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**CITIC Limited**  
**中國中信股份有限公司**

*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 00267)**

**ANNOUNCEMENT**

**CONTINUING CONNECTED TRANSACTIONS**

On 30 September 2014, the Company entered into the Original Sales Framework Agreement and Original Financial Assistance Framework Agreement with CITIC Group with a term from 25 August 2014 to 31 December 2016. On 30 March 2015, the Company entered into the supplemental agreement to the Original Financial Assistance Framework Agreement with CITIC Group to adjust the annual caps for the two years ending 31 December 2015 and 2016. Please refer to the announcements of Company dated 30 September 2014 and 30 March 2015 respectively for details of the Original Framework Agreements.

On 30 November 2016, the Company entered into the New Framework Agreements with CITIC Group, which set out the basis upon which members of the Group would continue to carry out the Continuing Connected Transactions with CITIC Group and/or its associates and the proposed annual caps. Separate agreements in respect of the transactions contemplated under the New Framework Agreements will be entered into between members of the Group and CITIC Group and/or its associates. Such agreements will follow the guidelines and terms and conditions set out in the New Framework Agreements in all material aspects.

As at the date of this announcement, CITIC Group is the controlling shareholder of the Company, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Thus, the transactions entered into between members of the Group with CITIC Group and/or its associates under the New Framework Agreements will constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated

under the respective New Framework Agreement is more than 0.1% and less than 5%, each of the New Framework Agreements is subject to the reporting and announcement but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under the Listing Rules.

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On 30 November 2016, the Company entered into the New Framework Agreements with CITIC Group, which set out the basis upon which members of the Group would continue to carry out the Continuing Connected Transactions with CITIC Group and/or its associates and the proposed annual caps. Separate agreements in respect of the transactions contemplated under the New Framework Agreements will be entered into between members of the Group and CITIC Group and/or its associates. Such agreements will follow the guidelines and terms and conditions set out in the New Framework Agreements in all material aspects.

## **1. CONTINUING CONNECTED TRANSACTIONS**

### **i. Sales Framework Agreement - sale of manganese ore by the Group to CITIC Group and/or its associates**

**Date:** 30 November 2016

**Parties:** the Company and CITIC Group

**Term:** The Sales Framework Agreement has a term commencing from 1 January 2017 and ending on 31 December 2019 (both days inclusive).

#### ***a. Principal Terms***

The Group may sell manganese ore to CITIC Group and/or its associates in the ordinary and usual course of business on normal commercial terms in accordance with the following principles:

(i) the prices are set at an amount of the aggregate of (1) the original procurement costs of manganese ore by referring to market prices published on several authoritative metal ore price information websites including Ferro-Alloys (<http://www.ferro-alloys.com/>); (2) financing cost, the amount of which is approximately 2% of the original procurement costs of manganese ore. Such fee is determined on the basis of six-month financing cost by reference to the import credit interest charged by the principal banks; and (3) commission and administration fee, the amount of which is approximately 1% of the original procurement costs of manganese ore by reference to market practice;

(ii) payments under the Sales Framework Agreement will be made by CITIC Group and/or its associates to the Group from time to time during the term of the Sales Framework Agreement in accordance with each specific sales agreement entered into between the parties; and

(iii) the Group monitors the reference prices and sales prices of manganese ore on several authoritative metal ore price information websites every month and prepares purchase and sales price analysis for the consideration of the management, and also monitors the financing costs among different banks. In addition, the Group reviews the pricing policy of sale price once every month or every time when the import credit interest rates charged by those principal banks are adjusted, by reference to sales volumes and market conditions.

***b. Historical figures and annual caps***

The table below sets out a summary of (1) the historical amounts in respect of the sale of manganese ore by the Group to CITIC Group and/or its associates for the two years ended 31 December 2014 and 2015 and the period from 1 January 2016 to 30 September 2016 and (2) the annual caps for the three years ending 31 December 2017, 2018 and 2019.

Historical transaction figures (RMB) for the			Annual caps (RMB) for the		
Year ended 31 December 2014	Year ended 31 December 2015	Period from 1 January 2016 to 30 September 2016	Year ending 31 December 2017	Year ending 31 December 2018	Year ending 31 December 2019
355,490,521	272,560,694	128,944,082	840,000,000	1,050,000,000	1,050,000,000

***c. Basis of the annual caps***

The annual caps are determined based on the following factors, including (i) historical transaction amounts between the Group and CITIC Group and/or its associates; (ii) the estimated increase in demand for manganese ore by CITIC Group and/or its associates; (iii) movements in the market price of manganese ore; (iv) the anticipated rising financing costs; and (v) a moderate annual inflation rate within a range of two per cent to three per cent.

***d. Reasons for and benefits of the transactions contemplated under the Sales Framework Agreement***

The transactions in relation to the trade of manganese ore are expected to continue to broaden the revenue base of the Group and are therefore in the interests of the Group.

The Directors (including independent non-executive Directors) are of the view that the Sales Framework Agreement is in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Shareholders as a whole.

**ii. Financial Assistance Framework Agreement - financial assistance provided by the Group to CITIC Group and/or its associates**

**Date:** 30 November 2016

**Parties:** the Company and CITIC Group

**Term:** The Financial Assistance Framework Agreement has a term commencing from 1 January 2017 and ending on 31 December 2019 (both days inclusive).

**a. Principal Terms**

The Group may provide financial assistance (including in the form of entrusted loans) to CITIC Group and/or its associates in the ordinary and usual course of business, and CITIC Finance may provide commercial loans to CITIC Group and/or its associates in the ordinary and usual course of its business in accordance with the following principles:

(i) the Group will, from time to time, review and adjust relevant interest rates by reference to the benchmark loan rate published by the People's Bank of China and the interest rates charged by major and independent commercial banks in adjacent areas in the normal course of business for similar types of loan and financing services; and

(ii) the Group will obtain the rates and terms offered by not less than three major and independent commercial banks for comparison against the Group's pre-determined assessment criteria. If the interest rate charged by the Group is (i) not lower than the loan benchmark interest rate set by the People's Bank of China; or (ii) not lower than the interest rates offered by the above mentioned commercial banks, the Group will provide the abovesaid loans to CITIC Group and/or its associates.

**b. Historical figures and annual caps**

The table below sets out a summary of (1) the historical transaction amounts for the financial assistance provided by the Group to CITIC Group and/or its associates for the two years ended 31 December 2014 and 2015 and the period from 1 January 2016 to 30 September 2016 and (2) the annual caps for the three years ending 31 December 2017, 2018 and 2019.

<b>Balance (RMB) at the end of the</b>			<b>Maximum daily balance (RMB) for the</b>		
<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2015</b>	<b>Period from 1 January 2016 to the 30 September 2016</b>	<b>Year ending 31 December 2017</b>	<b>Year ending 31 December 2018</b>	<b>Year ending 31 December 2019</b>
1,100,000,000	1,465,614,192	1,365,574,400	9,500,000,000	10,200,000,000	11,000,000,000

**c. Basis of the annual caps**

The annual caps are determined based on the following factors, including (i) historical transaction amounts between the Group and the CITIC Group and/or its associates; (ii) business expansion of the Group's subsidiaries and (iii) the expected financing demands of CITIC Group and/or its associates.

**d. Reasons for and benefits of the transactions contemplated under the Financial Assistance Framework Agreement**

The provision of the aforesaid financial assistance to CITIC Group and/or its associates can help members of the Group utilize their cash resources on a more efficient basis and extend their sources of revenue. The provision of commercial loans to CITIC Group and/or its associates is and will continue to be part of the business of CITIC Finance and contribute to the revenue of CITIC Finance.

The Directors (including independent non-executive Directors) are of the view that the Financial Assistance Framework Agreement is in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Shareholders as a whole.

## **2. LISTING RULES IMPLICATIONS**

As at the date of this announcement, CITIC Group is the controlling shareholder of the Company, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Thus, the transactions entered into between members of the Group with CITIC Group and/or its associates under the New Framework Agreements will constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the respective New Framework Agreement is more than 0.1% and less than 5%, each of the New Framework Agreements is subject to the reporting and announcement but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under the Listing Rules.

Mr Chang Zhenming, Mr Wang Jiong, Ms Li Qingping, Mr Pu Jian, Mr Yang Jinming, Mr Liu Yeqiao, Mr Song Kangle and Ms Yan Shuqin all have offices in CITIC Group, in order to avoid the perception of a conflict of interest, each of them had either abstained from voting, or were not present at the relevant Board meeting to vote, on the Board resolutions to approve the New Framework Agreements. Save as disclosed above, none of the other Directors has a material interest in the abovementioned agreements and the transactions contemplated thereunder or holds any position in CITIC Group and/or its associates which is required to abstain from voting on the relevant Board resolutions.

## **3. GENERAL INFORMATION**

### **the Company**

CITIC Limited is the largest conglomerate in China. Its diverse businesses focus primarily on financial services, resources and energy, manufacturing, engineering contracting and real estate. CITIC Limited's rich history, diverse platform and strong corporate culture across all businesses, ensure that CITIC Limited is unrivalled in capturing opportunities arising from China's continued growth. CITIC Limited is listed on the Main Board of Stock Exchange where it is a constituent of the Hang Seng Index.

### **CITIC Group**

CITIC Group Corporation is a wholly state-owned company established in the PRC in 1979 and the controlling shareholder of the Company. CITIC Group has developed to become a large-scale comprehensive multinational conglomerate with businesses in both financial and non-financial sectors, covering financial services, resources and energy, manufacturing, engineering contracting, real estate and other segments. CITIC Group has been listed among the "Global 500" companies for eight consecutive years since 2009 by Fortune of the United States and was ranked No.156 in 2016. As at the date of this announcement, CITIC Group holds 58.13% equity interests in the Company.

## **CITIC Finance**

CITIC Finance was incorporated in 2012 as a non-bank financial institution with the approval of the CBRC. As at the date of this announcement, the Company held 100% of CITIC Finance's equity interest indirectly. CITIC Finance's principal businesses include accepting deposits, providing loans and loan agency services, internal transfer and settlement and corresponding planning, finance services and financing consulting for member companies and other businesses.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set forth opposite them:

<b>“Board”</b>	the board of the Company
<b>“CITIC Group”</b>	CITIC Group Corporation, a wholly state-owned company established in the PRC in 1979 and the controlling shareholder of CITIC Limited
<b>“Company”</b>	CITIC Limited, a company incorporated in Hong Kong with limited liability with its shares listed on the Main Board of the Stock Exchange (Stock Code: 00267)
<b>“Continuing Connected Transactions”</b>	the transactions contemplated under the New Framework Agreements
<b>“Financial Assistance Framework Agreement”</b>	the framework agreement dated 30 November 2016, entered into between CITIC Limited and CITIC Group in relation to the provision of financial assistance by the Group to CITIC Group and/or its associates for the period from 1 January 2017 to 31 December 2019 (both days inclusive)
<b>“Group”</b>	the Company and its subsidiaries
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“New Framework Agreements”</b>	the Sales Framework Agreement and the Financial Assistance Framework Agreement
<b>“Original Framework Agreements”</b>	the Original Sales Framework Agreement and the Original Financial Assistance Framework Agreement
<b>“Original Financial Assistance Framework Agreement”</b>	the framework agreement dated 30 September 2014, entered into between CITIC Limited and CITIC Group in relation to the provision of financial assistance by the Group to CITIC Group and/or its associates and the supplemental framework agreement dated 30 March 2015 in relation to the adjustment of the annual caps for the years ending 31 December 2015 and 2016 and certain other confirmations
<b>“Original Sales Framework Agreement”</b>	the framework agreement dated 30 September 2014, entered into between CITIC Limited and CITIC Group in relation to the sale of manganese ore by the Group to CITIC Group and/or its associates and the supplemental framework agreement dated 30 March 2015

<b>“Shareholders”</b>	the shareholders of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Sales Framework Agreement”</b>	the framework agreement dated 30 November 2016, entered into between CITIC Limited and CITIC Group in relation to the sale of manganese ore by the Group to CITIC Group and/or its associates for the period from 1 January 2017 to 31 December 2019 (both days inclusive)

*In addition, the terms “associate”, “connected person”, “connected transaction”, “continuing connected transaction”, “controlling shareholder”, “percentage ratios”, and “subsidiary” shall have the meanings ascribed to them under the Listing Rules.*

By Order of the Board  
**CITIC Limited**  
**Chang Zhenming**  
*Chairman*

Hong Kong, 30 November 2016

*As at the date of this announcement, the executive directors of CITIC Limited are Mr Chang Zhenming (Chairman), Mr Wang Jiong, Ms Li Qingping and Mr Pu Jian; the non-executive directors of CITIC Limited are Mr Yang Jinming, Mr Liu Yeqiao, Mr Song Kangle, Ms Yan Shuqin, Mr Liu Zhongyuan, Mr Yang Xiaoping and Mr Li Rucheng; and the independent non-executive directors of CITIC Limited are Mr Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh, Ms Lee Boo Jin, Mr Noriharu Fujita and Mr Paul Chow Man Yiu.*