



中信
CITIC

Review of 2019 Full-Year Results

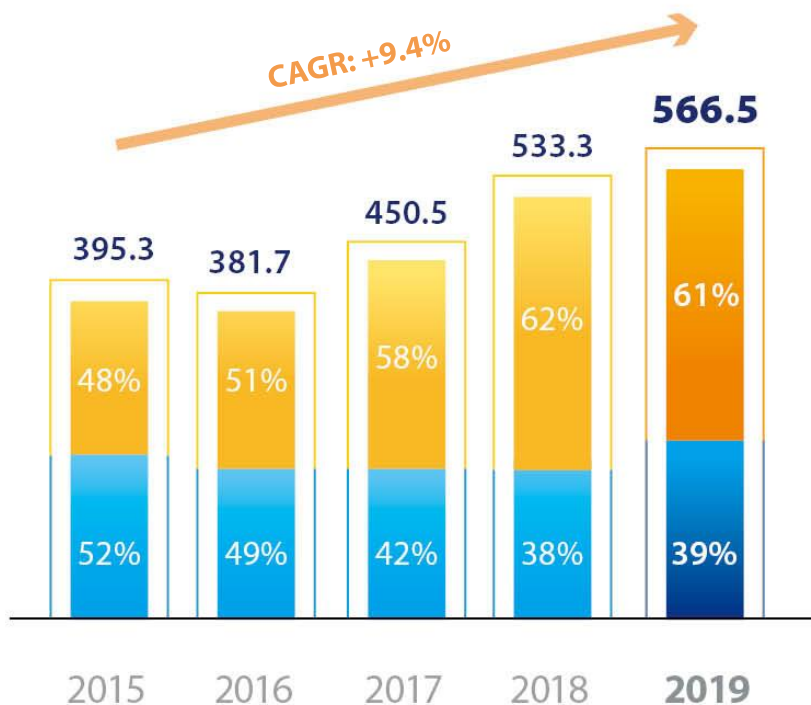
31 March 2020

HIGHLIGHTS

Revenue

\$566.5bn +6.2%

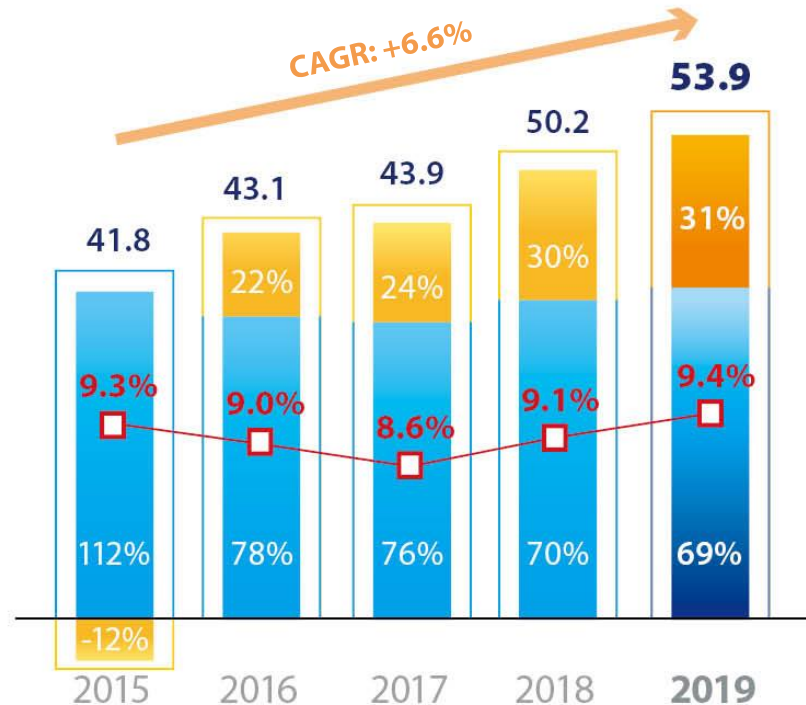
HK\$ billion



Profit attributable to ordinary shareholders

\$53.9bn +7.3%

HK\$ billion



Non-financial



Financial



ROE

HIGHLIGHTS (continued)

Ordinary shareholders' funds
per share

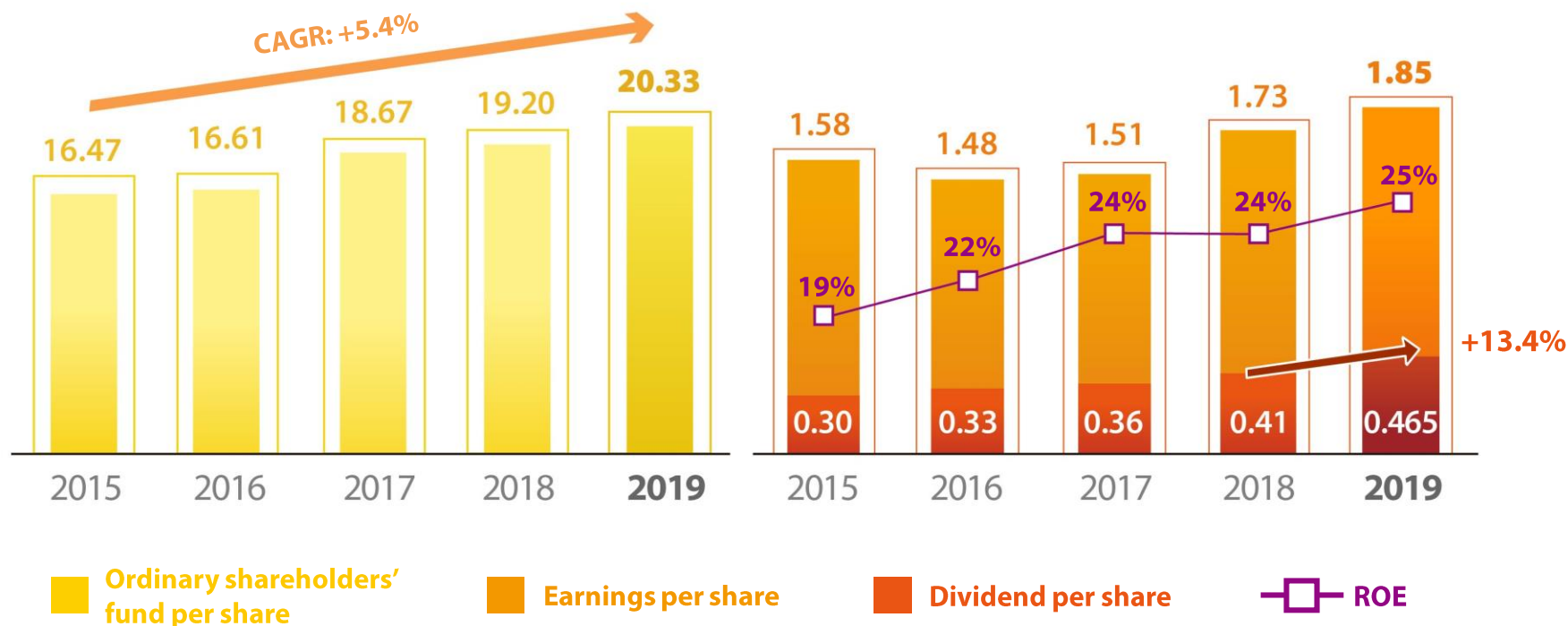
\$20.33

2019 dividend per share

\$0.465

Dividend payout ratio

25%

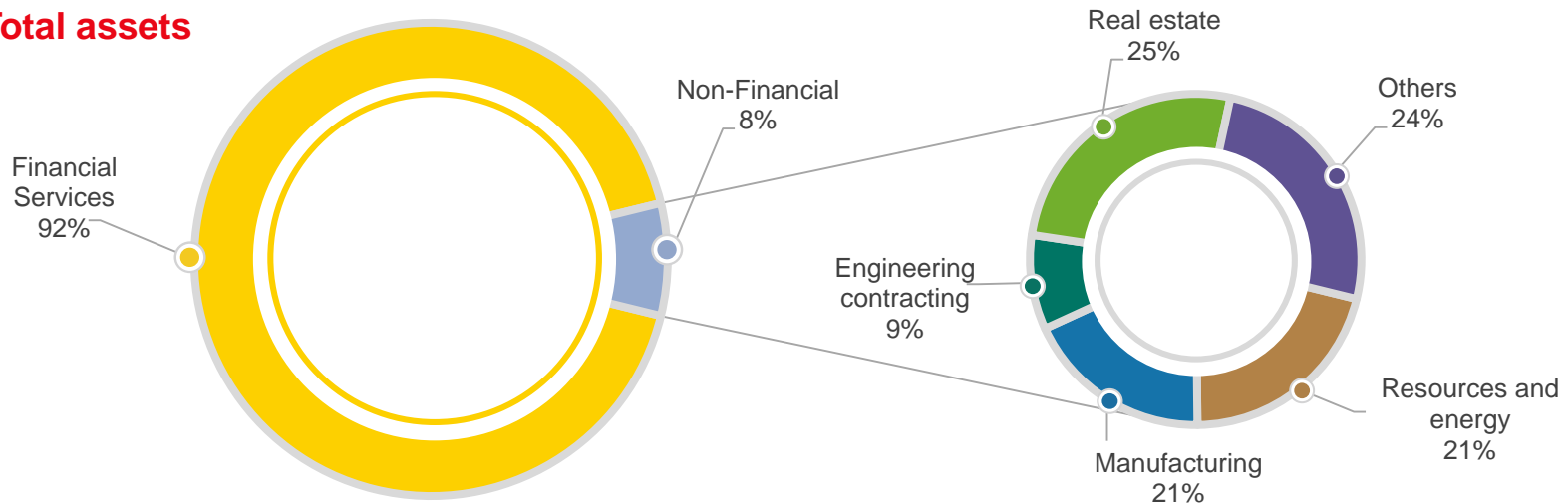


2019 FULL YEAR RESULTS

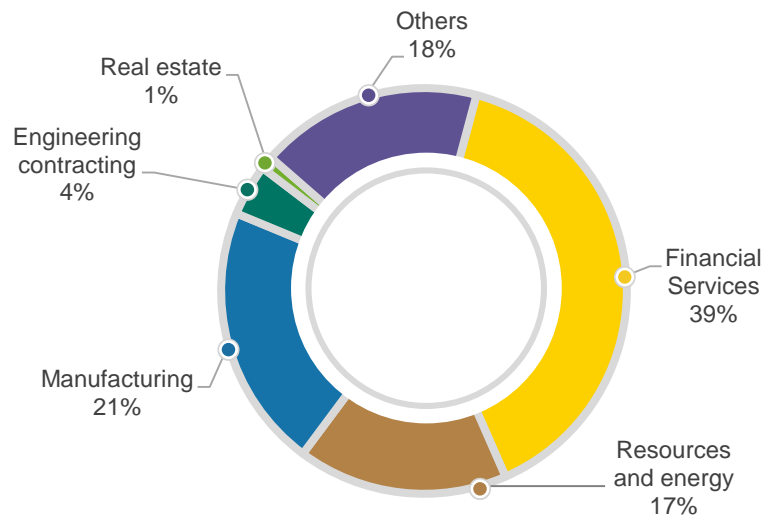
<i>HK\$ million</i>	2019	2018	Increase/(Decrease)	
			Amount	%
Revenue	566,497	533,285	33,212	6.2%
Profit before taxation	96,015	93,969	2,046	2.2%
Profit attributable to ordinary shareholders	53,903	50,239	3,664	7.3%
Earnings per share (HK\$)	1.85	1.73	0.12	7.3%
Dividend per share (HK\$)	0.465	0.41	0.055	13%
Capital expenditure	32,318	43,802	(11,484)	(26%)
Total assets	8,289,924	7,660,713	629,211	8.2%
Total liabilities	7,395,433	6,850,053	545,380	8.0%
Ordinary shareholders' funds per share (HK\$)	20.33	19.20	1.13	5.9%

SEGMENT INFORMATION

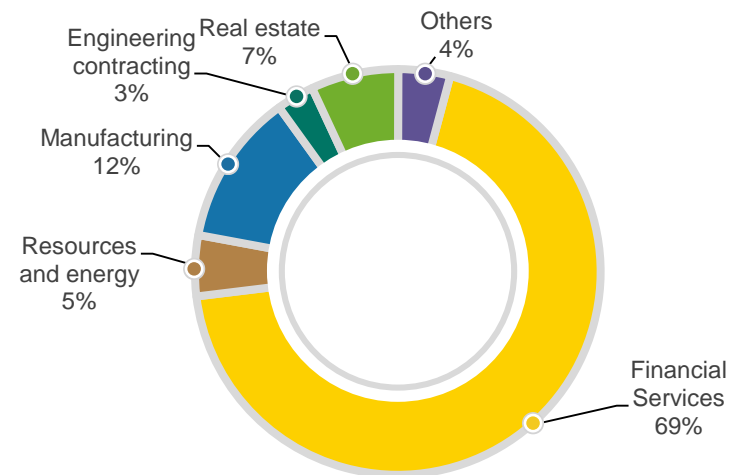
Total assets



Revenue



Profit contribution



CONSOLIDATED DEBT OF THE GROUP

<i>HK\$ million</i>	2019	2018	Increase/(Decrease)	
			Amount	%
Financial services	729,516	634,067	95,449	15%
Resources and energy	39,725	40,885	(1,160)	(2.8%)
Manufacturing	20,211	32,067	(11,856)	(37%)
Engineering contracting	3,021	2,657	364	14%
Real estate	11,190	9,402	1,788	19%
Others	34,662	38,674	(4,012)	(10%)
Operation management	199,427	174,339	25,088	14%
Elimination	(69,045)	(37,778)	(31,267)	-
Total	968,707	894,313	74.394	8.3%

Note: the amount is the principal excluding interest accrued

CAPITAL EXPENDITURE

			Increase/(Decrease)	
<i>HK\$ million</i>	2019	2018	Amount	%
Financial services	4,975	7,651	(2,676)	(35%)
Resources and energy	4,593	7,001	(2,408)	(34%)
Manufacturing	7,180	7,832	(652)	(8.3%)
Engineering contracting	1,221	2,952	(1,731)	(59%)
Real estate	842	2,318	(1,476)	(64%)
Others	13,507	16,048	(2,541)	(16%)
Total	32,318	43,802	(11,484)	(26%)

Our Businesses



FINANCIAL SERVICES

HK\$ million	2019	2018	Increase/(Decrease)	
			Amount	%
Revenue	222,316	202,949	19,367	9.5%
Profit attributable to ordinary shareholders	42,845	41,704	1,141	2.7%
Assets	7,703,980	7,067,565	636,415	9.0%
Capital expenditure	4,975	7,651	(2,676)	(35%)

Excluding impact of currency conversion, revenue and profit rose 14% and 6.9% respectively driven by operational enhancement and monetary easing by the central bank in 1st of 2019

CITIC Bank remained the largest profit contributor to the segment

Profit of Major Subsidiaries



CITIC Bank
+7.9%



CITIC Trust
+7%



CITIC-Prudential
+63%



CITIC Securities
+30%

FINANCIAL SERVICES (continued)

CITIC Bank

- Revenue up 13% to RMB187.9bn; profit up 8% to RMB48bn
 - ◆ net interest income grew by 13% due to expanded interest-earning assets and wider NIM; both loans and deposits increased over 10% year-to-date
 - ◆ non-interest income increased by 15% and its revenue contribution continued to rise to 32.3%, mainly driven by bank card fees and agent business
- Further improvement on retail banking
 - ◆ profit contribution rose by 4.1ppts to 34.7%
 - ◆ number of mid and high-end clients increased rapidly; total AUM under retail banking reached a new high of over RMB2tn
- Solid asset quality management: NPL ratio decreased by 12bps to 1.65%
 - ◆ coverage ratio up 17ppts to 175%

CITIC Trust

- Earnings up 7% to RMB3.6bn, mainly driven by interest income and investment gains
- Enhanced capability in optimising asset allocation
 - ◆ AUM declined by 4.7% to RMB1.6tn but the proportion of trust assets under active management increased from 34% to 46%
- Revenue, profit and fee income topped the industry

FINANCIAL SERVICES (continued)

CITIC-Prudential

- Profit up 63% to RMB1.8bn
- Premium income grew by 39%, mainly driven by premium income from the strong development of bancassurance
- Investment gains surged, reflecting an expanded total investments and higher overall return rate

CITIC Securities

- Profit up 30% to RMB12.2bn, led by trading and investment banking businesses in a revived capital market
- Maintained leading market position in investment banking, asset management and fixed income businesses

RESOURCES & ENERGY

HK\$ million	2019	2018	Increase/(Decrease)	
			Amount	%
Revenue	94,951	78,722	16,229	21%
Profit attributable to ordinary shareholders	3,015	2,102	913	43%
Assets	134,304	131,842	2,462	1.9%
Capital expenditure	4,593	7,001	(2,408)	(34%)

Revenue +21%; Profit +43%

- Growth mainly resulted from first profit at Sino Iron
- CITIC Metal increased its stake in Canadian company Ivanhoe Mines to 26.3%

Profit of Major Subsidiaries



CITIC Resources
(34%)



CITIC Metal
(43%)



Sino Iron
turnaround

RESOURCES & ENERGY (continued)

Sino Iron

- First profit due to a strong average price of iron ore in the first half of 2019 and ongoing cost control
- Exported over 20mn wet metric tonnes of concentrate; average 65% Fe content

CITIC Metal

- Net profit HK\$963mn, down 43%
- Weaker performance of commodity trading business; reduced profit from the Peruvian copper mine due to reduced delivery of copper ore caused by multiple interruptions of local road access

CITIC Resources

- Profit was HK\$600mn, down 34%, mainly due to lower commodity prices, including oil, aluminium and coal

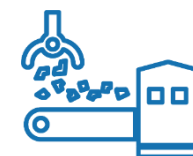
MANUFACTURING

HK\$ million	2019	2018	Increase/(Decrease)	
			Amount	%
Revenue	119,328	121,939	(2,611)	(2.1%)
Profit attributable to ordinary shareholders	7,553	6,008	1,545	26%
Assets	117,240	134,882	(17,642)	(13%)
Capital expenditure	7,180	7,832	(652)	(8.3%)

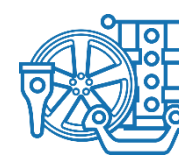
Revenue -2.1%; Profit +26%

- Unlocked value by listing CITIC Pacific Special Steel and selling 58% stake in CITIC Dicastal
- HK\$1.4bn income from divesting 58% of Dicastal to strategic investors
- Steel business posted record high in sales volume, revenue and net profit

Profit of Major Subsidiaries



**CITIC Pacific
Special Steel**
+23%



**CITIC
Dicastal**
(20%)



**CITIC
Heavy Industries**
+10%

MANUFACTURING (continued)

CITIC Pacific Special Steel

- Net profit reached historical high at RMB5.4bn due to increased production and effectively reducing costs
- Sales volume grew 10% to 13.27mn tonnes
- Acquired two downstream processing plants

CITIC Dicastal

- Profit declined 20% to RMB1bn, mainly impacted by US export tariffs
- 3-million-unit capacity plant in Morocco has been producing since June 2019; construction of phase II began, expecting to be completed by end of 2020

CITIC Heavy Industries

- Profit up 10% to RMB117mn
- Specialty robotics remained the major profit contributor
- Growth in the business of providing total solutions to customers

ENGINEERING CONTRACTING

HK\$ million	2019	2018	Increase/(Decrease)	
			Amount	%
Revenue	23,373	19,700	3,673	19%
Profit attributable to ordinary shareholders	1,867	2,053	(186)	(9.1%)
Assets	59,030	55,432	3,598	6.5%
Capital expenditure	1,221	2,952	(1,731)	(59%)

Revenue +19%; Profit -9%

- Major profit contributors include National Network Security Centre in Wuhan, agricultural and industrial complex project in Belarus as well as others
- Business increasing in EPC, project exploration and design
- CITIC Construction expanded domestic business
 - ◆ revenue from domestic projects accounting for nearly 45% of the total business for two consecutive years



REAL ESTATE

HK\$ million	2019	2018	Increase/(Decrease)	
			Amount	%
Revenue	5,943	8,968	(3,025)	(34%)
Profit attributable to ordinary shareholders	4,347	5,353	(1,006)	(19%)
Assets	166,404	154,631	11,773	7.6%
Capital expenditure	842	2,318	(1,476)	(64%)

Revenue -34%; Profit -19%

- Major profit contributors
 - ◆ shared profit from COLI
 - ◆ Lujiazui Harbour City in Shanghai and Kadooria in HK
 - ◆ disposal of 80% stake in Chengdu Tianfu New Town project
- HK\$2.6bn impairment on 10% equity investment in COLI due mainly to COLI's lower stock price against CITIC Limited's book value



OTHERS

<i>HK\$ million</i>	2019	<i>2018</i>	Increase/(Decrease)	
			Amount	%
Revenue	100,546	100,920	(374)	(0.4%)
Profit attributable to ordinary shareholders	2,556	2,049	507	25%
Assets	162,893	151,071	11,822	7.8%
Capital expenditure	13,507	16,048	(2,541)	(16%)

Revenue -0.4%; Profit +25%

- CITIC Press's earnings increased 22% to RMB250mn
 - ◆ strong growth in Children's book division
 - ◆ listed on ChiNext in July 2019; market value increased 240% by the end of 2019
- Privatised and delisted AsiaSat, DCH and CITIC Envirotech in 2H2019





Thank You

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