

# Report of the Directors

The directors have pleasure in presenting to shareholders their report for the year ended 31 December 2018.

## Principal Activities

CITIC Limited is one of China's largest conglomerates. The principal activity of CITIC Limited is investment holding and its subsidiaries are engaged in financial services, resources and energy, manufacturing, engineering contracting and real estate as well as other businesses both in China and overseas.

## Subsidiary Companies

The name of the principal subsidiaries, the place of incorporation and shares issued are set out in Note 61 to the consolidated financial statements.

## Business Review

A fair review, discussion and analysis of the Group's business as required by Schedule 5 to the Companies Ordinance (Cap 622 of the Laws of Hong Kong), including the material factors underlying its results and financial position are set out in the sections headed "Chairman's Letter to Shareholders", "Our Businesses" and "Financial Review" on pages 4 to 74 of this annual report. An account of the principal risks and uncertainties facing the Group is provided in the "Risk Management" section on pages 75 to 80 of this annual report. Particulars of important events affecting CITIC Limited that have occurred since the end of the financial year 2018 (if any) and the likely future development in CITIC Limited's business can also be found in this annual report. The above discussions form an integral part of the Directors' Report.

In addition, an account of CITIC Limited's performance by reference to environmental and social-related policies is provided in the "Environmental, Social and Governance Report" on pages 140 to 167 of this annual report.

## Dividends

The directors declared an interim dividend of HK\$0.15 per share (2017: HK\$0.11 per share) for the year ended 31 December 2018 which was paid on 4 October 2018. The directors recommended, subject to approval of the shareholders at the forthcoming annual general meeting of CITIC Limited to be held on 5 June 2019 (the "2019 AGM"), the payment of a final dividend of HK\$0.26 per share (2017: HK\$0.25 per share) in respect of the year ended 31 December 2018, payable on Wednesday, 26 June 2019 to shareholders on CITIC Limited's register of members at the close of business on 14 June 2019. This represents a total distribution for the year of HK\$11,927 million.

## Donations

Donations made by CITIC Limited and its subsidiary companies during the year are set out in the "Environmental, Social and Governance Report" of this annual report.

## Share Capital and Reserves

Movements in the share capital and reserves of CITIC Limited and the Group during the year are set out in Note 48 to the consolidated financial statements.

## Fixed Assets

Movements in fixed assets during the year are set out in Note 36 to the consolidated financial statements.



## Major Customers and Suppliers

During the year, both the aggregate percentage of purchases from the Group's five largest suppliers and the aggregate percentage of sales to the Group's five largest customers were less than 30% of total purchases and sales of the Group respectively.

## Borrowings, Debt Instruments Issued and Perpetual Capital Securities

Particulars of borrowings, debt instruments issued and perpetual capital securities of CITIC Limited and its subsidiary companies as at 31 December 2018 are set out in Notes 45, 46 and 48 to the consolidated financial statements.

## Equity-linked Agreements

Save as disclosed below in the section headed "Share Option Plan Adopted by CITIC Limited", no equity-linked agreements that will or may result in CITIC Limited issuing shares or that require CITIC Limited to enter into any agreements that will or may result in CITIC Limited issuing shares were entered into by CITIC Limited during the year or subsisted at the end of the year.

## Directors

The directors of CITIC Limited during the year and up to the date of this report are:

### *Executive Directors*

Mr Chang Zhenming (*Chairman*)

Mr Wang Jiong (*Vice Chairman and President*)

Ms Li Qingping

Mr Pu Jian

(*resigned on 21 February 2019*)

### *Non-executive Directors*

Mr Liu Yeqiao

(*resigned on 24 May 2018*)

Mr Song Kangle

Ms Yan Shuqin

Mr Liu Zhuyu

Mr Peng Yanxiang

(*appointed on 24 May 2018*)

Mr Liu Zhongyuan

Mr Yang Xiaoping

Mr Wu Youguang

(*appointed on 20 March 2018*

*and subsequently resigned on 29 January 2019)*

### *Independent Non-executive Directors*

Mr Francis Siu Wai Keung

Dr Xu Jinwu

Mr Anthony Francis Neoh

Ms Lee Boo Jin

(*resigned on 28 March 2019*)

Mr Noriharu Fujita

(*resigned on 18 April 2018*)

Mr Paul Chow Man Yiu

Mr Shohei Harada

(*appointed on 18 April 2018*)

Mr Gregory Lynn Curl

(*appointed on 28 March 2019*)

Mr Pu Jian, Mr Liu Yeqiao, Mr Wu Youguang, Ms Lee Boo Jin and Mr Noriharu Fujita have confirmed that they have no disagreement with the board and nothing relating to their resignation that needs to be brought to the attention of the shareholders of CITIC Limited.

Mr Peng Yanxiang, Mr Wu Youguang and Mr Shohei Harada who were appointed by the board as directors of CITIC Limited subsequent to the last annual general meeting in 2017 were re-elected as directors at the annual general meeting held on 14 June 2018. Pursuant to Article 95 of the articles of association of CITIC Limited, Mr Gregory Lynn Curl who was appointed by the board as director of CITIC Limited on 28 March 2019 shall hold office only until the next following annual general meeting, or if earlier, the next following extraordinary general meeting of CITIC Limited and, being eligible, offer himself for re-election. In addition, pursuant to Article 104(A) of CITIC Limited's articles of association, Ms Li Qingping, Ms Yan Shuqin, Mr Liu Zhongyuan, Dr Xu Jinwu and Mr Paul Chow Man Yiu shall retire by rotation at the 2019 AGM. Except for Mr Paul Chow Man Yiu who will not seek for re-election after his retirement at the 2019 AGM, all other directors, being eligible, offer themselves for re-election at the 2019 AGM.

The biographical details of directors and senior management as at the date of this report are set out in the "Board of Directors" and "Senior Management" sections on pages 115 to 119 of this annual report.

## Directors of Subsidiaries

The list of directors who have served on the boards of the subsidiaries of CITIC Limited during the year and up to the date of this report is available on CITIC Limited's website at [www.citic.com](http://www.citic.com).

## Directors' Material Interests in Transactions, Arrangements or Contracts

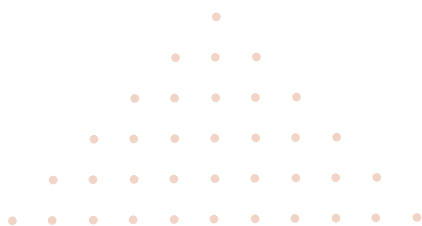
Save as disclosed in the sections headed "Non-Exempt Continuing Connected Transactions" below and "Material related parties" in Note 52 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to CITIC Limited's business to which CITIC Limited's subsidiaries, fellow subsidiaries or its holding company was a party or were parties and in which a director of CITIC Limited or his or her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## Directors' Service Contracts

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of CITIC Limited were entered into during the year or existed at the end of the year.



## Permitted Indemnity

Pursuant to CITIC Limited's articles of association and subject to the provisions of the Companies Ordinance (Cap 622 of the Laws of Hong Kong), every director or other officer of CITIC Limited shall be entitled to be indemnified out of the assets of CITIC Limited against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. CITIC Limited has arranged Directors & Officers Liability and Company Reimbursement Insurance for its directors and officers to protect them against potential costs and liabilities arising from claims brought against them.

## Related Party Transactions

CITIC Limited and its subsidiaries entered into certain transactions in the ordinary course of business and on normal commercial terms which were "Material Related Party Transactions", the details of which are set out in Note 52 to the consolidated financial statements of CITIC Limited. Some of these transactions also constitute "Connected Transactions" and/or "Continuing Connected Transactions" under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as summarised below.

## Non-Exempt Continuing Connected Transactions

During the year under review, the Group engaged in the following non-exempt continuing connected transactions with CITIC Group Corporation ("CITIC Group") and/or its associates (the "Connected Persons"), particulars of which were previously disclosed in the announcements of CITIC Limited and are required under the Listing Rules to be disclosed in this annual report and the consolidated financial statements of CITIC Limited.

### 1. Sales Framework Agreement — sale of manganese ore by the Group to the Connected Persons

The original Sales Framework Agreement dated 30 September 2014 ended on 31 December 2016. As CITIC Limited and CITIC Group intended to continue to carry out the relevant transactions, both parties entered into a new sales framework agreement ("New Sales FA") on 30 November 2016, details of which were set out in CITIC Limited's announcement dated 30 November 2016.

#### New Sales FA

Period: commencing from 1 January 2017 and ending on 31 December 2019

Annual	<i>for year ended 31/12/2018</i>	<i>for year ending 31/12/2019</i>
Caps:	RMB1,050,000,000	RMB1,050,000,000

There were no transactions under the New Sales FA for the year ended 31 December 2018.

### 2. Financial Assistance Framework Agreement — financial assistance provided by the Group to the Connected Persons in the form of entrusted loans or commercial loans

The original Financial Assistance Framework Agreement dated 30 September 2014 ended on 31 December 2016. As the Group intended to continue to provide financial assistance to the Connected Persons in the form of entrusted loans and commercial loans, CITIC Limited and CITIC Group entered into a new financial assistance framework agreement ("New Financial Assistance FA") on 30 November 2016. Details of the above were set out in CITIC Limited's announcement dated 30 November 2016.

### New Financial Assistance FA

Period: commencing from 1 January 2017 and ending on 31 December 2019

Maximum	<i>for year ended 31/12/2018</i>	<i>for year ending 31/12/2019</i>
Daily Balance:	RMB10,200,000,000	RMB11,000,000,000

The maximum daily balance of the financial assistance under the New Financial Assistance FA for the year ended 31 December 2018 was approximately RMB2,202,500,000.

### 3. Asset Transfer Framework Agreement

The original Asset Transfer Framework Agreement (the "Original Asset Transfer FA") dated 8 December 2014 made between China CITIC Bank Corporation Limited ("CITIC Bank", a non-wholly-owned subsidiary of CITIC Limited) and CITIC Group in relation to the transfer of loan and other related assets between CITIC Bank and the Connected Persons which constituted continuing connected transactions of CITIC Limited, ended on 31 December 2017. A new asset transfer framework agreement (the "New Asset Transfer FA") was entered into on 24 August 2017 between CITIC Bank and CITIC Group for renewal of the Original Asset Transfer FA, details of which were set out in CITIC Limited's announcements dated 23 November 2017 and 6 December 2017.

### New Asset Transfer FA

Annual	<i>for year ended 31/12/2018</i>	<i>for year ending 31/12/2019</i>	<i>for year ending 31/12/2020</i>
Caps:	RMB13,000,000,000	RMB13,000,000,000	RMB13,000,000,000

There were no transactions under the New Asset Transfer FA for the year ended 31 December 2018.

### 4. Aluminium Alloy Hub Procurement Framework Agreement ("Aluminium Alloy Hub Procurement FA") — procurement of aluminium alloy hubs by the Group from the Connected Persons

The Aluminium Alloy Hub Procurement FA was entered into on 28 March 2018 between CITIC Limited and CITIC Group, details of which were set out in CITIC Limited's announcement dated 28 March 2018.

Period: commencing from 28 March 2018 and ending on 31 December 2020

Annual	<i>for period ended 31/12/2018</i>	<i>for year ending 31/12/2019</i>	<i>for year ending 31/12/2020</i>
Caps:	RMB380,000,000	RMB400,000,000	RMB430,000,000

The transaction amount under the Aluminium Alloy Hub Procurement FA for the period ended 31 December 2018 was approximately RMB244,951,805.



5. Raw Materials, Equipment and Accessories Sales Framework Agreement ("Raw Materials, Equipment and Accessories Sales FA") — sales of raw materials, equipment and accessories by the Group to the Connected Persons

The Raw Materials, Equipment and Accessories Sales FA was entered into on 28 March 2018 between CITIC Limited and CITIC Group, details of which were set out in CITIC Limited's announcement dated 28 March 2018.

Period: commencing from 28 March 2018 and ending on 31 December 2020

Annual Caps:	<i>for period ended 31/12/2018</i>	<i>for year ending 31/12/2019</i>	<i>for year ending 31/12/2020</i>
– Raw Materials	RMB500,000,000	RMB530,000,000	RMB550,000,000
– Equipment and Accessories	RMB33,000,000	RMB35,000,000	RMB38,000,000
Total Annual Caps:	RMB533,000,000	RMB565,000,000	RMB588,000,000

The transaction amounts under the Raw Materials, Equipment and Accessories Sales FA for the period ended 31 December 2018 were approximately RMB139,185,347.25 for the sales of raw materials and approximately RMB4,396.55 for the sales of equipment and accessories.

6. Reference is made to the joint announcement dated 14 June 2018 issued by CITIC Limited and CITIC Telecom International Holdings Limited ("CITIC Telecom", a subsidiary of CITIC Limited) relating to the renewal of exclusive service agreement\* ("ESA") for technical and support services entered into between CITIC Telecom International CPC Limited ("CPC", a wholly-owned subsidiary of CITIC Telecom), China Enterprise Netcom Corporation Limited ("CEC-HK", a wholly-owned subsidiary of CITIC Telecom) and China Enterprise ICT Solutions Limited (中企網絡通信技術有限公司) ("CEC").

Pursuant to the ESA, CEC shall provide technical and support services to the customers of CEC-HK and CPC in the PRC to facilitate the provision of value-added telecoms services to these customers. A service fee is payable to CEC monthly with reference to CEC's costs in servicing such customers provided that CEC-HK and CPC shall be entitled to retain the first 30% of the corresponding sales proceeds from customers such that the service fee shall not in any event exceed 70% of the relevant sales proceeds. If CEC's costs shall be less than 70% of the corresponding sales proceeds, CEC on one hand and CEC-HK and CPC on the other shall be entitled to share the surplus equally. Such service fee was agreed by CPC, CEC-HK and CEC on an arms' length basis and shall be settled monthly. Details were set out in the joint announcement of CITIC Limited and CITIC Telecom dated 14 June 2018.

On 25 September 2018, CEC was given consent in accordance with the terms of the ESA to provide similar services to and enter into relevant agreements with some of the other telecom operators for the period from 25 September 2018 until expiry of the subsisting term of the ESA.

CEC is a non-wholly owned subsidiary of CITIC Telecom and also an associate of CITIC Group as CITIC Group holds approximately 45.09% equity interest in CEC. CITIC Group is the controlling shareholder of CITIC Limited, which in turn is the indirect holding company of CITIC Telecom. Therefore, CEC, being an associate of CITIC Group, is a connected person of CITIC Limited as well as CITIC Telecom.

The service fees payable to CEC under the ESA shall not exceed the maximum amount as set out below:

*for year ended 31/12/2018*  
RMB297.44 million

*for period from 01/01/2019 to 23/06/2019*  
RMB148.45 million

The aggregate service fee paid by CEC-HK and CPC to CEC for the year ended 31 December 2018 under the ESA was approximately RMB269.62 million.

\* The ESA was first entered into on 24 November 2010 and was subsequently renewed or supplemented by supplemental agreements dated 7 August 2013, 19 February 2014, 22 April 2015 and 14 June 2018. The subsisting term of ESA will expire on 23 June 2019.

The independent non-executive directors of CITIC Limited (namely, Mr Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh, Ms Lee Boo Jin who resigned on 28 March 2019, Mr Paul Chow Man Yiu and Mr Shohei Harada) have reviewed the aforesaid continuing connected transactions for the year ended 31 December 2018 (the “Transactions”) and confirm that:

- a. the Transactions have been entered into in the ordinary and usual course of business of the Group;
- b. the Transactions have been entered into on normal commercial terms or better; and
- c. the Transactions were entered into according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of CITIC Limited as a whole.

CITIC Limited’s auditor was engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 123 to 125 of this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor’s letter has been provided by CITIC Limited to The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

## Share Option Plan Adopted by CITIC Limited

### CITIC Pacific Share Incentive Plan 2011

The CITIC Pacific Share Incentive Plan 2000 adopted by CITIC Limited on 31 May 2000 for a term of ten years expired on 30 May 2010. CITIC Limited adopted a new plan, the CITIC Pacific Share Incentive Plan 2011 (the “Plan 2011”) on 12 May 2011. The major terms of the Plan 2011 are as follows:

1. The purpose of the Plan 2011 is to promote the interests of CITIC Limited and its shareholders by (i) providing the eligible participants with additional incentives to continue and increase their efforts in achieving success in the business of the Group, and (ii) attracting and retaining the best available personnel to participate in the on-going business operation of Group.
2. The eligible participants of the Plan 2011 are any employee, executive director, non-executive director, independent non-executive director or officer, consultant or representative of any member of CITIC Limited as the board may in its discretion select.
3. The total number of shares which may be issued upon exercise of all options to be granted under the Plan 2011 must not in aggregate exceed 10% of the shares in issue as at the date of adopting the Plan 2011. As at 29 March 2019, the total number of shares available for issue under the Plan 2011 is 364,944,416 shares.
4. The total number of shares issued and to be issued upon exercise of options (whether exercised or outstanding) in any 12-month period granted to each participant must not exceed 1% of the shares of CITIC Limited in issue. Where any further grant of options to a participant would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of CITIC Limited’s shares in issue, such further grant shall be subject to separate approval by the shareholders of CITIC Limited in general meeting.
5. The exercise period of any option granted under the Plan 2011 must not be more than ten years commencing on the date of offer of the grant.
6. The acceptance of an offer of the grant of the option must be made within 28 days from the date of grant with a non-refundable payment of HK\$1.00 from the grantee.



7. The subscription price determined by the board will be at least the higher of (i) the nominal value of CITIC Limited's shares; (ii) the closing price of CITIC Limited's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of offer of the grant; and (iii) the average of the closing prices of CITIC Limited's shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer of the grant.
8. The Plan 2011 shall be valid and effective until 11 May 2021.

No share options were granted under the Plan 2011 during the year ended 31 December 2018.

## Share Option Plan Adopted by Subsidiaries of CITIC Limited

### CITIC Telecom International Holdings Limited ("CITIC Telecom")

CITIC Telecom adopted a share option plan (the "CITIC Telecom Share Option Plan") on 17 May 2007, which was valid and effective till 16 May 2017. The major terms of the CITIC Telecom Share Option Plan are as follows:

1. The purpose of the CITIC Telecom Share Option Plan is to attract and retain the best quality personnel for the development of CITIC Telecom's businesses; to provide additional incentives to CITIC Telecom Directors, Officers and Employees (as defined here below); and to promote the long term financial success of CITIC Telecom by aligning the interests of grantees to shareholders of CITIC Telecom.
2. The grantees of the CITIC Telecom Share Option Plan are any person employed by CITIC Telecom or any of its subsidiaries and any person who is an officer or director (whether executive or non-executive) of CITIC Telecom or any of its subsidiaries (collectively the "CITIC Telecom Directors, Officers and Employees") as the board of CITIC Telecom may, in its absolute discretion, select.
3. The total number of shares of CITIC Telecom (the "CITIC Telecom Shares") issued and to be issued upon exercise of options (whether exercised or outstanding) in any 12-month period granted to each grantee must not exceed 1% of the CITIC Telecom Shares in issue. Where any further grant of options to a grantee would result in the CITIC Telecom Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the CITIC Telecom Shares in issue, such further grant shall be subject to separate approval by the shareholders of CITIC Telecom in general meeting.
4. The exercise period of any option granted under the CITIC Telecom Share Option Plan must not be more than ten years commencing on the date of grant.
5. The acceptance of an offer of the grant of the options must be made within 28 days from the date of grant with a non-refundable payment of HK\$1.00 from the grantee.
6. The subscription price determined by the board of CITIC Telecom will not be less than the higher of (i) the closing price of CITIC Telecom's shares as stated in the daily quotations sheet of the Hong Kong Stock Exchange on the date of grant; and (ii) the average closing price of CITIC Telecom's shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

As approved at the annual general meeting of CITIC Telecom held on 25 April 2014, the mandate limit is refreshed so that taking into account the overriding limit of the CITIC Telecom Share Option Plan, the total number of the CITIC Telecom Shares which may be issued upon the exercise of all options to be granted under the CITIC Telecom Share Option Plan, together with all outstanding options granted and yet to be exercised under the CITIC Telecom Share Option Plan, shall not exceed 333,505,276 CITIC Telecom Shares, being 10% of the number of the CITIC Telecom Shares in issue as at the date of approval of the refreshment of the mandate limit.



Since the adoption of the CITIC Telecom Share Option Plan, CITIC Telecom has granted the following share options:

Date of grant	Number of share options	Exercise period	Exercise price per share HK\$
23.05.2007	18,720,000	23.05.2007 – 22.05.2012	3.26
17.09.2009	17,912,500	17.09.2010 – 16.09.2015	2.10
17.09.2009	17,912,500	17.09.2011 – 16.09.2016	2.10
19.08.2011	24,227,500	19.08.2012 – 18.08.2017	1.54
19.08.2011	24,227,500	19.08.2013 – 18.08.2018	1.54
26.06.2013	81,347,000	26.06.2013 – 25.06.2018	2.25
24.03.2015	43,756,250	24.03.2016 – 23.03.2021	2.612
24.03.2015	43,756,250	24.03.2017 – 23.03.2022	2.612
24.03.2017	45,339,500	24.03.2018 – 23.03.2023	2.45
24.03.2017	45,339,500	24.03.2019 – 23.03.2024	2.45

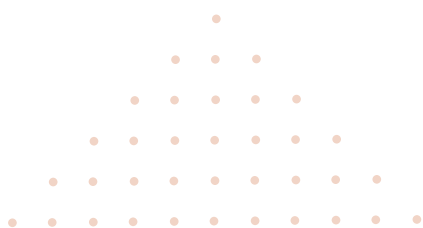
Upon completion of the rights issue of CITIC Telecom on 7 June 2013, the exercise price and the number of shares to be allotted and issued upon full exercise of the subscription rights attaching to the outstanding share options of CITIC Telecom as at 6 June 2013 have been adjusted (the “Adjustments”) in the following manner:

Date of grant	Before Adjustments		After Adjustments	
	Number of outstanding share options	Exercise price per share HK\$	Number of outstanding share options	Exercise price per share HK\$
17.09.2009	19,451,000	2.10	21,438,072	1.91
19.08.2011	32,332,500	1.54	35,635,462	1.40

The grantees were CITIC Telecom Directors, Officers and Employees. None of these options were granted to the directors, chief executives or substantial shareholders of CITIC Limited.

The share options granted on 23 May 2007, 17 September 2009, 19 August 2011 and 26 June 2013 have expired. The remaining options granted and accepted under the CITIC Telecom Share Option Plan can be exercised in whole or in part within 5 years from the date of commencement of the exercise period.

As at 1 January 2018, options for 215,030,809 CITIC Telecom Shares were outstanding under the CITIC Telecom Share Option Plan. During the year ended 31 December 2018, options for 43,096,802 CITIC Telecom Shares were exercised and options for 33,442,690 CITIC Telecom Shares have lapsed. No share options were granted nor cancelled in 2018. As at 31 December 2018, options for 98,421,317 CITIC Telecom Shares under the CITIC Telecom Share Option Plan were exercisable.



A summary of the movements of the share options during the year ended 31 December 2018 is as follows:

**A. Employees of CITIC Limited/CITIC Telecom under continuous contracts (as defined in the Employment Ordinance)**

Date of grant	Exercise period	Number of share options			
		Balance as at 01.01.2018	Exercised during the year ended 31.12.2018 (Note 1)	Lapsed during the year ended 31.12.2018 (Note 2)	Balance as at 31.12.2018
19.08.2011	19.08.2013 – 18.08.2018	6,322,175	5,990,802	331,373	–
26.06.2013	26.06.2013 – 25.06.2018	42,270,817	18,089,000	24,181,817	–
24.03.2015	24.03.2016 – 23.03.2021	38,610,817	6,722,000	1,629,250	30,259,567
24.03.2015	24.03.2017 – 23.03.2022	39,771,000	3,560,500	1,630,250	34,580,250
24.03.2017	24.03.2018 – 23.03.2023	42,828,000	8,734,500	1,912,000	32,181,500
24.03.2017	24.03.2019 – 23.03.2024	42,828,000	–	3,358,000	39,470,000

**B. Others (Note 3)**

Date of grant	Exercise period	Number of share options			
		Balance as at 01.01.2018	Exercised during the year ended 31.12.2018	Lapsed during the year ended 31.12.2018 (Note 4)	Balance as at 31.12.2018
26.06.2013	26.06.2013 – 25.06.2018	400,000	–	400,000	–
24.03.2015	24.03.2016 – 23.03.2021	200,000	–	–	200,000
24.03.2015	24.03.2017 – 23.03.2022	600,000	–	–	600,000
24.03.2017	24.03.2018 – 23.03.2023	600,000	–	–	600,000
24.03.2017	24.03.2019 – 23.03.2024	600,000	–	–	600,000

Notes:

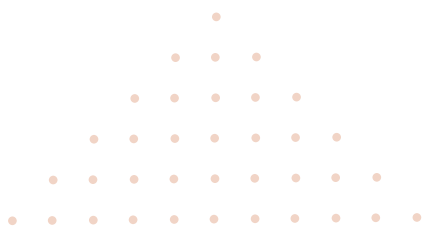
1. The weighted average closing price of CITIC Telecom Shares immediately before the dates on which the options were exercised was HK\$2.56.
2. These are in respect of options i) granted to some employees under continuous contracts who have subsequently resigned; or ii) lapsed upon the expiry of the relevant share options during the year.
3. These are in respect of options granted to independent non-executive directors (including a former independent non-executive director) of CITIC Telecom who are not employees under continuous contracts.
4. These are in respect of options granted to a former independent non-executive director. Such options have lapsed upon the expiry of the relevant share options during the year ended 31 December 2018.

### Dah Chong Hong Holdings Limited (“Dah Chong Hong”)

Dah Chong Hong adopted a share option scheme (the “DCHH Scheme”) on 28 September 2007 which was valid and effective till 27 September 2017, after which no further share options will be granted. The major terms of the DCHH Scheme are as follows:

- (a) The purpose of the DCHH Scheme is to attract and retain the best quality personnel for the development of Dah Chong Hong’s businesses; to provide additional incentives to the employees of the Dah Chong Hong group and to promote the long term financial success of Dah Chong Hong by aligning the interests of grantees to Dah Chong Hong’s shareholders.
- (b) The participants of the DCHH Scheme are any employee of the Dah Chong Hong group as the board of Dah Chong Hong may in its absolute discretion select.
- (c) The maximum number of shares over which share options may be granted under the DCHH Scheme and any other schemes of Dah Chong Hong shall not in aggregate exceed 10% of (i) the shares of Dah Chong Hong in issue immediately following the commencement of dealings in Dah Chong Hong’s shares on the Hong Kong Stock Exchange or (ii) the shares of Dah Chong Hong in issue from time to time, whichever is the lower. As at 29 March 2019, the maximum number of shares available for issue under the DCHH Scheme is 141,450,000, representing approximately 7.499% of the issued shares of Dah Chong Hong. Share options lapsed in accordance with the terms of the DCHH Scheme or any other schemes of Dah Chong Hong will not be counted for the purpose of calculating the 10% limit.
- (d) The total number of shares issued and to be issued upon exercise of share options (whether exercised or outstanding) in any 12-month period granted to each grantee must not exceed 1% of the shares of Dah Chong Hong in issue.
- (e) The exercise period of any share option granted under the DCHH Scheme must not be more than 10 years commencing on the date of grant.
- (f) The acceptance of an offer of the grant of the share option must be made within 28 days from the date of grant with a non-refundable payment of HK\$1 from the grantee.
- (g) The subscription price determined by the board of Dah Chong Hong will not be less than whichever is the higher of (i) the closing price of Dah Chong Hong’s shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets on the date of grant; and (ii) the average closing price of Dah Chong Hong’s shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the 5 business days immediately preceding the date of grant.
- (h) The DCHH Scheme was valid and effective till 27 September 2017, after which no further share options will be granted.

DCHH Scheme has expired on 27 September 2017.



During the period between the adoption of the DCHH Scheme and its expiry, Dah Chong Hong has granted the following share options:

Date of grant	Number of share options	Exercise period	Exercise price per share HK\$
07.07.2010	23,400,000	07.07.2010 – 06.07.2015	4.766
08.06.2012	24,450,000	08.06.2013 – 07.06.2017*	7.400
30.04.2014	28,200,000	30.04.2015 – 29.04.2019*	4.930

\* Subject to a vesting scale

The share options granted on 7 July 2010 and 8 June 2012 had expired by the close of business on 6 July 2015 and 7 June 2017 respectively.

Of the share options granted on 30 April 2014, 27,850,000 were accepted and 350,000 were not as at the latest date of acceptance pursuant to the scheme rules (i.e. 28 May 2014). The share options granted are subject to a vesting scale. 25% of the options granted will vest on the first anniversary of the date of grant. A further 25% will vest on the second anniversary of the date of grant and the remaining 50% of the share options granted will vest on the third anniversary of the date of grant. The vested options are exercisable in whole or in part within 5 years from the date of grant. The closing price of the shares of Dah Chong Hong immediately before the grant on 30 April 2014 was HK\$4.91 per share. The remaining contractual life of the share options is 0.3 years.

The grantees were certain directors or employees of Dah Chong Hong group working under continuous contracts (as defined in the Employment Ordinance). None were granted to the directors, chief executives or substantial shareholders of CITIC Limited.

**A. Employees of the Dah Chong Hong group working under continuous contracts (as defined in the Employment Ordinance)**

Date of grant	Number of share options						Balance as at 31.12.2018
	Balance as at 01.01.2018	Granted during the year ended 31.12.2018	Reclassification	Cancelled during the year ended 31.12.2018	Lapsed during the year ended 31.12.2018	Exercised during the year ended 31.12.2018	
30.04.2014	11,700,000 (Note 2)	–	(2,300,000) (Note 3)	–	(1,900,000)	–	7,500,000

**B. Others (Note 1)**

Date of grant	Number of share options						Balance as at 31.12.2018
	Balance as at 01.01.2018	Granted during the year ended 31.12.2018	Reclassification	Cancelled during the year ended 31.12.2018	Lapsed during the year ended 31.12.2018	Exercised during the year ended 31.12.2018	
30.04.2014	11,250,000 (Note 2)	–	2,300,000 (Note 3)	–	–	–	13,550,000

## Notes:

1. These are in respect of share options granted to former employees whose employment was terminated other than for cause or misconduct.
2. 1,600,000 share options were reclassified to the opening balance of "Others", subsequent to certain employees having retired on 1 January 2018.
3. 2,300,000 share options were reclassified to "Others", subsequent to certain employees having retired during the year ended 31 December 2018.

As at 1 January 2018, options for 22,950,000 Dah Chong Hong' shares were outstanding under the DCHH Scheme. During the year ended 31 December 2018, options for 1,900,000 Dah Chong Hong' shares were lapsed and none of the options were exercised and cancelled. As at 31 December 2018, options for 21,050,000 Dah Chong Hong' shares under the DCHH Scheme were exercisable.

### CITIC Resources Holdings Limited ("CITIC Resources")

CITIC Resources adopted a share option scheme on 30 June 2004 (the "Old Scheme") for a term of 10 years, which expired on 29 June 2014. The share options that have been granted under the Old Scheme and remained outstanding as at the date of expiry of the Old Scheme remain valid and exercisable subject to and in accordance with the terms of the Old Scheme.

A summary of the movements of the share options of CITIC Resources under the Old Scheme during the year ended 31 December 2018 is as follows:

Date of grant	Exercise price per share HK\$	Exercise Period	Number of share options				Balance as at 31.12.2018
			Balance as at 01.01.2018	Exercised during the year ended 31.12.2018	Lapsed during the year ended 31.12.2018	Cancelled during the year ended 31.12.2018	
06.11.2013	1.77	06.11.2014 – 05.11.2018	200,000,000	–	(200,000,000)	–	0
06.11.2013	1.77	06.11.2015 – 05.11.2018	200,000,000	–	(200,000,000)	–	0

\* The exercise price of the share options is subject to adjustment in case of a rights issue or bonus issue, or other similar changes in the share capital of CITIC Resources.

Notes: The share options were subject to the following vesting conditions:

- (i) 50% of the share options vest and were exercisable with effect from the first anniversary of the date of grant; and
- (ii) the remaining 50% of the share options vest and were exercisable with effect from the second anniversary of the date of grant.

The grantee was a director of CITIC Resources.

As at 31 December 2018, there were no share options outstanding under the Old Scheme.

To enable CITIC Resources to continue to grant share options as an incentive or reward to eligible persons, a new share option scheme was adopted by CITIC Resources on 27 June 2014 (the "New Scheme").

Pursuant to the New Scheme, CITIC Resources may grant options to eligible persons to subscribe for shares of CITIC Resources subject to the terms and conditions stipulated therein. A summary of some of the principal terms of the New Scheme is as follows:

- (a) To allow CITIC Resources (i) to be competitive and to be able to attract, retain and motivate appropriate personnel to assist the CITIC Resources group attain its strategic objectives by offering share options to enhance general remuneration packages; (ii) to align the interests of the directors and employees of the CITIC Resources group with the performance of CITIC Resources and the value of the shares; and (iii) to align the commercial interests of business associates, customers and suppliers of the CITIC Resources group with the interests and success of the CITIC Resources group.

- (b) The eligible persons include employees and directors of CITIC Resources and any of its subsidiaries (including their respective executive and non-executive directors), business associates and advisers who will provide or have provided services to the CITIC Resources group.
- (c) The total number of shares which may be issued upon the exercise of all outstanding options granted under the New Scheme and any other schemes of CITIC Resources shall not exceed 10% of the total number of shares of CITIC Resources in issue as at the date of adoption of the New Scheme.
- (d) The total number of shares issued and to be issued upon the exercise of the options granted to an eligible person (including any exercised, cancelled and outstanding options) in any 12-month period up to and including the date of grant shall not exceed 1% of the total number of shares of CITIC Resources in issue at the date of grant.
- (e) The period during which an option may be exercised is determined by the board of directors of CITIC Resources at its absolute discretion, except that no option may be exercised after 10 years from the date of grant.
- (f) The minimum period for which an option must be held before it can be exercised is one year.
- (g) The exercise price payable in respect of each share of CITIC Resources shall be not less than the greater of (i) the closing price of the shares of CITIC Resources on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant (which must be a business day); (ii) the average closing price of the shares of CITIC Resources on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares of CITIC Resources.
- (h) The New Scheme remains in force until 26 June 2024 unless otherwise terminated in accordance with the terms stipulated therein.

Share options do not confer rights on the holders to dividends or to vote at general meetings.

No share options were granted under the New Scheme during the year ended 31 December 2018.

### CITIC Envirotech Ltd. ("CITIC Envirotech")

CITIC Envirotech is a company incorporated in Singapore and whose shares are listed on the main board of the Singapore Exchange Securities Trading Limited (the "Singapore Exchange"). It adopted the Employee Share Option Scheme (the "Scheme") on 2 February 2010. A summary of some of the principal terms of the Scheme is as follows:

1. The Scheme is primarily a share incentive scheme. It provides CITIC Envirotech with the means to use share options as part of a compensation scheme for attracting as well as promoting long-term staff retention. The objectives of the Scheme are (a) to motivate each participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the CITIC Envirotech group; (b) to make employee remuneration sufficiently competitive to recruit and retain participants whose contributions are important to the long-term growth and profitability of the CITIC Envirotech group; (c) to instil loyalty to, and a stronger identification by the participants with the long-term development and growth of, CITIC Envirotech; (d) to attract potential employees with relevant skills to contribute to the CITIC Envirotech group and to create value for the shareholders; (e) to align the interests of the participants with the interests of the shareholders; and (f) to give recognition to the contributions made or to be made by the CITIC Envirotech group non-executive directors (including independent directors) to the success of the CITIC Envirotech group.

2. The participants of the Scheme are group employees (including group executive directors) and group non-executive directors (including independent directors) of CITIC Envirotech.
3. The aggregate number of shares in respect of which options may be granted on any date under the Scheme, when added to the amount of shares issued and issuable and/or transferred and transferable in respect of:
  - (a) all shares available under the Scheme; and
  - (b) all shares, options or awards granted under any other share option or share scheme of CITIC Envirotech then in force,

shall not exceed 15% of the number of issued shares (excluding treasury shares) of CITIC Envirotech on the day immediately preceding the relevant date of grant (or such other limit as the Singapore Exchange may determine from time to time). The options which have already been granted shall not be invalidated in the event that a reduction of CITIC Envirotech's capital or a buy back of its shares (if applicable) results in the shares issuable and/or transferable under outstanding options exceeding 15% of CITIC Envirotech's issued share capital (excluding treasury shares).

The aggregate number of shares issued and issuable and/or transferred and transferable in respect of all options granted pursuant to the Scheme available to all controlling shareholders and their associates of CITIC Envirotech shall not exceed 25% of the shares available under the Scheme.

The number of shares issued and issuable and/or transferred and transferable in respect of all options granted pursuant to the Scheme available to each controlling shareholder or each of his associates of CITIC Envirotech shall not exceed 10% of the shares available under the Scheme.

4. The aggregate number of shares in respect of which options may be offered to a grantee for subscription in accordance with the Scheme shall be determined at the discretion of the remuneration committee of CITIC Envirotech who shall take into account criteria such as rank, past performance, years of service and potential for future development of the participant.
5. If the options remain unexercised after a period of 10 years (executive directors and employees) and 5 years (non-executive directors) from the date of grant, the options expire. Options are forfeited if the employee leaves the group before the options vest.
6. The vesting period is 1 year for non-discount options and 2 years for discounted options.
7. The consideration for the grant of an option is S\$1.00.
8. The exercise price is based on the price that is equivalent to the Market Price\*; or a price that is set at a discount to the Market Price, provided always that the maximum discount shall not exceed 20% of the Market Price; and the prior approval of shareholders shall have been obtained in a separate resolution.

\* Market Price: a price equal to the average of the last dealt prices for the shares on the Singapore Exchange over the five consecutive trading days, immediately preceding the date of grant of that option, as determined by the remuneration committee of CITIC Envirotech by reference to the daily official list or any other publication published by the Singapore Exchange.





9. The Scheme shall continue to be in force at the discretion of the remuneration committee of CITIC Envirotech, subject to a maximum period of 10 years, commencing on February 2010. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required. The Scheme may be terminated at any time by the remuneration committee or by resolution of the shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further options shall be offered by CITIC Envirotech hereunder.

Since the adoption of the Scheme, CITIC Envirotech has granted the following share options:

Date of grant	Number of share options	Exercise price per share S\$	Exercise period
01.03.2010	4,375,000	0.2780	01.03.2011 – 01.03.2020
01.03.2010	4,375,000	0.2224	01.03.2012 – 01.03.2020
20.07.2010	1,500,000	0.3830	20.07.2011 – 20.07.2020
20.07.2010	1,500,000	0.3064	20.07.2012 – 20.07.2020
15.02.2013	49,950,000	0.552	15.02.2015 – 15.02.2023
28.03.2013	12,000,000	0.584	28.03.2015 – 28.03.2023
25.07.2014	6,000,000	1.135	25.07.2016 – 25.07.2024
25.04.2018	18,364,000	0.563	25.04.2020 – 25.04.2028

Under the Scheme, the ordinary shares of CITIC Envirotech under option may be exercised in full or a multiple thereof, on the payment of the exercise price. On 1 February 2017, CITIC Envirotech split every one existing ordinary share in its share capital into two shares.

The grantees were certain directors and employees of CITIC Envirotech. None were granted to the directors, chief executives or substantial shareholders of CITIC Limited.

As at 1 January 2018, 74,009,200 (post-split) ordinary shares of CITIC Envirotech under option were outstanding. During the year ended 31 December 2018, 18,364,000 share options were granted under the Scheme, 53,178,000 (post-split) ordinary shares under option were exercised, 1,200,000 (post-split) ordinary shares under option were cancelled and none of the (post-split) ordinary shares under option have lapsed. As at 31 December 2018, 37,995,200 (post-split) ordinary shares of CITIC Envirotech under option were exercisable.

The closing price of ordinary shares of CITIC Envirotech immediately before the grant on 25 April 2018 was S\$0.563.

A summary of the movements of the share options under the Scheme during the year ended 31 December 2018 is as follows:

**A. Directors of CITIC Envirotech**

Date of grant	Number of share options						Weighted average closing price per share* S\$
	Balance as at 01.01.2018	Granted during the year ended 31.12.2018	Cancelled during the year ended 31.12.2018	Lapsed during the year ended 31.12.2018	Exercised during the year ended 31.12.2018	Balance as at 31.12.2018	
01.03.2010	1,500,000 (3,000,000) Post-split	–	–	–	3,000,000 Post-split	–	0.715
01.03.2010	1,500,000 (3,000,000) Post-split	–	–	–	3,000,000 Post-split	–	0.715
28.03.2013	12,000,000 (24,000,000) Post-split	–	–	–	24,000,000 Post-split	–	0.530

**B. Employees of CITIC Envirotech**

Date of grant	Number of share options						Weighted average closing price per share* S\$
	Balance as at 01.01.2018	Granted during the year ended 31.12.2018	Cancelled during the year ended 31.12.2018	Lapsed during the year ended 31.12.2018	Exercised during the year ended 31.12.2018	Balance as at 31.12.2018	
15.02.2013	18,906,500 (37,813,000) Post-split	–	–	–	23,178,000	14,635,000	0.58
25.07.2014	3,098,100 (6,196,200) Post-split	–	1,000,000	–	–	5,196,200	–
25.04.2018	–	18,364,000	200,000	–	–	18,164,000	–

\* This represents the weighted average closing price per share of CITIC Envirotech immediately before the date on which the options were exercised.

## Directors' Interests in Securities

As at 31 December 2018, none of the directors of CITIC Limited had nor were they taken or deemed to have, under Part XV of the Securities and Futures Ordinance ("SFO"), any interests or short positions in the shares, underlying shares and debentures of CITIC Limited or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by CITIC Limited pursuant to section 352 of the SFO or as otherwise notified to CITIC Limited and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in the Listing Rules.

## Arrangement to Acquire Shares or Debentures

Save for the share option plans as disclosed above, at no time during the year was CITIC Limited, its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangements to enable the directors of CITIC Limited (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, CITIC Limited or any other body corporate.

## Interests of Substantial Shareholders

As at 31 December 2018, substantial shareholders of CITIC Limited (other than directors of CITIC Limited) who had interests or short positions in the shares or underlying shares of CITIC Limited which would fall to be disclosed to CITIC Limited under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by CITIC Limited under section 336 of the SFO, or which were notified to CITIC Limited, were as follows:

Name	Nature of interest/capacity	Number of ordinary shares held	Approximate percentage to the total number of issued shares
CITIC Group Corporation ("CITIC Group") (Note 1)	Interests in a controlled corporation and interests in a section 317 concert party agreement	26,055,943,755 (Long position)	89.57% (Long position)
CITIC Glory Limited ("CITIC Glory") (Note 2)	Beneficial owner	7,446,906,755 (Long position)	25.60% (Long position)
CITIC Polaris Limited ("CITIC Polaris") (Note 3)	Beneficial owner and interests in a section 317 concert party agreement	18,609,037,000 (Long position)	63.97% (Long position)
Chia Tai Bright Investment Company Limited ("CT Bright") (Note 4)	Beneficial owner and interests in a section 317 concert party agreement	22,728,222,755 (Long position) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (Short position)
CT Brilliant Investment Holdings Limited ("CT Brilliant") (Note 5)	Interests in a controlled corporation and interests in a section 317 concert party agreement	22,728,222,755 (Long position) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (Short position)
Charoen Pokphand Group Company Limited ("CPG") (Note 6)	Interests in a controlled corporation and interests in a section 317 concert party agreement	22,728,222,755 (Long position) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (Short position)
ITOCHU Corporation ("ITOCHU") (Note 7)	Interests in a controlled corporation and interests in a section 317 concert party agreement	22,728,222,755 (Long position) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (Short position)

## Notes:

- (1) CITIC Group is deemed to be interested in 26,055,943,755 shares: (i) by attribution of the interests of its two wholly-owned subsidiaries, CITIC Polaris (9,463,262,637 shares) and CITIC Glory (7,446,906,755 shares); and (ii) because CITIC Group is a party to the Share Purchase Agreement and the Preferred Shares Subscription Agreement which, reading together, constitute an agreement to which section 317(1) of the SFO applies, and accordingly CITIC Group has aggregated its interests in the shares with the interests of the other parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement.
- (2) CITIC Glory is beneficially interested in 7,446,906,755 shares of CITIC Limited.
- (3) CITIC Polaris is deemed to be interested in 18,609,037,000 shares: (i) by including 9,463,262,637 shares it holds as beneficial owner; and (ii) because CITIC Polaris is a party to the Share Purchase Agreement which, reading together with the Preferred Shares Subscription Agreement, constitute an agreement to which section 317(1) of the SFO applies, and accordingly CITIC Polaris has aggregated its interests in the shares with the interests of the other parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement.
- (4) CT Bright is deemed to be interested in 22,728,222,755 shares: (i) by including 5,818,053,363 shares it holds as beneficial owner; and (ii) because CT Bright is a party to the Share Purchase Agreement and the Preferred Shares Subscription Agreement which, reading together, constitute an agreement to which section 317(1) of the SFO applies, and accordingly CT Bright has aggregated its interests in the shares with the interests of the other parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement. CT Bright has a short position of 5,818,053,363 shares because it is under an obligation to deliver a maximum of 5,818,053,363 shares to CITIC Polaris if CITIC Polaris' right of first refusal under the Share Purchase Agreement is exercised in full.
- (5) CT Brilliant is deemed to be interested in 22,728,222,755 shares and to have a short position of 5,818,053,363 shares as a shareholder of CT Bright directly holding 50% equity interest in CT Bright.
- (6) CPG is deemed to be interested in 22,728,222,755 shares and to have a short position of 5,818,053,363 shares as a shareholder of CT Bright indirectly holding 50% equity interest in CT Bright through CT Brilliant, its wholly-owned subsidiary.
- (7) ITOCHU is deemed to be interested in 22,728,222,755 shares and to have a short position of 5,818,053,363 shares as a shareholder of CT Bright directly holding 50% equity interest in CT Bright.

## Shareholding Statistics

Based on the share register records of CITIC Limited, set out below is a shareholding statistics chart of the registered shareholders of CITIC Limited as at 31 December 2018:

Number of shares held	Number of shareholders	Percentage
1 to 1,000	4,032	55.22
1,001 to 10,000	2,548	34.90
10,001 to 100,000	665	9.11
100,001 to 1,000,000	50	0.69
1,000,001 to 100,000,000	1	0.01
100,000,001 to 500,000,000	1	0.01
500,000,001 to 2,000,000,000	1	0.01
2,000,000,001 above	4	0.05
Total:	7,302	100

As at 31 December 2018, the total number of ordinary shares in issue of CITIC Limited was 29,090,262,630 and based on the share register records of CITIC Limited, HKSCC Nominees Limited held 9,816,967,164 ordinary shares in entities ranging from 1,000 to 1,000,000,000 ordinary shares and representing 33.75% of the total number of ordinary shares in issue of CITIC Limited.



## Purchase, Sale or Redemption of Listed Securities

On 21 January 2018, CITIC Limited fully redeemed the USD1,100 million 6.875% notes under the Medium Term Note Programme upon maturity. These notes were issued in two tranches, (i) USD750 million on 21 March 2012 and (ii) USD350 million on 26 April 2012. Both tranches were listed on the Hong Kong Stock Exchange.

On 22 November 2018, CITIC Limited redeemed all the USD1,000 million 8.625% perpetual subordinated capital securities issued on 22 May 2013. The securities were delisted from the Hong Kong Stock Exchange effective upon the close of business on 3 December 2018.

Save as disclosed above, neither CITIC Limited nor any of its subsidiary companies has purchased, sold or redeemed any of CITIC Limited's listed securities during the year ended 31 December 2018.

## Sufficiency of Public Float

The Hong Kong Stock Exchange has granted a waiver (the "Waiver") to CITIC Limited from strict compliance with the minimum public float of 25% upon completion of the acquisition of CITIC Corporation Limited (the "Acquisition") on 25 August 2014. Pursuant to the Waiver, CITIC Limited has complied with the public float requirement which is at the higher of such a percentage (being 21.87%) of shares held by the public immediately after completion of the Acquisition. Based on the information that is publicly available to CITIC Limited and within the knowledge of the directors as at the date of this annual report, CITIC Limited has maintained the prescribed public float under the Waiver.

## Auditor

The Group's consolidated financial statements for the year have been audited by Messrs PricewaterhouseCoopers, Certified Public Accountants, who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Messrs PricewaterhouseCoopers as auditor of CITIC Limited is to be proposed at the 2019 AGM.

By Order of the Board,  
**Chang Zhenming**  
Chairman  
Hong Kong, 29 March 2019

