



PRESS RELEASE

24 October 2017

CITIC Limited to Acquire Qingdao Special Steel

CITIC Limited (“the Company” or “CITIC”) today announced that its indirect wholly-owned subsidiary, Jiangyin Xingcheng Special Steel Works Co., Ltd. (“Xingcheng Special Steel”), has entered into an equity transfer agreement to acquire a 100% interest of Qingdao Special Steel Co., Ltd. (“Qingdao Special Steel”) for a cash consideration of around RMB127 million (“the Transaction”) from CITIC Group Corporation.

Upon completion of the transaction, Qingdao Special Steel will become a member of CITIC Pacific Special Steel, a wholly-owned subsidiary of CITIC Limited responsible for managing all of CITIC’s special steel business.

CITIC Pacific Special Steel is the largest dedicated special steel manufacturer in China with a current annual production capacity of 9 million tonnes. Under its management are Xingcheng Special Steel, located in Jiangyin, Jiangsu Province, and Xin Yegang, located in Huangshi, Hubei Province. These two plants are both situated next to the Yangtze River, efficiently serving customers in eastern China and central China market. CITIC Pacific Special Steel’s major products include bars, plates, seamless steel tubes, wires, forging steel and casting billets. These products are widely used in auto components, energy, machinery manufacturing, oil and petrochemicals, transportation, shipbuilding and other industrial sectors. In 2016, CITIC Pacific Special Steel recorded a profit of HK\$1.9 billion.

Qingdao Special Steel manufactures wire, bars and flat steel with a 3-million tonne annual production capacity. It employs modern production facilities, which commenced operation in late 2015 after the plant was relocated to its current site. This plant is located in Shandong Province, an important market for automotive steel. Situated next to Qingdao Dongjiakou Port, one of the busiest and largest hubs in Northern China, Qingdao Special Steel enjoys significant logistical advantages.

The acquisition will expand CITIC’s special steel manufacturing footprint into Northern China, enabling it to serve its customers in this region more efficiently. Upon completion of the transaction, CITIC Pacific Special Steel’s annual production capacity will increase to 12 million tonnes, further strengthening its number one position in China. CITIC plans to optimise and improve Qingdao Special Steel’s production process, product quality and operational management. Additionally, the three plants will be able to achieve synergies in production, procurement, marketing and sales through shared resources.

This press release should be read in conjunction with the full text of the HKEX announcement dated 24 October 2017, which is available on www.hkex.com.hk.

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About CITIC Limited

CITIC Limited (SEHK:267) is China's largest conglomerate with total assets over US\$900 billion. Among its diverse global businesses, CITIC Limited focuses primarily on financial services, resources and energy, manufacturing, engineering contracting and real estate. CITIC Limited enjoys leading market positions in sectors well matched to China's economy. CITIC's rich history, diverse platform and strong corporate culture across all businesses ensure that CITIC Limited is unrivalled in capturing opportunities arising in China.

CITIC Limited is listed on the Stock Exchange of Hong Kong, where it is a constituent of the Hang Seng Index. CITIC Group Corporation, a Chinese state-owned enterprise, owns 58.13% of CITIC Limited. For more information about CITIC Limited, please visit the company website at www.citic.com.

About CITIC Group

CITIC Group Corporation ("CITIC Group") is a Chinese state-owned enterprise under the Ministry of Finance. Its main asset is a 58.13% interest in Hong Kong listed CITIC Limited. Since its establishment in 1979, CITIC Group has been a pioneer of China's economic reform. It makes investments in areas with long-term potential as well as those aligned with national priorities.

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