

OUR BUSINESSES







FINANCIAL SERVICES

Our financial business spans the banking, trust, insurance and securities sectors. CITIC Limited offers a full-service platform to provide integrated financial solutions for customers.

Major subsidiaries

CITIC Bank is a fast-growing commercial bank providing corporate banking, retail banking and financial markets services.

CITIC Trust is the largest trust company in China in terms of total assets under management.

CITIC-Prudential is a joint venture between CITIC Corporation and Prudential that provides life, health, accident insurance as well as other reinsurance services.

CITIC Securities is the largest securities company in China, with businesses covering investment banking, brokerage, securities trading and asset management.

<i>HK\$ million</i>	2016	2015	Change
Revenue	187,537	205,378	(9%)
Profit attributable to ordinary shareholders	38,406	52,753	(27%)
Total assets	6,729,902	6,211,176	8%
Capital expenditure	16,350	13,819	18%

In 2016, CITIC Limited's financial services business recorded revenue of HK\$187.5 billion, a drop of 9% from last year. Profit attributable to ordinary shareholders was HK\$38.4 billion. Excluding the impact of a one-off equity disposal gain and new share placement by CITIC Securities in 2015 as well as the decrease of CITIC Limited's average shareholding of CITIC Bank and the depreciation of Renminbi that affected our reporting currency in Hong Kong dollar, profit attributable to ordinary shareholders was 3% lower than last year.

Affected by the replacement of the business tax with a value-added tax, the revenue from the banking business nevertheless recorded growth that was 6% higher than last year. The income mix was further improved with growing non-interest income while total interest-earning assets continued to increase. However, an increased impairment for non-performing loans dragged down the bottom line, which increased slightly by 1% compared with 2015. Sluggish equity markets in China, meanwhile, had a significant impact on the greatly reduced revenue and net profit performance of CITIC Securities. Net profit at CITIC Trust largely remained stable compared with 2015. Throughout the year, premium income at CITIC-Prudential grew steadily, leading to an overall net profit increase of 83%.



CITIC Bank

CITIC Bank is a fast-growing commercial bank engaged in the corporate banking, retail banking and financial markets businesses.

Year in review

<i>RMB million</i>	2016	2015	Change
Revenue	154,159	145,545	6%
Profit attributable to ordinary shareholders	41,629	41,158	1%
Total assets	5,931,050	5,122,292	16%

Ongoing reform of the financial system and interest rate liberalisation continued to drag down the performance of the Chinese banking sector in 2016, compounded by volatility in global markets and rising competition from fast-growing fintech players. These headwinds presented an increasingly challenging operating environment for Chinese banks, raising new obstacles to sustained profitability, effective risk management and competitive operational efficiency.

Despite these challenges, CITIC Bank continued to make some achievements during the year through enhancements to the integrated service capabilities and the overhaul of the retail banking business, resulting in an improved revenue structure and greater profitability. To improve the capital allocation, the bank focused growth in off-balance sheet financing and other capital-light businesses. More stringent risk management and disciplined control also kept the asset quality manageable in 2016.



Even with the replacement of the business tax with a value-added tax during 2016, revenue was recorded at RMB154.2 billion, a year-on-year increase of 6%. The income mix was further improved with the growing non-interest income while the increasing total interest-earning assets largely offset the impact from the narrowed margin. After the impairment for non-performing loans was increased, profit attributable to ordinary shareholders was RMB41.6 billion, up slightly 1% over last year.



Corporate banking

As CITIC Bank's main revenue contributor, corporate banking generated 56% of total revenue last year. Corporate loans and corporate deposits continued to grow steadily, ending the year, up 4% year-to-date at RMB1,846.3 billion and up 17% at RMB3,081.3 billion, respectively. In terms of total volume, both these figures gave the bank a first-place ranking among joint-stock banks¹ in 2016.

During the year, CITIC Bank closely aligned itself with macroeconomic policies to support the development of the real economy in China. It also improved the credit profile by increasing the bank's exposure to top global and Chinese businesses, as well as industry leaders.

Capitalising on opportunities emerging from Chinese companies' Go Global strategies, the bank also provided financing for several important international M&A transactions, acting as the pioneer of the market.

<i>RMB million</i>	Revenue 2016	By percentage 2016	Revenue 2015	By percentage 2015
Corporate banking	85,639	56%	85,314	58%
Retail banking	40,175	26%	33,333	23%
Financial markets	16,109	10%	18,359	13%
Others	12,236	8%	8,539	6%



Retail banking

The revenue contribution from retail banking again increased during the year as a result of productivity gains from the ongoing transformation of this business. Revenue grew by 21% to reach RMB40.2 billion, accounting for 26% of total revenue.

As at the end of 2016, CITIC Bank deepened its exposure to more profitable customer segments, increasing the pool of medium- and high-end customers by 21% to 504,500. The number of private banking customers, meanwhile, grew to over 22,000, up 31% year-on-year. Through the renewed focus on these customer segments, the business had largely optimised returns

¹ Including China CITIC Bank, China Merchants Bank, China Minsheng Bank, Industrial Bank, Shanghai Pudong Development Bank, China Everbright Bank, Huaxia Bank, Ping'an Bank, Guangdong Development Bank, China Zheshang Bank, China Bohai Bank and Evergrowing Bank.

on its service capacity by the end of the year. AUM and individual loans in 2016 exceeded RMB1.3 trillion and RMB950 billion, respectively, while revenue in the credit card business hit a historical high of RMB25.5 billion, up 36% from 2015. Popular services like Going-abroad Finance and collateral loans pledged by house also continued to grow.

In internet finance, CITIC Bank made several breakthroughs over the year. It led the establishment of a new “Online Finance Alliance”, a shared platform of 11 commercial banks, while continuing to deepen its collaboration with JD.com and develop the Baidu-partnered Baixin Bank. In 2017, Baixin Bank was approved by the China Banking Regulatory Commission as an independent legal entity to offer direct banking service.

CITIC Bank also enhanced its digital capabilities throughout the year, particularly the mobile platform. To upgrade the online customer service capabilities, it launched a new and improved website while added centralised payment and other integrated functions. In addition, it introduced new online payment products such as E-pos, CITIC e-pay and Cross-border pay. As a result of these improvements, the total volume of CITIC Bank’s online customer base, online sales penetration and digital revenue contribution rose over the year. On the back of all this growth, the bank also improved the utilisation of data analytics to develop a more targeted digital marketing capability.

Across its branch network, CITIC Bank improved the cost structure and introduced new services, including self-service, at various facilities, in line with the strategy of optimising the offerings of each branch location and its unique local customer profile. The overall streamlined

processes helped reduce costs while improving the customer experience and service efficiency.

Financial markets

CITIC Bank’s financial markets business is focused on monetary, capital and international financial markets. Products and services include bond market-making and underwriting, foreign currencies, currency trading, interbank market, bank bill, and wealth management products, as well as a range of other specialised investment and financing offers.

Amidst rapid changes taking place in financial markets during the year, the bank reduced the exposure to increasingly low-yield, high-risk assets. Leveraging its network, funds, expertise and brand, it expanded the offerings among services promising higher returns, particularly in relation to the foreign exchange and interbank wealth management products.

In 2016, the financial markets arm of CITIC Bank enjoyed a leading market position among China’s joint-stock banks in 2016 in terms of turnover of foreign exchange spot trading, balance of international payments, AUM of bank bills, and turnover of electronic billing. CITIC Bank was named as market maker in direct trading of Chinese Yuan Renminbi to South African Rand, Canadian Dollar, Danish Krone, Norwegian Krone, covering the domestic interbank market of less actively traded currencies and further improving our leading position in this market. In addition, CITIC Bank’s Asset Management Business Center was formally established as a platform for cooperation with over 200 institutional clients comprising securities firms, insurance companies and trust companies.



CITIC Trust

CITIC Trust is the largest trust company in China with total trust assets under management (AUM) of over RMB1,764 billion as at the end of 2016, a year-on-year growth of 27%. For past 10 consecutive years, the company has been the country's largest trust provider in terms of total AUM.

Organic growth remained stable through 2016 and generated revenue of RMB5.8 billion in 2016, representing a year-on-year decrease of 2% if excluding the one-off investment gain from the sale of Taikang

Insurance's equity. The decline was mainly due to the year-on-year reduction in investment gain under its proprietary business. Net profit attributable to shareholders amounted to RMB3.1 billion, largely stable compared to last year while the trust profit attributable to beneficiaries was RMB56.1 billion.

The net capital adequacy ratio remained solid at 172% at the end of 2016 while net capital of the company was RMB13.9 billion, both much higher than the regulatory requirements.

Year in review

RMB million	2016	2015	Change
Revenue	5,818	10,263	(43%)
Net profit attributable to shareholders	3,122	3,145	(1%)
Total assets	27,922	23,799	17%

The company has been able to maintain its leading position because of the comprehensive range of integrated solutions it offers across financing, asset management and trust services. Clients are primarily institutional investors and wealthy individuals. CITIC Trust's businesses consist of client-facing trust business, as well as a proprietary business and a range of specialised subsidiaries.

- The trust business offers financing, investment and asset management across financial market and industrial market under trust law. As of the end of 2016, trust assets amounted to RMB1,424.9 billion, an increase of 39% over the previous year. In 2016, revenue from the trust business reached RMB4.3 billion, comprising 74% of total revenue.
- The proprietary business provides sufficient liquidity for and serves as a cornerstone for the trust business by effectively managing internal capital utilisation. As of the end of 2016, proprietary assets amounted to RMB27.9 billion, representing an increase of 17% over the previous year.
- Specialised subsidiaries aim to explore and increase CITIC Trust's exposure to asset management, overseas businesses and consulting service in order to provide synergies and add value for the core business.



In response to the asset shortage in 2016, CITIC Trust continued to innovate, creating a new growth engine. The company introduced a new brand "CITIC Family Trust" and launched its first cross-border employee stock ownership trust in China. It also was nominated as the fund manager for Guizhou Province's PPP Fund with the fund size of RMB10 billion. With all of these achievements, the company was recognised as the most innovative trust company in China.

CITIC-Prudential

CITIC-Prudential is a fifty-fifty joint venture between CITIC Corporation Limited and Prudential Corporation Holdings Limited, offering life, health and accident

insurance, as well as reinsurance services. As of the end of 2016, CITIC-Prudential had a total of 167 branches in 67 cities across China.

Year in review

<i>RMB million</i>	2016	2015	Change
Operating Revenue	9,845	8,183	20.3%
Net profit attributable to shareholders	700	382	83.3%
Total assets	54,672	47,975	14.0%

The role of commercial insurance in China continued to grow in 2016, driven by the ongoing maturation of the Chinese economy, accelerating supply-side reform and a rapidly aging population. Innovation within the industry also gathered pace as new applications for data analytics and an emerging consumer appetite for buying insurance products online created a boom in new products and consumer-facing platforms. Additionally, risks associated with capital usage increased against the background of an economic downturn and falling interest rates. Accordingly, the nature of insurance industry — hedging against the risk of losses, has been re-addressed by the Chinese Insurance Regulatory Commission.

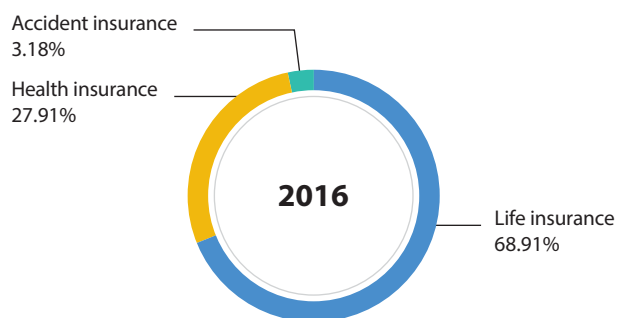
In this market environment, CITIC-Prudential achieved solid growth across all business segments for the year, while accelerating reform and innovation. Operating revenue was RMB9.8 billion, representing an increase of 20%, while total assets were RMB54.7 billion, up 14% year-on-year. Despite an overall downturn in industry performance in 2016, net profit grew by 83% to reach RMB700 million.

Another key strategic focus for CITIC-Prudential in 2016 was to optimise risk management. After successfully implementing a new framework for managing solvency risks, we received “A” grades in Integrated Risk Rating for Q1 to Q4 2016.

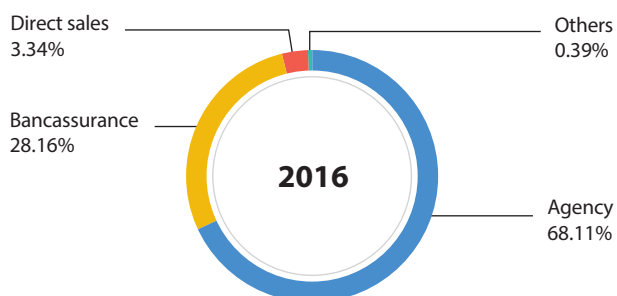
Products

CITIC-Prudential’s core businesses offer life and health insurance, complemented by accident insurance and asset management services. For the year 2016, the company recorded total premium income RMB8.2 billion, increased by 32% and premium income RMB5.7 billion in its life insurance business, representing an annual increase of 25%. Health insurance premium income, meanwhile, reached RMB2.3 billion, an increase of 59% year-on-year, and the proportion increased by 4.7%.

Premium income by insurance type



Breakdown of insurance premium income by channel



CITIC-Prudential achieved growth in terms of both premium income and embedded value, the company achieved growth by adding more HNWI clients to its traditional customer base through product mix optimisation. The development of long-term protection products was further enhanced in the agency channel and, in a successful brand-building exercise for CITIC-Prudential, upgraded primary health products to reinforce its leading position in this market. In bancassurance, the company remodelled this channel for value enhancement and scaled down the business in short or medium duration products. Thanks to stronger efforts to the development and promotion of regular-pay products, the proportion of regular-pay business increased significantly thus achieving stable value.



Distribution

Agency and bancassurance are CITIC-Prudential's two primary distribution channels. In 2016, CITIC-Prudential grew its agency force substantially, ending the year with 33,075 agents for an annual increase of 51%. Insurance premium income from the agency channel was also strong, accounting for 68% of CITIC-Prudential's total premium income of RMB5.6 billion, and the proportion increased by 0.59%. Although still in the initial stage, remodelling the bancassurance channel business has been successful as a result of the significant optimisation of the product mix. Moreover, insurance premiums from first year regular-pay premium increased from 9% in 2015 to 39% as a percentage of total income. Breakthroughs were also made in new bancassurance partnerships with Agricultural Bank of China and Minsheng Bank, while strategic partnerships were expanded with CITIC Bank and Standard Chartered Bank. In the e-commerce channel, we further standardised processes in accordance with regulatory procedures and established internet business management platform.



CITIC Securities

CITIC Securities is the largest securities company in China, with businesses covering investment banking, brokerage, securities trading and asset management.



Year in review

<i>RMB million</i>	2016	2015	Change
Revenue	50,067	72,924	(31.3%)
Net Profit attributable to shareholders	10,365	19,800	(47.7%)
Assets	597,439	616,108	(3%)



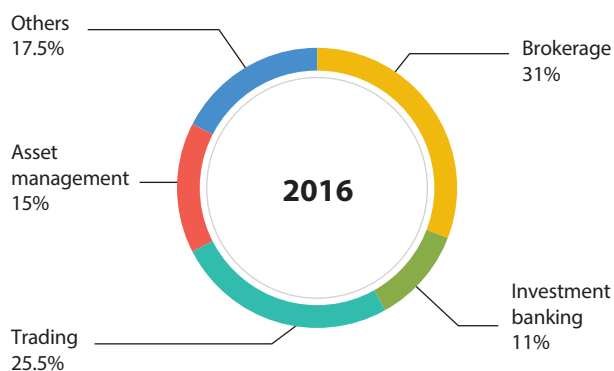
In 2016, both revenue and profit of CITIC Securities maintained the first in the industry in mainland China, and all its other businesses outperformed those of most of its competitors. Affected by the general market environment in 2016, CITIC Securities recorded a decrease in operating results in 2016 as compared to the corresponding period in 2015. In particular, its operating income and net profit attributable to shareholders of the parent decreased by 31.3% and 47.7% over 2015 respectively.

Investment banking

CITIC Securities' equity financing business continued to post significant growth in 2016, cementing the firm's leadership over the A-share market. As the lead underwriter on transactions with an aggregate value

of RMB240.8 billion, the business closed the year with a market share of 12%.

Revenue distribution





The company's debt and structured financing business, also the market leader in China, completed 320 projects with an aggregate value of RMB379.7 billion, in lead underwriting bonds, medium term notes, commercial papers and asset-backed securities, representing a market share of 2.6%, ranking second in the industry.

CITIC Securities completed material assets restructuring of A-share companies with an aggregate value of RMB119.7 billion, ranking first in the industry. In mergers and acquisitions, CITIC Securities was number two among Chinese securities firms for merger and acquisition transactions participated by Chinese companies.

CITIC Securities lead sponsored a total of 174 enterprises for listing on China's over-the-counter market, the National Equities Exchange and Quotation exchange, with an aggregate amount raised of approximately RMB14.1 billion, ranking first in the market.

Globally, CITIC Securities International and CLSA Limited also completed 11 IPOs, 13 re-financing projects, 16 debt financing projects and 13 financial advising projects.



Brokerage Services

In 2016, CITIC Securities' brokerage business maintained its market-leading position with improvement in its key market indicators. Its market share in terms of net income from brokerage fee was 5.3%, an increase of 4% as compared to 2015, jumping three spots to number two in the market ranking. The trading turnover of equities and funds handled by CITIC Securities was RMB14.9 trillion with a market share of 5.7%, maintaining the second highest in the industry.

Asset management

The asset management business continued to grow strongly in 2016: total AUM amounted to RMB1.8 trillion at the end of the year. Among securities firms in China, CITIC Securities' asset management business maintained the first ranking in terms of total AUM.

CITIC Securities is also the largest shareholder of China AMC, a leading asset management company with RMB1 trillion under management as at the end of 2016, an increase of 16% over the previous year.

Trading

CITIC Securities' trading business includes both flow-based business and proprietary trading.

For flow-based business, CITIC Securities provides its clients financial services such as equity flow-based business, fixed income, commodities and prime services. The balance of the margin financing and securities lending reached RMB62.7 billion, with a market share of 6.67%, making it the top in the market.

The company makes both proprietary trading and alternative investment. The Company strengthened its risk management protocols in 2016 by taking risk-to-revenue ratio as a mandatory criterion in investment decisions.



RESOURCES AND ENERGY



Our resources and energy business comprises the exploration, mining, processing and trading of energy products and mineral resources as well as power generation. We hold interests in projects in China, Australia, Brazil, Peru, Gabon, Indonesia and Kazakhstan.

Major subsidiaries

CITIC Resources has interests in oil exploration, development and production, coal mining, import and export of commodities, aluminium smelting, bauxite mining, alumina refining, and manganese mining and processing. The company is listed on the Hong Kong Stock Exchange.

CITIC Mining International, through its Australian subsidiary CITIC Pacific Mining, develops and operates the Sino Iron project, the largest magnetite operation in Australia.

CITIC Metal Group invests in minerals projects and trades commodities.

Sunburst Energy manages a number of power plants and a coal mine in China.

<i>HK\$ million</i>	2016	2015	Change
Revenue	50,254	45,664	10%
Profit attributable to ordinary shareholders	(6,899)	(17,251)	60%
Total assets	135,784	141,693	(4%)
Capital expenditure	4,874	12,059	(60%)



Year in review

In 2016, the resources and energy business generated revenue of HK\$50.3 billion, increased 10% from the previous year. It incurred a loss of HK\$6.9 billion, due mainly to a HK\$7.2 billion non-cash impairment charge (after-tax) on the Sino Iron project in Western Australia.

Global demand for commodities and energies tracked up in 2016, but oil and commodity prices were still at a low level, which affected our crude oil business. CITIC Resources became profitable in 2016 against the backdrop of challenging environment. CITIC Limited's power generation business remained a stable cash generator. In Peru, the Las Bambas copper mine project, in which CITIC Metal Group holds a 15% interest, also became profitable once it began commercial production in 2016.

CITIC Metal Group is a newly-established subsidiary formed through the integration of two former subsidiaries, CITIC Metal and CITIC United Asia, to enhance the business' investment strength and trading power in the commodities markets. As of May 2016, all six lines of the Sino Iron Project were operational.



Energy products

Crude oil

At the start of 2016, oil prices continued to decline, with the Brent oil price falling at one point to US\$26 per barrel in January. A modest recovery began in February and thereafter trended upwards for the rest of the year, albeit the recovery was modest and oil prices still remained at relatively low levels, which had a significant impact on CITIC Resources' oil business.

In 2016, CITIC Resources produced an average of 50,580 barrels per day (100% basis¹), an overall increase in oil production for the year and a year-on-year increase of 2%.

JSC Karazhanbasmunai (KBM), a 50% joint venture between CITIC Resources and JSC KazMunaiGas Exploration

¹ 100% basis: based on the production of every oilfield



Production, produced a daily average of 38,800 barrels (100% basis), a slight drop of 1% compared with 2015.

The Yuedong oilfield in China, in which CITIC Resources holds a 90% interest, utilised thermal recovery on a more extensive scale during the year, resulting in a boost to average daily production of 10% year-on-year to 8,010 barrels (100% basis).

The Seram Block in Indonesia, in which CITIC Resources holds a 51% interest, increased its average daily production by 13% to 3,770 barrels (100% basis),



attributable to the commencement of production on new development wells.

Oilfields (100% basis)

	Proved oil reserves estimates as of 31 December 2016 (million barrels)
Karazhanbas oilfield	241.3
Yuedong oilfield	19.2
Seram Block	2.9

Coal

CITIC Resources holds a 14% participating interest in the Coppabella and Moorvale coal mines joint venture and interests in a number of coal exploration operations in Australia.

In China, Sunburst Energy has a 30% interest in Xin Julong coal mine in Shandong Province, of which the production capacity was 7 million tonnes in 2016.

Power generation

Sunburst Energy manages a number of coal-fired power stations in China, with a total installed capacity of over 6,340MW. In 2016, these stations yielded total electricity generation of 31.6 billion kWh, contributed in large part by the Ligang Power Plant in Jiangsu Province, one of the largest coal-fired power stations in the country with an installed capacity of 3,980 MW. The operating environment in 2016 was full of challenges, because higher coal price sent the cost of electricity generation soaring and the on-grid tariff was lowered. Although the net profit of the power generation business declined compared with 2015, it has outperformed most of its peers owing to an agile

operation strategy by the management team.

In 2016, CITIC Limited acquired a 30% interest in Shenglu Power Plant, which is a coal-fired power station with two 1,000MW generating units in Inner Mongolia as part of the ± 800 kV ultra-high-voltage electricity transmission system between Shanghaimiao, Inner Mongolia and Shandong Province. The Shenglu Power Plant opened the tender process for construction last year.

Metals and minerals

Magnetite iron ore

CITIC Limited, through CITIC Mining International, has the right to mine 2 billion tonnes of magnetite iron ore at Cape Preston, 100km southwest of Karratha in Western Australia's Pilbara region, and has exercised the option to acquire an additional billion tonnes. Sino Iron is the largest magnetite mining and processing project in Australia and has a mine life of over 25 years.

In 2016, Sino Iron achieved significant milestones. In May, lines five and six joined the other four lines in producing premium magnetite concentrate.



In the second half of 2016, Sino Iron began to ramp up concentrate production, while ensuring an integrated “pit-to-port” operation supported by site-based energy and water supply.

From January 2016 to the end of February 2017, more than 13 million wet metric tonnes of premium magnetite concentrate had been delivered to CITIC Limited’s own special steel plants and other steel mills in China. In the year ahead, Sino Iron will continue to optimise its production capabilities by increasing production, maximising efficiency and lowering operating costs as it seeks to achieve the appropriate economies of scale.

Copper

The Las Bambas copper mine project in Peru, in which CITIC Metal Group holds a 15% interest, completed its first shipment of copper concentrate in mid January 2016. The project began commercial production in July and reached design capacity in September. As of the end of 2016, production of copper in concentrates had reached 330,227 tonnes.

Through this partnership, CITIC Metal Group has also secured distribution rights on 26.25% of the copper concentrates extracted from the site. In 2016, 220,000 metric tonnes of copper concentrates were distributed through CITIC Metal Group.

Ferroniobium

CITIC Metal Group holds a small indirect stake in Brazilian miner CBMM, which produces about 80% of the world’s ferroniobium. Through their partnership, CITIC Metal Group holds exclusive distribution rights on this resource in China.

Ferroniobium is used in the production of high strength low alloy steel. CITIC Metal Group primarily serves the medium to large segment.



Manganese

CITIC Dameng is a Hong Kong listed company and one of the largest vertically integrated manganese producers in the world, engaged in the production and sale of manganese products at various stages. CITIC Dameng owns the largest manganese mine in China and has interests in several other mines in China and in Gabon, West Africa.

Trading

CITIC Metal Group and CITIC Resources trade commodities. Major products include iron ore, ferroniobium, copper, aluminium, coal, platinum and steel.



A worker in a white protective suit and red helmet is seen in profile, working in a factory. In the foreground, there are large, dark, textured rolls of material. The background shows industrial equipment, including a yellow sensor or camera mounted on a stand. The scene is lit with a mix of warm and cool tones, and a diagonal blue line runs across the image.

MANUFACTURING

Our manufacturing business includes the manufacture of special steel, heavy equipment and aluminium wheels and castings, all of which enjoy leading market positions in their respective segments in China.

Major subsidiaries

CITIC Pacific Special Steel is the largest dedicated manufacturer of special steel in China.

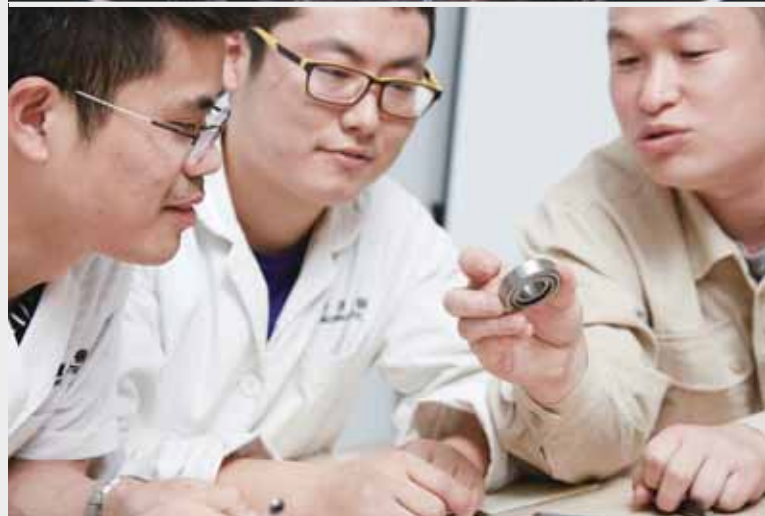
CITIC Heavy Industries is one of the largest manufacturers of heavy equipment in China.

CITIC Dicastal is the world's largest aluminium wheel manufacturer and exporter.

<i>HK\$ million</i>	2016	2015	Change
Revenue	62,350	60,077	4%
Profit attributable to ordinary shareholders	1,740	2,496	(30%)
Total assets	96,112	97,208	(1%)
Capital expenditure	5,405	4,937	9%

In 2016, the business recorded revenue of HK\$62.4 billion, representing a year-on-year increase of 4%. Profit attributable to ordinary shareholders was HK\$1.7 billion, 30% down from last year.

CITIC Pacific Special Steel recorded higher sales compared with 2015. With a focus on higher-margin products and an optimised procurement strategy to manage raw material costs, CITIC Pacific Special Steel achieved a profit growth of over 20% in 2016, excluding the impairment recorded last year. Strong domestic and overseas demand for CITIC Dicastal's products delivered double digit growth in revenue and profit. Heavy Industries suffered a considerable loss due to factors that included continuing weak demand from downstream industries for heavy machinery and equipment, and an impairment charge.



CITIC Pacific Special Steel

CITIC Pacific Special Steel (“Special Steel”) is the largest dedicated manufacturer of special steel in China, with a production capacity of 9 million tonnes per annum. It operates two plants — Jiangyin Xingcheng Special Steel and Hubei Xin Yegang — for producing bars, plates, seamless steel tubes, wires, forging steel and casting billets. Its customers are primarily in the auto components, energy, machinery manufacturing, oil and petrochemicals, transportation, shipbuilding and other industrial sectors.

Year in review

<i>HK\$ million</i>	2016	2015	Change
Revenue	35,166	35,211	(0.1%)
Net profit attributable to shareholders	1,942	1,220	59%
Total assets	53,051	53,221	(0.3%)

Global demand for steel remained weak in 2016. Despite government efforts to step up supply side reform, the Chinese steel market suffered from overcapacity, resulting in a chronically challenging business environment for Chinese steelmakers. Against these headwinds, total sales were up 12% over last year with an end-of-year volume of 7.82 million tonnes. Nevertheless, a lower average selling price left revenue flat at approximately HK\$35.2 billion.

In 2016, Special Steel continued to refine its procurement strategy and maintained overall raw material costs below market levels, despite rising commodities prices

throughout the year. This, coupled with increased sales in higher-margin product categories, enabled the company to end the year with a net profit increase of over 20%, excluding the impairment recorded last year.

More than half of all products manufactured by CITIC Pacific Special Steel in 2016 were sold to the auto components and machinery manufacturing sectors, similar to their contribution last year. Bar steel, plates and seamless steel tubes — the major products of the company contributed over three quarters of total sales volume. The company’s distribution of sales remained

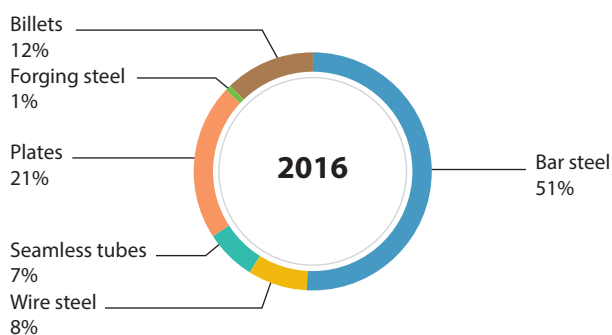


consistent with last year, with over 80% of its products sold in China. Despite the enforcement of international anti-dumping measures against Chinese steel, the company also achieved a total growth in export sales of 8.9%.

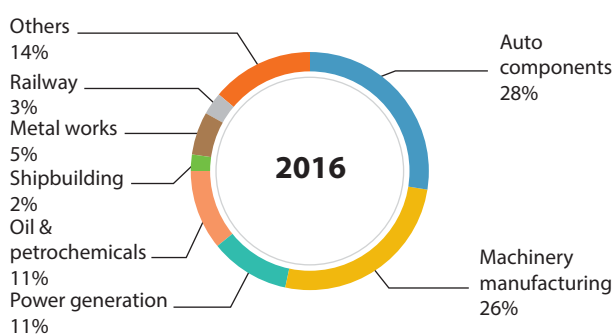
With the establishment of a centralised sales office in 2016, Special Steel achieved further gains integrating

domestic sales and production capacity planning. The company also continued to invest in optimising its product mix, including increased production of higher quality bar steel products. What's more, it also developed 1.17 million tonnes of new products, which comprised 15% of total production in 2016, up 6.4% over last year.

Sales by product



Sales by industry



Key Customers

Customer	Profile	Sales, by volume
Anyo Automotive Material Co., Ltd	"One-stop" procurement platform of SAIC Motor, the largest passenger car maker in China	150,000 tonnes
Shaeffler Group	One of the world's most renowned bearings manufacturers	140,000 tonnes
Wanxiang Group	The largest auto component manufacturer in China	110,000 tonnes
SKF Group	A leading global bearings manufacturer and a global strategic partner of CITIC Pacific Special Steel	100,000 tonnes
Xuzhou Rothe Erde Ring Mill Co., Ltd	A leading global manufacturer of seamless rolled rings and a wholly-owned subsidiary of thyssenkrupp AG	80,000 tonnes



CITIC Heavy Industries

CITIC Heavy Industries is one of the world's leading suppliers and service providers of heavy mining and cement equipment, and one of the largest heavy machinery manufacturers in China. The company engages in the design, manufacturing and sales of large equipment, complete technical equipment and key basic parts in the area of heavy machinery, EPC projects, robotics and intelligent equipment, energy conservation and environmental protection, new energy power equipment and others. The

company's main facilities are located in Luoyang in Henan Province, Tangshan in Hebei Province, and Lianyungang in Jiangsu Province. It also operates a production facility in Vigo, Spain.

As one of the few cement and mining equipment manufacturers certified in both the United States and Europe, CITIC Heavy Industries has customers that include leading industrial companies such as Lafarge, Holcim, Cemex, Heidelberg Cement, Italcementi, VALE, BHP Billiton, China Shenhua Energy, China Huaneng Group, China National Gold Group, and Conch Cement.

Year in review

<i>RMB million</i>	2016	2015	Change
Revenue	3,771	4,021	(6.2%)
Net profit attributable to shareholders	(1,584)	62	NM
Total assets	19,774	20,765	(4.77%)



CITIC Heavy Industries ended the year with revenue of RMB3,771 million, a decline of 6.2% from the year before. The company recorded a loss of RMB1,584 million, mainly due to continuous weak demand for heavy machinery and equipment from downstream industries and a decline in consolidated gross margin caused by significantly increased prices of bulk raw materials and energy. Provisions for asset impairment also dampened profit.

Sales in the construction, mining and power electronics continued to be the main revenue drivers in 2016, representing 35.3%, 19.0% and 13.36% of total revenue, respectively. The company further diversified its

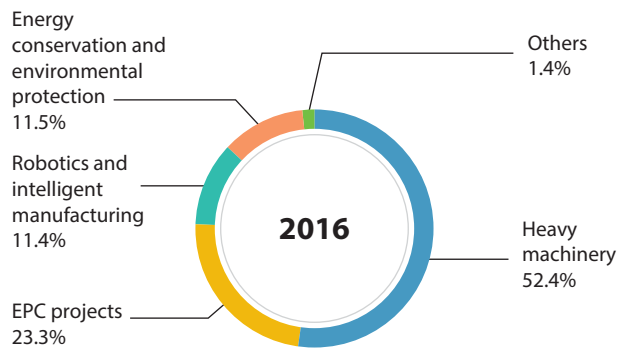
sources of revenue by increasing sales in new business areas such as robotics and intelligent manufacturing, energy conservation and environmental protection, as well as new energy power. Annual revenue from traditional and new businesses accounted for about 75.75% and 24.25% of total revenues, respectively. Geographically, about 40.04% of revenue came from overseas markets, representing a decrease of 2.72% over 2015.

As the weak demand that affected all heavy machinery manufacturers in 2016 is expected to continue through the foreseeable future, CITIC Heavy Industries has redoubled its efforts to streamline its business model as a core manufacturing + integrated service provider. Based on its advantages in core manufacturing, CITIC Heavy Industries has made an effort to develop a comprehensive service business. This includes the provision of an integrated industrial solution, including equipment selection, design, manufacturing and related services, which will increase the company's competitiveness and overall profitability. To complement organic growth across these areas, CITIC Heavy Industries is exploring relevant M&A opportunities.

CITIC Heavy Industries' robotics division expanded significantly last year, and its focus today is on the manufacture of special robots for use in high-risk environments such as fire rescue and mining solutions. CITIC Heavy Industries owns two special robot industrial facilities, i.e. Tangshan and Luoyang, making CITIC Heavy Industries the largest special robot manufacturer in China. The special robots manufactured by CITIC Heavy Industries, particularly its fire-fighting robot, have been highly recognised in the market.



Source of revenue



In 2016, CITIC Heavy Industries continued developing the overseas and domestic markets for EPC projects. During the year, the company signed a new contract (total value: RMB957 million) with Century Peak Holdings Corp. in the Philippines for the construction of a 5,000tpd cement plant. Its Cambodia CMIC 5,000tpd Cement Line EPC Project also entered production. EPC projects in 2016 comprised about 60% of all new orders.

Research and development

CITIC Heavy Industries' core competitive advantages are its strength in product development and unique technologies, with a technical centre in China that has the most comprehensive research facilities in the country for mining equipment. It also has an R&D centre in Australia that works closely with international customers to develop new products across the region. As of the end of 2016, CITIC Heavy Industries owned 746 registered trademarks and 202 patents in China. New products represented over 70% of total production in 2016.

CITIC Dicastal

CITIC Dicastal ("Dicastal") is the world's largest producer and exporter of automotive aluminium wheels. The company also manufactures a full range of lightweight aluminium cast components for automotive powertrain, chassis and body systems under KSM Castings. With engineering, research and manufacturing teams across the globe, Dicastal focuses today on accelerating the development of the lightweight components

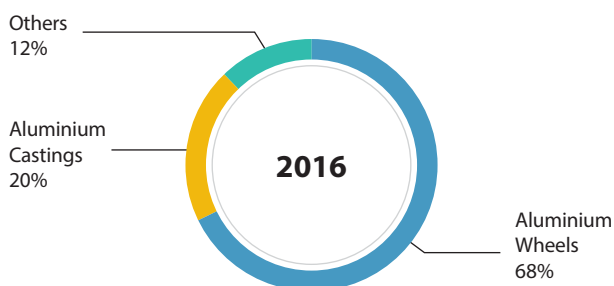
and integrated processes that will drive the future of transportation in automotive and beyond.

A wholly-owned subsidiary of CITIC Limited, Dicastal is headquartered in Qinhuangdao, Hebei Province of Northern China. The company has 21 facilities across China, North America and Europe and employs more than 6,400 staff around the world. Total annual production capacity is 48 million aluminium wheels and 97,800 tonnes of aluminium castings.

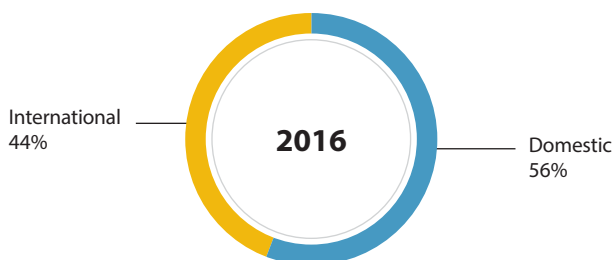
Year in review

<i>RMB million</i>	2016	2015	Change
Revenue	19,693	16,198	21.6%
Net profit attributable to shareholders	875	725	20.7%
Total assets	18,677	14,150	32%

Sales by product



Sales by area





In 2016, growth remained decent in the Chinese automotive sector. Total automobile production volume was estimated at approximately 28 million vehicles, representing an increase of 13.7% over 2015. Demand in the US and Europe, however, picked up only gradually.

Throughout the year, Dicastal achieved increasing margins in premium product sales and greater overall economies of scale as a result of its ongoing investment in new production technologies. Outperforming the market, the company increased its total sales by 21.6% to RMB19.7 billion. Net profit was recorded at RMB875 million, up 20.7% over 2015. In 2016, Dicastal sold 45.7 million units of wheels, a 21.7% increase over 2015. Castings sales recovered, growing 6.6% to reach approximately 74,000 tonnes.

During the year, construction of several new production facilities, expanding the company's overall production capacity to catch up with growing demand.

In the US, Dicastal's new wheel plant in Michigan entered trial operation in early 2016, completing its first bulk dispatch in late May. The facility has a designed annual capacity of 3 million wheels. In China, as domestic demand for high quality aluminium cast components continued to rise, the company began trial production in January 2017 at its KSM (Chengdu) Phase I plant. This facility has a designed annual capacity of 20,000 tonnes. After the full commissioning of Phase I, construction of Phase II will follow, which will add another 20,000 tonnes of capacity upon completion. The company also upgraded its Wuxi manufacturing base to increase production capacity by 2.6 million wheels per year. All of the new facilities are equipped with advanced robotics and smart production systems.

At the headquarters, it completed the installation of new proprietary testing equipment, established a

dedicated mould development centre and launched an innovation taskforce.

Dicastal's new testing facility has set an industry benchmark for crash and stress tests. Unlike traditional road test facilities, it is capable of conducting fully simulated in-house wheel and chassis tests, thereby minimising safety concerns.

Expanding Dicastal's capacity to directly produce a greater range of products on site, the new mould centre has an annual capacity of 2,300 sets.

A long-term investment in research and development, Dicastal's new innovation taskforce has the mandate of creating a long-standing technological advantage over its peers. The taskforce has a wide range of sophisticated modelling and processing tools at its disposal, including digital sludge systems, 3D printers and virtual reality machines, to help it improve existing services and explore new technologies. The team's priority is to extend Dicastal's offering in synchronous design services to include the exterior design of wheels, a function previously fulfilled by clients.

Customers

Major customers for Dicastal's aluminium wheels include the 12 leading global automakers, as well as 6 Chinese automakers. Dicastal is also a global strategic partner of various leading automotive companies.

Major customers for lightweight aluminium cast components include Daimler and Volkswagen and parts manufacturers such as TRW, ZF and Bosch.

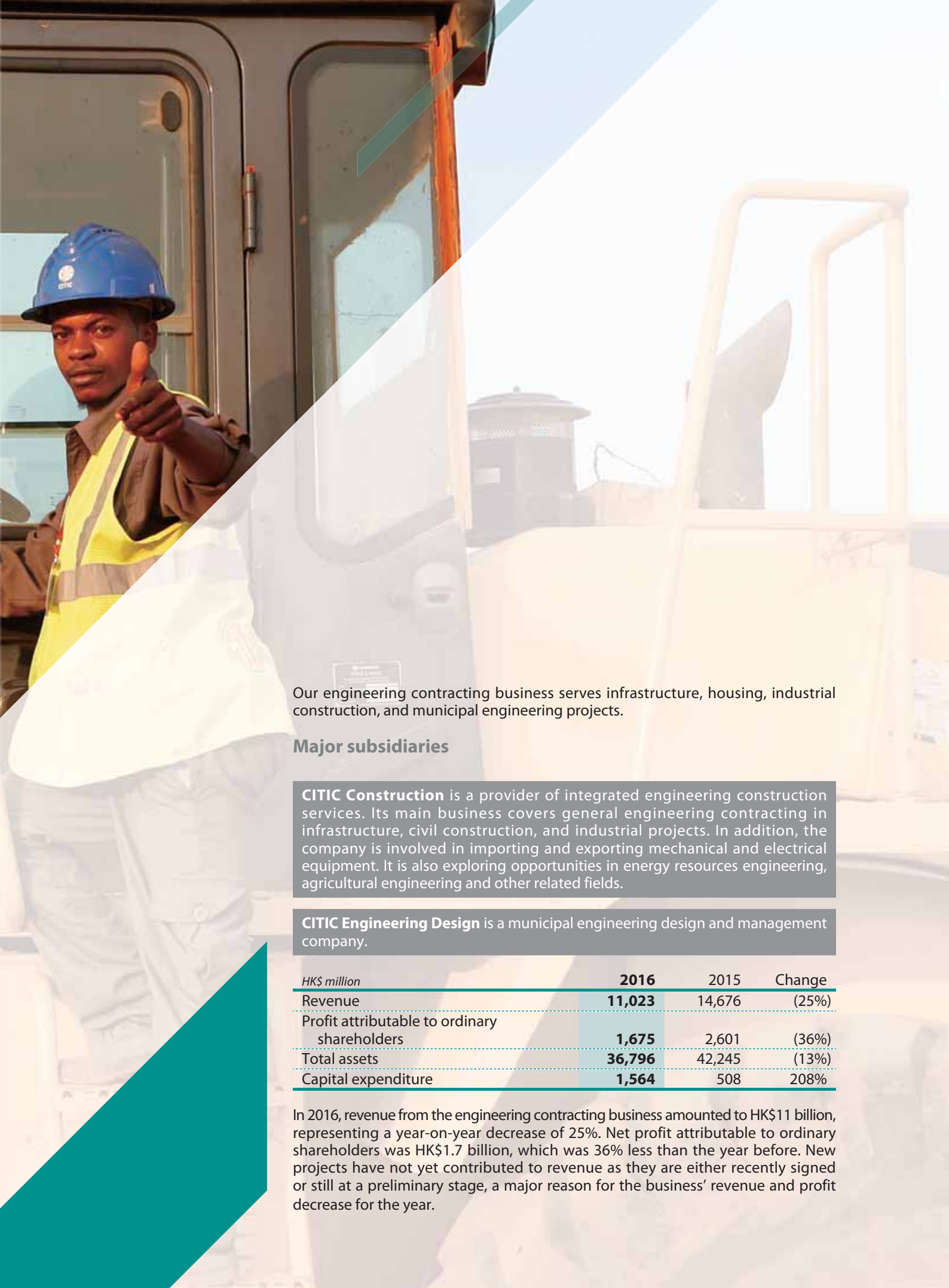
In 2016, Dicastal's top 10 customers accounted for over 39% of total sales.

In July 2016, the company has formed a strategic alliance with Williams, one of the world's leading Formula One teams in Oxford, for motor racing and advanced engineering.



ENGINEERING CONTRACTING





Our engineering contracting business serves infrastructure, housing, industrial construction, and municipal engineering projects.

Major subsidiaries

CITIC Construction is a provider of integrated engineering construction services. Its main business covers general engineering contracting in infrastructure, civil construction, and industrial projects. In addition, the company is involved in importing and exporting mechanical and electrical equipment. It is also exploring opportunities in energy resources engineering, agricultural engineering and other related fields.

CITIC Engineering Design is a municipal engineering design and management company.

<i>HK\$ million</i>	2016	2015	Change
Revenue	11,023	14,676	(25%)
Profit attributable to ordinary shareholders	1,675	2,601	(36%)
Total assets	36,796	42,245	(13%)
Capital expenditure	1,564	508	208%

In 2016, revenue from the engineering contracting business amounted to HK\$11 billion, representing a year-on-year decrease of 25%. Net profit attributable to ordinary shareholders was HK\$1.7 billion, which was 36% less than the year before. New projects have not yet contributed to revenue as they are either recently signed or still at a preliminary stage, a major reason for the business' revenue and profit decrease for the year.



CITIC Construction

CITIC Construction is an integrated service provider of the engineering construction. With key markets in Africa, Latin America and countries along the Belt and Road, the company is currently expanding its operations in developed markets such as Great Britain and Mainland China. In addition to its established foothold in infrastructure, housing and industrial construction, the company is developing its business in the areas of resources, energy, agriculture and environmental protection.

Leveraging CITIC's vast resources and network, CITIC Construction not only provides EPC services, but also a suite of value-added, integrated services such as project planning, design, investment, financing, management, procurement, operation and maintenance. The range of these services provides a significant competitive advantage in developing countries.

Through the successful delivery of large-scale projects important to the lives of the communities in which it operates, the company has established a strong brand and reputation. It is widely regarded today as a highly successful Chinese enterprise.



Year in review

<i>RMB million</i>	2016	2015	Change
Revenue	7,739	10,174	(24%)
Net profit attributable to shareholders	1,184	1,807	(34%)
Total assets	31,656	32,977	(4%)



In 2016, CITIC Construction recorded revenue of RMB7,739 million and a net profit attributable to shareholders of RMB1,184 million. New projects have not yet contributed to revenue or profit as they are either recently signed or still at a preliminary stage, a major reason for the company's revenue and profit decrease for the year.

Deepening economic and social challenges in Africa and Latin America, both of which are established markets for CITIC Construction, increasingly had an impact on the business in 2016. However, CITIC Construction responded to this changing market context by exploring new opportunities emerging

from China's Belt and Road initiative. It has successfully signed a road rehabilitation project in Kazakhstan. As of early 2017, it is approaching completion of an automobile production line in Belarus for Chinese automaker Geely. The company is also aggressively pursuing opportunities at home, as demonstrated by its recent successful bids for contracting on PPP projects in Yunnan and Guizhou.

By the end of the year, the total value of signed contracts by CITIC Construction was RMB36.2 billion, of which RMB204.2 billion was contributed by new contracts signed during the year.

Major projects



Air Force and Navy Command Headquarters Building Project, Venezuela

General information:	Located on both sides of Street Bolivar in the Fuerte Tiuna area of Caracas, this project has a total land area of about 7 hectares and a total construction area of about 210,000 m ² , consisting of two buildings.
Contract signing date:	August 2014
Contract value:	Around US\$760 million
Construction start date:	March 2015
Progress as of the end of 2016:	44% complete



Desalination Plant Project, Venezuela

General information:	This 10,000tpb desalination plant sits on Margarita Island, Venezuela with a production capacity of 110L/s to supply a population of 27,000.
Contract signing date:	July 2016
Contract value:	Around US\$130 million
Contract period:	12 months
Construction start date:	September 2016
Progress as of the end of 2016:	14% complete



Substation Project, Myanmar

General information:	This project is to upgrade a 230/66/11kV substation in Rangoon, Myanmar.
Contract signing date:	February 2016
Contract value:	Around US\$18 million
Contract period:	24 months
Construction start date:	September 2016
Progress as of the end of 2016:	56% complete



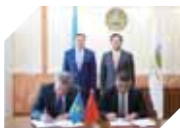
Geological Study Project, Angola

General information:	This project is to carry out airborne geophysical surveys, 1:250,000 geochemical surveys, 1:250,000 regional geological mapping, 1:50,000 professional geotechnical engineering exploration research, 1:50,000 metal mineral exploration and 1:50,000 building materials mineral exploration in the northwest quarter of the Angolan homeland.
Contract signing date:	October 2013
Contract value:	Around US\$77 million
Contract period:	60 months
Construction start date:	August 2014
Progress as of the end of 2016:	19% complete, in which airborne geophysical exploration work has finished.



Geely Automobile Production Line Project, Belarus

General information:	This project is to build an automobile production line with an annual output of 60,000 passenger cars, including a welding shop, paint shop (including the small piece paint shop) and assembly shop. As the EPC contractor, CITIC Construction is responsible for the design, procurement, civil construction, equipment installation, commissioning, performance testing and training of operational staff of the employer.
Contract signing date:	March 2015
Contract value:	Around US\$290 million
Contract period:	21 months
Construction start date:	August 2015
Progress as of the end of 2016:	92% complete



Road Rehabilitation Project, TKU Expressway, Kazakhstan

General information:	TKU Expressway is part of Kazakhstan's national highway network from Taldykorgan, capital of Almaty Region, to Ust-Kamenogorsk/Oskemen, administrative centre of East Kazakhstan Region. After the rehabilitation, the expressway will be 763km in length.
Contract signing date:	May 2016
Contract value:	Around US\$936 million
Contract period:	54 months
Construction start date:	Tentatively in the second half of 2017
Progress as of the end of 2016:	Field survey, investigation, and design ongoing as scheduled.



Phase I, Royal Albert Dock Project, UK

General information:	The Royal Albert Dock project is a signature real estate development to be delivered in the UK by a Chinese construction company. It is an integrated office, retail, and apartment development in the London Borough of Newham in East London, envisaged as a bridge for Asian and European economic collaboration. It covers an area of 14 hectares with a GFA of 420,000 m ² , including the biggest landscaped area of any project in London. The first phase, with a GFA of 638,900 ft ² , consists of twenty type A buildings and one type B office building, an energy centre, restoration of two historic buildings, and supporting infrastructure.
Contract signing date:	November 2016
Contract value:	Around £222 million
Contract period:	98 weeks
Construction start date:	Tentatively in the second quarter of 2017

CITIC Engineering Design

CITIC Engineering Design is an engineering design, investment and management company focused on EPC projects in urban planning, ecological preservation and environmental protection.

It holds many patents in architectural and urban design. It has led and assisted in preparing various national standards and specifications, and manages projects across the country.

In 2016, the company transformed its business model, adding investment and EPC services to its historical core in municipal engineering design and management. Over the year, one of its EPC projects

in Wuhan, with a total value of RMB5.1 billion, was officially included in China's Third Batch of Demonstration Projects of Public-Private Partnership. It also signed an investment and financing agreement for another project in Wuhan with a total value of RMB2.3 billion. The company also won the bid for phase I of Wuhan Jinkou New Town (total contract value: RMB300 million).

In 2016, revenue from CITIC Engineering Design amounted to RMB1.95 billion, representing a year-on-year increase of 15.4%, while net profit was RMB248 million, representing a decrease of 11.4% from 2015.



REAL ESTATE

Our real estate business comprises the development, sale and management of commercial properties and integrated property projects in mainland China and Hong Kong.

Major subsidiaries

CITIC Pacific Properties, a property developer focused on high-end commercial properties as well as integrated urban projects

CITIC Urban Development & Operation, a property developer focused on real estate finance, urban renewal, urban development and operations, and PPP projects

<i>HK\$ million</i>	2016	2015	Change
Revenue	4,900	6,025	(19%)
Profit attributable to ordinary shareholders	12,111	4,137	193%
Total assets	143,596	232,809	(38%)
Capital expenditure	5,979	3,013	98%

In 2016, the real estate business recorded revenue of HK\$4.9 billion, while profit attributable to ordinary shareholders was HK\$12.1 billion, including a gain of HK\$10.3 billion was derived from the sale of residential property assets to China Overseas Land & Investment Limited ("COLI").



Year in Review

In March 2016, CITIC Limited sold a 100% equity interest in CITIC Real Estate, as well as the mainland residential property assets of CITIC Pacific, to COLI. Since the completion of this transaction in September, CITIC has held an approximately 10% equity stake in COLI, and the focus of its real estate business has shifted to integrated property projects, PPP projects and the primary development of land.

With the refocusing of the real estate business, CITIC has been aggressively pursuing new commercial opportunities in first and second tier mainland Chinese cities such as Wuhan. In 2016, the company bought two Grade-A office buildings — A1 and A3, with a total combined GFA of over 230,000 m² — in Wuhan Tiandi. Building A3 finished construction during the year and is ready for lease, while construction of building A1 will be completed in 2019. These two office buildings will become the company's flagship investment properties in the city. During the year, CITIC also acquired a 50% equity interest in the Wuhan Finance Street project, which is a mixed-use commercial project, with a total GFA of approximately 90,000 m². In January 2017, the company partnered with Shui On Land to successfully bid for land in the commercial area of Wuhan Optics Valley, with a total GFA of around 1,200,000 m². In February, it also won the bid for a site in the Wuhan Two-Seven Riverside Commercial Zone at a total GFA of around 1,180,000 m². Both sites will be used to develop mixed-use commercial projects.



Good progress was also made on PPP projects, including CITIC Coast New Town, a quasi-PPP project located at Haojiang District, Shantou. Awarded to CITIC in 2012, the project began work on shield tunnelling construction and public facilities at the end of 2016. In



In addition, CITIC together with China Construction Third Bureau successfully won the tender for the construction and maintenance of infrastructure projects, including roads, pipelines, bridges and urban greening sites, in the Wuhan Two-Seven Riverside Commercial Zone.



In Hong Kong, our existing projects continued to make progress throughout the year. KADOORIA, CITIC's new 77-unit luxury residential project in Kadoorie Hill, obtained the occupation permit in 2016. It is currently in the process of completing the finishing works, with sales scheduled to begin at the end of 2017. Foundation work on the Lok Wo Sha residential project, with a gross floor area of approximately 21,000 m², is also in progress and scheduled for completion at the end of 2019. The Discovery Bay development project, which is 50%-owned by CITIC, is well underway, and all remaining units of Phase 15, Positano were sold in 2016. Phase 16 (a high-rise development of 17,000 m²), Phase 17 (a detached villa development of 4,000 m²) and Phase 18 (a low-rise development of 4,000 m²) are under construction with scheduled completion dates over the next few years.

Our Hong Kong investment property portfolio continued to deliver stable rental income. The overall average occupancy was approximately 97% in 2016.

Key projects



I. China Zun, Beijing

(100% owned)

Site area: 11,478 m²

Gross floor area: 437,000 m²

Usage: Office

Located in Chaoyang District, China Zun will have a height of 528-metre when completed, making it the tallest building in Beijing and a new landmark for the city. Delivery is expected in 2019.

The structural height of China Zun reached 330-metre on 18 August 2016, making it the tallest building in Beijing. As of 31 December 2016, structural construction had been completed for 88 floors, with a height of 419-metre.



II. Lujiazui Harbour City, Shanghai

(50% owned)

Site area: 249,400 m²

Gross floor area: 872,800 m²

Usage: Office, retail, hotel and residential

Lujiazui Harbour City, previously used as a shipyard by Shanghai Shipyard Co., is located on the south shore of the Huangpu River in central Shanghai. This project comprises eight high-end office buildings, a five-star hotel and serviced apartments, recreational, commercial, dining and entertainment facilities, and luxury residential properties.

The project has delivered five office buildings to China Construction Bank, Agricultural Bank of China, United Overseas Bank (UOB), China Industrial Bank and Shanghai HY Investments Company, respectively. Two other buildings also finished construction and will be delivered to China ICBC Bank and China Life in 2017. The Mandarin Oriental Hotel and serviced apartments located within this project are currently in operation.



III. CITIC Pacific Technology and Fortune Plaza, Shanghai

(50% owned)

Site area: 60,335 m²

Gross floor area: 238,629 m²

Usage: Office and retail

Located in the western part of Shanghai, this mixed-use office and retail development will integrate high rises and community and commercial centres at street level. Construction of the basement of this project, which is directly connected to the city's subway system at North Meiling Road, is underway.



IV. KADOORIA, Hong Kong

(100% owned)

Site area: 5,400 m²

Gross floor area: 14,200 m²

Usage: Residential

Located at No. 111-133 Kadoorie Avenue in Kadoorie Hill, Hong Kong, KADOORIA is a prime residential development offering 77 luxury apartments. The project obtained the occupation permit in 2016, and fitting out works are in progress. Sales of the project are scheduled for the end of 2017.



V. CITIC Coast New Town, Shantou

(51% owned)

Site area: 168 km²

Usage: New town

Located in Haojiang District of Shantou in Guangdong Province, this project is a large urban complex involving primary land development, a cross-harbour tunnel and public facilities. It is a model urbanisation project being constructed by the Shantou government and CITIC as a quasi-PPP business model. The project will cover the overall planning and operation of an area of 168 km² in Haojiang District, for a total estimated investment of RMB50 billion. As of December 2016, the skin of the original start shaft for shield tunnelling and some public facilities had been completed.



VI. Western China International Expo Centre, Chengdu

(100% owned)

Site area: 573,000 m² (860 mu)

Gross floor area: 570,000 m²

Usage: Exhibition

Located in Chengdu Tianfu New Area, Western China International Expo Centre is one of the key projects in Sichuan and an example of a successful foreign investment brought in by local government. When in operation, this project will become a permanent venue for hosting the Western China International Fair and, in the future, a platform for MICE (meetings, incentives, conferences and exhibitions) events. As of July 2016, construction of the primary structure had been completed.

Major Investment Properties

Property	Usage	Ownership	Approx. gross area (m ²)
CITIC Square, Shanghai	Office and retail	100%	132,300
Capital Mansion, Beijing	Office	100%	140,200
International Building, Beijing	Office	100%	62,200
CITIC Tower, Hong Kong	Office and retail	100%	52,000



Others

Information Services

CITIC Limited provides services in two areas: one is telecommunications, covering mobile sales & services, Internet services, international telecommunications services, enterprise solutions and fixed line services operated by CITIC Telecom International; the other is the leasing and sale of satellite transponders operated by AsiaSat.

CITIC Telecom International covers international telecommunications services including mobile, Internet, voice and data services, and integrated telecoms services in Macau. Through its wholly-owned subsidiary CITIC Telecom International CPC Limited ("CPC"), it has also established numerous Points of Presence around the world, especially in Asia providing data and telecoms services, namely VPN, Cloud, network security, co-location and Internet access, to multinational corporations. CPC is one of the most trusted partners of leading multinational and business enterprises in APAC.

CITIC Telecom International holds a 99% equity interest in Companhia de Telecomunicações de Macau, S.A.R.L. ("CTM"). CTM is one of the leading integrated telecoms services providers and the only full telecoms services provider in Macau. It has long provided quality telecoms services to the residents, government and enterprises of Macau and plays an important role in its ongoing development.

AsiaSat's business involves the leasing and sale of satellite transponders, broadcasting, communications and data uploading and downloading services.



Infrastructure

CITIC Limited's infrastructure business is involved in the investment and management of expressways and port terminals in China through CITIC Industrial Investment. It also has an interest in The Western Harbour Tunnel in Hong Kong through CITIC Pacific.

Expressway projects, in which CITIC Industrial Investment has three interests — the Chengdu-Chongqing Expressway, Chongqing-Guizhou Expressway and Shanghai-Chongqing Expressway — have a combined cumulative distance of 283km. With extensive operational experience in the sector, CITIC Industrial Investment has set up an investment, construction management and operation team with rich experience and strong execution capabilities. Furthermore, good cooperation has been formed with partners and local government of Chongqing. In the future, new projects will focus on upstream and downstream of the highway industry, domestic and overseas infrastructure and PPP projects.

The port terminals business mainly consists of investment in and the proprietary operation of liquefied oil terminals and storage, as well as the operation of other types of berths, such as container berths. CITIC Industrial Investment's objective in this business is to become a major investor in and operator of port terminals and storage facilities in the domestic port terminal industry. Investment in liquefied oil, the main line of CITIC Industrial Investment's business, will concentrate in Yangtze River Delta, Pearl River Delta, Bohai Economic Rim, and Yangtze River Economic Belt.

Project	Ownership	Franchise till year
Expressways		
Chongqing-Guizhou Expressway (Chongqing Section)	60%	2037
Shanghai-Chongqing Expressway (downtown Chongqing-Fuling segment of the Chongqing Riverside Expressway)	60%	2043
Chengdu-Chongqing Expressway (Chongqing Section)	49%	2024
Tunnels		
The Western Harbour Tunnel, Hong Kong	35%	2023



In 2016, DCH acquired Li & Fung's consumer and healthcare distribution business, diversifying its product lines and portfolio in growing areas of consumer demand.

Environmental Services

CITIC Environment Investment Group ("CITIC Environment") is CITIC Limited's specialised investment and operational platform in the field of environmental protection. It specialises in three major sectors, namely water, solid waste treatment and energy saving services.

In 2015, CITIC Environment successfully acquired Singapore's leading water treatment company United Envirotech Ltd ("UEL") and became the controlling shareholder of UEL. This latter company was renamed CITIC Envirotech Ltd ("CITIC Envirotech") in June of the same year. In 2016, CITIC Environment brought in a new strategic investor for CITIC Envirotech — China Reform Fund, which is now the second largest shareholder of CITIC Envirotech. As of the end of 2016,

General Trading

Dah Chong Hong ("DCH") is engaged in the trading, distribution and logistics business. The company is involved in the sale of motor vehicles and associated services, food and consumer products, as well as the provision of logistics services. The preferred partner of over 1,000 brands in more than 30 countries and regions, DCH has well-established networks in Asia Pacific.



CITIC Environment had won 21 projects in form of EPC, BOT, and TOT in China and major economies along the Belt and Road, of which the total investment is approximately RMB4.6 billion. The company's water treatment plants during this period had a combined daily treatment volume of over 5 million tonnes. CITIC Envirotech also made breakthroughs in many other areas, including winning its first circular economy PPP project in an industrial park in Shantou, Guangdong, its first PPP river remediation project in Yixing, Jiangsu, and its first project for the harmless disposal of sludge and hazardous waste in Weifang and Rizhao, Shandong. In membrane technology, it embarked on the research and application of nanofiltration and reverse osmosis, starting to extend its business to the overseas market, especially European and American market.

In 2016, CITIC Environment made progress on multiple fronts. In the area of waste-to-energy, for example, it became the second largest shareholder of Chongqing Sanfeng Environmental Industrial Group Co., Ltd after acquiring 13.58% of its shares. In addition, it started the strategic development in solid waste treatment sector, such as soil remediation.

Modern Agriculture

CITIC Agriculture Investment is a platform for CITIC Limited to invest in the agricultural industry. It integrates science, technology and agricultural services in China to improve their standards. It is also committed to investing in and cultivating cooperation agreements with leading enterprises in the international industry.

In January 2016, CITIC Limited officially became the largest and controlling shareholder of Yuan Longping

High-tech Agriculture Co., Ltd ("Longping High-tech"). Longping High-tech is one of the major companies in China producing grain, vegetable and fruit seeds and is a leader in the breeding and distribution of hybrid rice, all with the aim of becoming "the flagship of Chinese seed companies in the global market" in 10 years. In June 2016, CITIC Agri Fund Management Co., Ltd. was jointly established by CITIC Agriculture, Longping High-Tech and two other listed agricultural companies. CITIC Agri Fund (Limited Partnership) is the first domestic partnership established by CITIC Agri Fund Management Co., Ltd. to invest in the core value of agriculture.



Publishing

CITIC Press is a large-scale and influential integrated cultural services provider in China, principally engaged in book publishing, digital publishing, education and training, bookstore retailing and investment in other cultural activities. It also offers high-quality content and creative services for customers. CITIC Press has obtained all licenses issued by the State Administration of Press, Publication, Radio, Film and Television for its publication, distribution and retail operations.



CITIC Press was officially listed on the National Equities Exchange and Quotations at the end of 2015, becoming the first listed state-owned company in the publishing industry.



General Aviation

The main businesses of CITIC Offshore Helicopter ("COHC") include offshore oil helicopter operation services, general aviation services such as aerial photography, maritime patrol, polar survey operations, HPS, forest fire prevention and powerline operations, as well as general aviation maintenance. COHC's offshore oil helicopter services have maintained the top position in the industry in terms of market share. It is the only general aviation enterprise engaged in helicopter pilotage.

COHC's main operation is based in Shenzhen, with branches in the South China Sea, East China Sea, Bohai Sea, Yangtze River Delta, Pearl River Delta and Beijing-Tianjin-Hebei, as well as Northeast China and Southwest China. COHC also operates the service centre of Airbus Helicopters in China.

