

The English version shall always prevail in case of any discrepancy or inconsistency between English version and its Chinese translation

CITIC Limited
中國中信股份有限公司
(formerly known as CITIC Pacific Limited 中信泰富有限公司)
(the “Company”)

Inside Information / Price Sensitive Information Disclosure Policy

Adopted at the Board Meeting on 20 November 2012

Policy Statement

The Company is committed to:

- (a) complying with the Listing Rules, the Securities and Futures Ordinance and other regulatory requirements in relation to the disclosure of inside information / price sensitive information;
- (b) preventing uneven, inadvertent or selective dissemination of inside information / price sensitive information; and
- (c) ensuring shareholders and the public are provided with full, accurate and timely information about the Company’s activities and its financial condition.

The purpose of the Inside Information / Price Sensitive Information Disclosure Policy (“Policy”) is to set out the practices and procedures in relation to:-

- (a) the monitoring of business and corporate developments and events so that any potential inside information/ price sensitive information is promptly identified and relayed to the board of directors (the “Board”) to enable it to make timely decisions on disclosure, if necessary;
- (b) the taking of appropriate measures to preserve confidentiality of inside information/ price sensitive information until proper dissemination of the inside information/ price sensitive information via the electronic publication system operated by the Stock Exchange (and before the information is released via other channels, such as the press, wire services or the Company’s own website).

Administration of the Policy

The authority to approve changes to this Policy is delegated to the Audit Committee of the Company.

1. Determination of whether developments constitute inside information / price sensitive information

- 1.1 The Board decides whether or not a transaction, development or event constitutes inside information / price sensitive information and disclosure of which shall be made immediately, and when a trading suspension/ trading halt is required.
- 1.2 The President and the Chief Financial Officer are responsible for identifying potentially relevant transactions, developments or events and advising the Board on whether or not such transaction, development or event constitutes inside information / price sensitive information. The President will monitor the operational data of the core business activities of the Group. The Chief Financial Officer is responsible for establishing and maintaining the financial reporting framework and procedures to ensure a structured flow of financial and operational data required for appraising the Group's financial position, and monitoring any material changes in the Group's financial performance which are required to be brought promptly to the Board's and/or the President's attention.
- 1.3 The Head of Group Investor Relations & Corporate Communications is the authorised person of the Company to communicate with the media, analysts and investors and is responsible for ensuring that there is balanced and timely disclosure of the relevant information to such third parties against the background of regulatory obligations of the Company. He/she shall coordinate closely with the Company Secretary in the timing of release of inside information / price sensitive information.
- 1.4 The Company Secretary is the authorised person of the Company to communicate with the regulators in respect of matters related to Company as a listed issuer. The Company Secretary is also responsible for reviewing this Policy and making recommendations on amendments thereto to the Audit Committee, if necessary, in order to ensure strict compliance with the changing regulatory requirements. The Company Secretary shall also provide assistance to the President and the Chief Financial Officer as and when needed and to co-ordinate legal advice if necessary. If, for whatever reasons, neither the

President or Chief Financial Officer are immediately contactable and the Business Units/Department Heads wish to report potential inside information / price sensitive information, the Company Secretary should be contacted and in those circumstances, the Company Secretary will be responsible for liaising and obtaining instructions from a Director.

- 1.5 Business Units/Department Heads are responsible for monitoring continuously any changes in their respective areas of operation that would result in potential inside information / price sensitive information which is required to be brought to the attention of the President and the Chief Financial Officer in a timely manner, and to ensure that there are proper safeguards to preserve the confidentiality of any unpublished or potential inside information / price sensitive information. Discussions and updates on potential events or transactions which may or could reasonably be expected to lead to inside information / price sensitive information are to be reported as soon as practicable and if there is no immediate announcement obligation, at the monthly Executive Committee Meeting or to the President/ Chief Financial Officer as appropriate.

2. Examples of Possible Inside Information

Set out in Appendix 1 of this policy is the examples of possible inside information as set out in the Guidelines on Disclosure of Inside Information by Securities and Futures Commission to assist employees in identifying potential inside information / price sensitive information which shall be escalated and reported to the President and the Chief Financial Officer for consideration as to whether or not the relevant information constitutes inside information / price sensitive information and disclosure of which shall be made immediately. The President and the Chief Financial Officer will assess whether the Company is obligated to make the relevant disclosures taking into account the Safe Harbours permitted under the Securities and Futures Ordinance or, if they consider it material, for discussion and review by the Board in the manner referred to below. It is important to note that the examples are not exhaustive, and employees have an obligation to exercise their own judgment in reporting and determining materiality.

3. Events and Developments

- 3.1 An employee who becomes aware of a matter, development or event that he/she considers it to be material or potentially price-sensitive shall report it promptly to his/her Business Units/Department Head who will assess the sensitivity of the relevant information and, if considered appropriate, escalate and report it to the President and the Chief Financial Officer. Upon being notified, the President and the Chief Financial Officer shall assess the materiality of the relevant information, determine the appropriate course of actions and, if considered appropriate, consult the Chairman who may convene a Board meeting to consider and decide whether or not the information constitutes inside information / price sensitive information and disclosure of which shall be made immediately or whether the Safe Harbours do not obligate the Company to make the relevant disclosures.
- 3.2 When considering a disclosure, the Board shall decide on the scope of information to be released and the timing of the release. If a matter is evolving over time, such as, when negotiations are at a stage that makes it impossible to be more forthcoming, and more precise details could only be released at a later stage, the Board might decide issuing a “holding” announcement or simply issuing a “no comment” statement. Directors may seek independent professional advice, if and when appropriate, to ensure that the Company can timely comply with the disclosure requirements. If the Chief Financial Officer becomes aware that the general market projections of the Company’s financial performance are materially different from the in-house estimates, he/she shall promptly notify the Board of the differences, and the Board may consider, if and when appropriate, issuing a warning announcement. If a matter, development or event, after assessment, is considered not price sensitive and is not inside information, the President and the Chief Financial Officer might consider, if and when appropriate, informing the market in order to facilitate stakeholders’ understanding of the Company’s ongoing developments. The information may be released in the form of news release, or as the Head of Group Investor Relations & Corporate Communications considers appropriate, through other communication channels, such as corporate publications or presentations.

4. Accuracy and completeness of information

- 4.1 According to Rule 2.13(2) of the Listing Rules, the information to be disclosed must be accurate and complete in all material aspects and not be misleading or deceptive. The Company Secretary who is responsible for assisting with compliance with the disclosure requirements shall all take reasonable steps to verify the accuracy and completeness of the relevant information when reports are made to the Chief Financial Officer, President, the Board and, ultimately, before it is publicly disclosed.
- 4.2 Heads of the relevant Business Unit/Department where the to-be disclosed matter, development or event is identified and/or is being handled shall be responsible for (a) providing the Company Secretary and the Head of Group Investor Relations & Corporate Communications with the precise details to enable to prepare the related announcement or news release, if necessary, and (b) confirming the accuracy and completeness of the information before it is publicly disclosed.

5. Delegation of authority to the President

There may be circumstances where the Company is faced with an unexpected and significant event, such as, unusual price and/or trading movements in the Company's securities, or market rumour which requires immediate clarification in order to avoid the development of a false market in its securities, or inadvertent dissemination of inside information / price sensitive information. Given the prompt response time required and in the event that the Board is not able to convene a physical meeting or the approval for a clarification announcement could not be reasonably expected to be obtained promptly by way of written resolution, the President, under such circumstances, is empowered to take appropriate action to ensure compliance with the disclosure requirements, including but not limited to issuing a "clarification" or "holding" announcement, and the Chairman is empowered to approve the making of a request to the Stock Exchange for a suspension in the trading of the Company's securities pending publication of an announcement.

6. Application of Safe Harbours

6.1 In the case where President and the Chief Financial Officer decide that the Company is not obligated to make disclosure of certain information pursuant to the Safe Harbours, such a decision shall be documented by the Company Secretary who shall:

- (a) describe the matter in question;
- (b) include a statement as to the materiality of the matter; and
- (c) describe the Safe Harbour relied on and steps, if any, which may require a review of the decision depending on future developments (if any).

In such circumstances, the Company must ensure that the reasonable precautions are made for preserving the confidentiality of such information. Under such circumstances, access to the relevant inside information / price sensitive information shall be restricted, as far as practicable, to the highest level of management and on a need-to-know basis. The responsible senior executive shall (a) maintain a list of personnel who have access to the withheld inside information / price sensitive information, and (b) closely monitor and regularly report to the President and Chief Financial Officer on the development or progress of the relevant matter with a copy to the Company Secretary and the Head of Group Investor Relations & Corporate Communications. The Company Secretary shall, during the period before the relevant inside information / price sensitive information is disclosed, closely monitor the activity of Company's securities, and prepare a "holding" announcement to be released when there is increased rumour and speculation relating to the undisclosed information whilst the Head of Group Investor Relations & Corporate Communications shall closely monitor market response and keep the President updated.

6.2 An announcement of the relevant information shall, subject to the recommendations of the President and the Chief Financial Officer or approval of the Board, as the case may be, be published without further delay once the matter, development or event has been concluded and finalised.

7. Maintaining Confidentiality and Dealing Restrictions

7.1 Directors and employees

Directors and employees who possess unpublished inside information / price sensitive information must:

- (a) refrain from discussing that information with, or divulging that information to, any unauthorized persons (in the case where a transaction is being discussed, divulgence of information should be limited to persons involved with the transactions only); and
- (b) ensure that any documents or other written material in his/her possession in relation to that information are properly and securely stored and are not disclosed to any unauthorised persons.

Directors and employees must not deal in the Company's securities when they are in possession of unpublished inside information / price sensitive information. Details of dealing restrictions imposed on Directors and employees are respectively set out in the memo to directors and senior management dated 3 July 2012 regarding model code for securities transactions by directors of listed companies and Code of Conduct as set out in the Company's Group Human Resources & Administration Policy Manual.

7.2 External parties

Any external parties who may become privy to the Company's unpublished inside information / price sensitive information shall be informed that they must not divulge such information to any unauthorised persons without the Company's prior written consent. Unless an obligation of confidentiality is implicit in the relationship with an external party, such parties who have access to unpublished inside information / price sensitive information of the Company shall (a) confirm their commitment to non-disclosure of the received information in the form of a written confidentiality agreement or in a standard clause within the contract signed with the Company; (b) undertake not to deal in the Company's securities whilst they are in possession of the unpublished inside information / price sensitive information until such information has been publicly disclosed.

8. Trading Suspension

The Board may, if and when appropriate, apply for a suspension in the trading of the Company's securities in order to maintain fair trading in its securities and to manage any disclosure issues before the inside information / price sensitive information is publicly disclosed.

9. Communication Guidelines

9.1 Selective disclosure of inside information / price sensitive information before such information is publicly released must be avoided. As a general principle, only authorised persons shall explain information already in the public domain, and shall avoid giving answers which individually or cumulatively may provide unpublished or potential inside information / price sensitive information to the receiving party.

9.2 To reduce the risks of providing unpublished or potential inside information / price sensitive information in meetings / briefings with the media / analysts / investors, the following procedures shall be closely observed:-

- (a) any communications materials or events at any of the group companies, which are liable to have an impact on the Company's share price or its reputation must be communicated in advance to the Head of Group Investor Relations & Corporate Communications who is the authorised person under 1.3 of this Policy and will collectively work with the relevant Business Units/ Department Heads to ensure that the Company and its affiliates are fully prepared and informed before any action is taken;
- (b) all such information related to the Company may be issued for public release only upon approval by the Head of Group Investor Relations & Corporate Communications;
- (c) all information released must be consistent, clear, precise, unambiguous, and verifiable, and must not be misleading (including by omission); and

- (d) at both the Company's level and also at a number of the Business Units there may be allocated authorised persons who are trained and appointed to speak to the press. For those Business Units with no designated media authorised persons, any media enquiry that relates to the Company should be directed to the Head Office. Business Units can speak only about their businesses, operations and products to the extent that this is not inside information / price sensitive information. Prior approval from the Head of Group Investor Relations & Corporate Communications is required if the subject relates to strategies and directions of the Company and / or inside information / price sensitive information. They are not permitted to speak on behalf of the Company without express authorisation to do so.

9.3 Comments on analysts' reports shall be limited to:

- (a) information that has been disclosed publicly; and
- (b) correction to factual errors or assumptions with reference to publicly available information.

10. Queries

If, at any time, Directors or employees have any queries regarding their reporting obligations, they shall contact the Company Secretary immediately.

Appendix 1

Examples of Possible Inside Information under the Guidelines on Disclosure of Inside Information by Securities and Futures Commission

- Changes in performance, or the expectation of the performance, of the business;
- Changes in financial condition, e.g. cashflow crisis, credit crunch;
- Changes in control and control agreements;
- Changes in directors and (if applicable) supervisors;
- Changes in directors' service contracts;
- Changes in auditors or any other information related to the auditors' activity;
- Changes in the share capital, e.g. new share placing, bonus issue, rights issue, share split, share consolidation and capital reduction;
- Issue of debt securities, convertible instruments, options or warrants to acquire or subscribe for securities;
- Takeovers and mergers (corporations will also need to comply with the Takeovers Codes that include specific disclosure obligations);
- Purchase or disposal of equity interests or other major assets or business operations;
- Formation of a joint venture;
- Restructurings, reorganizations and spin-offs that have an effect on the corporation's assets, liabilities, financial position or profits and losses;
- Decisions concerning buy-back programmes or transactions in other listed financial instruments;
- Changes to the memorandum and articles (or equivalent constitutional documents);
- Filing of winding up petitions, the issuing of winding up orders or the appointment of provisional receivers or liquidators;
- Legal disputes and proceedings;
- Revocation or cancellation of credit lines by one or more banks;
- Changes in value of assets (including advances, loans, debts or other forms of financial assistance);
- Insolvency of relevant debtors;
- Reduction of real properties' values;
- Physical destruction of uninsured goods;
- New licenses, patents, registered trademarks;

- Decrease or increase in value of financial instruments in portfolio which include financial assets or liabilities arising from futures contracts, derivatives, warrants, swaps protective hedges, credit default swaps;
- Decrease in value of patents or rights or intangible assets due to market innovation;
- Receiving acquisition bids for relevant assets;
- Innovative products or processes;
- Changes in expected earnings or losses;
- Orders received from customers, their cancellation or important changes;
- Withdrawal from or entry into new core business areas;
- Changes in the investment policy;
- Changes in the accounting policy;
- Ex-dividend date, changes in dividend payment date and amount of dividend; changes in dividend policy;
- Pledge of the corporation's shares by controlling shareholders; or
- Changes in a matter which was the subject of a previous announcement.