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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

PROFIT WARNING

This announcement is made by CITIC Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of CITIC Limited wishes to inform shareholders and potential investors that based on currently available financial information, the Company’s 2016 interim results will be affected by a number of significant factors.

(i) In the first half of 2015, the Company recognised a profit after tax of approximately HK\$9.6 billion due to the disposal of a 3.16% equity interest in CITIC Securities Co., Ltd. (“**CITIC Securities**”) and an accounting gain when CITIC Securities issued additional shares to investors. No such profit would be recognised in the first half of 2016;

(ii) The Company’s proposed sale of its mainland China residential property projects to China Overseas Land & Investment Limited (the “**Transaction**”) has resulted in the restructuring related tax payments and other expenses to be booked in the first half of 2016. In addition, the overall decline in the completed and delivered property projects has resulted in a decrease in profit for property business. However, the Company expects to record a gain from the Transaction in the second half of 2016;

(iii) The Chinese stock market remained sluggish in the first half of 2016. Based on the preliminary financial data published by CITIC Securities, an associate company, there will be a decrease in profits after tax attributable to the Company for the first half of 2016 compared to the corresponding period of 2015; and

(iv) Given CITIC Limited's main operations and assets are in mainland China, the depreciation of Renminbi in the first half of 2016 has meant that the Company's net profit, when translated into Hong Kong Dollars, the Company's reporting currency, is less.

As a result, it is expected that CITIC Limited will record a decline in net profit attributable to ordinary shareholders of approximately 40% - 50% for the six months ended 30 June 2016, compared to a net profit attributable to ordinary shareholders of HK\$37.7 billion for the six months ended 30 June 2015.

The Company is still in the process of finalising the unaudited consolidated financial statements for the six months ended 30 June 2016, which is expected to be published on or before 31 August 2016 pursuant to the Listing Rules. The information set out in this announcement is only based on a preliminary assessment by the management of the Company based on the consolidated management accounts of the Company and other information currently available to the Company, which has not been reviewed or audited by the Company's auditors. Details on the financial information for the six months ended 30 June 2016 to be disclosed in the interim results announcement of the Company shall prevail.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board

CITIC Limited

Ricky Choy Wing Kay Tang Zhenyi

Joint Company Secretaries

Hong Kong, 22 July 2016

As at the date of this announcement, the executive directors of the Company are Mr Chang Zhenming (Chairman), Mr Wang Jiong, Ms Li Qingping and Mr Pu Jian; the non-executive directors of the Company 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 the Company 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.