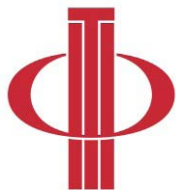


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CITIC PACIFIC

CITIC Pacific Limited

中信泰富有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 00267)

Fourth Supplemental Contract relating to the Sino Iron Project

Sino Iron, a wholly owned subsidiary of CITIC Pacific, entered into the Fourth Supplemental Contract on 24 December 2013 with MCC Mining, pursuant to which MCC Mining will hand over the first two production lines of the Sino Iron Project. Sino Iron will take over the management of the construction and commissioning of the remaining four production lines.

THE FOURTH SUPPLEMENTAL CONTRACT

Reference is made to CITIC Pacific's announcement dated 2 December 2013 which confirmed that the first concentrator line at the Sino Iron Project had commenced operation and that CITIC Pacific's first shipment of magnetite concentrate had sailed for China. Commissioning and fixing of production line two remains in progress.

On 24 December 2013, Sino Iron, a wholly-owned subsidiary of CITIC Pacific, entered into the Fourth Supplemental Contract with MCC Mining to confirm terms of the hand over of the first two production lines and all related construction work in progress to Sino Iron on an as is basis.

Pursuant to the Fourth Supplemental Contract, relevant operational manuals and drawings regarding the Works will be handed over by MCC Mining to Sino Iron within 30 days from the date of the Fourth Supplemental Contract (that is, by 23 January 2014).

As with all contracts of this type, there are outstanding amounts for work done which have not yet been agreed between the parties. An independent audit will opine on various matters including the contract price for the hand over pursuant to the Fourth Supplemental Contract and related fees and expenses, the value of the supporting services provided by Sino Iron to MCC Mining in carrying out its responsibilities under the General Construction Contract, the extent of the Works completed by MCC Mining in respect of the first two production lines, and the liability of MCC Mining in respect of the extensive delays on completion of the Works under the General Construction Contract. By reference to such findings, Sino Iron and MCC Mining expect to enter into further negotiations on the project settlement accounts to determine the amount of liabilities to be borne between the parties.

The Fourth Supplemental Contract is conditional upon Sino Iron obtaining the relevant consents from its financiers for the Fourth Supplemental Contract.

THE REMAINING FOUR PRODUCTION LINES

Sino Iron will progress the commissioning and fixing of the second production line. Sino Iron will take over the management of the construction and commissioning of the remaining four production lines under the General Construction Contract in order to expedite the project.

Taking into account the experience the MCC team has accumulated through the construction of the first two production lines, Sino Iron will engage from MCC the core members of the MCC team and NETC, to assist with project management, provision of services or other forms of collaboration in order to complete the remaining four production lines efficiently.

IMPLICATIONS UNDER THE LISTING RULES

As previously announced, CITIC Pacific had, in 2007, entered into the Sale and Purchase Agreement with MCC whereby it was expected that upon Completion, MCC will (through MCCL) become a substantial shareholder of Sino Iron Holdings and hence will become a connected person of CITIC Pacific. When the Sale and Purchase Agreement was entered into, it was envisaged that completion of the disposal was to occur within a relatively short period. On this basis, in the announcement dated 20 August 2007, the circular dated 24 September 2007, the announcement dated 11 May 2010, the circular dated 14 June 2010, the announcement dated 30 December 2011 and the circular dated 20 February 2012, the General Construction Contract (and its supplemental contracts) have been disclosed as continuing connected transactions, in advance of the requirements under the Listing Rules to do so. Given the delay in satisfaction of certain conditions to completion of the disposal, the Sale and Purchase Agreement is no longer effective, and given that Completion never occurred, CITIC Pacific wishes to clarify that MCC and its associates were not and are not its connected persons as defined under the Listing Rules.

ABOUT SINO IRON

Located in the north of Western Australia, the Sino Iron Project is the largest magnetite iron ore project in Australia and involves the construction of some of the largest mining and processing infrastructure and equipment in Australia and globally.

The project involves taking low-grade magnetite ore and turning it into a high iron content concentrate through a process of grinding, concentration and magnetic separation. The project is designed to produce 24 million tonnes of iron ore concentrate annually. It will supply iron ore to CITIC Pacific's own steel plants, and to other steel producers in China.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

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| “Board” | the board of Directors |
| “CITIC Pacific” | CITIC Pacific Limited (中信泰富有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange |
| “Completion” | completion of the Disposal pursuant to the Sale and Purchase Agreement |
| “Contract Sum” | the contract sum for the Works pursuant to the General Construction Contract and where the context requires, as supplemented by the Supplemental Contracts |
| “Directors” | the directors of CITIC Pacific |
| “Disposal” | the disposal of the 20% interest in the Sino Iron Project to MCC pursuant to the Sale and Purchase Agreement |
| “First Supplemental Contract” | the first supplemental contract to the General Construction Contract dated 20 August 2007 between Sino Iron and MCC Mining reflecting certain changes in respect of the engagement of MCC Mining by Sino Iron, in particular, the increase in the Contract Sum to US\$1,750 million (approximately HK\$13,650 million) |
| “Fourth Supplemental Contract” | a fourth supplemental contract to the General Construction Contract dated 24 December 2013 between Sino Iron and MCC Mining reflecting certain changes in respect of the engagement of MCC Mining by Sino Iron, in particular, the transfer of (amongst other things) certain assets to Sino Iron |
| “General Construction Contract” | the general construction contract dated 24 January 2007 (as amended or supplemented by the Supplemental Contracts where the context requires) entered into between Sino Iron and MCC and subsequently novated to MCC Mining, in respect of the engagement of MCC Mining by Sino Iron for, amongst other things, the design, construction, installation and testing of certain infrastructure at the Mining Area |

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| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “MCC” | China Metallurgical Group Corp. (中國冶金科工集團公司) an international construction company which has undertaken similar construction works for large scale iron ore projects in various countries including China, Brazil, Iran and Venezuela, the controlling shareholder of MCCL |
| “MCCL” | Metallurgical Corporation of China Ltd. 中國冶金科工股份有限公司, a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and on the Shanghai Stock Exchange |
| “MCC Mining” | MCC Mining (Western Australia) Pty Ltd., a company established in Australia and is a wholly-owned subsidiary of MCCL |
| “Mining Area” | Mining Leases 08/123, 08/124 and 08/125 granted under the Mining Act of Western Australia |
| “NETC” | Northern Engineering & Technology Corporation, MCC, a limited liability company incorporated in the PRC and is a subsidiary of MCCL |
| “PRC” | the People’s Republic of China |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 20 August 2007 entered into between Catak Enterprises Corp., a wholly owned subsidiary of CITIC Pacific, and MCC, in respect of the Disposal as supplemented by a transfer confirmation letter dated 5 March 2009 between Catak Enterprises Corp., MCC and MCCL pursuant to which the 20% interest under the Disposal will be acquired by MCCL |
| “Second Supplemental Contract” | a second supplemental contract to the General Construction Contract dated 11 May 2010 between Sino Iron and MCC Mining reflecting certain changes in respect of the engagement of MCC Mining by Sino Iron, in particular, the increase in the Contract Sum to US\$2,585 million (approximately HK\$ 20,163 million) |
| “Shareholder(s)” | holder(s) of Shares |
| “Share(s)” | share(s) of HK\$0.40 each in the share capital of CITIC Pacific |
| “Sino Iron” | Sino Iron Pty Ltd, a company incorporated in Australia and 100% owned by Sino Iron Holdings |
| “Sino Iron Group Companies” | Sino Iron Holdings and any of its subsidiaries |

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| “Sino Iron Holdings” | Sino Iron Holdings Pty Ltd, a company incorporated in Australia and 100% owned by CITIC Pacific |
| “Sino Iron Project” | the mining and extraction of magnetite ore from the Mining Area and the processing of that magnetite ore into products through mine and processing facilities or infrastructure constructed or installed by Sino Iron Group Companies |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supplemental Contracts” | the First Supplemental Contract, the Second Supplemental Contract, the Third Supplemental Contract and the Fourth Supplemental Contract |
| “Third Supplemental Contract” | the third supplemental contract to the General Construction Contract dated 30 December 2011 between Sino Iron and MCC Mining reflecting certain changes in respect of the engagement of MCC Mining by Sino Iron, in particular, the increase in the Contract Sum to US\$3,407.1 million (approximately HK\$26,575.4 million) |
| “US\$” | United States dollars, the lawful currency of the United States |
| “Works” | the works which MCC Mining is responsible for carrying out at the Mining Area under the General Construction Contract as supplemented by the Supplemental Contracts, including the procurement of mining equipment, design, construction and installation of primary crushing plant, concentrator, pellet plant, material handling system, camp and other auxiliary infrastructure facilities |
| “%” | percentage |

For illustration purposes only, the amounts in US\$ are translated to HK\$ at the rate of US\$1.0 = HK\$7.8. No representation is made that any amount in US\$ has been or could be converted at the above rates or at any other rates or at all.

By Order of the Board
CITIC Pacific Limited
Ricky Choy Wing Kay
Company Secretary

Hong Kong, 24 December 2013

As at the date of this announcement, the executive Directors of CITIC Pacific are Messrs Chang Zhenming (Chairman), Zhang Jijing, Vernon Francis Moore and Liu Jifu; the non-executive Directors of CITIC Pacific are Messrs André Desmarais, Ju Weimin, Yin Ke, Carl Yung Ming Jie, and Peter Kruyt (alternate director to Mr André Desmarais); and the independent non-executive Directors of CITIC Pacific are Messrs Alexander Reid Hamilton, Gregory Lynn Curl, Francis Siu Wai Keung and Dr. Xu Jinwu.