中信银行
CHINA CITIC BANK

中 信 銀 行 股 份 有 限 公 司
China CITIC Bank Corporation Limited

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

(Stock Code: 998)

ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
DELAY IN DESPATCH OF CIRCULAR

SUMMARY

The Board hereby announces that, on 26 August 2026, the Bank entered into the Asset Transfer Framework Agreement, the Comprehensive Service Framework Agreement, the Financial Consulting and Asset Management Service Framework Agreement, the Custody and Account Management Services Framework Agreement, the Other Financial Services Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement with CITIC Group, all with a term of three years from 1 January 2027 to 31 December 2029 and which are renewable subject to agreement between both parties and compliance with the Hong Kong Listing Rules.

As the highest applicable percentage ratios in respect of the respective annual caps for the transactions under the Comprehensive Service Framework Agreement, the Financial Consulting and Asset Management Service Framework Agreement, the Custody and Account Management Services Framework Agreement and the Other Financial Services Framework Agreement exceed 0.1% but do not exceed 5%, the transactions contemplated under the Comprehensive Service Framework Agreement, the Financial Consulting and Asset Management Service Framework Agreement, the Custody and Account Management Services Framework Agreement and the Other Financial Services Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement and annual review requirements but are exempted from Independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratios in respect of the annual caps for the transactions under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement exceed 5%, the transactions contemplated under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

BOARD CONFIRMATION

The Board (including the independent non-executive Directors) considers that the abovementioned continuing connected transactions and their respective proposed annual caps are conducted in the ordinary and usual course of business of the Bank and on normal commercial terms. As a consequence, the Board (including the independent non-executive Directors) is of the view that the continuing connected transactions contemplated under the abovementioned agreements are fair and reasonable and are in the interests of the Bank and the Shareholders as a whole.

Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee on the continuing connected transactions contemplated under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement and their respective proposed annual caps.

As Chairman Mr. Fang Heying and Director Mr. Wei Qiang are connected with the proposed continuing connected transactions to be entered into between the Bank and CITIC Group, they have abstained from voting at the Board meeting dated 26 August 2026 on the resolutions approving the proposed continuing connected transactions between the Bank and CITIC Group. Save as disclosed above, none of the Directors has any material interest in the continuing connected transactions and has abstained from voting on the Board resolutions approving the abovementioned agreements and the proposed continuing connected transactions thereunder.

DESPATCH OF CIRCULAR

A circular containing, among other things, (1) details of the continuing connected transactions under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement; (2) the letter from Maxa Capital to the Independent Board Committee and the Independent Shareholders containing its advice on the continuing connected transactions and their respective proposed annual caps under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement; (3) the recommendation of the Independent Board Committee in respect of the continuing connected transactions and their respective proposed annual caps under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement; and (4) a notice to convene the ESM shall be despatched to the Shareholders in accordance with the Hong Kong Listing Rules no later than 9 October 2026. The Bank may not be able to despatch the circular within 15 business days after publication of this announcement as additional time is required for preparing the circular and other relevant documents for the ESM.

1. CONTINUING CONNECTED TRANSACTIONS WITH CITIC GROUP AND ITS ASSOCIATES

1.1 Background and General Information on the Bank and CITIC Group

Relying on the comprehensive resources of CITIC Group in terms of "Finance + Real Economy", the Bank, with the vision to become a bank with "Four Features", i.e., a responsible, unique, valuable and caring provider of the best comprehensive financial services, and one of the world's first-class banks, upholds honesty and trustworthiness and pursues benefits through righteous means, steadiness and prudence, integrity and innovation, and legal compliance. Being customer-centric, the Bank worked to create a distinctive and differentiated model for financial services. For government and institutional customers, corporate customers and interbank market customers, the Bank offers integrated financial solutions in corporate banking business, investment banking business, international business, transaction banking business, custody business, financial market business, etc. For individual customers, the Bank provides diversified financial products and services related to wealth management, personal credit, credit cards, private banking, pension finance and going abroad finance, etc. As such, the Bank satisfies the needs of government and institutional, corporate, interbank market and individual customers for comprehensive financial services on all fronts.

As CITIC Group is a *de facto* controller of the Bank, CITIC Group and its associates constitute connected persons of the Bank under Chapter 14A 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 is as below:

CITIC Group is a Chinese state-owned enterprise under the Ministry of Finance. Since its inception, CITIC Group has been a pilot unit for national economic reform and an important window for China's opening up to the outside world. With fruitful explorations and innovation in many areas, CITIC Group has built itself a robust image and reputation both domestically and abroad. At present, CITIC Group has developed into a large state-owned multinational conglomerate with both financial and non-financial businesses. Its financial business covers a full range of services including banking, securities, trust, insurance, fund and asset management; and its non-financial business includes real estate, engineering contracting, energy and resources, infrastructure construction, machinery manufacturing and information technology, with clear overall strength and great momentum of growth.

1.2 Continuing Connected Transactions

1.2.1 Asset Transfer Framework Agreement

General information of the transaction

The Bank entered into the existing Asset Transfer Framework Agreement with CITIC Group on 8 November 2023, pursuant to which, the Bank and CITIC Group and its associates agreed to conduct asset transfer transactions in their ordinary and usual course of business in accordance with applicable normal market practices and on normal commercial terms. The agreement will expire on 31 December 2026, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

In light of the impending expiration of the existing Asset Transfer Framework Agreement and in order to satisfy the business development needs, the Bank entered into a new Asset Transfer Framework Agreement with CITIC Group on 26 August 2026. The new Asset Transfer Framework Agreement has a term of three years from 1 January 2027 to 31 December 2029, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

The Bank will sell credit and other related assets to CITIC Group and its associates in order to optimise the Bank's credit structure. In the meantime, the Bank may purchase the same type of assets from CITIC Group and its associates to adjust the Bank's credit structure and optimize asset allocation. As a means of the Bank's asset and liability management, where credit extension grows excessively fast, the Bank will sell on-balance-sheet credit assets through market-oriented channels in order to adjust the asset-liability structure and accelerate the disposal progress of non-performing assets. In conducting factoring businesses, the Bank will purchase assets such as customers' accounts receivable. In conducting forfaiting business, the Bank will have a non-recourse buyout of the creditor's rights held by CITIC Group and its associates, the payment of which shall be confirmed as due by its issuing/confirming bank while the creditor's rights are not due, or transfer the creditor's rights that have been bought out and held by the Bank but are not due to CITIC Group and its associates. The Asset Transfer Framework Agreement between the Bank and CITIC Group contemplates the purchase and sale of credit and other related assets to CITIC Group and its associates. Along with the business development, the Bank expects to purchase credit and other related assets from CITIC Group and its associates in the future, and the total amount of such purchase and sale will be calculated cumulatively when the annual cap is calculated.

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 ordinary and usual course of business buys from or sells to CITIC Group and its associates movable and immovable properties for own use, credit and other relevant assets, including but not limited to: the purchase and sale of movable and immovable properties for own use; sell/buy corporate and retail credit loan and non-credit loan assets and their (collection) beneficiary rights, receivables and other assets directly or through asset management plan, asset securitization or through factoring, forfaiting or other forms; purchase and sale of interbank assets and claims, receipt and disposal of repossessed assets; commercial acceptance bonding business, bill discounting business without the credit risk of the discounting applicant, purchase and resale of bills under rediscounting business; acquisition of assets for operating lease business; and other asset transfer business.

- Both parties shall carry out business under the agreement.

- The asset transfer transactions under the agreement shall be conducted on normal commercial terms, which shall not be more favorable to the connected person than those offered to a comparable independent third party for same transactions.

Pricing

Transactions under the Asset Transfer Framework Agreement are divided into normal asset transfer and securitization asset transfer. The normal asset transfer is a non-hierarchical transfer, with a single or small number of transactions generally. Securitization asset transfer is a selection of a larger number of loans which are packaged to form a pool of assets, and are designed with structured hierarchy. Under the Asset Transfer Framework Agreement, the price payable by the transferee to the transferor shall be determined on the basis of the following principles:

- Normal asset transfer: the transfer of credit assets shall comply with the principle of integrity, i.e. the credit assets to be transferred shall include the entire outstanding principal and interest receivable. 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 (i.e. the ratio of transaction price to loan principal is 100%), without discount or premium.

- Securitization asset transfer: the transfer of assets from connected persons to the Bank has been included in the above normal asset transfer. When transferring credit assets from the Bank to connected persons, the Bank adopts the loan principal as the consideration of the transaction and generally transfers at par (i.e. the ratio of transaction price to loan principal is 100%), except for the securitization of non-performing assets. In terms of the issuance rate of the asset-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 asset-backed securities (with exclusion of the sections held by the originating institutions) are determined through a competitive offering process.

- Transfer of non-performing assets: the price shall be determined in accordance with the principles of compliance with the laws and regulations, openness and transparency, competition and selection of the best, authenticity and cleanliness, and by comprehensively considering the factors such as asset conditions, disposal costs, risks and returns, market conditions and professional opinions issued by third-party evaluation institutions, and the transfer shall be conducted in an open way.

- Forfaiting asset transfer: the interest income received within the actual holding period shall be determined according to the fair value of the forfaiting market.

- Bill asset transfer: the transaction interest rate is determined with reference to the prevailing average transaction price published by the Shanghai Commercial Paper Exchange and is adjusted based on market supply and demand conditions.

Historical amounts and proposed annual caps

	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)*		
	2024	**2025**	**2026**	**2026**	**2027**	**2028**	**2029**
Transaction Amount	21,104	28,051	18,775	190,000	210,000	240,000	270,000

Note: The rediscounting business, involving the purchase and sale of bills, which were previously managed under Financial Market Business, will be included under Asset Transfer Business and subject to annual caps. The actual transaction amounts for the period from January to June 2026 will continue to be calculated based on the original basis.

Basis for setting the annual caps

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

- There was a relatively large difference between the previous estimates and the actual implementation, mainly because: (i) after the Bank strengthened the management of its credit card instalment business, the demand for transfers of credit card instalment assets was lower than expected. At the same time, after taking into account the volume of credit card full-account assets deployed and funding requirements, the Bank has not yet launched any credit card full-account asset securitization programmes; (ii) in recent years, due to the economic downturn and adjustments in the real estate market, demand for retail credit extension has been insufficient, resulting in reduced demand for transfers of individual housing mortgage loans and retail consumer loans, and therefore the Bank has not conducted any securitization of performing retail credit assets; and (iii) in recent years, due to the economic downturn, market spreads have continued to narrow, resulting in the expansion of the forfaiting market being weaker than expected; and (iv) Banks dispose of their non-performing assets through transfers in the open market, where qualified asset management companies ("AMC"), including the five national AMC and local AMC, acquire such assets through a competitive bidding process. As China CITIC Financial AMC, a connected person of the Bank, is one of the five national AMC, the ultimate transfer outcome remains uncertain.

- The principal factors taken into account in determining the above annual caps, and the reasons for the relatively large differences between the current projections and the actual implementation in the previous period, are as follows: (i) the interbank credit asset securitization business is an important method to improve the ability of commercial banks to actively manage assets and liabilities and to provide financing. It can effectively activate existing assets, establish a virtuous cycle between asset allocation and asset circulation, and assist commercial banks to transform and upgrade to asset-light and transactional banking; (ii) regulatory authorities continue to support commercial banks to carry out credit asset securitization business, and the domestic securitization market has been developing steadily in recent years, with an increasingly diversified range of products, continuous improvement of system construction, and the development mode evolving steadily from "policy-driven" to "market-initiated". Under the dual promotion of regulatory authorities and market demand, the credit asset securitization business of commercial banks has been developing rapidly; (iii) the Bank continues to improve the asset securitization policies, sets up the asset securitization business system, and has built a full-coverage underlying asset matrix, and the foundation for the development of the asset securitization business has been effectively consolidated; (iv) although the Bank has only issued non-performing asset securitization products of a relatively limited scale in recent years, if circumstances arise in the future such as tighter refinancing requirements imposed on banks, increased demand for credit extension or heightened pressure on the Bank's loan scale and risk-weighted assets, the Bank may issue securitization products backed by individual housing mortgage loans, consumer loans and other assets in order to release regulatory capital and reduce refinancing costs; (v) in the future, the Bank will continue to step up its asset securitization efforts, and to promote securitization projects involving credit card full-account assets, personal consumption loans, housing mortgage loans, non-performing loans, etc., so as to drive the development of asset securitization asset transfer business; (vi) the Bank's secondary-market forfaiting business has experienced rapid growth. During the period from January to June 2026, the amount of domestic letter of credit forfaiting transactions was RMB254.4 billion, representing a growth rate of approximately 15%. Against this backdrop, the transaction volume of forfaiting business conducted between the Bank and its connected persons has increased significantly. In addition, domestic letter of credit forfaiting business serves as an important tool for expanding corporate customer relationships. The proposed annual cap also reserves sufficient capacity for future cooperation between the Bank and new connected persons of CITIC Group over the next three years; (vii) the ultimate transferees of banks' non-performing assets are determined through open and competitive bidding processes, and the Bank needs to make sufficient advance estimates of potential transaction amounts with connected persons, otherwise the Bank's disposal of non-performing assets may be affected; (viii) pursuant to industry regulatory guidance, rediscounting business is not included within financial market business. Rediscounting business is therefore proposed to be classified and managed as asset transfer business, and the cap for such transactions is expected to be approximately RMB100 billion; and (ix) bill business is characterised by short tenors and strong liquidity, which helps the Bank optimise asset-liability management, enhance customer stickiness and comprehensive marketing, and fulfil regulatory requirements to support the real economy.

Requirements of the Hong Kong Listing Rules

As the highest applicable percentage ratio of the annual caps for the transactions under the Asset Transfer Framework Agreement exceeds 5%, the transactions under the Asset Transfer Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Hong Kong Listing Rules.

1.2.2 Comprehensive Service Framework Agreement

General information of the transaction

The Bank entered into the existing Comprehensive Service Framework Agreement with CITIC Group on 8 November 2023, pursuant to which, the Bank carried out comprehensive services with CITIC Group and its associates in the ordinary and usual course of the Bank's business. The agreement will expire on 31 December 2026, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

In light of the impending expiration of the existing Comprehensive Service Framework Agreement and in order to satisfy business development needs, the Bank entered into a new Comprehensive Service Framework Agreement with CITIC Group on 26 August 2026. The new Comprehensive Service Framework Agreement has a term of three years from 1 January 2027 to 31 December 2029, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

Principal terms of the Comprehensive Service Framework Agreement

The principal terms of the Comprehensive Service Framework Agreement are set out as follows:

- The comprehensive services conducted between the Bank and CITIC Group and its associates include, but are not limited to, insurance services; merchandise service procurement (including conference hosting services); outsourcing services; value-added services (including points redemption services for clients of bank cards); advertising services; technology services; call center services; housing rental and property management; engineering contracting; accommodation and catering services; third-party channel services for credit card issuance; loan collateral appraisal services; training services and other comprehensive services.

- Both parties shall provide the services under the agreement.

- Services provided by the service providers to the recipients under the agreement shall be conducted on normal commercial terms, which shall not be more favorable to the connected person than those offered to a comparable independent third party for same transactions.

Pricing

The service fees for the various services contemplated under the Comprehensive Service Framework Agreement shall be determined through fair negotiations between the parties with reference to the market prices for comparable transactions or the rates applicable in transactions with independent third parties.

Historical amounts and proposed annual caps

	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)		
	2024	**2025**	**2026**	**2026**	**2027**	**2028**	**2029**
Amount of service fee income/expenditure	4,819	4,512	2,241	7,000	8,000	9,000	9,900

Basis for setting the annual caps

In arriving at the above annual caps, the Board has considered the historical figures for similar transactions and the following factors: along with the continuous development and innovation of the Bank's business, its demand for technology services, outsourcing services, insurance services, joint marketing, procurement of goods, advertising services, value-added services, property leasing, property management and training services continues to increase. For example, in the next three years, the cooperation between the Bank and Guangdong Honglian Nine Five Information Industry Co., Ltd. and Beijing Honglian Nine Five Information Industry Co., Ltd. is expected to further deepen. The volume of customer service operations and remote instalment marketing businesses is expected to grow steadily, thereby continuously expanding its integrated marketing capacity. In addition, the Bank will continue to cooperate with Shenzhen Xinyin Enterprise Service Co., Ltd. with a focus on acquiring high-quality customers, and the transaction amounts are expected to increase year by year.

Requirements of the Hong Kong Listing Rules

As the highest applicable percentage ratio of the annual caps for the transactions under the Comprehensive Service Framework Agreement exceeds 0.1% but does not exceed 5%, the transactions under the Comprehensive Service Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement and annual review requirements but are exempted from the Independent Shareholders' approval requirement as set out in Chapter 14A of the Hong Kong Listing Rules.

1.2.3 Financial Consulting and Asset Management Service Framework Agreement

General information of the transaction

The Bank entered into the existing Financial Consulting and Asset Management Service Framework Agreement with CITIC Group on 8 November 2023, pursuant to which, the Bank and CITIC Group and its associates provide various services relating to financial consulting and asset management. The agreement will expire on 31 December 2026, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

In light of the impending expiration of the existing Financial Consulting and Asset Management Service Framework Agreement and in order to satisfy business development needs, the Bank entered into a new Financial Consulting and Asset Management Service Framework Agreement with CITIC Group on 26 August 2026. The new Financial Consulting and Asset Management Service Framework Agreement has a term of three years from 1 January 2027 to 31 December 2029, and is renewable subject to the consent of the parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

In the securitization business of credit assets, CITIC Group and its associates will collect trust management fee and underwriting fee from the Bank for their provision of the securitization transfer and duration services and asset securitization underwriting services to the Bank, and the Bank will collect initiator service fee for the provision of the asset securitization duration services to CITIC Group and its associates. In the non-principal-guaranteed wealth management and agency services, the Bank will obtain service fee income from CITIC Group and its associates in connection with the non-principal-guaranteed wealth management services or agency services provided by the Bank to CITIC Group and its associates, including sales service fee for non-principal-guaranteed wealth management services and agency service fee for investment product consignment sale. The Bank will pay service fee to CITIC Group or its associates in connection with the agency services provided to the Bank by CITIC Group or its associates. In the bonds underwriting business, the Bank will collect service fee for the provision of underwriting services to CITIC Group and its associates. CITIC Group and its associates will collect service fee from the Bank for the provision of underwriting services to the Bank for the issuance of the bonds.

Principal terms of the Financial Consulting and Asset Management Service Framework Agreement

The principal terms of the Financial Consulting and Asset Management Service Framework Agreement are set out as follows:

- The services provided by both parties in the ordinary course of business pursuant to the agreement include, but are not limited to, bond underwriting; financing and financial consulting services; financial products agency sales; asset securitization services; entrusted loans; underwriting of investment and financing projects; consulting; investment advisory services; and management of factoring receivables, collection of receivables and guarantee for bad debts; asset management services; other financial consulting services and asset management services.

- Both parties shall provide the services under the agreement.

- Services provided by the service providers to the recipients under the agreement shall be conducted on normal commercial terms, which shall not be more favorable to the connected person than those offered to a comparable independent third party for same transactions.

Pricing

For the purpose of financing or taking the asset off the balance sheet, in the course of ordinary business, the Bank conducts securitization business of credit assets with CITIC Group and/or its associates as well as financial advisory and asset management services with associates. The expenses incurred in the course of the business include but are not limited to: (1) Trust remuneration received by the trust for its service provided during the issuance and duration of the asset-backed securities at the rate of approximately 0.05% to 0.1% (on a lump-sum basis); (2) Underwriting remuneration received by the lead underwriter for its participation in the underwriting of the asset-backed securities at the rate of approximately 0.1% to 0.8% (on a lump-sum basis); and (3) Service remuneration received by the asset service institution for its provision of the relevant services during the issuance and duration, the rate of which varies from 0.1%/year to 3%/year depending on the different needs for such services of different assets.

The service fee standard of commission sale of investment products shall be priced based on market price and industry practice. The level of commission rate varies according to the service requirements of the various commission sales and is usually between 0.01% and 18%.

The fees for other financial consulting and asset management services provided by the Bank are negotiated on an arm's length basis between the parties, depending on the nature of the service provided, and are set out in a specific service agreement to be entered into between the parties. The prices and rates are not more favorable than those charged to comparable independent third parties.

The above-mentioned pricing standard is applicable to both independent third parties and connected persons.

Historical amounts and proposed annual caps

	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)		
	2024	**2025**	**2026**	**2026**	**2027**	**2028**	**2029**
Amount of service fee income/expenditure	2,975	3,283	1,927	20,000	9,000	9,500	10,000

Basis for setting the annual caps

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

- There was a relatively large difference between the previous estimates and the actual implementation, mainly because the Bank strengthened the management of its credit card instalment business, resulting in lower-than-expected demand for transfers of credit card instalment assets. In addition, after taking into account the volume of credit card full-account assets deployed and funding requirements, the Bank has not yet launched any credit card full-account asset securitization programmes, resulting in a decrease in service fee income derived from the above asset securitization businesses. Furthermore, in recent years, due to the economic downturn and adjustments in the real estate market, demand for retail credit extension has been insufficient, resulting in reduced demand for transfers of individual housing mortgage loans and retail consumer loans, which in turn led to a decrease in service fee income relating to the securitization of retail credit assets.

- The principal factors taken into account in determining the above annual caps, and the reasons for the relatively large differences between the current projections and the actual implementation in the previous period, are as follows: (i) in accordance with its strategic transformation objectives, the Bank will continue to develop asset-light businesses, including securities underwriting, asset management, financial advisory services and agency sales of financial products, which involve extensive business cooperation with CITIC Group and its associates; (ii) as a mainstream market underwriting institution, the Bank has consistently ranked among the top market participants in debt financing instrument underwriting. At the same time, in light of regulatory trends, the bond market has further consolidated its role as the principal channel for market-based financing. It is expected that the scale of bond issuances by CITIC Group and its associates will increase in the future. At present, a number of associates have bond issuance cooperation plans with the Bank, and the project pipeline remains strong. Accordingly, the scale of corresponding service fees of the Bank is expected to continue to increase; (iii) as the importance of bond financing within the overall social financing system continues to increase, the Bank will strive to establish a "licensed + non-licensed" underwriting service framework and further strengthen its cooperation in this area with leading industry participants such as CITIC Securities Co., Ltd. and China Securities Co., Ltd. Through cooperation among leading institutions, the Bank seeks to build a full-license debt capital markets financing service platform, broaden customers' financing channels and reduce customers' financing costs; (iv) financial advisory and asset management services are closely connected with credit asset securitization business. In connection with credit asset securitization transactions, trust management fees for providing securitization transfer and post-issuance services, underwriting fees for providing securitization underwriting services, and initiator service fees for providing securitization post-issuance services will be generated. As the issuance scale of credit asset securitization business has remained relatively small in the past two years, the amounts of the above service fees were correspondingly limited. Going forward, as the issuance scale of credit asset securitization business increases, the fees for financial advisory and asset management services are also expected to increase accordingly; (v) as business synergies between the Bank and CITIC Group continue to deepen, the scope of cooperation between the parties is expected to expand further. The volume of agency sales business is expected to increase correspondingly, and the amount of agency sales commission fees is expected to grow accordingly; and (vi) pursuant to the Notice on Matters Relating to the Implementation of the Guiding Opinions of the General Office of the China Banking and Insurance Regulatory Commission on Guiding Financial Asset Management Companies to Focus on Their Core Businesses and Actively Participate in the Reform and Risk Mitigation of Small and Medium-sized Financial Institutions (《關於落實〈中國銀保監會辦公廳關於引導金融資產管理公司聚焦主業積極參與中小金融機構改革化險的指導意見〉有關事項的通知》), the Bank may, following the transfer of non-performing assets, continue to undertake disposal work as entrusted by financial asset management companies, thereby further expanding its financial advisory and asset management business.

Requirements of the Hong Kong Listing Rules

As the highest applicable percentage ratio of the annual caps for the transactions under the Financial Consulting and Asset Management Service Framework Agreement exceeds 0.1% but does not exceed 5%, the transactions under the Financial Consulting and Asset Management Service Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement and annual review requirements but are exempted from the Independent Shareholders' approval requirement as set out in Chapter 14A of the Hong Kong Listing Rules.

1.2.4 Custody and Account Management Services Framework Agreement

General information of the transaction

The Bank entered into the existing Custody and Account Management Services Framework Agreement with CITIC Group on 8 November 2023 pursuant to which, the Bank and CITIC Group and its associates conduct asset custody and account management transactions. The agreement will expire on 31 December 2026, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

In light of the impending expiration of the existing Custody and Account Management Services Framework Agreement and in order to satisfy business development needs, the Bank entered into the new Custody and Account Management Services Framework Agreement with CITIC Group on 26 August 2026, which has a term of three years from 1 January 2027 to 31 December 2029, and is renewable subject to the consent of the parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

Principal terms of the Custody and Account Management Services Framework Agreement

The principal terms of the Custody and Account Management Services Framework Agreement are set out as follows:

- Both parties agree that the services provided in the ordinary course of business pursuant to the agreement include, but are not limited to, the services provider provides asset custody service and account management service related to its financial assets or funds, the abovementioned assets involved include, but are not limited to, assets managed by fund management companies (including securities investment funds), assets managed by securities companies, assets managed by trust companies, wealth management products of commercial banks, assets managed by insurance companies, private funds, assets managed by futures companies, various types of pension funds such as enterprise annuities and occupational annuities, social security funds, welfare plans, third-party escrow assets, sales proceeds of internet finance platforms, QDII-type assets, QFII-type assets, financial assets and other assets; the services provider provides third-party regulatory service for the financing goods of credit-granting enterprises; the services provider provides third-party custody service to the recipient, including but not limited to depository services for customer transaction settlement funds of securities companies.

- Both parties shall provide the services under the agreement.

- Services provided by the service providers to the recipients under the agreement shall be conducted on normal commercial terms, which shall not be more favorable to the connected person than those offered to a comparable independent third party for same transactions.

Pricing

The pricing principles of the Custody and Account Management Services Framework Agreement are as follows:

- The service fees paid by both parties in connection with the agreement are subject to relevant market prices and periodic reviews.

- For asset custody service and account management service related to services providers' financial assets or funds, 0% to 2% of the assets or funds under management are charged based on the type of assets/accounts under management and subject to the implementation of relevant national and regulatory provisions. Custody fee standards for account management service and special types of asset custody products (such as company pension funds) are based on market competition and are charged at a rate that is no more favorable than those for comparable transactions with independent third parties.

- For services provider to provide third-party regulatory services for financing goods of credit-granting enterprises, the current service fee standards for regulatory service vary according to the type of goods. Among them, the regulatory service fee for automobile goods is charged at a standard of RMB20,000 to RMB50,000 per store per annum, while supervision service fees for bulk commodities, consumer goods and other goods are charged at rates ranging from 0.05% to 0.2% of the Bank's credit exposure amount or the aggregate value of the supervised goods.

- For third-party custody service provided to the recipient, the current standard of service fees charged for third-party custody service is usually based on the total balance base of the management account of the customer's funds at the end of each quarter multiplied by the annual rate between 0‰ and 1‰ (converted into a daily rate).

Historical amounts and proposed annual caps

	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)*		
	2024	**2025**	**2026**	**2026**	**2027**	**2028**	**2029**
Amount of service fee income/expenditure	1,250	1,328	655	4,000	2,500	3,000	3,000

Basis for setting the annual caps

In arriving at the above annual caps, the Board has considered the historical figures for similar transactions and has taken into account the following factors: The proposed caps have been determined with reference to the existing cooperation between the Bank and CITIC Group and its associates in asset custody, third-party supervision, depository and related businesses, as well as the future development trend of such cooperation. In particular: (i) in the course of the transformation and development of the banking industry, the growth potential and light-capital advantages of the asset custody business have become increasingly evident. With the development of the asset management market and the continuous improvement of policies relating to the three-pillar pension system, cooperation between the Bank and the aforesaid associates in respect of asset custody business is expected to maintain reasonable growth, and the scale of assets under custody and the related income are expected to increase further; (ii) the Bank expects that the Chinese economy will maintain stable growth and market investment activities will become more active. As goods financing-related business is expected to grow steadily in the future, cooperation between the Bank and the aforesaid associates in respect of third-party supervision business is expected to maintain reasonable growth accordingly; and (iii) in order to further expand the scale of its depository business, enhance customer stickiness and strengthen comprehensive cooperation with management companies within the Group, the Bank has made a reasonable estimation of the future business scale.

Requirements of the Hong Kong Listing Rules

As the highest applicable percentage ratio of the annual caps for the transactions under the Custody and Account Management Services Framework Agreement exceeds 0.1% but does not exceed 5%, the transactions under the Custody and Account Management Services Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement and annual review requirements but are exempted from the Independent Shareholders' approval requirement as set out in Chapter 14A of the Hong Kong Listing Rules.

1.2.5 Other Financial Services Framework Agreement

General information of the transaction

The Bank entered into the existing Other Financial Services Framework Agreement with CITIC Group on 8 November 2023, pursuant to which, the Bank and CITIC Group and its associates conduct other financial services. The agreement will expire on 31 December 2026, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

In light of the impending expiration of the existing Other Financial Services Framework Agreement and in order to satisfy business development needs, the Bank entered into the new Other Financial Services Framework Agreement with CITIC Group on 26 August 2026. The new Other Financial Services Framework Agreement has a term of three years from 1 January 2027 to 31 December 2029, and is renewable subject to the consent of the parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

Principal terms of the Other Financial Services Framework Agreement

The principal terms of the Other Financial Services Framework Agreement are set out as follows:

- The services provided by the parties pursuant to the agreement include, but are not limited to: guarantee and commitment business; electronic banking business; bank card business; domestic and international settlement business; entrusted agency business; safe deposit box business; merchant acquiring business; operating lease business; intermediary and matchmaking services; customer referral services and other financial services.

- Both parties shall provide the services under the agreement.

- Services provided by the service providers to the recipients under the agreement shall be conducted on normal commercial terms, which shall not be more favorable to the connected person than those offered to a comparable independent third party for same transactions.

Pricing

The fees for each of the services under the Other Financial Services Framework Agreement are negotiated on an arm's length basis between the parties, and the prices and rates shall be no more favorable than those offered to the comparable independent third parties, or shall be based on the market prices and rates applied by independent counterparties in respect of the same transactions in determining the prices and rates to be applied to a particular type of service.

Historical amounts and proposed annual caps

Historical amounts of the Other Financial Services Framework Agreement are set out below:

	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)*		
	2024	**2025**	**2026**	**2026**	**2027**	**2028**	**2029**
Amount of service fee income/expenditure	340	256	383	3,200	6,000	6,500	7,000

Note: Spot foreign exchange settlement and sales and foreign exchange trading businesses conducted on behalf of customers, which were previously managed under Other Financial Services, will be included under Financial Market Business and subject to annual caps. The actual transaction amounts for the period from January to June 2026 will continue to be calculated based on the original basis.

Basis for setting the annual caps

In setting the aforesaid annual caps, the Board has considered the historical figures for similar transactions and has taken into account the following factors: (1) The Bank has continued to expand its instalment business cooperation with connected persons. In addition to the existing businesses, new automobile instalment and home-related instalment businesses have been introduced. The business scale is expected to increase progressively over the next three years, and the corresponding commission expenses are expected to increase accordingly; and (2) Since 2024, CITIC Financial Leasing Co., Ltd., a subsidiary of the Bank, has begun exploring the operating lease business. As the business is still in its initial stage, its scale remains relatively limited. Over the next three years, CITIC Financial Leasing Co., Ltd. will regard operating lease products as a key area of business development. It has currently identified more than ten potential connected-person customers, and its operating lease business income is expected to grow steadily.

Requirements of the Hong Kong Listing Rules

As the highest applicable percentage ratio of the annual caps for the transactions under the Other Financial Services Framework Agreement exceeds 0.1% but does not exceed 5%, the transactions under the Other Financial Services Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement and annual review requirements but are exempted from the Independent Shareholders' approval requirement as set out in Chapter 14A of the Hong Kong Listing Rules.

1.2.6 Financial Market Business Framework Agreement

General information of the transaction

The Bank entered into the existing Financial Market Business Framework Agreement with CITIC Group on 8 November 2023, pursuant to which, the Bank and CITIC Group and its associates carry out financial market business. The agreement will expire on 31 December 2026, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

In light of the impending expiration of the existing Financial Market Business Framework Agreement and in order to satisfy business development needs, the Bank entered into the new Financial Market Business Framework Agreement with CITIC Group on 26 August 2026. The new Financial Market Business Framework Agreement has a term of three years from 1 January 2027 to 31 December 2029, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

Financial market business is a general term for the investment in and transactions of financial instruments carried out by banks in domestic and foreign financial markets, including interbank lending, bond repurchase, bond investment, precious metal leasing, bond lending, foreign exchange and precious metal spot trading, interest rate derivatives, exchange rate derivatives, credit derivatives, precious metal derivatives, etc.

Principal terms of the Financial Market Business Framework Agreement

The principal terms of the Financial Market Business Framework Agreement are set out as follows:

- The parties shall conduct financial market business between them pursuant to the agreement in the ordinary course of their financial business, including, but not limited to, foreign exchange and precious metals transactions, precious metals leasing, money market transactions, bond business and financial derivatives transactions. The specific businesses include interbank lending; bond repurchase; bond lending and borrowing; precious metals lending; bill repurchase; foreign exchange (including foreign exchange settlement and sales) spot business; precious metals spot business; derivative business; bond trading; or other capital transactions with the Bank or a subsidiary of the Bank as one party and CITIC Group or a subsidiary or an associate of CITIC Group as the other party.

- Both parties shall provide the services under the agreement.

- The terms applicable to transactions between the parties shall be conducted on normal commercial terms, which shall not be more favorable to the connected person than those offered to a comparable independent third party for same transactions.

Pricing

The (treasury) transactions of financial market business under the Financial Market Business Framework Agreement shall be determined by the parties through arms-length negotiations and with reference to the market prices of similar transactions, and shall follow the following pricing principles:

- Transactions under the Financial Market Business Framework Agreement will be conducted at prevailing market price and with reference to the fee rates generally applicable to comparable independent third party transactions. Specifically, with respect to the businesses such as foreign exchange, precious metal transactions, leasing of precious metal, money market transactions, bond transactions, the parties will determine the transaction prices to be adopted according to the open market prices; with respect to the agency settlement business of bonds, the parties will determine the fee rates pursuant to the prevailing industry rules; with respect to the business of financial derivatives and notes, the parties will determine the transaction prices pursuant to the market activity of the products involved, the available public quotations in the market and the requirements of banks for the management of various risks. Meanwhile, each department in charge of specific businesses has established a transaction price fairness review mechanism. The mechanism for examining the fairness of transaction price shall follow the principles of "independence, feasibility and reasonableness", assess the fairness of the transaction price, prevent operational risks and moral risks, and ensure that the transaction price matches the market level. The Bank shall, within the given scope of business authority and in light of actual market conditions, determine the types of products that may be included in the examination as well as the corresponding reasonable examination standards and criteria. The examination standards include benchmark price and deviation degree. To be specific, the benchmark price refers to the fair price of transaction generally accepted by the market within a specific period of time, and the deviation degree refers to the relatively reasonable deviation of the transaction price from the benchmark price that is acceptable to the Bank.

- The prices charged for the foreign exchange derivatives business on behalf of the clients in the derivatives business shall be determined by both parties through negotiations on an arm's length and reciprocal basis, and shall not be more favorable than those offered to comparable independent third parties. Meanwhile, the relevant regulations of the People's Bank of China and the State Administration of Foreign Exchange shall be complied with and the business shall be conducted in accordance with the commercial principle of market-oriented pricing.

Historical amounts and proposed annual caps

Historical amounts and the proposed annual caps of the Financial Market Business Framework Agreement are set out below:

	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)*		
	2024	**2025**	**2026**	**2026**	**2027**	**2028**	**2029**
Credit line/Transaction principals/Gains and losses of transactions	1,925,204	1,889,395	771,475	4,700,000	2,500,000	3,000,000	3,500,000

Note: Rediscounting transactions involving the purchase and sale of bills, which were previously managed under the Financial Market Business category, will be reclassified as Asset Transfer Business and subject to annual caps. Spot foreign exchange settlement and sales and foreign exchange trading businesses conducted on behalf of customers, which were previously managed under the Other Financial Services category, will be reclassified as Financial Market Business and subject to annual caps. The actual transaction amounts for the period from January to June 2026 will continue to be calculated based on the original basis.

Basis for setting the annual caps

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

- There was a relatively large difference between the previous estimates and the actual implementation, mainly because: (i) as a result of multiple factors, including global geopolitical tensions, adjustments to the monetary policies of major economies, changes in regulatory policies, the inversion of the China-U.S. interest rate spread and international capital flows, the actual business development was lower than expected; (ii) spot bond trading is a major type of financial market business and an important method for wealth management product investments. Given the significant growth in the product investment business of the Bank's subsidiary CITIC Wealth Management, there are greater opportunities for transactions with CITIC Trust Co., Ltd., an important participant in the financial market, when conducting competitive matching transactions in the secondary market, and therefore the actual transaction amount of financial market business between the parties was higher than expected; and (iii) the financial position of China CITIC Financial AMC turned from loss to profit at the end of 2023 and its operating conditions improved, resulting in a corresponding increase in financing demand. Since 2024, market institutions have generally increased their financing support for it, and the Bank has accordingly increased the scale of cooperation on a compliant basis.

- The principal factors taken into account in determining the above annual caps, and the reasons for the relatively large differences between the current projections and the actual implementation in the previous period, are as follows: (i) financial market business involves capital financing, risk management and profit generation, and is one of the core businesses of commercial banks. Adhering to its business development philosophy of transformation towards asset-light operations, the Bank plans to vigorously expand its financial market business. As the Bank's financial market business continues to flourish, the transaction scale with connected persons is expected to increase correspondingly; and (ii) adhering to its customer-centric philosophy and the development philosophy of altruism and win-win cooperation, the Bank will continue to expand its business boundaries and provide various financial market business services to more entities within the Group.

Requirements of the Hong Kong Listing Rules

As the highest applicable percentage ratio of the annual caps for the transactions under the Financial Market Business Framework Agreement exceeds 5%, the transactions under the Financial Market Business Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements as set out in Chapter 14A of the Hong Kong Listing Rules.

1.2.7 Investment Business Framework Agreement

General information of the transaction

The Bank entered into the existing Investment Business Framework Agreement with CITIC Group on 8 November 2023, pursuant to which the Bank and CITIC Group and its associates conduct investment business transactions. The agreement will expire on 31 December 2026, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

In light of the impending expiration of the existing Investment Business Framework Agreement and in order to satisfy business development needs, the Bank entered into the new Investment Business Framework Agreement with CITIC Group on 26 August 2026. The new Investment Business Framework Agreement has a term of three years from 1 January 2027 to 31 December 2029, and is renewable subject to agreement between both parties and compliance with the Shanghai Listing Rules and the Hong Kong Listing Rules.

Principal terms of the Investment Business Framework Agreement

The principal terms of the Investment Business Framework Agreement are set out as follows:

- The investment business conducted by both parties, in the ordinary and usual course of business, includes, but is not limited to, investment in securities, funds (including fund subsidiaries), insurance, trust and other financial institutions or (financial) products issued or established by competent persons (including, but not limited to, broker asset management plan, fund special plan, wealth management products, trust plan, trust beneficiary right, asset-backed securities, asset-backed notes, etc.); entrusted investment; bonds, non-standard creditor's rights, equities and interbank deposits in which the wealth management funds are invested and with connected persons as the financing entities; co-investment with connected persons; investments in unlisted equities; other investment transactions.

- Both parties shall provide the services under the agreement.

- The terms applicable to transactions under the agreement shall be conducted on normal commercial terms, which shall not be more favorable to the connected person than those offered to a comparable independent third party for same transactions.

Pricing

For investments in publicly-offered fund products, the management fee and investment income shall be uniformly allocated by the fund manager according to the fund shares with open and consistent standards for all investors. At present, the management fee rates in the publicly-offered fund market differ depending on the fund types (monetary or bond) and management methods (active management or passive index). The management fee and investment advisory fee rates for publicly-offered funds are usually not more than 0.5%, while the management fee rates for private funds are usually not more than 1%. For investments in asset management plans, the rates shall not exceed the uniform fee cap according to the products' corresponding substantive strategy types. To be specific, the management fee and investment advisory fee rates of fixed-income products are set at not more than 0.5% by reference to the management fee rates of publicly-offered funds; the management fee and investment advisory fee rates of equity products are set at not more than 1.2% by reference to the management fee rates of private funds. For investments in asset-backed securities, bonds and other standardized creditor's rights, in the primary market, the price shall be set by the issuer, and all market participants shall conduct bidding; and in the secondary market, transactions shall be matched and executed according to yield quotations with reference to valuations published by ChinaBond. For investments in non-standard creditor's rights of connected persons, the pricing method shall be market-based pricing and shall be determined by agreement between both parties.

Historical amounts and proposed annual caps

	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)		
	2024	2025	2026	2026	2027	2028	2029
Investment Amount (balance at any time)	113,928	123,340	301,515	500,000	600,000	700,000	750,000

Basis for setting the annual caps

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

- There was a relatively large difference between the previous estimates and the actual implementation, primarily because, under the combined impact of the complex external political and economic environment, heightened volatility in the financial markets, declining market yields and relative volatility levels, changes in regulatory policies and adjustments to investment and trading strategies, the level of activity in the investment business decreased, resulting in the actual business development being lower than originally expected; under the guidance of the Group synergy strategy, the Bank has closely strengthened cooperation with enterprises within the Group, deepened its interbank asset business in the financial asset management industry, actively responded to market demand, increased business cooperation with China CITIC Financial AMC and continuously promoted the increase in asset deployment limits; and the Bank has continued to optimize its wealth management product investment strategies and, taking into account market development trends, has further increased the investment business cooperation limits with key enterprises such as CITIC Trust Co., Ltd. since 2026, thereby driving substantial growth in the investment business of both parties.

- The principal factors taken into account in determining the above annual caps, and the reasons for the relatively large differences between the current projections and the actual implementation in the previous period, are as follows: (i) the Bank invests its self-owned funds in funds, asset management plans and other products, which can not only provide higher returns than deposits in terms of profitability, but also facilitate flexible redemption in terms of liquidity. The funds of the Bank's subsidiary CITIC Wealth Management are invested in funds, asset management plans, bonds with connected persons as financing entities, non-standard creditor's rights, equities, interbank deposits, etc., to obtain investment returns; (ii) in order to strengthen cooperation with high-quality enterprises within CITIC Group and fully leverage synergies, the Bank has intensified its business development efforts and expects the volume of investment-related connected transactions to increase; (iii) the product scale of CITIC Wealth Management, a subsidiary of the Bank, has continued to grow and reached RMB2.3 trillion as of the end of 2025. It is expected to maintain an annual growth rate of approximately 15% in the coming years. With the continuous growth in product scale, the amount of wealth management funds invested in connected persons is also expected to increase correspondingly; (iv) as deposit interest rates continue to decline, the substitution effect of time deposits on wealth management products has weakened. As a result, the scale of products issued by wealth management companies has continued to expand, leading to corresponding growth in the scale of wealth management investments and investments in financial products issued by connected persons; and (v) the proposed annual caps for the relevant connected transactions have been determined with reference to the authorized limits adopted by individual public fund management companies in respect of connected transactions.

Requirements of the Hong Kong Listing Rules

As the highest applicable percentage ratio of the annual caps for the transactions under the Investment Business Framework Agreement exceeds 5%, the transactions under the Investment Business Framework Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules and are 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. REASONS AND BENEFITS FOR THE CONTINUING CONNECTED TRANSACTIONS BETWEEN THE BANK AND CITIC GROUP

CITIC Group is an international conglomerate. It has different financial subsidiaries engaged in banking, securities, trust, insurance, fund, asset management and futures, and industrial companies engaged in machinery manufacturing, resources and energy, engineering contracting, infrastructure, information industry, etc. With the diversified industries it engages, CITIC Group enjoys comprehensive advantage and strength.

Through cooperation with CITIC Group and its associates, the Bank is able to give full play to the synergies of the CITIC Group's integrated platform, reducing the Bank's operating costs, increasing the Bank's comprehensive income, and creating high return on investment for Shareholders. The Board believes that cooperation with CITIC Group and its associates could optimize the allocation of resources, effectively control the operating costs, and enhance the Bank's comprehensive service capabilities to customers.

3. INTERNAL CONTROL MEASURES FOR THE IMPLEMENTATION OF CONTINUING CONNECTED TRANSACTIONS

The Bank has established a series of internal control mechanisms to ensure that the pricing mechanisms and transaction terms of the above transactions are fair and reasonable and no more favourable than those offered by independent third parties, and to ensure that they are in the interests of the Bank and its shareholders as a whole. Such measures mainly include the following:

(1) The Bank has established the Related Party Transactions Control Committee of the Board (comprising three members, including the Chairman, all of whom are independent non-executive Directors). For connected transactions that require approval by the Board and/or the shareholders' meeting, the Committee will first review the transactions and provide recommendations to the Board. The Bank also regularly arranges for its internal audit department to conduct annual reviews of connected transactions and issue reports to examine the completeness and effectiveness of the internal control measures relating to connected transactions. In addition, the Audit Committee of the Board effectively supervises the performance by the Board (including the Related Party Transactions Control Committee established thereunder) and senior management of their duties and procedures in relation to connected transactions.

(2) The Bank has formulated internal policies and procedures relating to the management of connected transactions, which set out relevant internal control measures to ensure that connected transactions are conducted with transparent and fair pricing, on fair and reasonable terms, and in all respects in the interests of the Bank and its shareholders as a whole.

(3) The Bank's external auditor conducts an annual year-end audit and, in accordance with the requirements of the Hong Kong Listing Rules, expresses its opinion on matters such as the pricing mechanisms and annual caps of the continuing connected transactions conducted during the Bank's financial year, and issues a relevant letter to the Board. In addition, pursuant to the Hong Kong Listing Rules, the Bank's independent non-executive Directors will also conduct an annual review of the continuing connected transactions undertaken during the Bank's financial year and provide confirmation in the Bank's annual report regarding, among other things, the terms of such continuing connected transactions.

4. BOARD CONFIRMATION

The Board (including the independent non-executive Directors) considers that the abovementioned continuing connected transactions and their respective proposed annual caps are entered into in the ordinary and usual course of business of the Bank and on normal commercial terms. The Board (including the independent non-executive Directors) is of the view that the continuing connected transactions contemplated under the abovementioned agreements are fair and reasonable and are in the interests of the Bank and the Shareholders as a whole.

As Chairman Mr. Fang Heying and Director Mr. Wei Qiang, being directors and senior management members of CITIC Group or its associates, have material interests in the continuing connected transactions between the Bank and CITIC Group, they have abstained from voting on the Board resolutions dated 26 August 2026 approving the proposed continuing connected transactions between the Bank and CITIC Group. Save as disclosed above, none of the Directors has any material interest in the continuing connected transactions or has abstained from voting on the Board resolutions approving the abovementioned agreements and the proposed continuing connected transactions thereunder.

Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee on the continuing connected transactions contemplated under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement, and their respective proposed annual caps.

5. DESPATCH OF CIRCULAR

A circular containing, among other things, (1) details of the continuing connected transactions under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement; (2) the letter from Maxa Capital to the Independent Board Committee and the Independent Shareholders containing its advice on the continuing connected transactions and their respective proposed annual caps under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement; (3) the recommendation of the Independent Board Committee in respect of the continuing connected transactions and their respective proposed annual caps under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement; and (4) a notice to convene the ESM, shall be despatched to the Shareholders in accordance with the Hong Kong Listing Rules no later than 9 October 2026. The Bank may not be able to despatch the circular within 15 business days after publication of this announcement as additional time is required for preparing the circular and other relevant documents for the ESM.

6. DEFINITIONS

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

"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Bank"	China CITIC Bank Corporation Limited (中信銀行股份有限公司), a joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (stock code: 998) and the Shanghai Stock Exchange (stock code: 601998), respectively, and, unless the context requires otherwise, including all its subsidiaries
"Board"	the board of directors of the Bank
"CITIC Group"	CITIC Group Corporation Limited (中國中信集團有限公司), formerly known as CITIC Group Corporation (中國中信集團公司)
"CITIC Wealth Management"	CITIC Wealth Management Corporation Limited
"China CITIC Financial AMC"	China CITIC Financial Asset Management Co., Ltd. (中國中信金融資產管理股份有限公司), formerly known as China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司)
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Director(s)"	director(s) of the Bank
"ESM"	the third extraordinary shareholders' meeting of 2026 to be held by the Bank
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Independent Board Committee"	a committee of the Board comprising all the independent non-executive Directors
"Independent Financial Adviser" or "Maxa Capital"	Maxa Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Asset Transfer Framework Agreement, the Financial Market Business Framework Agreement and the Investment Business Framework Agreement and their respective proposed annual caps
"Independent Shareholder(s)"	Shareholders of the Bank other than CITIC Group and its associates
"PRC" or "China"	the People's Republic of China, but for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Stock Exchange"	the Shanghai Stock Exchange
"Shareholder(s)"	the holders of the Bank's Share(s)
"Shares"	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Bank

By Order of the Board
China CITIC Bank Corporation Limited
Fang Heying
Chairman

Beijing, the PRC
26 August 2026

As at the date of this announcement, the executive directors of the Bank are Mr. Fang Heying (Chairman), Mr. Lyu Tiangui (President) and Mr. Hu Gang; the non-executive directors are Mr. Wei Qiang, Mr. Wang Yankang and Mr. Fu Yamin; and the independent non-executive directors are Mr. Liu Tsz Bun Bennett, Mr. Zhou Bowen, Mr. Wang Huacheng and Ms. Song Fangxiu.