the final service fee, and will finalize the service fee for the corresponding service provided through entering into an agreement. All the members of the current pricing team have an average of 10 years' relevant experience in asset management business in financial institutions.

For investment returns of the Bank when making investment with its own funds, the Bank obtains the then prevailing market prices of similar wealth management products through channels including financial advisor terminals such as Wind Information and the China Banking Wealth Management Information website of the China Banking Association, and chooses investment products with reference to the terms of products, previous management performance and the credibility of the counterparty.

Principal-guaranteed wealth management and investment services – daily maximum balance of investment: The pricing basis is not applicable to daily maximum balance of investment.

The Bank also undertakes the following internal procedures (the “**WMIS IC Measures**”) to ensure the terms of the Wealth Management and Investment Service Framework Agreement obtained by the Bank from CITIC Group will be no less favorable to the Bank than those available from or offered to independent third parties. The Bank will conduct pricing enquiry process by which the Bank will select the favorable price and terms, or reference several other contemporaneous transactions with independent third parties for products of similar amount to determine if the price and terms offered by a connected person are fair and reasonable and comparable to those offered by independent third parties.

For our due diligence purpose, we have obtained and reviewed sample contracts of historical transactions of both non-principal-guaranteed and principal-guaranteed wealth management and investment service between the Bank and CITIC Group and its associates against similar transactions between the Bank and independent third parties. We note that the terms under the contracts of individual transactions between the Bank and CITIC Group and its associates are comparable with the terms available to or from independent third parties and nothing has come to our attention that causes us to believe that such contracts were not complied with the WMIS IC Measures.

In addition, in respect of the pricing mechanism for investment return of the Bank, the prices of wealth management products will be determined with reference to prevailing market prices obtained from financial adviser terminals such as the Wind Financial Terminal, as well as China Banking Wealth Management Information website of China Banking Association (<http://www.cbailicai.com/>).

According to the website of Wind Information Company Limited, Wind Financial Terminal is a financial adviser terminal that provides the most complete data and information on the Chinese financial market, covering stocks, bonds, funds, indices, warrants, commodity futures, foreign exchanges, and the macro industry, for securities analysts, fund managers and other financial professionals. We have also reviewed the China Banking Wealth Management Information website of China Banking Association and noted that it is a national wealth management information website sponsored by the China Banking Association and approved by the China Banking Regulatory Commission. As such, we are of the view that market prices of wealth management products listed therein would reflect their fair market values.

Furthermore, we have also obtained the relevant internal control policies of the Bank in respect of the WMIS IC Measures as set out above. We consider that the effective implementation of the WMIS IC Measures would help to ensure fair pricing of the transactions contemplated under the WMIS Framework Agreement according to the pricing policies.

With reference to the 2016 Annual Report and as confirmed by the Management, the independent non-executive Directors reviewed relevant continuing connected transactions of the Bank during FY2016 and provided the INED's Confirmation.

In addition, the Bank's external auditor was engaged to report on the Bank's continuing connected transaction for FY2016 in accordance with Hong Kong Standard on Assurance Engagements 3000 "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. For the purpose of Rule 14A.56 of the Listing Rules, the auditor of the Bank, has provided the Auditor's Confirmation.

Having considered the INED's Confirmation and the Auditor's Confirmation, we have no doubt on the effectiveness of the the WMIS IC Measures.

In light of the above, we are of the view that the terms of the Wealth Management and Investment Service Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The historical amounts and the proposed annual caps

Set out below are the actual historical transaction amounts, previous annual caps in respect of the service fees, the proceeds and cost (bank investment) and the daily maximum balance of investment under the Wealth Management and Investment Service Framework Agreement and the proposed annual caps in respect of the service fees (the "**Service Fees Annual Cap(s)**"), the proceeds and cost (bank investment)

(the “**Proceeds & Cost Annual Cap(s)**”) and the daily maximum balance of investment (the “**Daily Maximum Balance Annual Cap(s)**”) under the Wealth Management and Investment Service Framework Agreement for the three years ending 31 December 2020:

	Actual historical amount for the year ended 31 December (RMB millions)		Actual historical amount for the six months ended 30 June (RMB millions)	Approved annual cap for the year ending 31 December (RMB millions)			Proposed annual cap for the year ending 31 December (RMB millions)		
	2015	2016	2017	2015	2016	2017	2018	2019	2020
Non-principal-guaranteed wealth management services and agency services									
Service fees	553	608.9	278	2,500	3,200	4,800	2,000	3,000	5,000
Principal-guaranteed wealth management and investment services									
Proceeds and cost ^{Note}									
(Bank investment)	605	101.1	76	4,400	6,500	8,600	5,500	6,800	7,500
Daily maximum balance of investment	8,783	83.9	10,149	44,000	56,000	68,000	85,000	100,000	110,000

Note: Proceeds and costs refer to the aggregate of the absolute amount of proceeds obtained and costs paid by the Bank without offset from each other.

With reference to the Board Letter, in arriving at the above annual caps, the Directors have taken into account the following factors:

Non-principal-guaranteed wealth management and agency services

- (1) Along with the deepened reform of the PRC investment and financing system, the direct financing market develops prosperously, and the awareness of risks and the tolerance against risks in the securities market, financial business market, and life insurance market have been constantly improved. Wealth management business has come to an age of mature development;
- (2) the products offered or managed by CITIC Group and its associates are well reputed and rank high in the industry. For example, CITIC Trust, its subsidiary, is the president unit in the China Trustee Association, and as at the end of 2016, the management scale of trust assets was approximately RMB1,764 billion, which has continuously ranked the first across the country. CITIC Securities is a chief supervisory unit in the Securities Association of China, of which its principal businesses remain at the market forefront. As at the end of 2016, the total assets of CITIC Securities reached RMB597.4 billion, which rendered it the largest securities company in China. It is believed that the Bank’s agency sale of the wealth management products of the abovementioned institutions will bring better investment return for the Bank’s clients; and

- (3) the Bank will reinforce its agency sale business, which is expected to grow rapidly. In addition to the bank wealth management products, the Bank will continue to bring in products from external institutions so that the Bank's customers could have more options when selecting wealth management products.

With reference to the Board Letter, in 2017, the reason for the excessive disparity between the actual amount and the proposed caps for the next three years is that the business of agency sale of funds is impacted by the simultaneous fall in stock and bond prices and market fluctuations within the capital market since the second half of 2016, leading to a proportional year-on-year decline in the sales volume of non-currency funds, which resulted in the year-on-year decline in the actual business amount in 2016. In the future, under the guiding direction of focused development on light-capital business income, the Bank shall regard innovative products, such as Xinjin Bao, automatic investment plan and intelligent investment and consultancy as its main development area and shall constantly strengthen its investment research skills, marketing skills and asset-allocation abilities, in order to lower the impacts of market fluctuations on fund sales and to gradually promote its revenue from agency sales of funds as a stable source of income for its light-capital businesses. In the meantime, the agency insurance business shall transform into a strategic product of the Bank's retail banking through market adaptation. CITIC Group and its associates shall also set their insurance businesses developed through various channels provided by the Bank as the core strategy. Both parties shall strengthen their cooperation through innovative sales model, expanding sales channels and expediting system construction, so as to achieve a release and an improvement in the production capacity of outlets.

Principal-guaranteed wealth management and investment services

- (1) Along with the deepened reform of the PRC investment and financing system, the direct financing market develops prosperously, and the awareness of risks and the tolerance against risks in the securities market, financial business market, and life insurance market have been constantly improved. Wealth management business has come to an age of mature development;
- (2) there are many non-banking financial enterprises inside CITIC Group, which rank highly in their own sectors. These large-scale enterprises act actively in the market. The Bank will deepen the cooperation with non-banking financial enterprises inside CITIC Group in the coming several years, and will definitely have a significant growth in terms of transaction volume. The scope of wealth management business will include investments in the financial products issued or formed by such financial institutions as securities companies, funds, insurance companies and trusts (including trust schemes, beneficial rights of trust, assets management schemes of securities companies and the specific scheme of funds). The scale of cooperation of wealth management business is expected to enlarge accordingly;
- (3) investment in financial products issued or formed by financial institutions, such as securities dealers, funds, insurance, trust and other products (such as trust plans, trust beneficiary rights, asset management plans of securities dealers and special plans of funds) by using the Bank's own capital is rapidly developing. And in consideration of aspects such as reasonable arrangement of capital, diversified investment of capital, safety and prudence of investment and increase of capital income, the Bank anticipates a rapid expansion of such investment scale going forward, and thus a higher cap is proposed;

- (4) the capital demands of CITIC Group and its associates are expected to continue growing steadily and the Bank has sufficient knowledge of the quality of its assets, and will try to have more of the existing proprietary capital invested in the wealth management products issued by institutions of good quality of CITIC Group and its associates. As such, the potential of business of the Bank to meet the capital demands of CITIC Group and its associates by issuing relevant wealth management products is expected to be enlarged;
- (5) due to changes in partnering institutions caused by adjustments in business models, the asset management fees under structured financing and trusts service fees are met with drastic alterations in recent years. In view of the fact that structured financing remains the main direction of the Bank's allocation of general categories of assets, the asset management fees under structured financing will also increase accordingly;
- (6) as of current, the scale of principal-guaranteed wealth management of the Bank's asset management business remains at a level above RMB200 billion. In the next three years, as the overall scale of wealth management increases, the scale of principal-guaranteed wealth management will also increase. Currently, the risk preference of principal-guaranteed wealth management products is relatively low, with a main focus on investment of core bonds. Since high-quality bonds are of high market demand and relatively difficult to acquire; and CITIC Group and its associates are in most cases issuers of high-quality bonds. Therefore, the Bank may invest in the bonds issued by CITIC Group and its associates at any time; and
- (7) considering the Bank's overall wealth management scale, including the scale of principal-guaranteed wealth management business and investment scale with its own funds, it is estimated that the annual cap for the principal-guaranteed wealth management business with connected person is RMB35,000 million, and the scale of investment with its own funds is RMB49,000 million. Considering that the Bank's rapid development trend in wealth management and investment business, as well as the buffer made by the Bank with respect to the annual caps considering unforeseeable circumstances, the Daily Maximum Balance Annual Caps for the three years ended 31 December 2020 are RMB85,000 million, RMB100,000 million and RMB110,000 million.

With reference to the Board Letter, in 2017, the reason for the excessive disparity between the actual amount and the proposed caps in the next three years is that when proposing the annual cap for 2017, the Company took into consideration the potential cooperation with CITIC Group and all its associates. However, when conducting wealth management business, the choice of wealth management business cooperation institutions will need to consider the suitability of the development orientation of the Bank's wealth management business as well as the risk preference, innovation orientation and key business strengths of the cooperation institutions, and the response measures of these institutions under the new regulatory policies. In view of the above, the Bank made selections among the CITIC Group and its associates. When proposing the annual caps for the next three years, considering that CITIC Group and its associates are of stronger comprehensive capability than other wealth management institutions, the bank will take into consideration the potential cooperation with CITIC Group and all its associates.

In addition, in the next few years, along with interest rate marketization, financial disintermediation and the emergence of internet finance, customer's awareness of capital management and the demand for maintenance and appreciation of assets are persistently strengthened, presenting a trend in favor of fixed deposits and wealth management. In the meantime, with the thorough promotion of the comprehensive operation of CITIC Group, the Bank will further strengthen the overall cooperation with the associates, such as CITIC Securities, and the cooperation scale of wealth management business is expected to enlarge correspondingly. On the above basis, in order to protect interests of customers and to ensure smooth conduction of normal investments, the Bank set forth the above caps for 2018 to 2020.

Taking into consideration the factors mentioned below, the Bank used the daily maximum balance of the investment products held by the Bank, rather than the annual aggregated transaction amount of the investment products as the basis for the annual caps. The reasons and bases for such approach are as follows:

- (1) Given that when the price is fair or when refunding may increase the efficiency of the Bank's funds before the maturity date of such investment products, the Bank may transfer the investment products purchased from its connected persons to third parties before the maturity date and use the returned principal and returns to purchase new investment products. On such rolling basis, the actual risk exposed to the Bank for this investment business is the maximum balance of principal instead of the annual aggregate amount, which is unable to reflect the actual position and risk exposure of such transaction borne by the Bank as a result. Therefore the Directors are of the view that the daily maximum balance of the principal of the investment products held by the Bank, rather than the annual aggregated transaction amount shall be deemed as the basis for the annual cap. In addition, taking the daily maximum balance as the basis of the connected transaction is in line with the accounting processing approach adopted by the auditors of the Bank;
- (2) it is difficult to estimate the aggregate amount of the investment plans because the transfer of the investment products is dependent on the conditions of the capital market which is beyond the control of the Bank. Any change in demand for the products in the capital market and the quick change in the market conditions, such as the changes in macroeconomic conditions, official interest rate, liquidity of the market, foreign exchange rate and financial regulatory framework, will necessarily result in a significant increase or decrease of the trading volume of investment products as well as the market price, duration, terms and conditions thereof; and
- (3) based on the reasons stated above, it is highly likely for the actual amount of the aggregated transaction amount of the purchase of the investment products to deviate from the annual caps set beforehand. In particular, in the case that the annual cap is about to be exceeded, the Bank would not be able to purchase any new investment products for several months if the highest applicable ratio calculated based on the annual caps under Chapter 14A of the Hong Kong Listing Rules exceeds 5%, as a Shareholders' general meeting would need to be convened to revise the caps and the Bank is required under its articles of association to give at least a 45-day notice to Shareholders to convene the Shareholders' general meeting. Such delay or suspension in business would have a direct adverse impact on the profitability of the Bank which in turn would be materially detrimental to the interests of the shareholders of the Bank as a whole.

To assess the fairness and reasonableness of the Service Fee Annual Caps, we have discussed with the Management regarding the aforesaid basis for the Service Fee Annual Caps for the three years ending 31 December 2020 and we consider that the Service Fee Annual Caps for the three years ending 31 December 2020 are fair and reasonable.

To assess the fairness and reasonableness of the Daily Maximum Balance Annual Caps, we have discussed with the Management regarding the aforesaid basis for the Daily Maximum Balance Annual Caps for the three years ending 31 December 2020. During our discussion with the Management, we understand that the Directors have considered the below quantitative basis in determining the Daily Maximum Balance Annual Cap for the year ending 31 December 2018:

- (i) There is a list of fund companies which the Bank can invest through. There are two members of CITIC Group under the aforesaid list (the “**Approved CITIC Fund Companies**”);
- (ii) the Bank’s Asset and Liability Department instructed the Bank to invest RMB40,000 million of the Bank’s own capital in currency fund (i.e. this requires RMB40,000 million in the Daily Maximum Balance Annual Cap to cover). The maximum amount which the Bank can invest through each of the Approved CITIC Fund Companies is RMB20,000 million;
- (iii) the Bank’s Risk Management Department approved an upper limit of RMB4,500 million for the amount of bond fund which the Bank can invest (with the Bank’s own capital) through each of the Approved CITIC Fund Companies (i.e. this requires RMB9,000 million in the Daily Maximum Balance Annual Cap to cover);
- (iv) the monthly average scale of principal-guaranteed wealth management of the Bank’s asset management business (fund from customers) is approximately RMB230,000 million during the six months ended 30 June 2017.

According to the information provided by the Bank, the scale of wealth management in the PRC was approximately RMB9,000 billion at the end of 2014 and approximately RMB30,000 billion at the end of May 2017 (representing a compound annual growth rate of approximately 60%). Should the scale of principal-guaranteed wealth management (fund from customers) of the Bank’s asset management business grow by 50% (which is less than the aforesaid growth rate), the scale will reach approximately RMB350,000 million in 2018.

Assuming that 10% of the amount of principal-guaranteed wealth management (fund from customers) of the Bank’s asset management business will possibly be invested through members of CITIC Group in 2018, such amount will be approximately RMB35,000 million (i.e. this requires RMB35,000 million in the Daily Maximum Balance Annual Cap to cover). As the aforesaid percentage is not very substantial, we consider it to be acceptable.

- (v) Buffer of around 1% for unforeseeable circumstances. We consider this conservative buffer to be fair and reasonable.

In respect of the Daily Maximum Balance Annual Caps for the each of the two years ending 31 December 2020, we understand from the Management that the Directors applied moderate growth rates of lower than 20% in determining such caps. Since the growth rates of such caps are much lower than the growth rate of the scale of wealth management in the PRC as (aforementioned), we consider the moderate growth rates to be fair and reasonable.

Given the above, we consider that the Daily Maximum Balance Annual Caps for the three years ending 31 December 2020 are fair and reasonable.

To assess the fairness and reasonableness of the Proceeds and Cost Annual Caps, we have discussed with the Management regarding the aforesaid basis for the Proceeds and Cost Annual Caps for the year ending 31 December 2018. During our discussion with the Management, we understand that the Directors have considered the below quantitative basis in determining the Proceeds and Cost Annual Caps for the year ending 31 December 2018:

- (i) according to the information provided by the Financial Market Department of the Bank, the average return rate of proceeds received from CITIC Group and its associates and the average fee rate of cost paid to CITIC Group and its associates are between 4.5% and 6.5%;
- (ii) as aforesaid, the Bank's Asset and Liability Department instructed the Bank to invest RMB40,000 million of the Bank's own capital in currency fund through the Approved CITIC Fund Companies, and the Bank's Risk Management Department approved an upper limit of RMB9,000 million for the total amount of bond fund which the Bank can invest (with the Bank's own capital) through the Approved CITIC Fund Companies;
- (iii) the proceeds and cost are calculated by the aggregated amount of investment of the Bank's own capital in both currency and bond funds (i.e RMB49,000 million) multiply by relevant rates (i.e. between 4.5% and 6.5%); and
- (iv) buffer of around 7% for unforeseeable circumstances. We consider this conservative buffer to be fair and reasonable.

In respect of the Proceeds and Cost Annual Caps for the each of the two years ending 31 December 2020, we understand from the Management that the Directors applied moderate growth rates of around 20% and 10% in the year ending 31 December 2019 and the year ending 31 December 2020 respectively. Since the growth rates of such caps are much lower than the growth rate of the scale of wealth management in the PRC (as aforementioned), we consider the moderate growth rates to be fair and reasonable.

Given the above, we consider that the Proceeds and Cost Annual Caps for the three years ending 31 December 2020 are fair and reasonable.

Hong Kong Listing Rules implication

The Management confirmed that the Bank shall comply with the requirements of Rules 14A.53 to 14A.59 of the Hong Kong Listing Rules pursuant to which (i) the daily maximum balance of investment under the new Wealth Management and Investment Service Framework Agreement must be restricted by the

Daily Maximum Balance Annual Caps for the period concerned under the new Wealth Management and Investment Service Framework Agreement; (ii) the terms of the transactions under the Wealth Management and Investment Service Framework Agreement must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Wealth Management and Investment Service Framework Agreement must be included in the Bank's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Hong Kong Listing Rules that the auditors of the Bank must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the transactions under the Wealth Management and Investment Service Framework Agreement (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps. In the event that the daily maximum balance of investment under the Wealth Management and Investment Service Framework Agreement are anticipated to exceed the Daily Maximum Balance Annual Caps, or that there is any proposed material amendment to the terms of the Wealth Management and Investment Service Framework Agreement, as confirmed by the Management, the Bank shall comply with the applicable provisions of the Hong Kong Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Hong Kong Listing Rules, we are of the view that there are adequate measures in place to monitor the Wealth Management and Investment Service Framework Agreement and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Asset Transfer Framework Agreement and the Wealth Management and Investment Service Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the transactions contemplated under the Asset Transfer Framework Agreement and the Wealth Management and Investment Service Framework Agreement are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the 2017 Second EGM to approve the Asset Transfer Framework Agreement and the Wealth Management and Investment Service Framework Agreement and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Bank. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

2. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE BANK

As at the Latest Practicable Date, none of the Directors, Supervisors, or chief executives of the Bank held or was deemed to hold any interests and/or short positions in the Shares, underlying Shares and debentures of the Bank or its associated corporations (as defined in the SFO) which were recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules, nor had they been granted such rights.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or their respective associates is interested in any business, which competes or is likely to compete, either directly or indirectly, with the Bank's business.

4. INTERESTS HELD BY DIRECTORS IN THE BANK'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE BANK

So far as the Bank and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors or Supervisors had any interest, either directly or indirectly, in any assets which have been, since 31 December 2016 (being the date to which the latest published audited accounts of the Bank were made up), acquired or disposed of or leased by any member of the Bank and its subsidiaries, or are proposed to be acquired or disposed of or leased by any member of the Bank and its subsidiaries.

So far as the Bank and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors or Supervisors was materially interested, either directly or indirectly, in any significant contract or arrangement entered into by the Bank that is relevant to the business of the Bank and is still valid as at the Latest Practicable Date.

5. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors or Supervisors has or is proposed to have any service contract with any member of the Bank and its subsidiaries that is not determinable within one year without payment of compensation (other than statutory compensation).

6. EXPERT

The qualification of the expert who has been named in this circular or has given advice or opinions contained in this circular is as follows:

Name	Qualification
Gram Capital Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or its name in the form and context in which it is included.

Gram Capital has no shareholding in any group member of the Bank or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any group member of the Bank.

Gram Capital issued a letter dated 1 November 2017 for the purpose of inclusion in this circular in connection with its advice to the Independent Board Committee and the Independent Shareholders.

Gram Capital has no direct or indirect interests in any assets which have been, since 31 December 2016 (being the date to which the latest published audited accounts of the Bank were made up), acquired or disposed of by or leased to the Bank, or which are proposed to be acquired or disposed of by or leased to any group member of the Bank.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Bank and its subsidiaries since 31 December 2016 (being the date to which the latest published audited accounts of the Bank were made up).

8. GENERAL MATTERS

- (a) In case of any discrepancy between the English version and the Chinese version of this circular, the Chinese version shall prevail.
- (b) The H Share Registrar of the Bank is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from the date of this circular up to and including the date of the 2017 Second EGM:

- (a) the letter from the Board, the text of which is set out on pages 4 to 30 of this circular;
- (b) the letter of advice from the Independent Board Committee, the text of which is set out in Appendix III of this circular;
- (c) the letter from Gram Capital, the text of which is set out in Appendix IV of this circular;
- (d) the written consent of Gram Capital referred to in the section headed "Experts" in this appendix;
- (e) the Asset Transfer Framework Agreement; and
- (f) the Wealth Management and Investment Service Framework Agreement.

Proposed Amendments to the Articles of Association of China CITIC Bank Corporation Limited					
No.	Article	Before revision	After revision (with marks)	After revision (clean)	Description
1	Article 13	None.	<u>In accordance with the relevant regulations of the Constitution of the Communist Party of China and the Company Law of China, organizations of the Communist Party of China (hereinafter the "Party") shall be established; the Party Committee shall play the core leadership role, providing direction, managing the overall situation and ensuring implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</u>	In accordance with the relevant regulations of the Constitution of the Communist Party of China and the Company Law of China, organizations of the Communist Party of China (hereinafter the "Party") shall be established; the Party Committee shall play the core leadership role, providing direction, managing the overall situation and ensuring implementation. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.	Reflecting requirements for Party-building work in the Articles of Association of enterprises.
Add Chapter VI Party Organization (Party Committee) (including Article 64 and Article 65)					
2	Article 64	None.	<u>The Bank shall set up a Chinese Communist Party Committee of China CITIC Bank Corporation Limited ("Party Committee"). The Party Committee shall consist of one secretary, one or two deputy secretaries and several other members. The chairman of the board of directors of the Bank and the secretary of the Party Committee shall be the same person, and one deputy secretary shall be designated to assist the secretary in carrying out Party-building work. Eligible members of the Party Committee can join the board of directors, the board of supervisors and the senior management through legal procedures, while eligible members of the board of directors, the board of supervisors and the senior management can also join the Party Committee in accordance with relevant rules and procedures. Meanwhile, commissions for discipline inspection shall be established.</u>	The Bank shall set up a Chinese Communist Party Committee of China CITIC Bank Corporation Limited ("Party Committee"). The Party Committee shall consist of one secretary, one or two deputy secretaries and several other members. The chairman of the board of directors of the Bank and the secretary of the Party Committee shall be the same person, and one deputy secretary shall be designated to assist the secretary in carrying out Party-building work. Eligible members of the Party Committee can join the board of directors, the board of supervisors and the senior management through legal procedures, while eligible members of the board of directors, the board of supervisors and the senior management can also join the Party Committee in accordance with relevant rules and procedures. Meanwhile, commissions for discipline inspection shall be established.	Reflecting requirements for Party-building work in the Articles of Association of enterprises, and further improving the Bank's corporate governance.

Proposed Amendments to the Articles of Association of China CITIC Bank Corporation Limited					
No.	Article	Before revision	After revision (with marks)	After revision (clean)	Description
3	Article 65	None.	<p><u>The Party Committee shall, in accordance with the Constitution of the Communist Party of China and other internal laws and regulations of the Party, perform the following duties:</u></p> <p>i. <u>Ensure and supervise the Bank's implementation of policies and guidelines of the Party and the State, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of higher-level Party organizations;</u></p> <p>ii. <u>Strengthen its leadership and gate keeping role in the management of the process of selection and appointment of personnel, focusing on standards, procedure, evaluation, recommendation and supervision, uphold the integration of the principle that the Party manages the officials with the function of the board of directors in the lawful selection of the management and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the management;</u></p> <p>iii. <u>Research and discuss the reform, development and stability of the Bank, major operational and management issues and major issues concerning employee interests, and put forth comments and suggestions. Support the shareholders' general meeting, the board of directors, the board of supervisors and the senior management of the Bank in performing their duties in accordance with law and support the Congress of Employees in carrying out its work;</u></p>	<p>The Party Committee shall, in accordance with the Constitution of the Communist Party of China and other internal laws and regulations of the Party, perform the following duties:</p> <p>i. Ensure and supervise the Bank's implementation of policies and guidelines of the Party and the State, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of higher-level Party organizations;</p> <p>ii. Strengthen its leadership and gate keeping role in the management of the process of selection and appointment of personnel, focusing on standards, procedure, evaluation, recommendation and supervision, uphold the integration of the principle that the Party manages the officials with the function of the board of directors in the lawful selection of the management and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the management;</p> <p>iii. Research and discuss the reform, development and stability of the Bank, major operational and management issues and major issues concerning employee interests, and put forth comments and suggestions. Support the shareholders' general meeting, the board of directors, the board of supervisors and the senior management of the Bank in performing their duties in accordance with law and support the Congress of Employees in carrying out its work;</p>	Reflecting requirements for Party-building work in the Articles of Association of enterprises, and further improving the Bank's corporate governance.

Proposed Amendments to the Articles of Association of China CITIC Bank Corporation Limited					
No.	Article	Before revision	After revision (with marks)	After revision (clean)	Description
			<p>iv. <u>Assume the primary responsibility to run the Party comprehensively with strict discipline, lead the Bank's ideological and political work, the United Front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the Labor Union of the Bank and the Communist Youth League, lead the construction of the Party's working style and its clean and honest administration, and support the Party discipline inspection commissions in earnestly performing its supervisory responsibilities;</u></p> <p>v. <u>Strengthen the building of the Bank's grassroots Party organizations and of its contingent of Party members, give full play to the role of Party branches as strongholds and to the role of Party members as pioneers and fine examples, and unite and lead officials and employees bank-wide to devote themselves into the reform and development of the Bank;</u></p> <p>vi. <u>Other material matters that fall within the duty of the Party Committee.</u></p>	<p>iv. Assume the primary responsibility to run the Party comprehensively with strict discipline, lead the Bank's ideological and political work, the United Front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the Labor Union of the Bank and the Communist Youth League, lead the construction of the Party's working style and its clean and honest administration, and support the Party discipline inspection commissions in earnestly performing its supervisory responsibilities;</p> <p>v. Strengthen the building of the Bank's grassroots Party organizations and of its contingent of Party members, give full play to the role of Party branches as strongholds and to the role of Party members as pioneers and fine examples, and unite and lead officials and employees bank-wide to devote themselves into the reform and development of the Bank;</p> <p>vi. Other material matters that fall within the duty of the Party Committee.</p>	
4	Article 170 (former Article 167)	<p>The Board of Directors shall exercise the following duties and powers:</p> <p>.....</p> <p>(29) to exercise any other authorities prescribed by the applicable laws, administrative regulations, rules or these Articles of Association, or conferred by the shareholders general meetings.</p>	<p>The Board of Directors shall exercise the following duties and powers:</p> <p>.....</p> <p>(29) to exercise any other authorities prescribed by the applicable laws, administrative regulations, rules or these Articles of Association, or conferred by the shareholders general meetings.</p> <p><u>The Board of Directors shall seek advice from the Bank's Party Committee before making decisions on the Bank's major issues.</u></p>	<p>The Board of Directors shall exercise the following duties and powers:</p> <p>.....</p> <p>(29) to exercise any other authorities prescribed by the applicable laws, administrative regulations, rules or these Articles of Association, or conferred by the shareholders general meetings.</p> <p>The Board of Directors shall seek advice from the Bank's Party Committee before making decisions on the Bank's major issues.</p>	<p>Reflecting requirements for Party-building work in the Articles of Association of enterprises, and further improving the Bank's corporate governance.</p>

Proposed Amendments to the Articles of Association of China CITIC Bank Corporation Limited					
No.	Article	Before revision	After revision (with marks)	After revision (clean)	Description
5	Article 276 (f o r m e r Article 273)	<p>The Bank needs not allocate further amounts if the accumulated amount of the statutory surplus reserve is over 50% of its registered capital.</p> <p>The Bank shall use the net profit of the current year to make up for losses before making allocation to the statutory surplus reserve in accordance with the preceding paragraph.</p> <p>The balance of the general reserve of the Bank shall not be less than 1% of the balance of the risk assets as at the end of the current year, otherwise, no distribution to the lower priority shall be made.</p> <p>.....</p>	<p>The Bank needs not allocate further amounts if the accumulated amount of the statutory surplus reserve is over 50% of its registered capital.</p> <p>The Bank shall use the net profit of the current year to make up for losses before making allocation to the statutory surplus reserve in accordance with the preceding paragraph.</p> <p>The balance of the general reserve of the Bank shall not be less than 1% of the balance of the risk assets as at the end of the current year, otherwise, no distribution to the lower priority shall be made.</p> <p><u>The Bank's general reserve shall be subject to relevant laws, administrative regulations and rules.</u></p> <p>.....</p>	<p>The Bank needs not allocate further amounts if the accumulated amount of the statutory surplus reserve is over 50% of its registered capital.</p> <p>The Bank shall use the net profit of the current year to make up for losses before making allocation to the statutory surplus reserve in accordance with the preceding paragraph.</p> <p>The Bank's general reserve shall be subject to relevant laws, administrative regulations and rules.</p> <p>.....</p>	<p>Governed by relevant laws and regulations, and maintain the stability of the Articles of Association.</p>
6	Article 283 (f o r m e r Article 280)	<p>The internal audit system of the Bank and the remuneration and the appointment of persons in charge of audit of the Bank shall be implemented after being approved by the Board of Directors. The person in charge of internal audit shall be accountable to and report their work to the Board of Directors.</p>	<p>The <u>basic</u> internal audit system of the Bank and the remuneration and the appointment of persons in charge of audit of the Bank shall be implemented after being approved by the Board of Directors. The person in charge of internal audit shall be accountable to and report their work to the Board of Directors.</p>	<p>The basic internal audit system of the Bank and the remuneration and the appointment of persons in charge of audit of the Bank shall be implemented after being approved by the Board of Directors. The person in charge of internal audit shall be accountable to and report their work to the Board of Directors.</p>	<p>In the spirit of the Guidelines on Internal Audit of Commercial Banks issued by the China Banking Regulatory Commission, the Board of Directors shall approve internal audit rules and other basic audit systems as well as medium and long-term audit plans of commercial banks. Representations on "internal audit system" under current Articles of Association are relatively broad.</p>

Note: Serial numbers of relevant chapters, articles and cross references have been adjusted accordingly.



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)

**NOTICE OF THE SECOND
EXTRAORDINARY GENERAL MEETING OF 2017**

NOTICE IS HEREBY GIVEN that the Second Extraordinary General Meeting of 2017 (the “**2017 Second EGM**”) of China CITIC Bank Corporation Limited (the “**Bank**”) will be held at 9:30 a.m., on Thursday, 30 November 2017 at Conference Room, B1 Floor, No. 9 Chaoyangmen Beidajie, Dongcheng District, Beijing, the People’s Republic of China (the “**PRC**”) to consider and, if thought fit, to approve the following resolutions:

By ordinary resolutions:

1. Proposal on Amendments to the Rules of Procedures of the Shareholders’ General Meeting of China CITIC Bank Corporation Limited
2. Proposal on Amendments to the Rules of Procedures of the Board of Supervisors of China CITIC Bank Corporation Limited
3. Proposal on Application for the Caps of Related Party Transactions with Shareholder Related Parties for the Years 2018-2020

Non-credit Extension Connected Transactions

- 3.1 Caps for asset transfer with CITIC Group and its associates for the years 2018-2020
- 3.2 Caps for wealth management and investment services with CITIC Group and its associates for the years 2018-2020

Credit Extension Related Party Transactions

- 3.3 Caps for credit extension with CITIC Group and its associates for the years 2018-2020
- 3.4 Caps for credit extension with Xinhua Zhongbao and its associates for the years 2018-2020

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2017

3.5 Caps for credit extension with China Tobacco and its associates for the years 2018-2020

By special resolutions:

4. Proposal on Amendments to the Articles of Association of China CITIC Bank Corporation Limited
5. Proposal on Issuance of Tier-two Capital Bonds

The circular for the 2017 Second EGM is expected to be dispatched to the shareholders by the Bank on or before Wednesday, 1 November 2017.

By Order of the Board of Directors
China CITIC Bank Corporation Limited
Li Qingping
Chairperson

Beijing, the PRC
13 October 2017

As at the date of this notice, the executive directors of the Bank are Ms. Li Qingping (Chairperson) and Mr. Sun Deshun (President); the non-executive directors are Mr. Chang Zhenming, Mr. Zhu Gaoming, Ms. Huang Fang and Mr. Wan Liming; and the independent non-executive directors are Ms. Wu Xiaoqing, Mr. Wong Luen Cheung Andrew, Mr. He Cao, Ms. Chen Lihua and Mr. Qian Jun.

Notes:

1. CLOSURE OF REGISTER OF MEMBERS; ELIGIBILITY FOR ATTENDING THE 2017 SECOND EGM

Holders of A shares and H shares are regarded as the same class of shareholders in voting. Holders of H shares should note that the register of members of the Bank will be closed from Monday, 30 October 2017 to Thursday, 30 November 2017 (both days inclusive) during which period no H share transfer will be registered. All shareholders appearing on the register of members of the Bank on Thursday, 30 November 2017 are entitled to attend and vote at the 2017 Second EGM. Holders of H shares of the Bank who intend to attend the 2017 Second EGM but have not registered their share transfer documents shall lodge their transfer documents, together with relevant share certificates, with the office of the Bank's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 27 October 2017.

2. APPOINTMENT OF PROXY

Any shareholder entitled to attend and vote at the 2017 Second EGM is entitled to appoint one or more proxies to attend and vote at the meeting instead of him/her.

A proxy need not be a shareholder of the Bank. The proxy form shall be in writing and signed by the shareholder or of his/her attorney duly authorized in writing or, if the shareholder is a corporate body, either executed under its common seal or signed by its legal representative, director or duly authorized attorney. If the proxy form is signed by the attorney of the shareholder, the power of attorney or other authorization document authorizing the attorney to sign the proxy form must be notarized.

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2017

In order to be valid, H shareholders shall lodge the proxy form, together with the power of attorney or other authority (if any), by hand or post, with the Bank's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for holding the 2017 Second EGM or its adjourned meeting (as the case may be) (i.e. not later than 9:30 a.m. on Wednesday, 29 November 2017). Completion and return of the proxy form shall not preclude shareholders from attending and voting in person at the 2017 Second EGM.

3. REPLY SLIP

Holders of H shares who intend to attend in person or by proxy the 2017 Second EGM shall deliver the reply slip to the Bank's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, on or before Friday, 10 November 2017.

4. CONTACT INFORMATION OF THE BANK

Address: Office of the Board of Directors and Board of Supervisors, China CITIC Bank, No. 9 Chaoyangmen Beidajie, Dongcheng District, Beijing, the PRC

Postal Code: 100010

Contact persons: LUO Xiaobo, SHI Chuanyu

Tel: (86 10) 8523 0010

Fax: (86 10) 8523 0079

5. PROCEDURE OF VOTING AT THE 2017 SECOND EGM

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at the 2017 Second EGM must be taken by poll.

6. OTHER BUSINESS

Shareholders attending the 2017 Second EGM in person or by proxy shall bear their own transportation and accommodation expenses. Shareholders or their proxies attending the 2017 Second EGM shall provide their identity documents.

7. DATES AND TIMES

Reference to dates and times on this notice are to Hong Kong dates and times.