



PRESS RELEASE

Citic Holding IF Group LLC structures through an ADGM SPV a dedicated financial component in support of programmes announced within the framework of Saudi Vision 2030

USD 450 million intervention through Sukuk Istisna'a and mezzanine debt in support of residential, infrastructure and industrial programmes connected to the Khuzam / Tilal Khuzam area and to the Saudi construction supply chain.

Riyadh, Kingdom of Saudi Arabia / Abu Dhabi, UAE - 8 June 2026

Citic Holding IF Group LLC has defined, through a dedicated Special Purpose Vehicle regulated within the Abu Dhabi Global Market - ADGM, an international financial platform with an aggregate value of USD 450 million, structured through Sharia-compliant instruments and mezzanine debt, aimed at supporting programmes consistent with the objectives of Saudi Vision 2030.

The financial structure has been designed as an orderly, segregated and traceable capital component, intended to accompany initiatives already communicated within the framework of urban, residential and industrial development in the Kingdom of Saudi Arabia. The intervention concerns, in particular, the Khuzam / Tilal Khuzam area north of Riyadh, as well as the strengthening of the local construction materials industry and its related supply chain.

The transaction does not introduce a new autonomous industrial perimeter and does not replace the agreements, operational responsibilities or roles already recognised to the operators involved. Citic Holding IF Group LLC acts exclusively as promoter and arranger of the financial component, keeping the funding layer separate from the industrial, real estate, EPC and commercial layers.

The purpose is to make available a capital infrastructure compatible with international standards, ADGM regulation and Islamic finance principles, in order to support the progressive advancement of the programmes through verifiable milestones, dedicated governance, traceability of flows and separation of financial risk from operational risk.

Transaction overview

The intervention is configured as a dedicated financial platform, channelled through an SPV, within which resources may be raised, allocated and distributed according to predefined documentary rules. The SPV acts as a capital-channeling centre, an asset-segregation safeguard and a governance instrument for the management of disbursements linked to the relevant phases of progress.

The model makes it possible to combine Islamic capital structured on real assets with a subordinated mezzanine component, with the objective of supporting the progressive execution of the initiatives without altering the governance arrangements of the local partners and without generating dilutive effects on the equity already envisaged.

Role of the ADGM SPV

The Special Purpose Vehicle established and regulated within the Abu Dhabi Global Market - ADGM is the dedicated vehicle for the orderly management of the financial component. The choice of an ADGM SPV responds to the need to concentrate flows within a regulated perimeter, equipped with autonomous governance, segregated accounting, documentary-control procedures and compliance safeguards consistent with the cross-border nature of the transaction.

The SPV is tasked with channeling international capital allocated to the transaction, segregating resources at asset level, ensuring payment traceability, regulating any tranche-based disbursements, reconciling financial documentation with technical milestones and keeping financial risk separate from industrial and operational risks, which remain with the competent operators.



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Through this vehicle, Citic Holding IF Group LLC may act as financial promoter and coordinator of the funding structure, without assuming the functions of developer, contractor, EPC provider or implementing entity. Operational responsibilities will remain with the industrial parties already identified within their respective contractual perimeters.

Financial architecture

The intervention, equal to USD 450 million, is divided into two complementary components, both channelled through the ADGM SPV and coordinated within a single financial-governance framework.

Sukuk Istisna'a Tranche - USD 300 million. The principal component is structured in the form of Sukuk Istisna'a, Sharia-compliant Islamic investment certificates connected to real assets and progressive construction contracts. The tranche is intended to support infrastructure components, urbanisation works, technological supplies, production facilities, procurement and work-progress phases connected to certified technical milestones.

Mezzanine Debt Tranche - USD 150 million. The second component consists of a subordinated mezzanine debt line, conceived as a flexible financial strengthening instrument. It may operate as a capital buffer for temporary liquidity needs, initial procurement, mobilisation costs, operating advances and possible timing mismatches between senior capital, industrial capital and work progress.

The combination of Sukuk Istisna'a and mezzanine debt makes it possible to preserve the asset-based architecture of Islamic finance while introducing a degree of financial elasticity useful to support complex operating phases, avoiding overlaps with the industrial capital already envisaged by the project partners.

Use of proceeds and areas of intervention

The resources channelled through the ADGM SPV will be allocated, according to the relevant implementation timetable and subject to the applicable milestones, to initiatives consistent with two macro-areas already attributable to the public framework of Saudi programmes. The use of capital will remain tied to the applicable financial and contractual documentation, with procedures for control, reporting and progressive verification.

Urban and residential development in the Khuzam / Tilal Khuzam area. The first area concerns financial support for urban, infrastructure and residential development programmes connected to the Khuzam / Tilal Khuzam area in northern Riyadh. The intervention may contribute, on a complementary basis and in compliance with the roles already communicated, to the financing of urbanisation works, service infrastructure, technological components, environmental facilities, energy-efficiency systems and progress phases relating to the development of integrated residential communities.

Construction industry and local supply chain. The second area concerns the strengthening of the construction industry, consistently with initiatives aimed at creating a local production and logistics ecosystem dedicated to construction materials. The financing may support machinery, automated lines, robotic systems, industrial equipment, technological components, logistics infrastructure and production solutions designed to increase the Kingdom's domestic manufacturing capacity.

The financial platform is therefore intended to operate as a support lever, and not as a substitute instrument, in relation to the industrial and real estate investments already represented. In this perspective, the SPV may facilitate the alignment of capital requirements, procurement, operating timelines and disbursement controls, ensuring more efficient management of the advancement phases.

Governance, controls and institutional framework

The structure has been designed according to prudent and institutional criteria, with particular attention to compatibility among ADGM regulation, Sharia-compliant principles, international compliance standards and the applicable Saudi context. The governance of the SPV provides for documentary safeguards, controls over flows, traceability of disbursements and consistency between technical milestones and use of resources.

The intervention by Citic Holding IF Group LLC is represented as a non-substitutive, non-competitive, non-overlapping financial component that does not attribute further industrial roles. This approach allows the transaction to be placed within an orderly framework, avoiding interpretative misalignments with the industrial, real estate, EPC and commercial agreements already announced.



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Role of Avocom Law Firm Holding LTD

The international legal, corporate and financial architecture of the transaction was coordinated and structured by Avocom Law Firm Holding LTD, acting through its associated office in Abu Dhabi, UAE, with a team led by Managing Partner Prof. Avv. Francesco del Bene.

Avocom assisted Citic Holding IF Group LLC in defining the dedicated vehicle, setting up the ADGM SPV structure, preparing contractual and financial documentation, framing Islamic finance aspects and aligning the transaction with the programmes already communicated in the context of Saudi Vision 2030.

The Firm also managed the convergence among ADGM regulation, international contractual arrangements, mezzanine debt subordination agreements, SPV governance, cross-border compliance, traceability of flows, protection of institutional investors and overall compatibility with the applicable Saudi context.

Working team

Avocom Law Firm Holding LTD	Prof. Avv. Francesco del Bene, Managing Partner and Team Leader; Prof. Avv. Piergiorgio Casati; Prof. Avv. Federico M. Sorrentino; Iacopo del Bene, Associated Partner. For tax matters, Prof. Andrea M. Vitali collaborated with the international desk of Citic HIFG.
Citic HIFG	For Citic HIFG, the in-house Finance for Infrastructure, Project Finance and Islamic Finance teams worked on the transaction, led by Tanja Lowerg and Frederick M. Howard.

Statement

"The financial intervention of Citic Holding IF Group LLC, implemented through an SPV regulated in ADGM, has been structured to fit with balance into the framework of the programmes connected to Vision 2030. The combination of Sukuk Istisna'a, mezzanine debt and a dedicated vehicle makes it possible to strengthen the financial dimension of the initiatives, without overlapping with the industrial agreements already communicated, but rather accompanying them with an orderly, traceable and scalable capital platform."

Prof. Avv. Francesco del Bene
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