



Sino Iron Project Update

15 February 2017

Each reporting period, CITIC Limited (“the Company”) reviews the value of the Sino Iron project using a consistent methodology. The Company wishes to update investors that despite the recent increase in the spot price of iron ore, independent forecasts of long-term prices, a key component for consideration, have been lowered.

Therefore, an estimated impairment of USD800 million to USD1 billion (net of tax) is likely to be made in the 2016 accounts. When finalizing CITIC Limited’s 2016 accounts, particular attention will be paid to the value of this asset. Impairment is a non-cash accounting item, but it will reduce the company’s 2016 reported profits.

In May 2016, commissioning of the last of the six production lines commenced. Approximately 11 million wet metric tonnes of concentrate was produced and exported in 2016.

The ongoing focus is ramping up production, improving efficiency and lowering operating costs.

To place Sino Iron on a long-term sustainable footing requires the cooperation of all stakeholders. CITIC will continue to work towards a resolution of matters in dispute with Mineralogy. The result will have a major bearing on the long-term viability of Sino Iron, its profitability and cash flow. CITIC has also appealed the recent decision made by the Western Australian Supreme Court requiring CITIC to make interim payments in advance of the Royalty B trial, which is scheduled for later in 2017. The Company will continue to assess the situation.

About CITIC Limited

CITIC Limited is China’s largest conglomerate operating domestically and overseas, with businesses in financial services, resources and energy, manufacturing, engineering contracting and real estate as well as others. CITIC’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 Stock Exchange of Hong Kong (SEHK:267) where it is a constituent of the Hang Seng Index. CITIC Group, a Chinese state owned enterprise, owns 58% of CITIC Limited. For more information about CITIC Limited, please visit the company website at www.citic.com.

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