



中信
CITIC

Review of 2019 Half-Year Results

29 August 2019



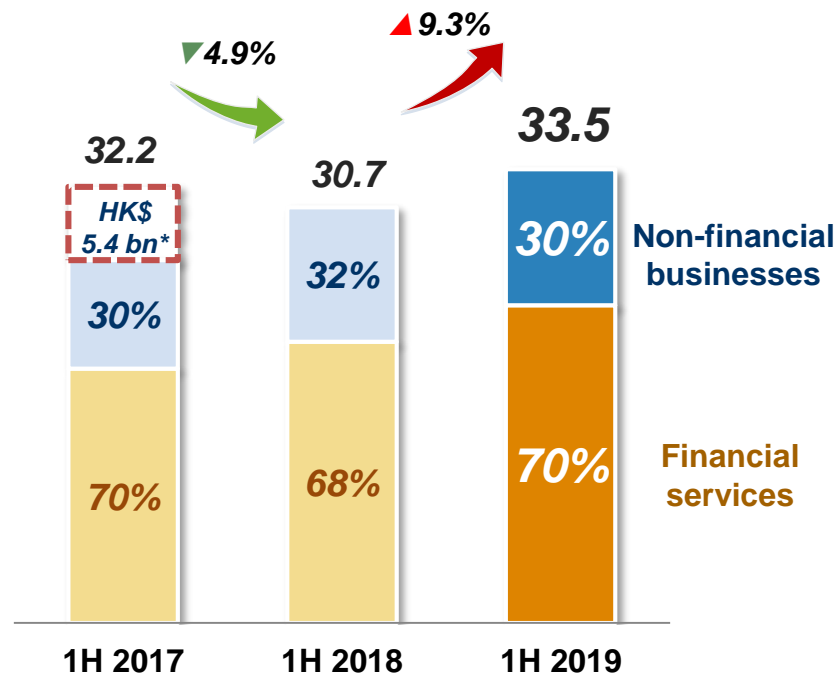
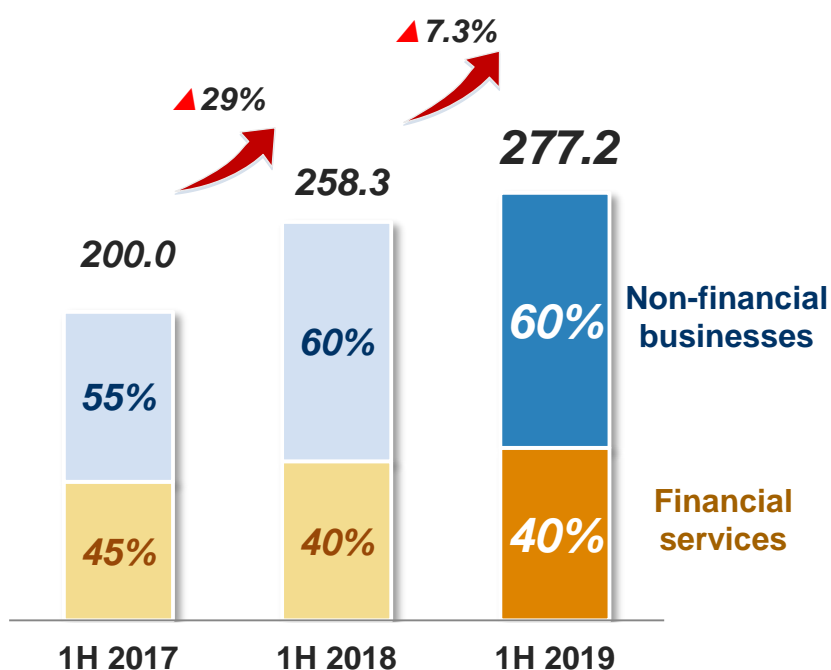
OVERVIEW

HK\$277.2_{bn}

Revenue

HK\$33.5_{bn}

Profit attributable to ordinary shareholders



2019 HALF YEAR RESULTS

<i>HK\$ million</i>	1H 2019	1H 2018	Increase/(Decrease)	
			Amount	%
Revenue	277,176	258,323	18,853	7.3%
Profit before taxation	57,194	56,597	597	1.1%
Profit attributable to ordinary shareholders	33,518	30,668	2,850	9.3%
Earnings per share (HK\$)	1.15	1.05	0.10	9.3%
Dividend per share (HK\$)	0.18	0.15	0.03	20%
Capital expenditure	10,026	17,349	(7,323)	(42%)
Total assets	8,006,388	7,660,713*	345,675	4.5%
Total liabilities	7,167,580	6,850,053*	317,527	4.6%

*as at 31 Dec 2018



CONSOLIDATED DEBT OF THE GROUP

<i>HK\$ million</i>	30/6/2019	31/12/2018	Increase/(Decrease)	
			Amount	%
Financial services	692,532	634,067	58,465	9.2%
Resources and energy	38,120	40,885	(2,765)	(6.8%)
Manufacturing	27,707	32,067	(4,360)	(14%)
Engineering contracting	3,289	2,657	632	24%
Real estate	10,967	9,402	1,565	17%
Others	41,865	38,674	3,191	8.3%
Operation management	185,612	174,339	11,273	6.5%
Elimination	(68,168)	(37,778)	(30,390)	(80%)
Total	931,924	894,313	37,611	4.2%

Note: The amount is the principal excluding interest accrued.



CAPITAL EXPENDITURE

<i>HK\$ million</i>	1H 2019	1H 2018	Increase/(Decrease)	
			Amount	%
Financial services	1,763	1,734	29	1.7%
Resources and energy	614	835	(221)	(26%)
Manufacturing	2,944	6,479	(3,535)	(55%)
Engineering contracting	908	1,010	(102)	(10%)
Real estate	225	1,016	(791)	(78%)
Others	3,572	6,275	(2,703)	(43%)
Total	10,026	17,349	(7,323)	(42%)



Our Businesses

Financial Services

<i>HK\$ million</i>	1H 2019	1H 2018	Increase/(Decrease)	
			Amount	%
Revenue	111,903	103,068	8,835	8.6%
Profit attributable to ordinary shareholders	25,515	24,256	1,259	5.2%
Assets (compared to 31/12/2018)	7,410,031	7,067,565	342,466	4.8%
Capital expenditure	1,763	1,734	29	1.7%

CITIC Bank

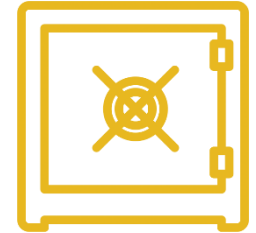
- ❑ Net profit up 10% to RMB28.3 billion
- ❑ Net interest income grew 15% due to growing assets and widened NIM
 - ✓ Loan and deposits increased by 6% and 11% respectively
 - ✓ NIM widened by 7 bps year-on-year to 1.96%
- ❑ Non-interest income, 38.7% of total revenue, grew 14% YoY mainly driven by fee income from credit card business
- ❑ Asset quality improved with NPL ratio of 1.72%, down 5 bps year-to-date. Allowance coverage increased by 7.2 ppts to 165%



Financial Services (continued)

CITIC Trust

- ❑ Net profit up 35% YoY to RMB1.65 billion due to growth of proprietary business
- ❑ AUM maintained at RMB1.6 trillion. Trust assets under active management continued to increase



CITIC Securities

- ❑ Profit rose 16% YoY to RMB6.4 billion, benefiting mainly from better market conditions
- ❑ Most businesses maintained market leading position



CITIC-Prudential Life

- ❑ Net profit remained flat at RMB466 million
- ❑ Premium income increased by 55% YoY mainly driven by sales of savings products, offset by a provision made on an investment
- ❑ 265% comprehensive solvency margin ratio, above regulatory requirements and industry average



Resources and Energy

<i>HK\$ million</i>	1H 2019	1H 2018	Increase/(Decrease)	
			Amount	%
Revenue	47,858	34,994	12,864	37%
Profit attributable to ordinary shareholders	2,093	1,279	814	64%
Assets (compared to 31/12/2018)	133,267	131,842	1,425	1.1%
Capital expenditure	614	835	(221)	(26%)

Sino Iron

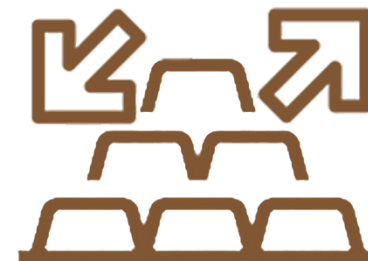
- ❑ Profitable in 1H19 due to strong iron ore price and ongoing cost controls
- ❑ Threats to long-term viability remain, including the need to secure critical life-of-mine approvals and related tenure



Resources and Energy (continued)

CITIC Metal

- ❑ Net profit of HK\$587 million, down 24%, due to reduced delivery of copper ore caused by a road blockage in Peru
- ❑ Trading business was strong supported by both higher volume and prices of niobium products and iron ore
- ❑ Increased interests in Canadian company Ivanhoe Mines to 29.4%



CITIC Resources

- ❑ Profit was HK\$362 million, down 32%, mainly due to weak oil, aluminum and coal prices

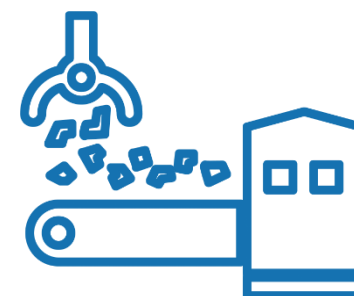


Manufacturing

<i>HK\$ million</i>	1H 2019	1H 2018	Increase/(Decrease)	
			Amount	%
Revenue	59,607	61,125	(1,518)	(2.5%)
Profit attributable to ordinary shareholders	3,514	2,406	1,108	46%
Assets (compared to 31/12/2018)	133,974	134,882	(908)	(0.7%)
Capital expenditure	2,944	6,479	(3,535)	(55%)

CITIC Pacific Special Steel

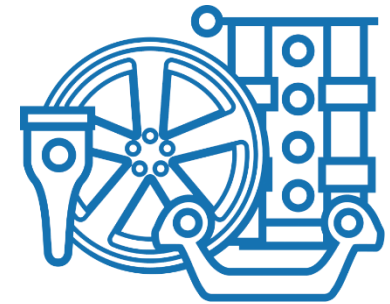
- Profit up 61% to RMB2.8 billion owing to higher sales volumes and improved margins
- 6.74 million tonnes were sold, 18% higher year-on-year. All four plants showed strong performance, particularly Qingdao Special Steel
- Restructuring under Shenzhen-listed Daye Special received all relevant approvals; completion is expected before year end



Manufacturing (continued)

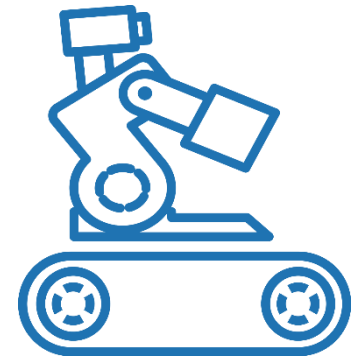
CITIC Dicastal

- ❑ Profit was RMB504 million, down 16% as a result of the slowdown in major auto markets, particularly mainland China as well as impact of tariffs levied by the United States
- ❑ 1st phase of Morocco plant with annual production capacity of three million units of wheels became operational in June; production of US plant increased 23% year-on-year



CITIC Heavy Industries

- ❑ Profit rose 50% YoY to RMB95 million driven by improvement in heavy machinery and related businesses



Engineering Contracting

<i>HK\$ million</i>	1H 2019	1H 2018	Increase/(Decrease)	
			Amount	%
Revenue	7,907	4,015	3,892	97%
Profit attributable to ordinary shareholders	703	704	(1)	(0.1%)
Assets (compared to 31/12/2018)	58,494	55,432	3,062	5.5%
Capital expenditure	908	1,010	(102)	(-10%)

- ❑ Profit flat at HK\$703 million, mainly contributed by projects in Wuhan, east section of the Algerian East-West Expressway and investment gains
- ❑ A number of sewage treatment projects were signed in China
- ❑ New international projects signed included first-time projects in Cambodia: 12 rice processing and storage facilities in 10 cities



Real Estate

HK\$ million	1H 2019	1H 2018	Increase/(Decrease)	
			Amount	%
Revenue	1,892	5,270	(3,378)	(64%)
Profit attributable to ordinary shareholders	3,540	4,747	(1,207)	(25%)
Assets (compared to 31/12/2018)	157,921	154,631	3,290	2.1%
Capital expenditure	225	1,016	(791)	(78%)

- Profit declined 25% to HK\$3.5 billion due to:
 - ✓ reduced units available for sale at KADOORIA
 - ✓ delayed settlement of CITIC Coast New Town project in Shantou
- Earnings mainly came from: 1) 10% interest in COLI ; 2) contribution from Lujiazui Harbour City in Shanghai



Others

<i>HK\$ million</i>	1H 2019	1H 2018	Increase/(Decrease)	
			Amount	%
Revenue	47,969	49,822	(1,853)	(3.7%)
Profit attributable to ordinary shareholders	1,093	2,498	(1,405)	(56%)
Assets (compared to 31/12/2018)	162,172	151,071	11,101	7.3%
Capital expenditure	3,572	6,275	(2,703)	(43%)

- ❑ 1H 2018 included a one-time HK\$1.3 billion toll road disposal gain
- ❑ CITIC Press's profit was RMB130 million, up 13% YoY; successfully listed on the ChiNext board of the Shenzhen Stock Exchange in July 2019
- ❑ CITIC Telecom international's profit increased 5% to HK\$511 million
- ❑ Dah Chong Hong's net profit fell 32% YoY to HK\$188 million
- ❑ CITIC Environment's profit was RMB30 million, a reduction of 84%





Thank You

Potential investors and shareholders of the Company (the "Potential Investors and Shareholders") are reminded that information contained in this Presentation comprises extracts of operational data and financial information of the Group. The information included is solely for the use in this Presentation and certain information has not been independently verified. No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions presented or contained in this Presentation. Potential Investors and Shareholders should refer to the 2019 Half-Year Report for the results of the Company which are prepared in accordance with relevant rules, regulations and accounting standards. The performance and the results of operations of the Group contained within this Presentation are historical in nature, and past performance is no guarantee of the future results of the Group. Any forward-looking statements and opinions contained within this Presentation are based on current plans, estimates and projections, and therefore involve risks and uncertainties.

Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this Presentation; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Potential Investors and Shareholders should exercise caution when investing in or dealing in the securities of the Company.

