



中信
CITIC

Review of 2018 Half-Year Results

29 August 2018

OVERVIEW

\$30.7bn

profit attributable to ordinary shareholders

+6%

excluding 1H17 revaluation gains and 1H18 exchange rate effect

\$1.05

earnings per share

32%

non-financial

9%

contribution from recent investments incl. COLI

\$0.15

dividend per share

\$19.2

ordinary shareholders' funds per share



Financial Services
+14%



Resources & Energy
turnaround



Manufacturing
+37%



Engineering Contracting
+127%



Real Estate
-17%

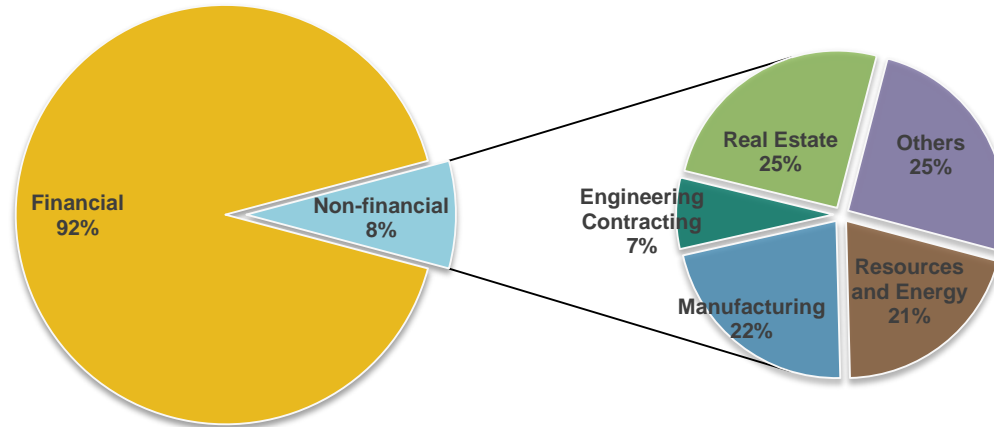
2018 HALF-YEAR RESULTS

<i>HK\$ million</i>	1H2018	1H2017 (Restated)	Increase/(Decrease)	
			Amount	%
Revenue	258,323	199,990	58,333	29%
Profit before taxation	56,597	53,741	2,856	5.3%
Profit attributable to ordinary shareholders	30,668	32,234	(1,566)	(4.9%)
Earnings per share (HK\$)	1.05	1.11	(0.06)	(4.9%)
Dividend per share (HK\$)	0.15	0.11	0.04	36%
Capital expenditure	17,349	9,939	7,410	75%
Total assets	7,628,950	7,520,739*	108,211	1.4%
Total liabilities	6,814,272	6,727,098*	87,174	1.3%

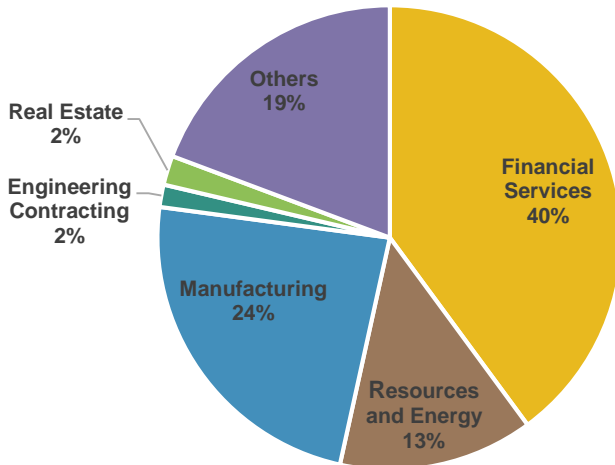
*as at 31 Dec 2017

SEGMENT INFORMATION

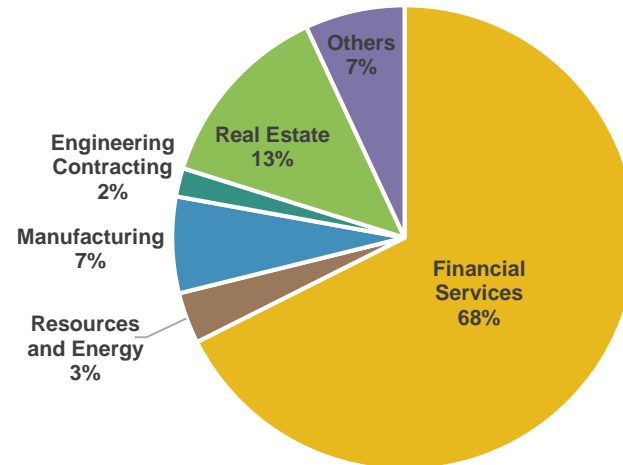
Total assets



Revenue



Profit contribution



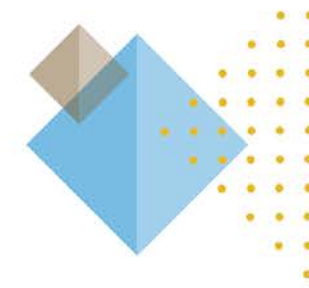
CONSOLIDATED DEBT OF THE GROUP

<i>HK\$ million</i>	1H2018	2017*	Increase/(Decrease)	
			Amount	%
Financial services	667,727	536,414	131,313	24%
Resources and energy	39,851	44,498	(4,647)	(10%)
Manufacturing	32,152	30,762	1,390	4.5%
Engineering contracting	2,353	1,267	1,086	86%
Real estate	7,936	7,898	38	0.5%
Others	37,000	47,109	(10,109)	(21%)
Operation management	163,416	150,333	13,083	8.7%
Elimination	(25,675)	(22,468)	(3,207)	(14%)
Total	924,760	795,813	128,947	16%

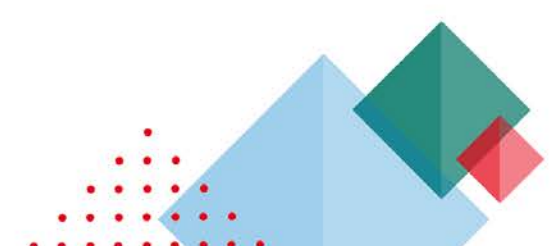
*as at 31 Dec 2017

CAPITAL EXPENDITURE

<i>HK\$ million</i>	1H2018	1H2017	Increase/(Decrease)	
			Amount	%
Financial services	1,734	1,027	707	69%
Resources and energy	835	2,419	(1,584)	(65%)
Manufacturing	6,479	1,798	4,681	260%
Engineering contracting	1,010	922	88	9.5%
Real estate	1,016	869	147	17%
Others	6,275	2,904	3,371	116%
Total	17,349	9,939	7,410	75%



OUR BUSINESS



FINANCIAL SERVICES

<i>HK\$ million</i>	1H2018	1H2017 (Restated)	Change
Revenue	103,068	89,943	15%
Profit attributable to ordinary shareholders	24,256	21,276	14%
Assets	7,010,250	6,925,076*	1.2%
Capital expenditure	1,734	1,027	69%

*as at 31 Dec 2017

CITIC Bank

- Net profit increased 7.1% to RMB25.7bn
- Non-interest income continued its upward trend — 38.8% of revenue vs 35.5% in 1H17
- Net interest margin widened 12bps YoY to 1.89%
- NPL ratio up 12bps to 1.80% YTD
- aiBank, launched in Nov 2017, with total assets of RMB21bn at the end of Jun 2018



FINANCIAL SERVICES (continued)

CITIC Trust

- Net profit declined 24% to RMB1.2bn, due to mark-to-market loss on investment in China Hongqiao
- Core business remained stable distributing RMB41.4bn in trust profit attributable to beneficiaries — up 21% vs 1H17

CITIC-Prudential

- Premium and investment income experienced double-digit growth
- Net profit declined 4.6% to RMB472mn due to increased income tax

CITIC Securities

- Net profit up 13% to RMB5.6bn
- Stable business growth in key businesses, maintaining industry leadership positions

RESOURCES AND ENERGY

<i>HK\$ million</i>	1H2018	1H2017 (Restated)	Change
Revenue	34,994	32,172	8.8%
Profit attributable to ordinary shareholders	1,279	(266)	Turn from loss to profit
Assets	129,313	129,438*	(0.1%)
Capital expenditure	835	2,419	(65%)

**as at 31 Dec 2017*

CITIC Resources

- Higher oil prices and stringent ongoing cost control led to net profit increase of 186% to HK\$529mn
- Renewed production sharing contract of Seram Non-Bula Block in Indonesia

CITIC Metal

- Net profit rose 41% to HK\$776mn
- Agreement to acquire 19.5% stake in Canadian company Ivanhoe Mines, gaining exposure to three mines in Southern Africa

Sino Iron

- Export of magnetite concentrate increased 20% to a record 9.4mn wmt; number of shipments increased 18%
- Operating costs trending down due to rising production and ongoing cost-reduction measures

MANUFACTURING

<i>HK\$ million</i>	1H2018	1H2017 (Restated)	Change
Revenue	61,125	40,937	49%
Profit attributable to ordinary shareholders	2,406	1,751	37%
Assets	138,195	130,381*	6.0%
Capital expenditure	6,479	1,798	260%

**as at 31 Dec 2017*

CITIC Pacific Special Steel

- Net profit increased 31% to HK\$1.6bn; sales volume grew 34% to 5.73mn tonnes due to contribution from Qingdao Special Steel; average selling price up 12%
- Acquired Hualing Special Steel (renamed Jingjiang Special Steel) in Jiangsu adding 600k tonnes of seamless steel tube and 600k tonnes of bar steel capacity

CITIC Dicastal

- Net profit rose 30% to RMB597mn with sales of wheels and castings rising 10% and 3.4% respectively
- Expanding production capacity in Qinhuangdao headquarters, Chengdu, Wuxi; improving production utilisation rate at plant in the US

CITIC Heavy Industries

- RMB63mn net profit driven by strong performance of its specialty robotics division

ENGINEERING CONTRACTING

<i>HK\$ million</i>	1H2018	1H2017	Change
Revenue	4,015	3,653	9.9%
Profit attributable to ordinary shareholders	704	310	127%
Assets	46,260	46,127*	0.3%
Capital expenditure	1,010	922	9.5%

**as at 31 Dec 2017*

CITIC Construction

- Net profit of RMB518mn primarily from tax saving and investment gains
- RMB15.3bn of newly signed contracts — nearly twenty-fold increase on 1H17 — including projects in Kazakhstan, the Maldives and South Korea

CITIC Engineering Design

- Net profit increased 142% to RMB213mn, primarily from EPC projects in Wuhan
- New contracts signed in 1H18 totaled RMB3.5bn, more than doubling the amount in 1H17; a RMB700mn design contract in Hubei — largest ever for the company



REAL ESTATE

<i>HK\$ million</i>	1H2018	1H2017	Change
Revenue	5,270	1,228	329%
Profit attributable to ordinary shareholders	4,747	5,691	(17%)
Assets	159,637	159,664*	(0.02%)
Capital expenditure	1,016	869	17%

**as at 31 Dec 2017*

- Profit contribution declined 17% to HK\$4.7bn
- HK\$2.1bn from 10% interest in COLI
- Contribution from Hong Kong luxury residential project Kadooria

OTHERS

<i>HK\$ million</i>	1H2018	1H2017	Change
Revenue	49,822	32,037	56%
Profit attributable to ordinary shareholders	2,498	7,084	(65%)
Assets	158,456	163,835*	(3.3%)
Capital expenditure	6,275	2,904	116%

*as at 31 Dec 2017

CITIC Telecom International

- Net profit increased 7.5% due to strong performance of international telecommunications and enterprise solutions

Dah Chong Hong

- Motor business drove net profit increase of 19%

CITIC Environment

- Net profit grew 256% to RMB182mn; increased investment in waste-to-energy

McDonald's

- Robust earnings growth
- More than 300 new restaurants opened in mainland China in the last 12 months, bringing total restaurant in mainland China and HK to more than 3,000

CITIC Press

- Net profit remained flat at RMB115mn



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Thank You

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