



COMPREHENSIVE FINANCIAL SERVICES

Our comprehensive financial services segment aims to be a leader in financial integration. We are deepening the synergy between our businesses through the formation of a financial holding company, enhancing the competitiveness of each individual business and their ability to serve the real economy.

MAJOR SUBSIDIARIES



CITIC Bank

is a joint-stock commercial bank offering corporate banking, retail banking and financial markets services. In a joint venture with Baidu, CITIC Bank also established CITIC AiBank, an intelligent direct bank.



CITIC Trust

is the market leader in its field in China, providing integrated financial services including financing, wealth management and trust services, and other integrated financial products.



CITIC-Prudential Life

is a joint venture between CITIC Corporation and Prudential plc offering life, health and accident insurance, as well as reinsurance services.



CITIC Securities

is a premium securities company in China with businesses spanning securities, funds, futures, direct investments, equity funds and commodities. All respective businesses maintain a leading position in the market.

REVENUE

HK\$ million

+12%



PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

HK\$ million

+20%



TOTAL ASSETS

HK\$ million

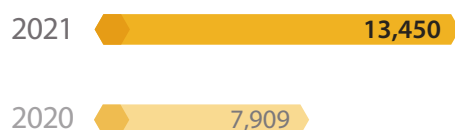
+10%



CAPITAL EXPENDITURE

HK\$ million

+70%



In the comprehensive financial services segment, profit attributable to ordinary shareholders increased by 20% to HK\$52.1 billion. CITIC Bank recorded revenue over RMB200 billion for the first time and the profit attributable to shareholders increased by 13.6% to RMB55.6 billion, attaining the highest growth rate in nearly eight years. Profit attributable to shareholders of CITIC Securities increased by 55% to RMB23.1 billion, further consolidating its industry-leading position. CITIC Trust actively promoted transformation and optimisation, achieving a net profit of RMB3.5 billion and maintaining its top three ranking in the industry for fifteen consecutive years. CITIC-Prudential Life achieved double-digit growth in both premium income and profitability, realising a net profit of RMB2.9 billion and further improving its overall solvency position.



BANKING

CITIC Bank

CITIC Bank is a leading national commercial bank with highly integrated capabilities and strong brand recognition in China. With nearly 60,000 staff and total assets exceeding RMB8 trillion, its core businesses include corporate banking, retail banking and financial markets services. In 2021, CITIC Bank ranked 16th in the Top 500 World Banking Brands Leaderboard and its Tier 1 capital ranked 24th in the Top 1000 World Banks as published by the British financial magazine The Banker.

Year in Review

In 2021, CITIC Bank maintained positive momentum in its operating performance and improved profitability. During the period, it recorded operating revenue of RMB204.6 billion, a 5% increase year-on-year, of which net interest income was RMB147.9 billion, a 2% decrease year-on-year. Non-interest income increased by 26% year-on-year to RMB56.7 billion, driven by the wealth management and bank card business. The proportion of non-interest income rose by 4.7 percentage points to 27.7%, effectively compensating for the impact of narrowing net interest margins brought about by downward market interest rates. CITIC Bank achieved profit attributable to its shareholders of RMB55.6 billion, up 14% year-on-year.

<i>RMB million</i>	2021	2020	Change
Revenue	204,554	195,399	5%
Profit attributable to shareholders	55,641	48,980	14%
Total assets	8,042,884	7,511,161	7%
Return on equity (%)	10.73%	10.08%	0.65pp

During the period, CITIC Bank steadily expanded the scale of its business, improved its service quality and enhanced efficiency for the real economy. As of the end of 2021, total assets amounted to RMB8,042.9 billion, an increase of 7% compared to the previous year end, with loans to customers up 9% and customer deposits up 5% year-to-date. During the period, CITIC Bank proactively implemented national macro policies and increased credit support in key areas, resulting in positive growth momentum in green credits, loans to strategic emerging industries and inclusive finance.

CITIC Bank embraced a continual improvement in asset quality and enhancements in risk resilience. As of the end of 2021, non-performing loans (NPL) recorded “dual declines”, with the balance of NPL falling 8% compared to the beginning of the year to RMB67.5 billion and the NPL ratio declining 0.25 percentage point from the end of the previous year to 1.39%. The provision coverage ratio was 180.07%, an increase of 8.39 percentage points from the end of the previous year.

During the period, CITIC Bank maintained its focus on capital management under the guidance of “light risk-weighted assets with higher return”, so as to improve capital application efficiency at all fronts. It recorded a capital adequacy ratio of 13.53%, an increase of 0.52 percentage point from the end of the previous year; a 10.88% tier-one capital adequacy ratio, 0.70 percentage point higher than the end of the previous year; and an 8.85% core tier-one capital adequacy ratio, up 0.11 percentage point from the end of the previous year, all of which fulfilled regulatory requirements.

Business Highlights

<i>RMB million</i>	Operating Income 2021	By percentage 2021	Operating Income 2020	By percentage 2020
Corporate banking	94,056	46.0%	89,473	45.8%
Retail banking	82,567	40.4%	79,644	40.8%
Financial markets	26,512	13.0%	22,713	11.6%
Other	1,419	0.6%	3,569	1.8%

Corporate Banking

Our corporate banking sector recorded operating income of RMB94.1 billion, accounting for 46.0% of total revenue. Corporate loans grew by 7.64% during the year. CITIC Bank increased efforts in proactive marketing and allocated more credit resources to target areas, achieving significant growth in policy-supported areas such as the new generation of information technology, integrated circuits, green credit and strategic emerging industries. Throughout the year, new loans granted to industries falling within actively supported categories accounted for 51% of total new loans, with the rate of increase higher than the average growth rate of general bank-wide loans, resulting in a significant improvement in credit structure. CITIC Bank adhered to the principle of being customer-centric and thoroughly reviewed marketing targeted at its core customer base. As of the end of 2021, CITIC Bank recorded 926,700 corporate clients in total and maintained steady growth in various corporate businesses:

Investment Banking: Dedicated to serving the real economy, CITIC Bank supported key areas of economic transformation and strengthened the “Financing + Intelligence” advantage of our investment banking business. It recorded revenue of RMB8.3 billion with the scale of financing reaching RMB955.3 billion. CITIC Bank completed the underwriting of 1,342 debt financing instruments with an underwriting scale of RMB762 billion, ranking first in the market.

International Business: CITIC Bank adhered to its original mandate of serving the real economy and maintained steady growth. It continued to promote the FT account¹ system and its free trade businesses across the “three nodes of the country,”—Shanghai, Guangzhou and Haikou—and rolled out a comprehensive financial service platform “Free Trade Zone Financing”.

¹ Namely free trade account, which refers to local and foreign currency accounts that accord with uniform rules opened by financial institutions under the free trade accounting unit according to the needs of customers.

Transaction Banking: CITIC Bank vigorously expanded its transaction banking business, which was an important pillar for transforming its corporate banking services, and promoted capital-light development and digital transformation. As of the end of 2021, CITIC Bank served a total of 836,600 transaction banking clients, an increase of 17% year-on-year. CITIC Bank registered transaction financing volume of RMB869.6 billion, 2.6 times that of the end of the previous year. It recorded transaction turnover of RMB134 trillion, an increase of 25% over the previous year, with its business achieving rapid development.

Custody Business: During the period, CITIC Bank actively developed key businesses such as mutual funds, occupational annuities, enterprise annuities and cross-border custody, with the custody scale exceeding RMB11 trillion. It had 80 newly-raised mutual funds under custody totaling RMB133.6 billion, an increase of 1.75 times compared to the previous year. Moreover, the custody scale of occupational annuities reached a new level and the custody scale of enterprise annuities was RMB130.6 billion, ranking second among joint-stock commercial banks.

Auto Finance: The business had 6,688 customers, up by 1,637 over the prior year, setting a record high. The balance of outstanding financing was RMB160.2 billion, up 9% from the prior year-end. During the reporting period, RMB440 billion of loans were extended, growing 16% year-on-year and outperforming the market, with an overdue advance ratio of 0.03%, indicating sound asset quality.

Retail Banking

Operating income from retail banking was RMB82.6 billion, accounting for 40.4% of total revenue. CITIC Bank continued to promote the deepening of the retail operations system and achieved continuous growth in the number of customers. As end of 2021, there were 120 million individual customers, an increase of 8% from the previous year. Mainstream customers mainly operated on mobile Apps and the total number of basic mainstream customers increased by 7% year-on-year. The increase in VIP and affluent customers each surpassed 100,000 with the total number of VIP customers exceeding 1 million, ranking among the forefront of comparable peers. Private banking customers exceeded 60,000, an increase of 18% from the end of the previous year.

As of the end of 2021, the balance of personal deposits was RMB868.0 billion, an increase of 6% year-to-date. The balance of personal loans (excluding credit cards) was RMB1,477.6 billion, up 8% from the end of the previous year; the balance of mortgage loans was RMB943.7 billion, an increase of 5% from the end of the previous year. In terms of the credit card business, the bank focused on high-quality development while strictly adhering to regulatory requirements and stringent risk management to satisfy customer demand and build a considerate card brand image. As of the end of the year, a total of 101.32 million credit cards were issued, up 9% from the end of the previous year; the total credit card loan balance was RMB527.7 billion, an increase of RMB42.5 billion from the end of the previous year. During the reporting period, the total trade turnover of credit card reached RMB2,780.1 billion, representing a year-on-year increase of 14%.

Financial Markets

Operating income generated from financial markets reached RMB26.5 billion, accounting for 13% of total revenue. The Bank improved its interbank business by optimising its investment strategy, strengthening customer relationships and adjusting its business structure. The balance of interbank customer assets (including deposits and placements with banks) was RMB216.1 billion at year end, a decrease of 15% from the end of the previous year. The balance of interbank liabilities (including deposits and borrowings with banks) reached RMB1,201.2 billion, an increase of 2% from the end of the previous year. In terms of the financial markets business, the Bank achieved a record high in revenue leveraging professional advantages to seize opportunities, which led to

breakthroughs in economic benefits, management and risk control capabilities. During the reporting period, the bank retained its leading position in the interbank market-making business with transaction volumes reaching US\$2.12 trillion, an increase of 25% compared to the previous year. As of the end of 2021, the total volume of non-risk-bearing wealth management products reached RMB1,403.3 billion. Revenue from the wealth management business reached RMB6.9 billion during the year.

Innovation and Fintech

Empowered by Fintech, CITIC Bank strengthened its comprehensive digital capabilities in operations and management, striving to enhance overall competitiveness and market value, and supporting the high-quality implementation of the Strengthening Core Business Initiative. During the reporting period, the bank invested RMB7.5 billion in Fintech, a year-on-year increase of 9%.

CITIC Bank accelerated the transformation of innovation into productivity. Having largely completed independent R&D for the AI-powered “CITIC Brain” platform, the Bank’s products, sales, risk control and operations have all been comprehensively enhanced.

We also launched the “Efficiency+” platform to significantly reduce labour costs and resolve business challenges such as inefficient manual daily operations and procedural breakdowns. The platform was named “Best Process Automation Project in China” by The Asian Banker in 2021. Additionally, the Bank completed the upgrade of its Blockchain Platform 2.0 and continued to lead the industry while simultaneously implementing various new business scenarios such as supply chain finance, family trust and online provident fund loans, which was heralded as the “Best Blockchain Project in China (Capital Management Category)” by The Asian Banker in 2021.

CITIC AiBank was officially launched in November 2017. A new share issuance accepted by Canada Pension Plan Investment Board (CPP Investments) was approved by the China Banking and Insurance Regulatory Commission in November 2020; its registered capital increased from RMB4.0 billion to RMB5.634 billion with CITIC Bank holding 65.7% of the shares. In 2021, CITIC AiBank launched AI virtual brand officer AIYA, the first in the industry. It’s independent platform, AiBank Inside, obtained a regulatory license from the People’s Bank of China. At the end of 2021, CITIC AiBank had 807 employees, with total assets reaching RMB79.4 billion, an increase of 19%; total liabilities increased by 21% to RMB72.6 billion; and net assets amounted to RMB6.8 billion. During the year, total revenue reached RMB3.0 billion and the profit for the full year reached RMB263 million.




TRUST

CITIC Trust

CITIC Trust is a national non-bank financial institution under the supervision of the China Banking and Insurance Regulatory Commission. It focuses principally on the trust business, complemented by a proprietary business to better manage its balance sheet and invests in subsidiaries to diversify its portfolio. CITIC Trust is the only trust company in China whose net profit attributable to the parent company has been ranked among the top three in the industry for 15 consecutive years. As a leader in its field, CITIC Trust has also been given the highest rating by Chinese regulatory authorities and has been garnered accolades including, among others, “The Best Trust Company of the Year 2021”, “Outstanding China Trust Company of the Year” and “The Best Trust Company Serving Real Economy” by well-known media at home and abroad.



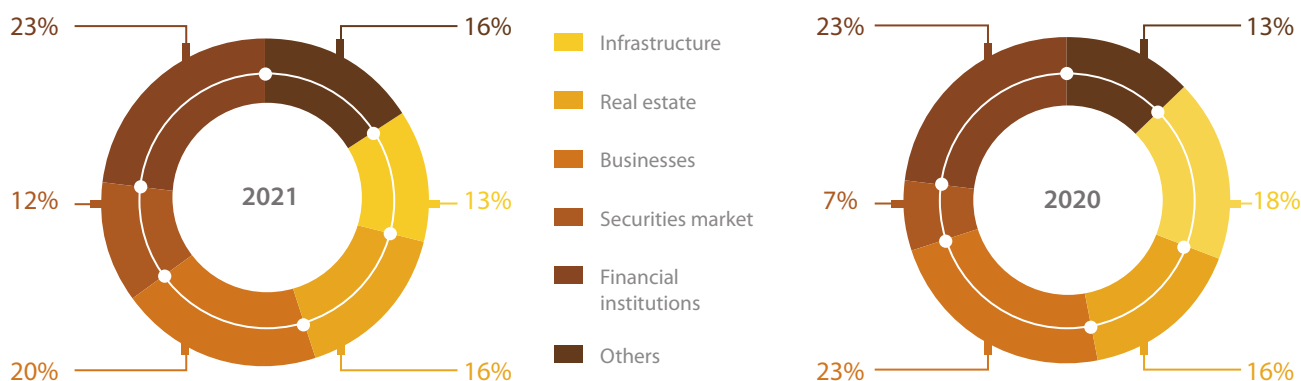
Year in Review

CITIC Trust proactively made deployments and adopted changes in 2021 as the industry braced for tougher challenges and tightening regulations in a complicated macro environment. CITIC Trust gradually reduced its the trust assets under management, promoted business transformation, optimised its asset structure and enhanced profitability to maintain sustainable operating results. Total operating revenue amounted to RMB8.6 billion, revenue generated from trust fees and commissions amounted to RMB5.8 billion and net profit amounted to RMB3.5 billion. Benefiting from continuous optimisation of the revenue structure, investment income recorded solid growth of 45% during the period.

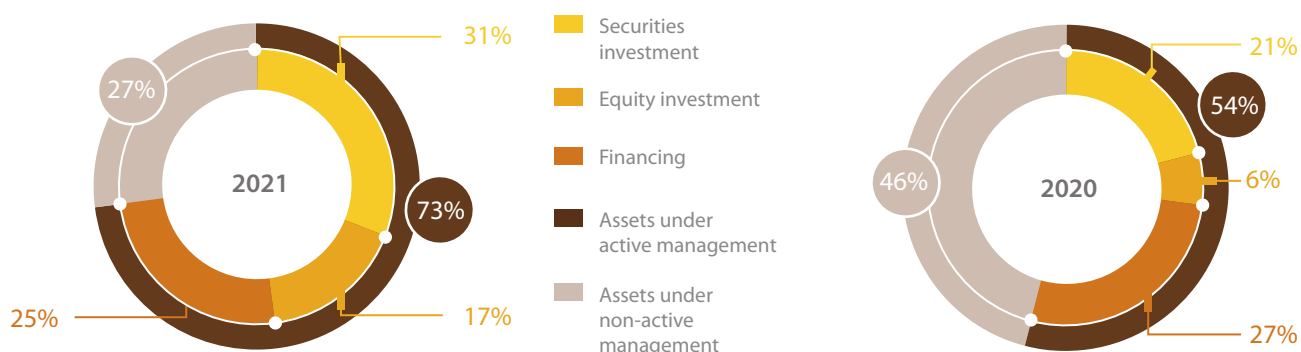
<i>RMB million</i>	2021	2020	Change
Revenue	8,585	8,746	-2%
Profit attributable to shareholders	3,501	3,855	-9%
Total proprietary assets	49,324	47,114	5%
Trust assets under management	978,778	1,224,659	-20%
Return on equity (%)	10.09%	11.97%	-1.88pp

CITIC Trust’s mission is to “implement national strategies, serve the real economy and contribute to a better life”. Adhering to this mission, it targeted new prospects amid market changes, optimised its trust business structure and achieved growth in both scale and revenue in its innovative transformation business. During the year, trust profits attributable to beneficiaries reached RMB45.5 billion, maintaining its position at the top in the industry, where it has ranked for many consecutive years.

Allocation of Trust Assets – by Industry



Allocation of Trust Assets – by Type



Business Development

Trust Business

Investment banking business

CITIC Trust offers a wide range of diversified and flexible financial solutions to clients from corporations, government departments, financial institutions and other institutional investors, especially through the use of investment and financing instruments such as debt and equity. During the reporting period, CITIC Trust leveraged the group’s strength as a comprehensive platform with both “financial and industrial” elements and continued to increase efforts to serve the real economy. It made use of its asset securitisation products to support the production of coal power enterprises and power supply to southern Jiangsu. CITIC Trust actively followed CITIC Limited’s green development roadmap in order to help achieve the national goals of “carbon peak” and “carbon neutrality”. It implemented carbon neutral green renewable bond projects to support the construction of green and environmentally-friendly industry projects. It also issued asset-backed notes to support the development of small and medium-sized enterprises in the supply chain. Leveraging its flexible trust structure and risk isolation capability, it developed an alternative investment trust business of over RMB15 billion in scale.

To achieve the goal of inclusive finance, CITIC Trust is committed to providing clients with high quality and efficient consumer financial services through the use of financial technology and intelligent risk control, as well as by performing thorough analyses of consumption scenarios. CITIC Trust intends to cultivate high-quality, high-tech enterprises by investing in the CASIC Fund to assist businesses operating in fields including aerospace, information technology chip and 5G+industrial internet+intelligent manufacturing.

Wealth Management

CITIC Trust provides diversified dynamic wealth management services for institutional clients and high-net-worth individuals, with a wide range of products available across currency markets, fixed income and equity investment. The wealth management services provide tailored and highly differentiated products and services, such as family trust and insurance trust, to different types of clients. At present, CITIC Trust provides professional and comprehensive wealth management services to clients through its twelve wealth management centres in Beijing, Shanghai, Tianjin, Hangzhou, Shenzhen, Guangzhou, Fujian Province, Shaanxi Province, Chengdu and Nanjing.

As a pioneer of the family trust and insurance trust business, CITIC Trust continually diversifies the asset types in trust and enriches the service scenarios, maximising its advantages in differentiated asset management capabilities to meet the diverse wealth management and inheritance needs of its clients. New breakthroughs have been made in the field of non-cash assets with the successful launch of the first credit asset insurance trust. Family trust and insurance trust assets both achieved growth in scale and income during the year.

CITIC Trust continued to improve its asset allocation and management capability. Series Rui, brand of Trust of Funds (TOF), is the largest scale TOF series product independently sold in the trust industry and were awarded honors such as the “Best Securities Investment Trust Product Award” and “Outstanding Standard Trust Product Award” in 2021.

Trust Service

To ensure the independence of trust assets, CITIC Trust provides key trust-related services including custodial account management, execution supervision, settlement/liquidation, equity allocation and contract custody, with asset accounts and equity accounts as mediums, and on the basis of the safe holding of trust assets.

CITIC Trust has vigorously expanded its asset securitisation business by making full use of its professional fiduciary management advantages to broaden the financing channels of enterprises and serve civil sectors. It has also actively expanded its businesses related to the annuity and pension industry and is the only trust company in the industry that has received a legal entity trustee qualification for enterprise annuity funds.

Embracing its responsibility as a fiduciary, CITIC Trust continued to explore new charitable trust models and functional positioning to ensure the continuous and effective operation of charitable trusts and the safe and steady growth of charitable assets. CITIC Trust has established Fangmei Education Charitable Trust, the only domestic charitable trust of over RMB100 million in 2021, with a filing scale of RMB200 million. As of the end of 2021, eight charitable trusts have been successfully filed, with an entrustment scale that exceeds RMB700 million.

CITIC Trust has always adhered to the public welfare actionable strategy of “financial inclusion, and capital for the people”. Over more than 10 years of practice, practical exploration and innovation, CITIC Trust has uncovered the institutional advantages and functional positioning of trust companies in the field of poverty alleviation and public welfare, forming a public welfare and charity ecosystem with company-wide participation, whole-supply-chain coverage and whole-society resonance. It has created a variety of public welfare and charitable poverty alleviation models with trust characteristics, such as co-trusteeship, investment-linked poverty alleviation, a Chinese version of the Donor-Advised Fund or DAF and investment-linked charity. With the amplification effect of the “accumulation and sharing” of trusts, the effectiveness of its charity models have been further strengthened. As a result, the social impact and cohesive power of CITIC Trust’s charitable activities were enhanced.

Proprietary Business

To support the development of businesses in CITIC Trust and its subsidiary companies and to achieve the mid-to-long-term strategic goal of achieving proprietary asset growth targets, the proprietary business abides by the principle of formulating a proper asset allocation strategy that balances return and risks according to compliance requirements in the net capital adequacy ratio and leverage ratio. As 62% of additional investments in proprietary assets went to standard assets in 2021, the previous portfolio with loans and non-standard investments which had dominated for many years in the past, has thus been changed and the investment structure of proprietary assets has been optimised. At the end of the recording period, the total proprietary assets of CITIC Trust amounted to RMB49.3 billion, up 5% from the previous year.

Professional Subsidiary Business

To enrich its asset management services, CITIC Trust established additional professional subsidiaries, including CTI Capital, CITIC Trust PE, CITIC Prudential Fund, to build a comprehensive financial service platform combining businesses in private equity funds, mutual funds and overseas asset management, among others.

As the first overseas platform of China Trust Company, CTI Capital has obtained multiple licences, including Type 1, 4, and 9 licences approved by the Securities and Futures Commission (SFC) of Hong Kong, as well as a trust licence and money lenders licence issued by the Hong Kong Companies Registry. It is recognised as a Qualified Foreign Investor (QFII/RQFII) with the approval of the China Securities Regulatory Commission. CTI Capital actively supports the development of the Greater Bay Area and enterprises from both Hong Kong and mainland China exploring cross-border markets. During the reporting period, AUM reached US\$1.357 billion and the overseas trust business made significant progress with an increase in trust assets amounting to US\$60 million.

CITIC Trust PE, a private equity and venture capital fund manager registered with the Asset Management Association of China, is mainly engaged in the management of private equity investment funds with assets under management of RMB44.8 billion at the end of the reporting period. It focused on investments in the equity market, ranging from advanced manufacturing to new energy, culture and consumption. During the reporting period, its investment fund in the advanced manufacturing division achieved remarkable results with a significant increase in the value of investment projects in the commercial aerospace and industrial software industries. It also invested in several new high-tech projects, such as microwave radio frequency, chip design and infrared equipment.

CITIC Prudential Fund, one of the first Sino-foreign joint venture fund management companies in China established by CITIC Trust and Prudential plc, is mainly engaged in the management of mutual funds and specific assets. During the reporting period, it registered significant growth in the fund management business, driving the value of its assets under management to RMB162.3 billion. In particular, the equity fund investments performed well with several products leading in this category.

Risk and Capital

CITIC Trust adheres to the concept of “leveraging risk management to serve business development and value enhancement”, paying special attention to risk prevention and safeguarding the bottom line. CITIC Trust greatly values net capital management and ensures that a balance is maintained between capital expansion and business development. By the end of 2019 its registered capital increased from RMB10 billion to RMB11.3 billion. During the reporting period, there were 532 trust projects completed with no defaults recorded and RMB466.7 billion of principal distributed. As of the end of 2021, the net capital adequacy ratio reached 189% and the balance of net capital reached RMB22.1 billion, building a solid foundation for sustainable growth.

Indicator	Year End 2021 (RMB billion)	Year End 2020 (RMB billion)	Change	Regulatory Requirement
Net capital	22.1	22.0	0.5%	≥RMB200 million
Total risk capital	11.7	11.0	6.4%	N/A
Net capital adequacy ratio (%)	189%	200%	-11pp	≥100%
Net capital/Net asset (%)	69%	72%	-3pp	≥40%



INSURANCE

CITIC-Prudential Life

CITIC-Prudential Life is a 50-50 joint venture between CITIC Limited and Prudential Corporation Holdings Limited, which offers life, health and accident insurance and reinsurance services. At the end of 2021, CITIC-Prudential Life operated a total of 23 branches in 99 cities across China. The credit rating of CITIC-Prudential Life continued to be AAA in 2021 with a stable outlook.



Year in Review

In 2021, the insurance industry faced pressure in new business growth with a slowdown in premium growth. Despite a complex and volatile environment, CITIC-Prudential Life maintained stable and satisfactory operations by implementing a diversified and differentiated channel development strategy, orienting towards high-quality development and business transformation. The revenue increased 14% year-on-year to RMB32.7 billion while the premium income grew 15% to RMB26.8 billion in 2021. Net profit rose 16% to RMB2.9 billion and total assets increased by 33% to RMB184.2 billion. It maintained a solvency adequacy ratio of 261% as it successfully issued RMB4 billion of capital supplementary bonds on 8 June 2021.

<i>RMB million</i>	2021	2020	Change
Operating revenue	32,711	28,772	14%
Profit attributable to shareholders	2,899	2,509	16%
Total assets	184,157	138,094	33%
Return on equity (%)	22%	24.5%	-2.5pp

Risk Management

Since 2016, CITIC-Prudential Life has been rated “Class A” by China Banking and Insurance Regulatory Commission (CBIRC) in every quarterly Integrated Risk Rating (IRR). It is also the only foreign-funded life insurance company that has been rated as “Class A” for 24 consecutive quarters, maintaining its consistently solid risk control status.

Products

CITIC-Prudential Life adheres to a customer-centric approach and strives to be the most outstanding provider of insurance and wealth management solutions in China. In 2021, CITIC-Prudential Life adhered to its primary mission to optimise insurance solutions and continuously improve business structure, which resulted in a year-on-year increase of 15% in premium income. Based on customers’ needs in health, pension and personal wealth management, it built a comprehensive and diversified product structure with health insurance, life insurance, annuity and pension insurance as its main components to achieve full coverage of customers’ entire life cycle.

By product type (RMB million)	2021	2021 proportion	2020	Change
Life insurance	20,558	77%	17,116	20%
Health insurance and accident insurance	6,269	23%	6,245	0.4%
Total premium income	26,827	100%	23,361	15%

Distribution

CITIC-Prudential Life adheres to a diversified and differentiated distribution strategy. Facing the challenges brought by manpower loss and premium income decline from new policies, Agency Channel continued to emphasise high-quality development when carrying out business. By following the operational strategy of “product+team”, relying on the dual engines of optimisation and innovation, it recorded relatively stable growth with a year-on-year increase of 11% in overall premium income. The bancassurance channel embraced its competitive advantages and continued to implement the four-wheel strategy of “channel+product+team+technology”, yielding a year-on-year increase of 19% in premium income.

By distribution channel (RMB million)	2021	2021 proportion	2020	Change
Agency	12,795	48%	11,477	11%
Bancassurance	12,931	48%	10,893	19%
Others	1,101	4%	991	11%
Total premium income	26,827	100%	23,361	15%

Note: Distribution channels are classified according to CBIRC. Others include professional agency, other part-time agency, direct sales, online sales and broker; Group business is included mainly in direct sales.

Investment of Insurance Funds

CITIC-Prudential Life adheres to a flexible and balanced asset management strategy as well as stringent risk management to provide strong support for business operations and channel transformation. By the end of 2021, the total investment of insurance funds increased by 37% to RMB174.9 billion. The performance of investment linked policy (ILP) was varied but surpassed performance benchmarks overall while the financial income of non-ILP continued to increase. In addition, CITIC-Prudential Life leveraged its advantages in insurance funds, actively practiced national strategies and invested in infrastructure, high-end manufacturing and other real economic sectors through bond financing and equity investments, realising positive synergies between insurance funds and the real economy.



SECURITIES

CITIC Securities

CITIC Securities is a leading securities company in China, with businesses covering investment banking, wealth management, financial markets, asset management and equity investment.

Year in Review

In 2021, CITIC Securities' investment banking, asset management, wealth management and other businesses maintained balanced and steady growth and recorded operating revenue of RMB97.324 billion, a year-on-year increase of 35.42%, while profit attributable to shareholders reached RMB23.100 billion, a year-on-year increase of 55.01%.

<i>RMB million</i>	2021	2020	Change
Revenue	97,324	71,869	35.42%
Profit attributable to shareholders	23,100	14,902	55.01%
Total assets	1,278,665	1,052,962	21.44%
Return on equity (%)	12.07%	8.43%	3.64pp

Investment Banking

In the domestic equity financing business, following the reform of the registration system, CITIC Securities continued to expand its IPO business on the STAR Board and the ChiNext Board, focusing on the development of private placement (for cash) business. Meanwhile, it actively explored business opportunities in convertible bonds, private placements for asset transactions and rights issues, and continued to boost quality management and risk control processes for equity financing projects to reinforce and enhance its comprehensive competitive strengths. In 2021, CITIC Securities completed a total of 194 A-share lead underwriting transactions, with an aggregate value of RMB331.92 billion (including cash and asset private placements), representing a year-on-year growth of 5.8% and a market share of 18.3%, ranking first in the market.

With respect to overseas equity financing, CITIC Securities further strengthened its integrated domestic and foreign management and continued to focus on new economic sectors, including information media, consumption, medical and health industries. On a joint bookrunner basis, the company completed 53 overseas equity transactions with a total underwriting amount of US\$7.94 billion, of which the volume of equity financing in the Hong Kong market amounted to US\$6.44 billion, ranking second among Chinese securities companies in the SAR.

The debt financing business continued to maintain a leading position in the industry with a total underwriting amount of RMB1,564.05 billion, a year-on-year increase of 20.0%, which accounted for a market share of 5.8%, ranking first in the industry. The company underwrote a total of 3,318 debentures, ranking first among its peers.

In the overseas Chinese-funded US dollar bond business, CITIC Securities completed 121 transactions with a total underwriting volume of US\$4.02 billion, ranking fourth among Chinese securities companies. The company also offered diversified services to clients, including structured and leveraged financing, risk management solutions and liquidity management.

In its financial advisory business, CITIC Securities topped the industry in the restructuring of A-share material assets, undertaking RMB95.92 billion in deals. It completed transactions totaling US\$105.32 billion in global mergers and acquisitions involving Chinese enterprises, ranking first in the industry. The company continued to expand its domestic and overseas merger and acquisition business and actively assist clients in integrating global quality resources.

By the end of the reporting period, CITIC Securities, as a nominated adviser and broker in the New OTC Market, supervised 12 listed enterprises on the New OTC Market, among which seven have entered into the higher-level Innovation Tier. It assisted two companies on their Select Tier public offerings, which have now been transferred to the Beijing Stock Exchange. CITIC Securities provided market-making services to 31 listed companies, with one company already listed on the Beijing Stock Exchange and 23 companies entered into the Innovation Tier.

■ Wealth Management

During the reporting period, CITIC Securities further developed its wealth management business by building a standardised, platform-based and refined customer management system and by optimising its multi-level, personalised all asset-inclusive product and service system. It introduced an overall office solution for entrepreneurs, having created a comprehensive wealth management service ecosystem targeting ultra-high-net-worth customers. CITIC Securities renamed the original brand of CITIC Securities Brokerage (HK) to CITIC Securities Wealth Management (HK) to underscore its resolve to establish a comprehensive wealth management platform that provides global asset allocation and trading services for domestic and foreign high-net-worth customers to better serve customers' needs in wealth preservation, appreciation and inheritance. In 2021, the total trading volume of stocks and funds amounted to RMB38.4 trillion, representing a year-on-year increase of 34%. As of the end of the reporting period, the number of clients exceeded 12 million and total assets under custody reached RMB11 trillion, representing an increase of 29% as compared with year-end 2020.

■ Financial Markets

CITIC Securities operates a comprehensive trading business with service offerings including equity derivatives, fixed-income, commodities and securities financing, in addition to proprietary trading. In the equity derivatives business, CITIC Securities' OTC derivative operations and counter products continued to expand service offering by incorporating more product portfolios and scenarios. The market-making business continued to rank at the top of the market. Trade in equity derivatives covers core international markets, providing clients with global derivatives trading services. In terms of fixed-income business, CITIC Securities recorded steady growth in each business line, having improved product design, enhanced the integrated strength of client service capabilities and explored more profit models. Sales of interest rate products ranked first in scale among its peers. Through active deployments in the company's domestic and foreign financing service and securities lending business, CITIC Securities maintained a leading market share in the financing market and recorded substantial growth in securities lending.

Asset Management

The impending deadline for implementing the “New Regulations on Asset Management” triggered continuous industry transformation and development in the macro environment. In response, CITIC Securities strengthened product innovation in its asset management business and built a strategic product-based platform for the company. As of the end of the reporting period, the asset management business continued to outperform its peers in key segments, achieving an AUM of RMB1,625.74 billion. The company’s private equity management business (excluding pension funds, public offering products and asset securitisation products) attained a market share of 15.87%, ranking first in the industry.

CITIC Securities is the largest shareholder of China Asset Management Company Limited (China AMC). By the end of 2021, the AUM of China AMC reached RMB1,661.61 billion, of which mutual funds accounted for RMB1,038.38 billion and institutional and overseas business accounted for RMB623.23 billion.

Equity Investment

CITIC Securities’ alternative investment subsidiary, CITIC Securities Investment, continued to explore investment opportunities in the fields of advanced manufacturing, information technology, innovative services, healthcare, advanced materials and industrial products, seeking to appropriately advance the stage of investment. It also invested in a number of enterprises with core competitiveness in the fields of consumption, semiconductors, healthcare, advanced materials and information technology.

GoldStone Investment is a platform conceived by CITIC Securities that raises and manages private equity funds. It continued to deepen its collaboration with large-scale industrial groups and establish new funds. As of the end of the reporting period, GoldStone Investment has managed over 20 private equity funds. In 2021, GoldStone Investment invested approximately RMB8 billion in various sectors related to advanced materials, new energy, new information technology, aerospace and healthcare, among others.





ADVANCED INTELLIGENT MANUFACTURING

We strive to become a pioneer in the advanced intelligent manufacturing sector, aiming to achieve operational breakthroughs in critical technologies and reinforce our leading market position.

MAJOR SUBSIDIARIES



CITIC Dicastal

is the world's largest aluminum automotive wheels manufacturer.



CITIC Heavy Industries

is a leading manufacturer of heavy machinery and specialised robotics in China.



CITIC Holdings

is dedicated to smart manufacturing, industrial internet, establishing "lighthouse" factories capabilities, and related venture investment partnerships.

REVENUE

HK\$ million

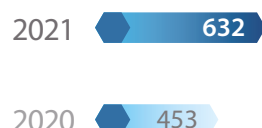
+247%



PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

HK\$ million

+40%



TOTAL ASSETS

HK\$ million

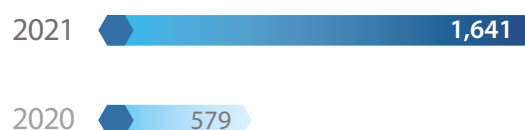
+14%



CAPITAL EXPENDITURE

HK\$ million

+183%



The advanced intelligent manufacturing segment achieved profit attributable to ordinary shareholders of HK\$632 million, an increase of 40% year-on-year, primarily driven by CITIC Dicastal, which captured opportunities arising from the recovery of China's automobile market in 2021, supporting growth of 7.76% and 17.87% respectively on the sales of wheels and casting products. CITIC Dicastal's net profit reached RMB1 billion, an increase of nearly 40% year-on-year. Meanwhile, CITIC Heavy Industries maintained solid performance in new business sectors, including offshore wind power and specialty robotics, with net profit growing 16% to RMB227 million.



LIGHTWEIGHT AUTOMOTIVE COMPONENTS

CITIC Dicastal

CITIC Dicastal is the world's largest producer of aluminum automotive wheels. Its products include wheels and lightweight cast components for powertrains, chassis and body systems for the automotive industry. Annual production capacity totals 75 million wheels and 120,000 tonnes of castings.

CITIC Dicastal has 26 major manufacturing facilities across China, the United States, Europe and Africa.

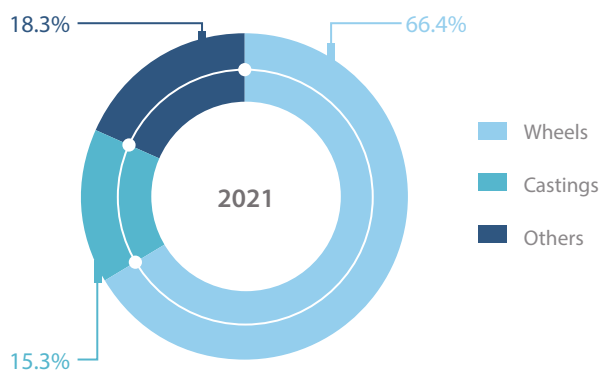
RMB million	2021	2020	Change
Revenue	31,995	26,103	22.57%
Profit attributable to shareholders	1,002	718	39.57%
Total assets	33,253	28,870	15.18%
Return on equity (%)	11.36%	8.75%	2.61pp

Year in Review

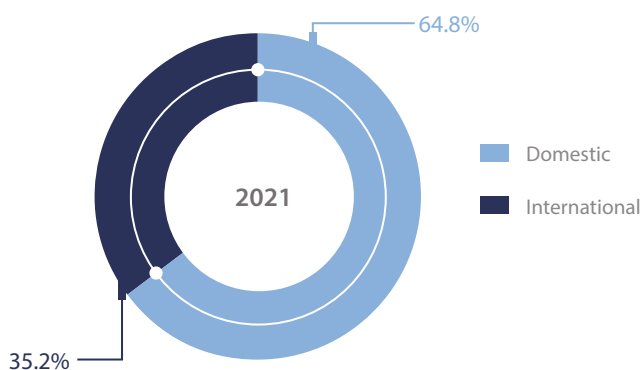
In 2021, worldwide automobile production and sales were significantly impacted by the COVID-19 pandemic and the global automobile industry declined. By contrast, according to the statistics of the China Association of Automobile Manufacturers, the annual production and sales of China's automobile market increased by 3.4% and 3.8% respectively year-on-year, ending the three consecutive years of decline since 2018. This was due mainly to precise and effective pandemic control measures in China, which led to increased production and sales of vehicles as people's lives returned to greater normalcy, shoring up the recovery of China's auto market.

CITIC Dicastal actively adjusted its business strategy by enhancing product and service quality to meet changing customer needs and to capture opportunities arising from the recovery of the automobile market. In 2021, CITIC Dicastal sold 60.01 million wheels, reflecting annual growth of 7.76% and sold 97,700 tonnes of casting products, representing 17.87% year-on-year growth. Revenue increased by 22.57% to RMB31.995 billion during the reporting period while net profit increased by 39.57% to RMB1.002 billion.

Sales by Products



Sales by Industry



Customers

Major customers of CITIC Dicastal’s aluminum wheels include 12 leading global automakers, among them Ford, General Motors and Chrysler, as well as major Chinese automakers including FAW, SAIC and Dongfeng. Major customers for lightweight aluminum cast components include Daimler, Volkswagen and parts manufacturers, including TRW, ZF and Bosch. In 2021, sales generated by the top 10 customers of CITIC Dicastal’s aluminum wheels accounted for 32.66% of total product sales.

Major Products



Research and Development of Lightweight Products

CITIC Dicastal is dedicated to becoming a supplier of lightweight solutions to global automotive manufacturers in lightweight technology, systemisation and intelligent and global ecological modernisation. The company incorporates the development and application of new and advanced materials to meet the rapidly changing demands of the automotive industry and evolving new energy vehicle developmental trends. The company commences over 50 R&D projects each year, focusing on the development of the next generation of automotive lightweight components.

By developing high-pressure structural parts, the company improved the mechanical properties of its products through alloy optimisation. It achieved mass production and delivery of the modular electric battery (MEB) pack beam, the company's key mass production product in this field, realising a breakthrough from producing high-pressure shells to producing high-pressure structural parts.

The company explored the development of integrated casting for large and complex structures, while also connecting with customers to simultaneously develop integrated casting products, such as door assemblies, integrated rail structures and engine rooms.



INTELLIGENT HEAVY EQUIPMENT & SPECIALISED ROBOTICS

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 China's largest heavy machinery manufacturers.

CITIC Heavy Industries' major business includes research and development and the offering of advanced industrial equipment products, services and solutions to customers. Products include mining and heavy machinery, specialised robots and intelligent equipment, new energy equipment and special materials. Its main production facilities are located in Luoyang, Henan; Tangshan, Hebei; Zhangzhou, Fujian; Beijing and Vigo, Spain.

Year in Review

<i>RMB million</i>	2021	2020	Change
Revenue	7,550	6,318	19.50%
Profit attributable to shareholders	227	195	16.13%
Total assets	20,337	20,196	0.90%
Return on equity (%)	3.08%	2.70%	0.38pp

In 2021, CITIC Heavy Industries actively implemented the national strategy and the "553" strategy of the Group, consolidated reforms and powered itself with innovation. CITIC Heavy Industries made tremendous achievements in industrial management, with sustained growth in its main business indicators, and ranked among the top in the industry. CITIC Heavy Industries recorded revenue of RMB7.55 billion, up 19.5% year-on-year. Profit attributable to ordinary shareholders was RMB227 million, up 16.13% year-on-year.

The Implementation of National Strategies Presented New Responsibilities

In 2021, CITIC Heavy Industries continued to participate in major national aerospace engineering projects and serviced the in-orbit construction of China's space station, safeguarding the journeys of the Shenzhou-12 and Shenzhou-13 manned spacecrafts as well as the Long March-5B carrier rocket. The large mills developed for Erdenet in Mongolia and Qinghai Yellow River Mining Co., Ltd. have been successfully delivered and the ball mills developed for Kamo-Kakula Copper Mine reached production targets. CITIC Heavy Industries also completed the online "cloud" delivery of CSM-1500 vertical stirred mill, developed for Codelco, the National Copper Corporation of Chile and completed production of the new generation T3.20 boom-type roadheader and the largest nuclear forging "Hualong One" steam generator shell forging. We provided high-quality products for offshore wind power projects such as the Changle 500MW project of Fire Energy Group, the Xuwen 600MW project and the Shenquan 400MW project of State Power Investment Corporation. The 1:4 model of the 2GeV superconducting FFAG accelerator magnet made for the China Institute of Atomic Energy passed checks and acceptance requirements smoothly. The manufacture, delivery and commissioning of critical equipment demonstrated the comprehensive strength of CITIC Heavy Industries as a high-end equipment manufacturing enterprise.

New Breakthroughs in "Bottleneck" Fields

In 2021, CITIC Heavy Industries continued to strengthen its status as a pioneer in national strategic, scientific and technological development, focusing on making breakthroughs in major national products, industry "bottleneck" technology and significant technologies conducive to industrial development, focusing on 23 "bottleneck" projects. CITIC Heavy Industries developed the largest domestic CSM-2250 vertical stirred mill, with capabilities transcending China's current high-end ultra-fine grinding equipment. We successfully developed the hydraulic pile-driving hammer, the first domestic "bottleneck" product for marine industries, which disrupted the existing monopoly of foreign companies. We successfully finished the delivery of Asia's largest commercial-grade wind power plant product—10MW suction jacket—and successfully developed the first domestic 14-metre-diameter urban shaft boring machine and the first domestic ultra-deep shaft boring machine for hard rock construction. In addition, the 100-tonne nuclear spent fuel ductile iron container passed appraisal and was recognised as advanced among similar products in the world. The coal mine underground inspection robot and binocular vision beneficiation special robot have been applied for the first time in the industry, while the magnetic wall-climbing cleaning robot was delivered in batches, realising the goal of replacing workers with robots in special working conditions. The 125MN pre-drawing unit, the largest in Asia, also went through hot load testing successfully, following a series of project completions relating to the "Big Plane", manned space program and the construction of the 120MN stretching machine to support lunar exploration.

New Progress in Industrial Transformation

In 2021, adhering to the concept of "development driven by strategy, propelled by innovation, and enhanced by values", CITIC Heavy Industries comprehensively promoted the transformation and upgrading of traditional kinetic energy and the cultivation and development of new kinetic energy. CITIC Heavy Industries maintained steady growth in its mining and heavy machinery business, which provided stabilising and anchoring effects for the company. The cultivation of new businesses in offshore wind power, special materials and robots achieved exceptional results, with the pace of our industrial transformation continuously accelerating.

In particular, CITIC Heavy Industries realised new successes in our robots and intelligent equipment business. The company worked together with China Molybdenum Co., Ltd to promote the construction of intelligent mines and jointly contributed to the transformation and upgrading of the mining industry through intelligentisation. CITIC HIC Kaicheng Intelligence actively explored collaborations with Huawei Technologies Co., Ltd in coal mine intelligentisation, and confirmed partnerships for projects on Harmony, F5G, WIFI6, intelligent camera, and others. CITIC HIC Kaicheng worked together with China University of Mining



and Technology to initiate the establishment of the “Union of the Innovative Application of Mining Robots,” and jointly served as its president. CITIC HIC Kaicheng has also been recognised as a company with emergency material production and storage capabilities among ten other reserve-base companies in Hebei province. In the new energy equipment business, CITIC Heavy Industries focused on offshore wind power equipment and other clean energy equipment, and delivered approximately 100 sets of offshore wind products as scheduled, providing a solid offshore foundation for the 627.5MW offshore wind power project, generating 1.883 billion kW per hour of clean energy and reducing carbon emissions by 1.8769 million tonnes. As for the special material business, the “Hualong One” voltage regulator contract fully demonstrated CITIC Heavy Industries’ technical capacity and industry influence in the high-end large nuclear power forging market. We provided in batches high-quality key forgings and castings for hydropower projects located in Qingyuan County (Liaoning Province), Xiamen City (Fujian Province), and Julius Nyerere (Tanzania), among others. We also provided the first batch of large mould products for new energy vehicle company Tesla, attesting to the company’s ability to provide high-end moulded material manufacturing and customisation solutions.



INDUSTRIAL INTERNET PLATFORM

CITIC Holdings

CITIC Holdings is the main force behind the digitalisation, intelligentisation and development of the industrial ecosystem of CITIC’s Advanced Intelligent Manufacturing segment. CITIC Holdings accelerates the integration of digital technology and applications and propelled the development of digital industries by building a strategic framework consisting of “one core (digitalisation) and two wings (industrial internet and industrial investment)”.

In the field of industrial internet, the company took the lead in forming an innovation alliance and cooperated with CITIC Dicastal to build the first “lighthouse factory” of CITIC Group. On 27 September 2021, Line 6 of Dicastal Qinhuangdao Aluminum Wheel was named one of the newest “lighthouse factories”, the first in the global automotive wheel manufacturing industry. At present, the application of “lighthouse” principles has already been promoted and replicated in multiple CITIC Dicastal production lines over the world.

CITIC Holding’s subsidiary company, CRF Union, researched and developed an industrial intelligence platform to deeply integrate AI technology into a variety of industrial use cases. It strived to build an “AI+industry” core developmental system, consisting of components including AI+visual intelligence, AI+machine intelligence and AI+energy intelligence. It also deepened cooperation with leading enterprises in industries such as auto parts, coal chemicals, consumer electronics, cement building materials and spatial intelligence (factory and ports), in order to provide full-fledged industrial intelligent solutions that create value for customers, realise the cross-industry adoption of “lighthouse capabilities”, and help to drive the superior development of enterprises.

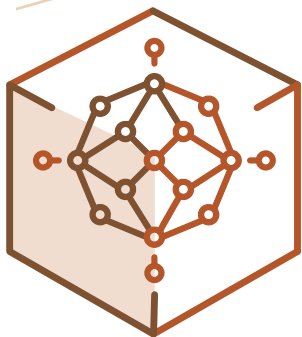


In 2021, CITIC Holdings strengthened its technological innovation capabilities and strived to build a sustainable development engine. Several technological achievements obtained national honorary certifications from the Ministry of Industry and Information Technology (MIIT). For example, the “Casting Cloud” was championed as the “Pilot Demonstration Project of Integrated Development of the New Generation Information Technology and Manufacturing Industry”, and the “Metal Casting Whole-Process Quality Closed-loop Control” App won the “2021 Excellent Industrial Internet Solution App” award.

In order to drive the development of an intellectual property framework, the company accelerated the building of a “patent moat”, having obtained 56 invention patent authorisations and 43 software copyrights, and published two SCI-indexed journal papers.

In the field of Industry Investment Funds, CITIC Holdings is pivoting towards technological self-reliance and self-improvement, to enhance the coordination of industry and finance, and facilitate the innovation of advanced manufacturing enterprises. CITIC New Future Investment, CITIC Holdings’ subsidiary company, intends to orient its future investment towards “professionalisation and specialisation”, and to seize strategic opportunities presented by the IT and Energy revolutions. The company has put forth a threefold strategy, focusing on substitution by domestic production, overtaking competitors and original innovation, in order to guide its exploration in areas of core fundamental digital technologies, key supply chains, high-end manufacturing and carbon peak and neutrality. CITIC New Future Investment’s portfolio spans a number of technological arcs, including semiconductors, advanced manufacturing, new materials and new energy.

Among the investments, several “bottleneck” projects such as domestic operating systems, domestic databases, FPGA, enterprise-level SSD storage main control chips and hard disks, high-end optical films and high-performance heat sinks have generated considerable investment returns. In 2021, CITIC New Future Investment was shortlisted as one of the Top 20 PE Funds of the Year and one of the Top 10 ESG Investment Institutions of the Year by China FoF Center.



ADVANCED MATERIALS

Our advanced materials segment aims to ensure supply chain stability and to build competitive advantages through the development of complete vertical industrial value chains jointly with the businesses of the advanced intelligent manufacturing segment.

MAJOR SUBSIDIARIES



CITIC Pacific Special Steel

is China's largest producer of special steel.



CITIC Metal

invests in mining and mineral projects, such as copper and ferroniobium, and trades commodities.



CITIC Resources

is listed on The Stock Exchange of Hong Kong Limited. Its principal business is the exploration, development and production of oil. It also invests in coal mining, the import and export of commodities, electrolytic aluminum, bauxite mining, and alumina smelting.



CITIC Mining International

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



CITIC Pacific Energy

invests in and manages power plants as well as green energy businesses in China.

REVENUE

HK\$ million

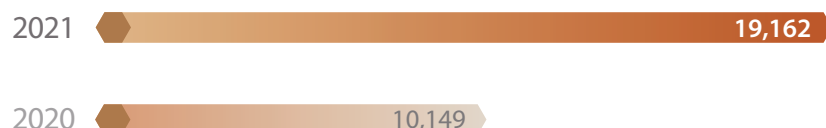
+44%



PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

HK\$ million

+89%



TOTAL ASSETS

HK\$ million

+14%



CAPITAL EXPENDITURE

HK\$ million

+37%



The advanced materials segment realised profit attributable to ordinary shareholders of HK\$19.162 billion, a substantial increase of 89% year-on-year, resulting mainly from strong commodity prices, particularly of iron ore, and the outstanding performance of CITIC Pacific Special Steel. CITIC Pacific Special Steel further optimised its product mix and sales volume increased by 3.87% to 14.53 million tonnes compared to 2020. Additionally, the company's continuous efforts to improve operating efficiency and control costs contributed to profit attributable to the shareholders of the listed company of approximately RMB8 billion, a 32% increase year-on-year. Benefiting from the strong iron ore price, Sino Iron realised a profit of US\$950 million, an increase of 1.2 times year-on-year. CITIC Metal recorded a 14% increase in profit attributable to the parent company to RMB1,751 million by undertaking vigorous initiatives in commodity trading and by continuing to consolidate its overseas mining resources. Leveraging the opportunity emerging from the rising price of crude oil, CITIC Resources stabilised its production and realised profit attributable to ordinary shareholders of RMB916 million, accomplishing a turnaround from loss to profit compared to the prior year.

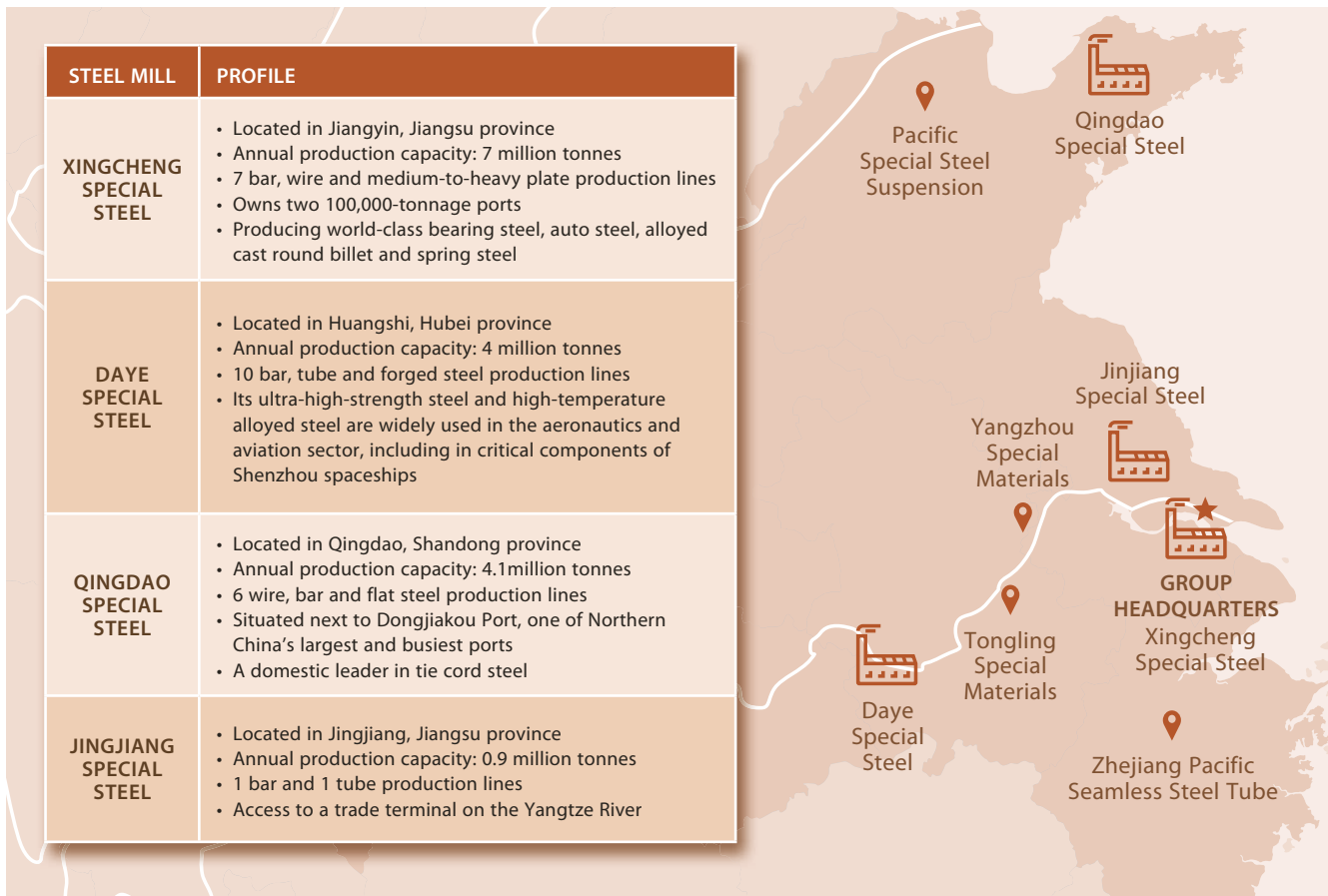


SPECIALTY NEW MATERIALS

CITIC Pacific Special Steel

CITIC Pacific Special Steel is China’s largest dedicated manufacturer of special steel, producing bars, plates, seamless steel tubes, forged steel, wires and casting billets for customers in the auto components, energy, machinery manufacturing, oil and petrochemicals, transport, shipbuilding and other industrial sectors. Its products are sold in China and exported to more than 60 other markets, including the US, Japan, Europe and Southeast Asia.

With a total production capacity of over 16 million tonnes of special steel per annum, CITIC Pacific Special Steel currently operates four main plants—Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel and Jingjiang Special Steel. The company also has two raw material processing plants in Tongling and Yangzhou, as well as two industrial extension plants—Zhejiang Pacific Seamless Steel Tube in Shaoxing and Pacific Special Steel Suspension in Ji’nan. In addition, the company acquired 40% of the shares of Shanghai Electric Group Pipe Co., Ltd. and thereby obtained management rights of Tianjin Pipe Corporation in 2021.



Year in Review

RMB million	2021	2020	Change
Revenue	97,332	76,289	27.58%
Profit attributable to ordinary shareholders	7,953	6,032	31.84%
Total assets	84,876	77,468	9.56%
Return on equity (%)	26.78%	22.92%	3.86pp



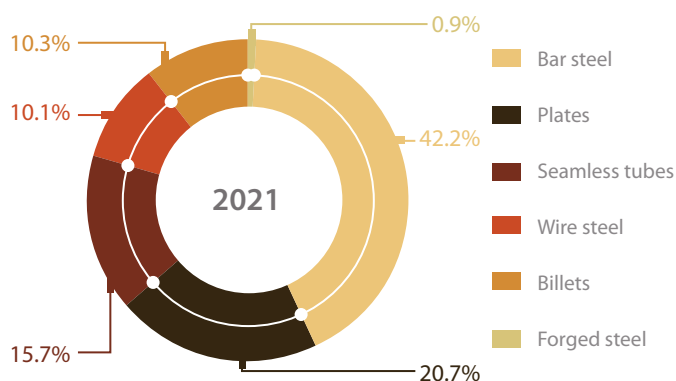
In 2021, China's "Double Control" policy on production capacity and energy consumption, the significant fluctuations of raw material prices, a downturn in the real estate industry and other contributing factors impacted the steel market in China. After a period of rapid growth in both production and sales in the first half of the year, the market began to contract in the second half of the year, causing steel prices to retreat after rallying in the first half of the year. Under the policy context of reduced crude steel production during the period, steel production for the year fell slightly year-on-year in line with the national control plan, while the overall rise in steel prices drove industry efficiency to its highest level ever.

CITIC Pacific Special Steel actively responded to the impact of various factors, including the fluctuation of raw material market prices and the "Double Control" policy on production capacity and energy consumption by optimising its product structure and adjusting product prices in a timely manner, and by following a roadmap that focuses on "internal verification and external expansion" in order to refine and strengthen high-quality special steel products. Sales increased for all four of its steel mills, and the company sold 14.53 million tonnes of special steel products during the period, an increase of 3.87% compared to the previous year. Revenue grew by 27.58% to RMB97.3 billion and profit attributable to the shareholders of the listed company improved 31.84% year-on-year to RMB7.953 billion as a result of sales volume growth and effective cost reductions.

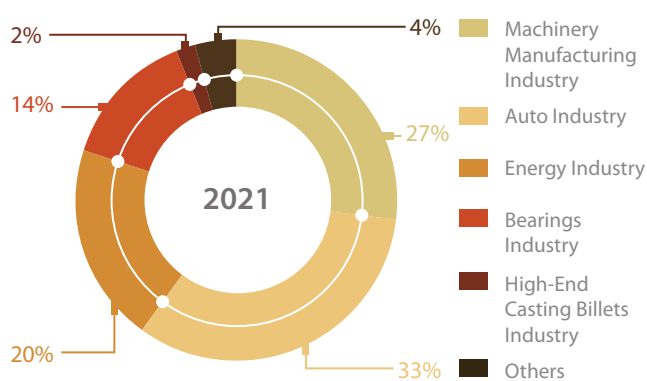
Sales and Products

CITIC Pacific Special Steel adheres to the business strategy of leveraging "domestic trade to supplement foreign trade". Xingcheng Special Steel posted record high sales volume of 6.47 million tonnes. Daye Special Steel's 300M standard steel received bulk orders from the international civil aviation industry. Bead cords and special welding steel produced by Qingdao Special Steel maintained its leading market share in China, and Jingjiang Special Steel was included in the approved supplier list for oil casings by the CNPC for the first time. Export sales amounted to 1.315 million tonnes despite the overall unfavourable export environment, accounting for 9.05% of total sales.

Sales by Product



Sales by Industry



More than half of the company’s products are sold to the auto components, machinery manufacturing, and energy industries. CITIC Pacific Special Steel’s primary products, bearing steel, recorded sales volume of more than 2 million tonnes in 2021, representing an increase of 17.7% year-on-year and remained the leader in global sales volume, a position it has held for 11 consecutive years. Sales volume of the company’s second largest product category, steel products for auto components, amounted to 3 million tonnes, dominating the domestic market for 14 consecutive years. The annual sales of alloyed cast round billets and bead cords reached 1.5 million tonnes and 1.33 million tonnes respectively, both hitting record highs and maintaining their leading national sales position in the country. Specifically, the 1,200mm diameter super-sized round billet once again broke the world record for the largest size round billet.

During the year, the company successfully achieved cost reductions and efficiency enhancements through ongoing measures in procurement, production collaboration, finance, digital transformation and other aspects.

R&D and Innovation

In 2021, over 2.50 million tonnes of new products were developed and sold, representing 17.3% of the total sales volume and a 12% increase in sales of these products as compared to 2020. The company obtained 313 patents including 72 invention patents during the year. During the period, the company established the Technology Department to set up 29 “bottleneck” projects around strategic emerging industries, with two projects being completed within the year. For example, it participated in the “localisation of bogie bearings for high-speed EMUs” project, and successfully resolved the “bottleneck” concerning the sourcing of key materials for high speed railways, achieving “zero” imports for these materials.

In bars, the oversized round billet with a diameter of 1,200mm succeeded in one hot test, setting a new world record for the largest continuous casting round billet, which had previously also been held by the company. Moreover, gears and hot-rolled materials were fully localised and were supplied in batches for use in new energy car models at Tesla, Volkswagen, General Motors and Ford. In terms of wires, the company successfully developed the world’s first 2,200MPa-class hot-rolled wire rods for ultra-high-strength bridge cables, filling a supply gap in the world. In plates, the company successfully developed the world’s largest wear-resistant steel plate with a thickness of 190mm, and was able to achieve a mass supply. In seamless steel tubes, the company developed Liebherr ultra-long boom pipes for the first time and in special metallurgy forging, the company’s exclusive production of high-temperature alloy spinning pipes helped to drive the manned flight of the “Shenzhou-12” and “Shenzhou-13” rockets.







New Projects

As an experienced special steel manufacturer, CITIC Pacific Special Steel continuously invests in the special steel industry. In 2021, the company acquired 40% of the shares of Shanghai Electric Group Pipe Co., Ltd. and thereby obtained management rights of Tianjin Pipe Corporation. The actual production capacity of seamless steel tubes exceeded 5 million tonnes, ranking first in the world in this segment.

During the year, the company also completed the acquisition of 51% equity interest in Hubei Shenfeng, 20% equity interest in Xinyegang Auto Parts Company and 65% equity interest in Qingdao Sidier, which provided support for the company's transformation, upgrading and professionalisation.

The continued Qingdao Special Steel project was completed during the period, with additional production capacity expected to be realised in 2022.

Major Products

Products	Production capacity ('000 tonnes)	Examples	Industries
Bars	 6,133	<ul style="list-style-type: none"> Bearing steel Gear steel Spring steel Alloy tube billet Oilfield steel 	<ul style="list-style-type: none"> Automobile Machinery Power Petroleum & petrochemical Railway
Special Plates	 2,285	<ul style="list-style-type: none"> High-rise building steel High strength plate High strength corrosion-resistant bridge plate Special wear plate Plastic mould plate 	<ul style="list-style-type: none"> Power Construction Shipbuilding Machinery Petroleum & petrochemical
Seamless Steel Tubes	 1,477	<ul style="list-style-type: none"> Petroleum pipe Engineering pipe Ultra high strength steel pipe 	<ul style="list-style-type: none"> Petroleum & petrochemical Machinery Automobile
Wires	 3,011	<ul style="list-style-type: none"> Alloy structural steel Bearing steel Spring steel Cutting wire steel Tire cord steel High strength cable steel 	<ul style="list-style-type: none"> Automobile Metal works Machinery Construction
Casting Billets	 1,501	<ul style="list-style-type: none"> Alloy structural steel Gear steel Bearing steel 	<ul style="list-style-type: none"> Power Petroleum & petrochemical Machinery
Special Forged Steel	 127	<ul style="list-style-type: none"> Tool and die steel Ultra high strength steel Stainless steel High-temperature alloys 	<ul style="list-style-type: none"> Machinery Aerospace Automobile



SPECIALTY RAW MATERIALS

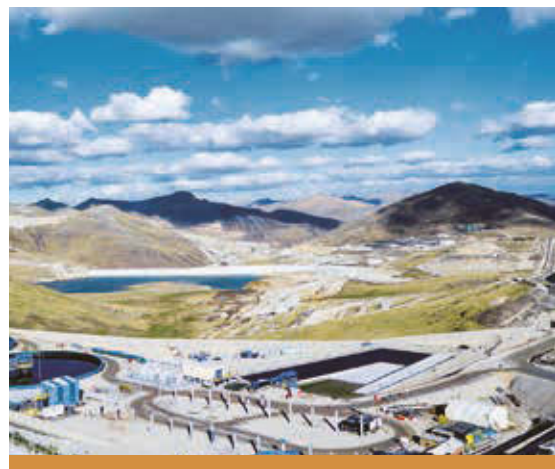
CITIC Metal Group

CITIC Metal Group (CITIC Metal) is primarily engaged in commodities trading and mining investments, and aspires to become a top tier trader and investor in the field. CITIC Metal specialises in trading of niobium products, iron ore, non-ferrous metals, steel and aluminum, among others. The company's investment portfolio includes Ivanhoe Mines (IVN.TO; 26.01% shareholding), Las Bambas Copper Mine in Peru, Brazilian niobium miner CBMM, CITIC Titanium, Western Superconducting Technologies (688122.SH; 12.74% shareholding), South Manganese Investment (01091.HK; 5.84% shareholding) and others.

In 2021, CITIC Metal achieved revenue of RMB114.2 billion, an increase of 45% year-on-year, and profit attributable to the parent company of RMB1,751 million, an increase of 14% year-on-year.

In 2021, CITIC Metal actively developed its commodity trading business and significantly enhanced its revenue generating capability, with operating revenue of over RMB100 billion due to the active implementation of the national "going global" strategy. The company maintained its leading position in the niobium product industry, accounting for over 80% market share. It recorded trading volume of over 50 million tonnes of iron ore, maintaining a leading position in the industry. It also recorded annual trading volume of over 0.7 million tonnes of copper concentrate, ranking among the top suppliers in China. The company's steel trading business continued to achieve sustained and sound growth with domestic operating networks steadily advancing. The aluminum trading business recorded annual operating revenue of RMB10 billion.

In recent years, CITIC Metal has continued to consolidate its investments in overseas mining resources. The construction of KK Copper Mine, which is owned by its associate, Ivanhoe Mines Limited, progressed smoothly, entering production several months ahead of schedule. By October 2021, it had stabilized production and achieved production goals. CITIC Metal contracted long-term offtake agreements for 50% of the copper concentrate produced. The Las Bambas Copper Mine in Peru and Brazilian niobium miner CBMM overcame challenges posed by the epidemic and road blockages. They captured market opportunities and actively continued manufacturing, which made positive contributions to securing the stable supply of mineral resources and maintaining profits.



During the year, to fulfil the national development requirements to achieve carbon peak and carbon neutrality, CITIC Metal continuously enhanced its technological capability and increased capital investments to help the country solve bottleneck problems in the field of advanced materials. The company also focused on establishing a capital operation platform with its subsidiary, CITIC Metal Co.'s IPO application officially received by the China Securities Regulatory Commission. CITIC Metal's subsidiary, CITIC Titanium completed its new production line with a capacity of 60,000 tonnes of titanium per year and has been running trials, significantly increasing its manufacturing capacity in high-end products. The company also continued to increase its efforts in the research and development of copper, aluminum, nickel, platinum and other commodities in line with the trend of new energy R&D, contributing to the reform of the national energy production structure and the transition to green development.

Sino Iron

Sino Iron is developed by CITIC Mining International through its Australian subsidiary CITIC Pacific Mining (CPM), the largest magnetite concentrate operation in Australia and a major supplier of premium feedstock to Chinese steel mills.

Located on the coast of Western Australia's Pilbara region, Sino Iron is a pioneer of magnetite mining and beneficiation in Australia. Since 2013, the fully integrated mining, processing and export facility has been producing a premium, low impurity, 65% Fe concentrate for a growing number of customers. In late 2021, CITIC acquired a further company from the tenement holder which has a mining right of one billion tonnes of magnetite ore, bringing the aggregate group entitlement to three billion tonnes of magnetite ore.



Utilising conventional drill and blast open pit mining techniques, ore is conveyed from in-pit crushers to a six-line concentrator where it is fed into some of the world's biggest grinding mills and then undergoes further separation from waste material. Concentrate is then pumped in slurry form 30km to a purpose-built port and prepared for transshipment to ocean-going vessels. Supporting infrastructure includes a 480MW combined cycle gas-fired power station, 40% more efficient than open cycle equivalents and a large scale reverse osmosis desalination plant.

In 2021, despite the challenge of COVID-19, CPM's effective management of the pandemic on site enabled continued operations. The company's pandemic management committee worked closely with local health authorities and ensured all precautionary measures were in place to protect the health of all employees and contractors and maintain production. During the past 12 months precautionary measures have included reducing travel movements to and from the mine site, airport health screening of passengers, mask-wearing, social distancing and promotion of good hygiene practices.

In 2021, Sino Iron shipped more than 21 million wet metric tonnes of concentrate to CITIC's special steel plants and other steel mills and achieved a profit of US\$950 million for the reporting period, 121% more than 2020. The result was primarily due to a combination of higher iron ore prices, an ongoing focus on cost control and operating efficiencies.

Sino Iron continues to consolidate its position as Australia's pre-eminent magnetite miner. Since the start of operations, more than 100 million tonnes have now been shipped. In 2021, Sino Iron was recognised as one of Western Australia's top ten exporters by value.

Despite the solid financial results, Sino Iron still faces several challenges to long-term sustainability. There remains ongoing litigation with the tenement holder, including in relation to critical approvals and tenure required for the continuity of operations at Sino Iron. There is an increasing risk that Sino Iron may be forced into production curtailment or suspension if the necessary approvals and tenure cannot be secured, due to factors including the inability to access ore and insufficient space for waste and tailings storage. These matters require the urgent cooperation of all affected parties.

CITIC Resources

CITIC Resources is listed on the Hong Kong Stock Exchange. Its principal business is the exploration, development and production of oil. It also invests in coal mining, the import and export of commodities, electrolytic aluminum, bauxite mining and alumina smelting.

In 2021, CITIC Resources recorded operating revenue of RMB3.61 billion, a year-on-year increase of 53%. Profit attributable to ordinary shareholders was RMB916 million, representing a turnaround from a loss in 2020, with an increase in profit of RMB1.22 billion.

Oil and Gas Business

The oil and gas segment recorded operating revenue of RMB1.12 billion, up 67% year-on-year. The three oilfields under this segment produced a total of 17,686,000 barrels of crude oil, 5.6% increase against 2020. The steady increase in crude oil production was mainly due to the implementation of the development adjustment program in Yuedong Oilfield and the comprehensive treatment of old wells in KBM Oilfield, which realised the rapid recovery of production.

Oilfields	CITIC Resource's interest	Daily oil production in 2021 (share of the output)	Change compared to 2020	Proven oil reserve estimates as of 31 December 2021 (share of the output)
KBM Oilfield	50%	19,200 barrels	900 barrels	78.1 million barrels
Yuedong Oilfield	90%	6,330 barrels	780 barrels	29.5 million barrels
Seram Block	41%	540 barrels	-100 barrels	1.2 million barrels

Affected by COVID-19 pandemic and low oil prices, KBM Oilfield underwent a major production restriction in 2020 with peak daily production dropping to 4,713 tonnes per day, which had a significant impact on crude oil production in 2021. However, by adopting a series of refined management measures for production wells, KBM Oilfield gradually resumed production and the natural production capacity of old wells was restored to normal levels in July 2021.

In 2021, Yuedong Oilfield achieved a record production of approximately 490,000 tonnes of crude oil through the implementation of its development adjustment program. During the year, 24 new wells were put into production at Yuedong Oilfield and as of 31 December 2021, a total of 55 adjustment wells were in operation, with an average initial production of 17.7 tonnes per day from the new wells and new production capacity of 240,000 tonnes.

Seram Oilfield in Indonesia effectively controlled the decline rate of old wells during the year through measures such as optimising single well production parameters and reopening lying wells.

In order to tap the potential of old oilfields, CITIC Resources conducted five reservoir research projects during the year, which strived to further improve the recovery rate of oilfields by analysing the development status, problems and potential, and by systematically arranging pilot tests, comprehensive management plans and development conversion preparations to strengthen the material foundation for oilfield development.

In addition, CITIC Resources also implemented various measures during the year, with a focus on: 1) deepening institutional reform and improving the oil and gas management system to comprehensively enhance corporate management; 2) improving the safety management system while strengthening security and environmental protection supervision; 3) refining the management system and coordination to maintain the efficient operation

of crude oil production; 4) refining cost management to reduce costs and increase efficiency with the aim of constantly improving the operation and management system of CITIC Resources; and 5) making innovations in technology and conducting in-depth research to increase oilfield reserves to strengthen reserve asset value and further refine cost reductions and efficiency enhancement mechanisms.

Other Businesses

Despite the impact of the COVID-19 pandemic, CITIC Resources Australia Pty Ltd still recorded satisfactory performance in each business line with annual sales of aluminum ingots of 58,795 tonnes, clean coal of 709,319 tonnes and steel of 99,546 tonnes thanks to the gradual recovery of the commodities market in 2021. Alumina Limited (AWC.ASX), whose 9.6117% equity interest is held by CITIC Resources, continued to generate stable profits and cash income. Portland Aluminum Smelter signed a new power supply contract and a government funding agreement during the year, laying a foundation for the smelter to enhance its value and achieve sustainable development.

CITIC Pacific Energy

CITIC Pacific Energy invests in and manages power plants in China with supporting businesses that extend across the industrial supply chain from mining and shipping to power sales and heat supply. The company also invests in green energy businesses including solar and wind power generation.

CITIC Pacific Energy's coal-fired power stations has a total installed capacity of 8,000MW. Among these, the Ligang Power Plant in Jiangsu Province is currently one of the largest power plants in China, with an installed capacity of 4,040MW. Ligang Power Plant provides long-term safe and reliable electricity and industrial steam to the surrounding area and has implemented an integrated strategy for its power generation business to incorporate shipping, bulk cargo terminal logistics and the coal trading business. The Inner Mongolia Shenglu Power Plant, an ultra-supercritical air-cooling generation project with an installed capacity of 2,000MW, is the first million-unit project in Inner Mongolia to be commissioned under the "West-East Power Transmission" scheme, providing over 10 billion kWh of electricity to Shandong Province per annum. The company has invested in Xin Julong coal mine in Juye County, Shandong Province, with an approved production capacity of six million tonnes per year, producing high-quality coking coal with a strong competitive edge in the market.

A total of 40.9 billion kWh of electricity was generated by CITIC Pacific Energy in 2021, an increase of 46% year-on-year, which was primarily due to the commencement of operation of the Inner Mongolia Shenglu Power Plant at the end of 2020 and a significant increase in power generation of power plants under the Jiangsu Province's unified management system. It supplied 15.36 million GJ of heat, which was similar to that of 2020. During the reporting period, coal-fired power projects recorded a loss, as coal prices continued to increase and hit record highs due to the rise in global commodity prices and the shortfall in domestic coal supply. The production and operation of Shandong Xin Julong coal mine was stable, with an annual production of 4.34 million tonnes of commercial coal, yielding an excellent operational result for the year benefiting from rising coking coal prices.

In 2021, CITIC Pacific Energy strengthened the development of green energy projects, including four distributed photovoltaic power generation projects with a total capacity of 57MW that have been put into production and operation, and nine energy management and consolidation contracting projects, with a total capacity of 106MW. The company also obtained the approval document for centralised wind power projects with a capacity of 1,000MW in Xilinhot City, Inner Mongolia, which will begin construction phase in 2022. During 14th Five-Year period, CITIC Pacific Energy plans to invest in the construction of 5,000MW wind power and photovoltaic projects to forge the clean, low-carbon and high-quality development of the company's energy business.





NEW CONSUMPTION

Driven by the principle of putting customers first, our new consumption segment aims to embrace opportunities created by an increase in domestic digital and lifestyle consumption, setting new trends in the consumer market.

MAJOR SUBSIDIARIES



CITIC Telecom International

is a leading international integrated telecommunications and information and communications technologies service provider in Asia.



CITIC Press

is a major provider of integrated content and associated services in China.



Dah Chong Hong

is an Asian motor and consumer products distributor.



CITIC Agriculture

focuses on the latest developments in agricultural science and technology.

REVENUE

HK\$ million

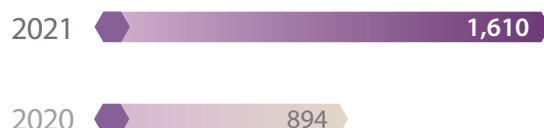
-6.4%



PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

HK\$ million

+80%



TOTAL ASSETS

HK\$ million

-5.4%



CAPITAL EXPENDITURE

HK\$ million

-42%



Profit attributable to ordinary shareholders of the new consumption segment increased 80% to HK\$1,610 million. CITIC Telecom International's net profit increased 5.2% to HK\$1,076 million, as the decline in enterprise solutions and mobile services divisions was offset by strong sales of mobile handsets and equipment. Online direct sales of books from CITIC Press increased while net profit of the offline business decreased 14% to RMB242 million due to fierce price competition in the book market. Dah Chong Hong's motor and yacht business recorded strong performance with a significant increase in net profit of 304% to HK\$550 million.



INFORMATION SERVICES

CITIC Telecom International

CITIC Telecom International (CITIC Telecom) is an integrated internet-based enterprise providing comprehensive telecommunications services. It is listed on The Stock Exchange of Hong Kong.

Since its IPO in 2007, the company has expanded its scale by successfully developing businesses in sectors including mobile, internet, international telecommunications, enterprise solutions and fixed-line services. CITIC Telecom holds a 99% equity interest in Companhia de Telecomunicações de Macau, S.A.R.L. (CTM). CTM is an industry leader providing comprehensive telecommunications services in Macau. CITIC Telecom has branch organisations in 22 countries and regions around the world, connecting more than 600 operators worldwide with 2,500 employees. It has over 160 global network nodes with businesses spanning over 150 countries and regions provides, and services to around 3,000 multinational enterprises and more than 40,000 local enterprises.

In 2021, CITIC Telecom reported profit attributable to equity shareholders of HK\$1,076 million, up by 5.2% year-on-year. Its total revenue amounted to HK\$9,486 million, of which 83% was from telecommunications services.

The company strengthened close partnerships with telecommunications operators to jointly expand global markets and completed the construction of CITIC Telecom Tower Data Centre Phase IIIB, which was launched to the market.

CTM maintained its industry leading position in Macau and advanced the construction of its 5G network, becoming the first telecommunications operator in Macau with full 5G network coverage. The company also actively engaged in developing Digital Macau through a series of initiatives, such as enriching smart city applications to boost the development of Macau as a smart city as well as seizing development opportunities in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin and other areas in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).



In addition, CITIC Telecom actively expanded its service coverage worldwide with nearly 60 SD-WAN gateways put in place. The company strived to transform into a global digital and intelligent communications solutions provider. By building its ICT-MiiND strategy and utilising advanced skills and innovative algorithms, the company optimised its service processes and improved security and productivity to assist its customers in digital transformation, and created value added products and services. The DataHOUSE™ AR Remote Hand service, co-developed in with Hong Kong Applied Science and Technology Research Institute, obtained recognition and praise from the market and industry, and won numerous international awards including The Innovation Award 2021 in the Datacloud Global Awards.

CITIC Telecom also continued to expand markets in Southeast Asia, extending its business coverage from Singapore, Malaysia, Thailand, to Indonesia, the Philippines and other untapped regions. Its outstanding

technological strength and professional services have earned trust of customers and helped to bring in several large ICT service contracts with different public and private clients, continuously gaining its market reputation.

Going forward, CITIC Telecom will continue to improve innovative capability in the fields of cloud-network integration, digital transformation and industry application. The high-quality development of the company will be guided by technological innovation and based on the “centre of professional talent and innovation” position of GBA.

Other new initiatives include a focus on mobile internet to improve the value of CITIC Telecom’s cross-border mobile communications service platform, corporate information service platform and global mobile traffic trading service platform, while also vigorously expanding IPX services, the Internet of Things and other new business areas.

CTM will launch high-quality 5G services in the market after obtaining a 5G licence in Macau to propel the construction of Digital Macau smart city to a new stage.

CITIC Telecom will expand fundamental resources and value chains, leveraging internationalisation to promote the development of businesses involving cloud, network and information security while also enriching application solutions for industries. Additionally, the company will strengthen the expansion of new customer bases and projects in Southeast Asia, enhance marketability and expand the scope of existing user bases, striving to become the most competitive one-stop and end-to-end integrated service provider for enterprises in Southeast Asia.



AsiaSat

AsiaSat is jointly owned by CITIC and The Carlyle Group and is involved in the leasing and sales of satellite transponders capacity for the provision of broadcasting, communications, and signal uplinking and downlinking services. The company provides services for leading international broadcasters and content providers delivering over 550 programme channels in 35 languages, which include more than 130 UHD and HD C-band TV channels, reaching more than 850 million TV households in Asia Pacific.

AsiaSat’s high-quality C-band video platforms can effectively deliver programme content to cable headends, Direct-to-Home (DTH) platforms, pay-TV platforms, digital terrestrial television, OTT networks, and hotels in Asia Pacific. With its high powered Ku-band beams positioned over high-growth markets in Asia, AsiaSat’s satellites provide coverage tailored to customers’ needs, which enables rapid access to target markets through the use of high-efficiency small antennas.

AsiaSat’s high performance, end-to-end media solution supports broadcasters and programme providers with a broad range of services, from satellite capacity and fibre connectivity to a premium Multiple Channels per Carrier (MCPC) distribution platform, to reach audiences instantaneously while enjoying the benefits of cost saving and reduced complexity in network management. In addition, AsiaSat provides leading international news broadcasters and video service providers with high-quality services in Satellite News Gathering (SNG) and contribution links for point-to-point and point-to-multipoint global and regional coverage and transmission of live sports, news and events.

Launched in July 2021, SAILAS is a new, fully integrated, end-to-end maritime communications solution customised for the maritime sector, serving all maritime sub-verticals that include merchant shipping, fishery, passenger cruise and offshore oil and gas industries. SAILAS's ability to enable high-speed and reliable communications service onboard not only helps improve vessel owners and operators' operational performance and maintenance-related decision-making capabilities, but also provides a high-speed broadband connectivity experience for passengers and improves crew welfare. Through SAILAS's smart platform, users can enjoy high-speed email communication, Internet browsing, Voice over IP and other satellite-delivered broadband applications.

In October 2021, AsiaSat completed the acquisition of a majority equity interest in One Click Go Live Limited (OCGL) to provide one-stop solutions, including broadcast-grade live streaming video and media distribution services, for live events such as concerts, award ceremonies, sports tournaments, business meetings and commercial activities. Through its stable and scalable platform, OCGL provides a time-saving and cost-effective alternative for users, leveraging the power of its satellite-enabled video distribution platform to reach a much wider audience.



LIFESTYLE CONSUMPTION

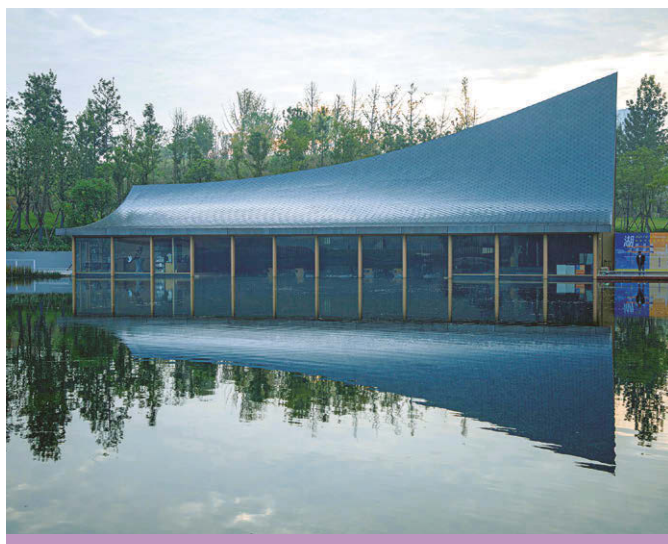
CITIC Press

CITIC Press is a major provider of integrated content and associated services in mainland China. Holding all publishing and distribution licences issued by the government, CITIC Press is principally engaged in book and digital book publication and bookstore retailing.

In 2021, CITIC Press recorded operating revenue of RMB1,922 million, up by 1.6% year-on-year. Profit attributable to ordinary shareholders was RMB242 million, down by 14.35% year-on-year. The weighted average return on net assets was 12.35%.

During the reporting period, CITIC Press was recognised as an advanced publishing unit by the fifth annual Governmental Award and a key national cultural export enterprise. Despite the overall downturn in the industry, CITIC Press managed to outperform and maintained the largest retail market share of books among Chinese publishers. Among these, the company held a leading market share in economics and business, ranked first in popular sciences books and increased its market share in children's books to achieve a top three ranking in the category.

In recent years, CITIC Press has strengthened its digital transformation in integrated publishing, forming a dynamic content product structure consisting of "physical book+digital content". It has built a cross-platform integrated ecosystem with coverage spanning traditional, online and offline distribution channels, serving both enterprises and mass consumers. Cumulative digital subscribers exceeded 5.7 million, while new media MCN (multi-channel network) traffic system comprised over 39 million online fans, with video views exceeding 2.7 billion. The CITIC Academy App added nearly a million subscribers. The sales audio products increased by 29% year-on-year, with over 100 thousand followers on its Talking Literature podcasts.



Under the impact of the pandemic, CITIC Books is reimagining new store models to further enhance its asset-light collaborations with partners. It achieved a profit turnaround in 2021. The scale of its airport bookstores ranked among the top, with an annual flow of 446 million customers, while commercial stores achieved greater operational maturity and resilience. Its Chengdu Xinglong Lake branch, which was acclaimed as the “most beautiful underwater bookstore”, and the McDonald’s themed space for children, which attracted much publicity. Yukan, a CITIC Press subsidiary with flexible supply chain standards certified by Japanese Tsutaya and Nippan Groups, is providing comprehensive supply chain services to all branches of Tsutaya Books in mainland China.

Dah Chong Hong

Dah Chong Hong (DCH) is a leading motor and consumer products distributor in Asia with operations in 13 economies. In its motor business, DCH represents more than 20 leading passenger and commercial vehicle brands with over 100 dealerships and a wide range of supporting services. DCH’s consumer products business includes brand development, food manufacturing, distribution, logistics and retail in the food and fast-moving consumer goods (FMCG), healthcare and electrical products industries.

In 2021, despite the ongoing challenges of the COVID-19 pandemic, DCH’s performance recovered with a full-year profit of HK\$550 million, a 304% increase, primarily driven by a rebound in its motor business. To better position the business for the long term, DCH continued to focus on strategic growth initiatives, digital enhancements and overall operational fitness.

As DCH’s largest segment, the motor business has operations in mainland China, Hong Kong, Macau, Taiwan, Singapore and Myanmar. In mainland China, DCH operates 4S shops for a wide range of brands including Bentley, Mercedes-Benz, Audi, Lexus, Toyota and Honda. In 2021, the revival of the overall passenger vehicle market and incremental growth in the luxury brand business contributed to the strong annual performance. During the year, the motor business fine-tuned its dealership portfolio as part of a continuing strategy to increase exposure to the premium market and optimise its footprint, opening new 4S shops for Audi, Toyota and Honda. With an aim to deliver an unparalleled customer experience, it is focused on leveraging digital technologies, online-to-offline (O2O) capabilities and cross-functional synergies to create a seamless service platform that extends across its operations and supports the entire car ownership journey.



In Hong Kong, portfolio optimisation and the recovery of demand for passenger car sales resulted in a solid performance despite supply challenges for certain models. The commercial vehicle business also recorded an uplift in sales across the region with the resumption of infrastructure development and increased demand for local delivery. In 2021, DCH strengthened relationships with key partners and secured long-term fleet delivery contracts, maintaining its leading position in the commercial vehicle market.

Leveraging decades of motor expertise, DCH operations include independent service outlets, parts trading, motor leasing, motor financing, engineering projects, aviation support and the sales of luxury yachts. In 2021, DCH posted record sales and profits in its yacht business benefiting from sales network expansion, industry-leading service and ongoing restrictions in international travel. The used car business continued to grow following the launch of the O2O sales platform, Hong Kong Motor City, while the leasing business launched a car sharing platform to offer local drivers a flexible and convenient ownership model with the opportunity for expansion across Hong Kong.

DCH is a leading consumer products distributor in Asia representing over 1,000 domestic and international brands in the food and FMCG, healthcare and electrical products categories with operations in mainland China, Hong Kong, Macau, Taiwan, Japan, Singapore, Thailand, Malaysia, Indonesia, the Philippines, Vietnam and Brunei. In 2021, the consumer products business recorded an increase in profit due to growth in the healthcare business and the optimisation of our logistics facilities.

DCH food and FMCG businesses include brand development, food manufacturing and trading, agency distribution and retail. While revenue recovered against the height of the pandemic, the bottom line continued to be affected by travel and dining restrictions. To counter ongoing challenges and capitalise on our unique end-to-end value chain, DCH is focused on developing in-house brands, strengthening O2O business models and expanding our portfolio with high potential principals and product categories.

DCH also distributes, retails and provides aftersales services for a wide range of multinational brands of electrical, audio-visual, lifestyle products and home appliances. Demand strengthened in 2021 but rising supply chain costs and disruptions affected the overall performance. To enhance profitability and deliver sustainable growth, DCH focused on opening new business streams, developing customer-direct platforms and driving operational efficiency through digitalisation and system upgrades.

In its logistics business, DCH operates distribution centres and in-house fleets across Greater China, serving both internal and external FMCG customers. To capture opportunities created by growing regional demand, DCH Logistics is focused on optimising its footprint, upgrading facilities and exploring new partnership models to deliver specialty services. In 2021, it completed the relocation of facilities in Shanghai and is increasing cold chain capabilities at its flagship Yuen Long distribution centre in Hong Kong.

In our healthcare business, DCH Auriga offers tailored supply chain solutions to leading healthcare companies, distributing pharmaceuticals, vaccines, over-the-counter medicine, medical devices, personal care, nutrition and hospital consumables.

Leveraging specialised infrastructure and capabilities including emergency delivery, robotic picking, real-time RFID tracking and advanced temperature management, DCH Auriga continued to grow its business across the region. This year, it opened a new sales office in Vietnam and now has operations in ten Asian economies. In 2021, DCH Auriga was



appointed as the exclusive logistics provider for the Fosun-BioNTech COVID-19 vaccine in Hong Kong and Macau. It also distributed the Sinovac vaccine in Hong Kong and supported the distribution of treatments for COVID-19 patients in Singapore. It also launched an online pharmacy, Aurigamart.com, offering home delivery and direct access to an extensive over-the-counter product portfolio.



AGRICULTURAL TECHNOLOGY

Following the philosophy of “technology-oriented, finance-driven and management-based”, CITIC Agriculture is committed to building a globally competitive agri-tech business that focuses on leading agricultural science and technology.

In 2021, CITIC Agriculture comprehensively improved its operational and managerial capabilities by focusing on integration, synergy and expansion. It also enhanced profitability and realised breakthroughs in its digital agricultural services business. CITIC Agriculture’s subsidiary, Longping High-Tech (000998.SZ; 16.54% shareholding), was nominated in the “Fourth China Quality Award” and selected as a “Champion Seed Business” of the national crop seed industry. Longping High-Tech also accomplished substantial breakthroughs in the breeding of disease-and-pest-resistant rice varieties, which improved the autonomy and controllability of its germplasm pool and further bolstered its transgenic corn product lines. Leveraging its high-quality germplasm resources and advanced breeding system, Longping Agriculture Science Co. continued to grow its market share. The company has filed its initial public offering with the Hunan Securities Regulatory Bureau and is carrying out the pre-listing mentoring process.



Higentec Biotech has obtained 18 invention patents and 26 software copyrights. It has received approval for four new plant varieties, further completing its genotyping product system.

CITIC Agri Fund has thoroughly investigated agricultural technology and consumer product verticals to effectively expand its investment portfolio in the industry. Beijing Capital Agribusiness’s new Peking duck mating line, “Jingdian Peking Duck”, received regulatory approval, strengthening China’s livestock and poultry production and breeding capacity. China Agricultural Veterinarian Biology Science and Technology Co. became one of the first cohorts of leading enterprises among the Enterprise Innovation Consortium in Gansu Province and is accelerating the commercialisation and production line construction for a new animal vaccine.



NEW-TYPE URBANISATION

In the new-type urbanisation segment, we have positioned ourselves as the builders of smart cities. We continue to implement China's regional development strategies, providing smart-city solutions with integrated capabilities in engineering contracting, urban operations, property development and management.

MAJOR SUBSIDIARIES



CITIC Construction

is a leading international engineering contracting services provider.



CITIC Engineering

is a leading, comprehensive construction firm in China.



CITIC Environment

is a specialised investment and operational platform for environmental protection.



CITIC Industrial Investment

is a capital operations platform and manages businesses including healthcare, logistics and infrastructure.



CITIC Offshore Helicopter

is a leading general aviation company in China.



CITIC Pacific Properties

focuses on investing, developing, operating and managing mixed-use and commercial properties, and mid- to high-end residential properties.



CITIC Urban Development & Operation

specialises in urban renewal and development operations.

REVENUE

HK\$ million

+27%



PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

HK\$ million

-17%



TOTAL ASSETS

HK\$ million

+13%



CAPITAL EXPENDITURE

HK\$ million

+44%



In 2021, the new-type urbanisation segment achieved profit attributable to ordinary shareholders of HKD7,810 million, a decrease of 17% compared to the previous year. The decrease in profits of property development, operation and management companies was mainly due to restrictions imposed by regulatory policies, which resulted in a decline in the performance of the property industry overall. We also experienced a decrease in the share of net profit from China Overseas Land and Investment (COLI) equity for the year. Offsetting these factors, major profit channels included rental income from investment properties and the sales of projects such as Glorious Garden in Yangzhou, Optics Valley Innovation Tiandi in Wuhan, Harbour City in Shanghai, and The Entrance at Ma On Shan, Hong Kong. Net profit of the construction and engineering companies increased by 11% year-on-year to HK\$2.1 billion while net profit of urban operation companies reached HK\$1.1 billion, an increase of 36% attributable mainly to the business of water treatment and the disposal of some equity investments.



CONSTRUCTION AND ENGINEERING

CITIC Construction

CITIC Construction is a well-known integrated service provider of engineering projects at home and abroad. It engages in the construction of housing, infrastructure and industrial facilities, and proactively seeks further development in areas such as resources, energy, agriculture and ecological management. The company's domestic business mainly focuses on key national development regions such as the Jingjinji Metropolitan Region, Yangtze River Economic Belt, Guangdong-Hong Kong-Macao Greater Bay Area and Chengdu-Chongqing economic circle, while its overseas business mainly targets the Belt and Road countries, and has successfully penetrated developed markets such as the United Kingdom.

CITIC Engineering

CITIC Engineering is a leading innovative technological engineering company in China. It focuses on new forms of infrastructure, urbanisation and ecology, and provides integrated and digital services throughout the whole lifecycle of a project from planning, consultation, survey and design, investment and financing and EPC to operation management. The company is based in Wuhan, with operations spanning China, and has two well-known design and research institutes: the Central and Southern China Municipal Engineering Design and Research Institute and CITIC General Institute of Architecture Design and Research.

In 2021, CITIC Construction was listed as one of China's National High-Tech Enterprises and ranked 63rd among the Global Top 250 International Contractors by Engineering News-Record (ENR) of the United States, the global industry authority, and ranked 14th among Chinese companies listed. The company was also awarded the National May Day Labor Certificate for its outstanding performance in the Chongli Prince Ice Town Project. With the promotion of "nationalisation" and "digitisation" strategy, CITIC Engineering has grown into an industry leader and ascended to the Top 100 Enterprises in Hubei Province, ranking 66th, and 24th among the "Top 100 Service Enterprises in Hubei Province" in 2021. CITIC Engineering's Central and Southern China Municipal Engineering Design and Research Institute ranked in the top tier of China's municipal engineering design industry for its comprehensive capabilities. And, CITIC General Institute of Architecture Design and Research continued to be listed as one of the top 60 engineering design companies in China by ENR, having received the accolade for many years running.

In 2021, CITIC Construction adhered to its strategy of advancing into both foreign and domestic markets, simultaneously consolidating its development in Belt and Road cities, while also participating in new urbanisation PPP projects in an asset-light mode and strengthening cooperation with China PPP Fund and insurance funds.

During the period, new contracts signed amounted to RMB49.961 billion. In overseas markets, the company signed a new EPC contract for the Kirkuk Refinery Project in Iraq, an EPC contract for the Hayilat Heavy Oil Power Plant Project in Iraq, an EPC contract for the Kamoia Phase II Concentration Project in the Democratic Republic of the Congo, and a service agreement for the preliminary site survey project of a deepwater port in Kyaukpyu, Myanmar. In the domestic market, the company signed a new EPC contract for the PPP project of the Ecological Technology City in the National High-Tech Industrial Development Zone of Neijiang, a supplementary EPC Agreement (V) for the Chongli Prince Ice Town, and an EPC contract for the Lot C7 project of the High-speed Railway New City in Yancheng.

In 2021, CITIC Engineering achieved significant results in digital transformation and technological innovation. In order to facilitate the full digitalisation of construction and building processes, the company promoted the establishment of a digital construction industry alliance by the Wuhan Design Capital Promotion Centre, with a focus on promoting the broader use of major BIM achievements by the Ministry of Industry and Information Technology. CITIC Intelligent Construction Platform was awarded the first prize in “The 3rd China Industrial Internet Competition-Digital Built (Construction) for New Entrants”. With its technological innovation capabilities serving as a core competency, CITIC Engineering has set up two workstations for academician experts and two for post-doctoral researchers with 128 scientific and research subjects in progress, among which 8 are national. CITIC Engineering also obtained 226 authorised patents, including 15 invention patents.

During the reporting period, CITIC Engineering adhered to the national strategy and made advancements in certain projects, such as the commissioning of Water Treatment Plant I in Xiong’an New District; the completion of a PPP project to renovate roads and peripheral infrastructure around the Xi’an Sports Centre, a key maintenance project for the 14th National Games, the completion of the secondary water source supply project (Jiangnan Line) in Hangzhou, a key maintenance project for the 2022 Asian Games, and the first underground water treatment plant in Jiangdong District, Haikou.

Major Projects

by CITIC Construction



AGRO-INDUSTRIAL COMPLEX PROJECT, BELARUS

Located in the Pukhovichi District of Minsk Oblast, Belarus, this agro-industrial complex processes wheat using modern biotechnology to produce essential amino acids and high-tech formula feed. The construction scope includes an amino acid factory, feed plant, silo, power plant and ancillary facilities such as a railway, highway, natural gas pipeline and electric transmission lines.

Contract value:	RMB4,290 million	Contract period:	36 months
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Progress as of the end of 2021:

Area A&B for on-site silos had been in steady operation with operating grain storage; four workshops producing feed for chicken and cattle, pigs, aquatic animals and premix were tested for production; the test of the amino acid area advanced systematically, while off-site projects relating to water, expressway, railway, etc., completed national acceptance inspections.



TKU NATIONAL EXPRESSWAY UPGRADE, KAZAKHSTAN

Located in Kazakhstan, the TKU expressway stretches from Taldykorgan, the capital of Almaty oblast to Ust-Kamenogorsk, the capital of East Kazakhstan oblast. After the upgrade, the expressway will be 7,637km in length.

Contract value:	US\$936 million	Contract period:	54 months
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Progress as of the end of 2021:

92% of the roadbed has been completed, while 79% of the upper-layer and 71% of under-layer in the pavement surface project has been completed. 600km of the line, representing 78% of the entire length, is in service.



KB EXPRESSWAY UPGRADE, KAZAKHSTAN

The Karagandy to Balkhash road (1492.4-1855km) upgrade is 362.6km in length. After work is completed, the expressway will be qualified with I-b grade conditions, have four lanes and a speed limit of 120km/h.

Contract value:	US\$669 million	Contract period:	48 months
Progress as of the end of 2021:	95% of the roadbed has been completed, while 69% of the bedding, 64% of the foundation, 52% of the under-layer and 1% of the upper-layer in the pavement surface project has been completed. 380km of the line, representing 52% of the entire expressway, is already in service.		



EAST SECTION OF THE 84KM EAST-WEST HIGHWAY, ALGERIA

The project stretches from the interchange of Dréan in southern Annaba to the Tunisian border in the east, including nine interchanges. The highway will be 84km long.

Contract value:	Approximately US\$680 million	Contract period:	36.5 months
Progress as of the end of 2021:	The roadbed construction, road surface work, concrete barriers and drainage work of the project have been completed by 99.9%, 82.5%, 87.6% and 78.1%, respectively, with the 52km priority section well positioned for opening.		



SUNSURIA HEADQUARTERS, MALAYSIA

Located in Shah Alam, Selangor Darul Ehsan, Malaysia, the project is the construction of the second phase of Sunsuria headquarters, which is a commercial and residential complex project with a total GFA of about 330,000m². It consists of 3 towers, including a 31-storey office tower, a 33-storey SOHO tower and a 41-storey apartment building, which are connected by a 9-storey podium.

Contract value:	MYR489 million	Contract period:	36 months
Progress as of the end of 2021:	The podium in the apartment building and SOHO tower have topped out; construction of the upper part of the main tower will follow.		



THE CHONGLI PRINCE ICE TOWN PROJECT

Located in Tai Zi Cheng Cun, Sitaizui Town, Chongli District, Zhangjiakou, Hebei Province, the project occupies a total GFA of about 1,500,000m², and is divided into a cultural and creative high street, convention and exhibition center, and ambassador villa zones.

Contract value:	RMB7.029 billion	Contract period:	1,187 days
Progress as of the end of 2021:	Lots 1, 2, 3 and 5 of the project's cultural and creative high street, convention and exhibition center and ambassador villa zones have successfully passed completion requirements, marking the full achievement of the project's delivery target before the Winter Olympics. Of these, the international convention and exhibition centre, as a non-competitive venue comprising the uniform and registration sub-centre of the Zhangjiakou competition division, was the first non-competition venue officially handed over by the Zhangjiakou competition division to the Winter Olympics Organizing Committee in early November.		



INDUSTRIAL NEW TOWN OF LINKONG ECONOMIC ZONE, PHASE I, ZIYANG, SICHUAN PROVINCE, CHINA

Located in the city of Ziyang, Sichuan province, the initial five roads constructed in this project include Chengzi Avenue, Sanxian Road, Zonger Road, Zongsan Road and Zongsi Road. The completed project will have a total length of approximately 38.9km.

Contract value:	RMB7.466 billion	Contract period:	The construction period is calculated separately for each road.
Progress as of the end of 2021:		The construction of Zonger Road, Zongsan Road, Sanxian Road, the reconstruction section of Chengzi Avenue (K0+000-K6+240), the new section of Chengzi Avenue (K6+240-K7+970) and the under-crossing tunnel of Chengziyu have all been completed and passed the staged acceptance.	



CITIC BANK INFORMATION TECHNOLOGY RESEARCH AND DEVELOPMENT BASE

CITIC Bank invested in the construction of an R&D centre and a production and operation centre in Shunyi New Town, Beijing. The project involves the construction of R&D building A, R&D building B, a production and operation building and an underground garage, with a total land area of 57,000m² and GFA of 179,000m².

Contract value:	RMB2.094 billion	Contract period:	2,012 days
Progress as of the end of 2021:		The project has successfully passed pre-acceptance, with all civil engineering construction and electromechanical installation construction of the R&D buildings completed.	



CHUDA HIGHWAY EXPANSION PROJECT, YUNNAN PROVINCE, CHINA

The construction stretches 43.329km in length. Located in Yaoan County of Chuxiong State, Yunnan Province, the highway passes through four towns-Qianchang, Dongchuan, Guantun and Dahekou, with the beginning mileage and the ending mileage K176+307.727~K219+637. The project is being constructed according to highway standards with six lanes and a speed limit of 100km/h.

Contract value:	RMB9.294 billion	Contract period:	48 months
Progress as of the end of 2021:		Interconnection and project completion.	

by CITIC Engineering



THE NATIONAL NETWORK SECURITY TALENTS AND INNOVATION BASE PROJECT, WUHAN, CHINA

This project, located in the Economic Development Zone of Wuhan Airport, was undertaken in response to China’s strategy to develop national cybersecurity. It comprises the construction of public buildings, infrastructure and an international talent community with infrastructure and facilities in the airport area.

Contract value:	RMB8.62 billion	Contract period:	November 2018
Contract period:	36 months	Commencement of construction:	July 2017
Progress as of the end of 2021:	99% of the project has been completed, among which the network security institute, exhibition centre, training centre, Dugonghu Park and roads are already in service.		



THE CLEAN WATER PROJECT IN JIANGXIA DISTRICT, WUHAN, CHINA

This comprehensive project provides systematic integrated solutions for regional water bodies and is the third batch of national PPP demonstration projects. The project involves a range of water-related processes, including sewage collection and treatment, flood control and drainage, water supply, the treatment of water from lakes and rivers, creation of water environments and water information management. CITIC Engineering’s involvement in this PPP project includes investment and financing, planning, design, construction and operation. The entire project will be completed in four phases.

Contract value:	RRMB5,110 million (Phase I: RMB1,050 million; Phase II: RMB650 million, Phase III: RMB3,293 million)	Contract period:	October 2016
Contract period:	Phase I: 45 months; Phase II: 22 months; Phase III: 36 months	Commencement of construction:	Phase I: September 2015; Phase II: December 2016; Phase III: August 2020
Progress as of the end of 2021:	95% of Phase I, 100% of Phase II, and 49% of Phase III have been completed.		



PHASE II CONSTRUCTION OF THE GUSHU WATER TREATMENT PLANT, SHENZHEN, CHINA

Located in Gushu District, Shenzhen, this plant occupies 15.14 hectares of land and is designed to purify 320,000 tonnes of wastewater per day. As a demonstration construction project in the Greater Bay Area, the Gushu water treatment plant is poised to become a world-class green and energy-conserving water treatment project.

Contract value:	RMB1.239 billion	Contract period:	December 2019
Contract period:	25 months	Commencement of construction:	December 2019
Progress as of the end of 2021:	The project has been completed.		



NEW CONSTRUCTION OF XIAOHONGSHAN SCIENTIFIC TOWN, WUHAN, CHINA

This project occupies 4.07 hectares of land with a total GFA of 150,000m². Xiaohongshan Scientific Town will be developed into a pioneering site for life and health, and information technology industries in central China, a demonstration base for China's scientific and technological achievements and transformation, a cutting-edge technology exchange and release centre, and an innovative technology-sharing experiential park.

Contract value:	RMB1.224 billion	Contract period:	October 2021
Contract period:	36 months	Commencement of construction:	September 2021
Progress as of the end of 2021:	7% of the project has been completed.		



JIANGBEI RECLAIMED WATER PLANT, NINGBO, CHINA

Located in Jiangbei District, Ningbo, this plant is designed to purify 150,000 tonnes of wastewater per day. Unlike traditional sewage plants, this plant adopts a fully buried main structure. The top floor is being developed for an industrial park, while the bottom floor serves as a treatment structure and operational layer. It will be built into a new type of modern water reclamation plant.

Contract value:	RMB964 million	Contract period:	May 2020
Contract period:	31 months	Commencement of construction:	May 2020
Progress as of the end of 2021:	68% of the project has been completed.		



URBAN OPERATION

Environmental Services

CITIC Environment Investment Group (CITIC Environment) is CITIC Limited's specialised investment and operational platform for environmental protection. Its core business covers three major sectors including water treatment, solid waste and hazardous waste processing and disposal, and energy saving services.

CITIC Environment conducts its water treatment business via its subsidiary CITIC Envirotech. By the end of 2021, CITIC Envirotech had more than 70 water plants in operation, achieving a total daily water treatment capacity of over 6 million tonnes. Memstar, CITIC's subsidiary handling the membrane technology business, continues to offer advanced membrane products, as one of the very few world-leading manufacturers and suppliers which possesses full-spectrum capabilities in R&D, production and application for membrane products including Microfiltration (MF), Ultrafiltration (UF), Nanofiltration (NF) and Reverse Osmosis (RO) membranes. Leveraging its dynamic competitive advantages in R&D, manufacturing and application



of membranes, CITIC Envirotech focuses on deploying its technology for large-scale municipal wastewater treatment, industrial wastewater treatment and reuse, seawater desalination pre-treatment and other fields to continuously expand its market share. In the circular economy business, CITIC Envirotech endeavours to reduce carbon emissions and boost local economic growth. The Shantou Chaonan Printing and Dyeing Industrial Park Project creates a six dimensional business model that channels and integrates multiple technology fields to realise an increase in profit. The industrial park, named “National Third-Party Environmental Governance Test Site”, was selected as a textbook case by the MEE. Regarding major project construction, Lanzhou Qilihe Anning Wastewater Plant Upgrading Project, the largest full-scale underground MBR wastewater plant in the northwest of China, has successfully entered operation, while the KBM Oilfield Water Treatment and Recycling Project in Kazakhstan has entered the final stages of civil construction and equipment installation. In key business expansion, CITIC Envirotech won the bid for the Zhongshan Substandard Waterbodies Improvement Project, which contributes to the ecological development of the Greater Bay Area. It also won the bid for a PPP sub-project under the Yellow River Strategic Jinan International Ecoport Project, which aims to facilitate ecological protection and high-quality development of the Yellow River Basin.

In its hazardous waste disposal business, CITIC Envirotech has built and invested in seven projects in places such as Xinjiang, Shandong, Jiangsu, Hainan, and others, with a total processing capacity of over 0.9 million tonnes per year. Half of these are currently in operation.

Regarding solid waste disposal, Sanfeng Environment (601827.SH), with 11.08% equity interest held by CITIC Environment, was listed on the Main Board of the Shanghai Stock Exchange in June 2020 and achieved growth that exceeded expectations. By the end of 2021, Sanfeng Environment ranked 8th by market value among listed companies on the main board in the environment protection segment. Its core equipment and technology have been applied in eight countries and Macau, with a total domestic waste treatment capacity of over 200,000 TPD, ranking at the forefront of the industry. Sanfeng Environment has been awarded one of the “Global Top 500 New Energy Enterprises” for the second consecutive year, and one of China’s “Top 10 Most Influential Enterprises in the Solid Waste Disposal Industry” for the fifth consecutive year.

In energy saving services, CITIC Energy Saving Technology invested in Qingdao Special Steel’s “Intelligent Transformation of Heating Furnace Project”, and won the bid for the furnace riser pipe waste heat utilisation project, entering into the field of waste heat recycling and utilisation. In addition, CITIC Energy-Saving Technology plans to develop business in the field of solid waste disposal and comprehensive utilisation of steel plants.

Infrastructure

CITIC Limited’s infrastructure business includes the investment in and management of ports and port terminals as well as regional developments in China through CITIC Industrial Investment. CITIC Limited also has an interest in the Western Harbour Tunnel in Hong Kong.

The port and terminal business mainly focuses on the investment in and independent operation of liquefied petroleum terminals and storage facilities, as well as the operation of other types of berths, such as containers. At present, CITIC Industrial Investment has a combined handling capacity of about 32 million tonnes and a storage capacity of about 1.2 million cubic metres of liquefied petroleum. In the future, CITIC Industrial Investment intends to focus on liquefied petroleum from its base in Ningbo, accelerate the construction of liquefied petroleum terminal and storage projects, and expand into integrated logistics services so as to become an integrated logistics and warehousing service provider of liquid chemicals with distinctive advantages and influence in the domestic market.

Project	Ownership	Designed Handling capacity/ storage capacity
Port storage		
Xinrun Petrochemical Storage and Transport	90%	6 million tonnes/600,000m ³
PetroChina Fuel Oil Port	51%	12 million tonnes
Guanwai Liquefied Products Port	51%	1.8 million tonnes
Xinyuan Port	51%	7.2 million tonnes
Xinhai Oil Terminal	30%	600,000m ³
Gangfa Crude Oil Port	20%	5 million tonnes
CMHI Container Port	20%	2.4 million TEU
Tunnel		
The Western Harbour Tunnel, Hong Kong	35%	Franchise until 2023

The regional development business refers to the Xidian New Town Project in Ningbo, with construction involving reclamation engineering, land consolidation, urban infrastructure and supporting projects such as water engineering and green land development, with a planned land area for development of approximately 6,480 mu, and a gross construction area of approximately 4 million m². In 2021, CITIC completed the construction of roads for the reclamation area and passed acceptance checks for Phase I green land development and reclamation work. Simultaneously, CITIC initiated other supporting construction projects, such as the central landscape belt and other complementary municipal facilities and amenities. The first batch of residential land has also been successfully listed for sale, leading to continuous improvement in Xidian New Town’s brand value and influence.

Healthcare

The healthcare business is operated and managed through CITIC Pacific and CITIC Industrial Elderly Care.

CITIC Pacific’s health business includes medical and elderly care services, as well as healthcare distribution. The medical services business comprises four hospitals with approximately 1,200 beds including Jiangyin Lingang Hospital, as well as an investment in Hongen Medical Group which manages Hangzhou Chengdong Hospital, Shaoxing Chengdong Hospital and Shaoxing Shangyu Third Hospital.

CITIC Pacific acquired the Jiangyin Lingang Hospital, located centrally in Lingang Economic Development Zone of Jiangyin in Jiangsu Province in 2018. In 2021, Lingang Hospital was upgraded to a Grade II Level A general hospital with the opening of an ICU, the introduction of key specialties in cardiology and thoracic surgery and an increase in



the volume of high level surgeries. The hospital is constructing a new area with 650 beds, which will be built into a Grade III general hospital. The new hospital area has begun construction and is expected to be put into use by the end of 2023.

CITIC Pacific has extended its elderly care business to Jiangyin, Zhenjiang and Yancheng in Jiangsu Province. It actively promotes a business model of integrating medical and elderly care with its rich medical resources, providing diversified services including nursing home operations, as well as intensive and basic in-home care for seniors.

Medical equipment product distribution is managed by Haoan Health, a subsidiary of CITIC Pacific. Haoan Health provides supply chain management services for high-value consumables and medical equipment used across a wide range of specialty healthcare services including neurosurgery, urology and gastroenterology. It distributes more than 10,000 products into a network of nearly 300 hospitals, full coverage in Zhejiang Province, where it has become a leading medical equipment supplier and service provider.

CITIC Industrial Elderly Care mainly develops its existing business in core cities in the Yangtze River Delta and strategically deploys its business in Shanghai and Hangzhou. Its projects include Suburban CCRCs (Continuous Care Retirement Communities with), urban comprehensive elderly care projects and chain elderly care centres. It has invested in and operates seven projects with 2,300 beds in total.

Adhering to China's strategy for integrated development of the Yangtze River Delta, CITIC Industrial Elderly Care will focus on the market-oriented and high-quality chain institutional elderly care service business that integrates medical and elderly care resources through self-built operations and M&A. It strives to become an elderly care investment and operational enterprise with distinctive features, first-class capabilities and leading scale in China.



General Aviation

A leading company in the aviation industry, CITIC Offshore Helicopter (COHC) operates a full-service general aviation business with comprehensive capabilities, and is the first and only main-board listed company (000099.SZ) in the general aviation industry in China. COHC is also the only company in China that has won the General Aviation Safety Four Stars Award. COHC's range of offshore and onshore services spans offshore oil air services, air emergency rescue, aircraft maintenance, port navigation-support, offshore wind power and drone operation.

Headquartered in Shenzhen, COHC owns four helicopter airports in Shenzhen, Hainan, Tianjin and Zhanjiang. Its bases and take-off and landing points form a network covering all provinces, cities and autonomous regions within the country, except Tibet and overseas in areas such as the North and South Poles and Myanmar. The company also has the largest civil helicopter fleet in Asia and operated 85 helicopters comprising 16 world-class helicopter models by the end of 2021. During the year, COHC maintained its leading market share in offshore oil helicopter flight services. It is the only supplier of helicopter pilots to ports across the country, the supplier of helicopters for China's national arctic scientific expeditions, and the only helicopter medical services provider for the Beijing 2022 Winter Olympics Games and Paralympics Winter Games. COHC is also the only general aviation company that engages in offshore oil-related flights.



PROPERTY DEVELOPMENT, OPERATION & MANAGEMENT

CITIC Pacific Properties

Positioned as a developer and manager of premier properties, CITIC Pacific Properties is focused on mixed-use, commercial and residential projects with operations that extend across the commercial lifecycle to include investment, project development, marketing and property management. It currently owns and manages properties in key cities in the Yangtze River Delta, the Greater Bay Area, the Yangtze River Economic Belt and the Bohai Rim Economic Circle.

CITIC Pacific Properties invests in, develops and operates properties in mainland China's growing and economically vibrant areas, with a focus on upscale and multi-purpose complexes. In 2021, it boosted sales and promoted the collection of payments to maintain stable development. During the year, Nove Mansion Phase III, residential part of Shanghai Harbour City was sold out. It copied the successful experience in Guangzhou Harbour City and its first batch of residential units from Phase I of Harbour City in Guangzhou secured satisfactory pre-sale prices, which laid a solid foundation for forthcoming development. In addition, it took serious measures to ensure construction progress was on schedule. Phase I of Jinan CBD Project's residential part as well as parts of Harbour City and Optics Valley Innovation Tiandi in Wuhan have been delivered, while the Curtilage in Chongming Island, Glorious Garden in Yangzhou and Harbour City in Shanghai have filed for completion.



CITIC Pacific Properties continues to increase its premium land reserve. In 2021, CITIC Pacific Properties acquired five new projects in Wuxi, Yangzhou, Qingdao and other cities. As of the end of 2021, its land reserve in mainland China expanded to approximately 5.72 million square metres in terms of planned aboveground gross floor area, among which the equity area accounted for approximately 4.52 million square metres, setting a new record high. Its asset management efficiency gradually improved. Commercial properties maintained a steady occupancy rate

while the scale of property management continued to expand. CITIC Square, the commercial flagship project and landmark in Shanghai, completed its upgrading and renovative work and reopened on 22 December with a fresh look. Lujiazui Harbour City, an urban complex with office, retail, residential and hotel, has become a new landmark in Shanghai, while Shipyard 1862, another popular spot in Shanghai, was transformed from an old shipyard into an urban art and retail centre, registered in the national industrial heritage list of the Ministry of Industry and Information Technology.

With nearly 30 years of property development experience in Hong Kong, past projects include commercial, industrial and residential properties such as CITIC Tower, CITIC Telecom Tower, The Paragon and Bay Villas. The residential project "The Entrance" comprising 148 units in Lok Wo Sha, Ma On Shan were sold out in 2021. Foundation work is being undertaken for the Jardine's Lookout project at Tai Hang Road, which will be developed into a high-end residential project with a gross floor area of about 11,970 square metres. The Discovery Bay development is a 50-50 joint-venture between CITIC Pacific and HKR International. During the year, development of approximately 124,000 square metres of residential gross area in the northern part of Discovery Bay commenced in phases. The current residential projects for sale are Poggibonsi and IL PICCO comprising 196 residential units and 21 garden houses, respectively. As of 31 December 2021, a total of 187 units and five houses were sold. Despite the continuing impact of the pandemic on the leasing market in 2021, the average occupancy rate of its investment portfolio remained at approximately 93% for the year.

CITIC Urban Development & Operation

CITIC Urban Development & Operation focuses on primary landing development. Its key development projects continued to progress in 2021. The second phase of Ningbo Fenghua industrial complex project advanced ahead of schedule and 350mu of land for residential development were traded successfully. Steady progress has been made in the construction of the Shantou Bay tunnel and supporting public facilities of the urban development project, CITIC Coastal City in Shantou. As part of the project, the Chaoshan History and Culture Expo Center completed its acceptance inspection, was handed over to the government and is currently open to the public.

In October 2021, Xinglong Lake CITIC Books, an investment and construction project of CITIC Urban Development operated by CITIC Books, officially opened. During the year, several high-quality residential projects targeting buyers with exacting demands have been made available for sale, including Lushan Courtyard in Chengdu, Dongchen Mansion in Changsha and Triumphal Courtyard in Shenzhen.

Key Development Projects

by CITIC Pacific Properties



Lujiazui Harbour City, Shanghai (50% owned)

Site area:	249,400m ²
Gross floor area:	872,800m ²
Completed area:	872,800m ²
Use:	Office, retail, hotel and residential

Lujiazui Harbour City is located on the south shore of the Huangpu River in central Shanghai. The project comprises eight high-end office buildings, a five-star hotel and serviced apartments, luxury residences, and recreational and commercial facilities.

Seven out of the eight office buildings in this project have been sold to China Construction Bank, the Agricultural Bank of China, United Overseas Bank, China Industrial Bank, Shanghai HY Investments Company, China Life and ICBC, respectively. One office building is self-held and operated by CITIC. The Mandarin Oriental Hotel and its serviced apartments located within this project and all of the retail and office portions were placed into operation, creating a new artistic, cultural and commercial landmark in Shanghai. In 2021, Nove Mansion Phase III, the residential part of Lujiazui Harbour City, was sold out.



T Center, Shanghai (100% owned)

Site area:	60,335m ²
Gross floor area:	229,372m ²
Use:	Office and retail

Located in the western part of Shanghai, this office and retail development is an integrated project with a combination of elements, including high-rise office towers, street level retail shops, and an underground shopping arcade in the subway station. Construction of the project is underway.



Harbour City, Wuhan, Hubei province (85% owned)

Site area:	229,040m ²
Gross floor area:	1,173,000m ²
Use:	Office, residential, apartment, retail

This project is located between the first and second rings of Wuhan in the Riverside Commercial Zone of the CBD, which has the highest growth potential in the city. 600m of the project's east boundary opens onto the riverfront with uninterrupted scenic views and convenient transport. Construction is currently underway.



Optics Valley Xintiandi, Wuhan, Hubei province (50% owned)

Site area:	353,800m ²
Gross floor area:	1,197,400m ²
Use:	Office, residential, apartment, retail

This mixed-use project is being developed under a 50-50 joint venture between the company and Shui On Group. It is located at the heart of the East Lake High-tech Development Zone in Wuhan. Construction is currently underway.



T Center, Nanjing, Jiangsu province (100% owned)

Site area:	31,200m ²
Gross floor area:	131,100m ²
Use:	Offices, apartment, retail

This site will be developed into a mixed-use development consisting of office towers, serviced apartments and retail shops. The project is located above a subway station in the highly sought-after Gulou District of Nanjing. Situated in the heart of Nanjing's political, economic and cultural life, the area's geographical location and business environment is superb. Construction of the project is currently underway.



CBD Project, Jinan, Shandong province (50% owned)

Site area:	79,300m ²
Gross floor area:	355,900m ²
Use:	Office, residential, retail

The project is jointly developed by the company with a state-owned enterprise in Jinan, Shandong province. The Grade A office building in the project is located in the CBD of Jinan, adjacent to its administrative centre and high-tech district, and will be developed into a new landmark in the CBD of Jinan. Construction of the project is currently underway.



Phase I of Harbour City, Guangzhou, Guangdong province (50% owned)

Site area:	44,800m ²
Gross floor area:	220,000m ²
Use:	Office, residential, retail

The project is located in the key area of the riverfront in Liwan District, Guangzhou, with a rare first-class view of the Pearl River. It will be developed into an urban complex consisting of residential, retail and office properties. After completion, the project will become a new landmark for cultural and recreational activities along the riverfront of Guangzhou and a new urban centre, where business and city life blend together. Construction of the project is currently underway.



Taihu New City Project, Suzhou, Jiangsu province (100% owned)

Site area:	55,900m ²
Gross floor area:	234,800m ²
Use:	Office, residential, retail

The project is located at the core of Taihu New City, a CBD of Suzhou with a rare view of Taihu Lake and access to convenient public transport. It will be developed into a mixed-use project with residential, retail and office properties. Construction is currently underway.



Multinational Regional Headquarters Cluster Project, Northern Qingdao (80% owned)

Site area:	203,400m ²
Gross floor area:	380,100m ²
Use:	Office, residential, retail

The project is located in the waterfront area of Happy Marina City, the main district in the north of Qingdao, with premium marine resources and a seaview. The project is intended to be developed into a coastal city complex consisting of boutique residences, offices and retail properties.

by CITIC Urban Development & Operation



CITIC Coastal City, Shantou, Guangdong province

Project planning area:	Covering 168km ² of Haojiang District, Shantou
Project type:	Primary land and infrastructure development

The project is the largest integrated urban and regional development project since the establishment of the Shantou Special Economic Zone, and is a new type of urbanisation project jointly developed by CITIC Urban Development and Shantou Municipal Government. The cooperation includes the primary development and rehabilitation of land, the construction of infrastructure facilities such as a cross-harbour tunnel, municipal roads and others, the provision of ancillary public service facilities such as schools and hospitals, and the construction of large-scale venues such as convention centres, museums and exhibition centres.



Fenghua Industrial Complex, Ningbo, Zhejiang province (90% owned)

Cooperation area:	Located in Fenghua District, Ningbo, with the cooperation area of about 1,230mu
Project type:	Primary land and infrastructure development

The project is a demonstration project for urban renewal in the Yongjiang Science and Innovation Corridor in Ningbo, and is being developed by CITIC Urban Development with a multi-faceted investment, financing and construction model that involves “land development+industry introduction+industry operation”. The completed residential and commercial community and industrial park will be able to accommodate over 30,000 people to live and work and can potentially become a model for new urbanisation in the Yangtze River Delta region.



Lushan Courtyard, Chengdu, Sichuan province (100% owned)

Site area:	84,260m ²
Gross floor area:	377,780m ²
Use:	High-rise residential, houses

The project is located in the Tianfu New District of Chengdu, with superior regional strengths and surrounded by a full range of complementary facilities. The project is currently in the sales stage and has achieved a record of being sold out three consecutive times in four months in Tianfu New District.

Major Investment Properties

Property	Purpose	Ownership	Approx. gross area
CITIC Tower, Beijing	Office	100%	437,000m ²
Capital Mansion, Beijing	Office	100%	140,200m ²
CITIC Building, Beijing	Office	100%	62,200m ²
CITIC Square, Shanghai	Office and retail	100%	132,300m ²
CITIC Tower, Hong Kong	Office and retail	100%	52,000m ²



CITIC Tower, Beijing



Capital Mansion, Beijing



CITIC Building, Beijing



CITIC Square, Shanghai



CITIC Tower, Hong Kong