



## PRESS RELEASE

28 August 2020

### 2020 HALF-YEAR RESULTS

CITIC Limited ("the company") today announced its half-year results for the period ended 30 June 2020.

### HIGHLIGHTS

<i>HK\$ million</i>	<b>1H 2020</b>	1H 2019
Profit attributable to ordinary shareholders	<b>27,014</b>	33,518
Earnings per share (HK\$)	<b>0.93</b>	1.15
Dividend per share (HK\$)	<b>0.10</b>	0.18
	<b>As at 30 Jun 2019</b>	As at 31 Dec 2019
Total ordinary shareholders' funds	<b>596,963</b>	591,526

For the first six months of 2020, CITIC Limited recorded a profit attributable to ordinary shareholders of HK\$27 billion, down 19% compared with the same period last year, reflecting the challenging macroeconomic environment and the impact of the COVID-19 pandemic across the company's operations. Excluding the Renminbi to HK Dollar conversion effect, profit fell 16%. The earnings include a one-off gain of HK\$2.4 billion from the disposal of a 22% stake in the McDonald's business in mainland China and Hong Kong.

The board recommends an interim dividend payment of HK\$0.10 per share, HK\$0.08 less than the same period last year.

**Financial Services** achieved a profit of HK\$21.9 billion, 14% less than the same period last year. Higher provisions at CITIC Bank and CITIC Trust, made in response to the pandemic and its impact on the economy, were a key factor in the profit decline. CITIC Bank's profit was RMB25.5 billion, a year-on-year decrease of 9.8%. The bank's operations remained solid with an increase in both net interest income and non-interest income. However, net interest margin narrowed as a result of the lower loan prime rate and a reduction in lending rates to support corporate customers. CITIC Trust's profit was RMB1.1 billion, a year-on-year decrease of 35%. CITIC-Prudential Life achieved a profit growth of 67% to RMB777 million, driven by a rise in premium income and higher investment income. CITIC Securities realised a profit of RMB8.9 billion, up 38%.

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**Resources and Energy** delivered a profit of HK\$706 million, a decrease of 66% as the sharp decline in crude oil prices contributed to a loss of HK\$431 million at CITIC Resources. Profit at CITIC Metals was HK\$695 million, 18% higher than last year, due to a higher gain on investment. However, operations were negatively impacted by lower commodity prices, particularly copper and ferroniobium. Sino Iron maintained its profitability for the reporting period due to stable production, cost controls and the buoyant price of iron ore.

**Manufacturing** recorded a net profit of HK\$2.8 billion, a year-on-year decline of 20%, mainly due to the company's reduced shareholdings in CITIC Pacific Special Steel and a 58% divestment of CITIC Dicastal. Despite a reduction in overseas demand and rising raw material prices, CITIC Pacific Special Steel achieved a profit of RMB2.75 billion, on par with last year, largely due to successful efforts to target domestic customers with a rapidly adjusted product mix as well as a wide range of efficiency enhancement measures. Profit at CITIC Dicastal declined 45% to RMB276 million in the first half of the year as the business faced a sharp decline in orders from overseas automakers as well as temporary production suspensions at the KSM facility in Germany. CITIC Heavy Industries' profit increased by 77% to RMB169 million with a solid performance in the heavy machinery and its related services businesses.

**Engineering Contracting's** profit declined by 46% to HK\$380 million as COVID-19 affected project development in China and overseas. During the period, newly signed contracts totalled RMB15 billion, with about half in the domestic market and the largest new project in Belarus to build a fertiliser facility and related infrastructure.

**Real Estate** recorded a net profit of HK\$3.5 billion, on par with the same period last year, including a 10% equity interest in China Overseas Land & Investment Limited, rental income from investment properties, the delivery of units in the Kadooria and Discovery Bay developments in Hong Kong. Additionally, there was a revaluation gain from an increased shareholding in a property in Shanghai.

**Other Businesses** recorded a profit of HK\$2.4 billion due to the disposal gain on a 22% stake in McDonald's. Excluding this one-off gain, the segment reported a narrow loss with consumer-facing businesses particularly impacted by the pandemic.

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### **About CITIC Limited**

CITIC Limited (SEHK: 267) is one of China's largest conglomerates. Among its diverse global businesses, CITIC Limited focuses primarily on financial services, resources and energy, manufacturing, engineering contracting and real estate. CITIC Limited enjoys leading market positions in sectors well matched to China's economy. CITIC's rich history, diverse platform and strong corporate culture across all businesses ensure that CITIC Limited is unrivalled for capturing opportunities arising in China and overseas.

CITIC Limited is listed on the Stock Exchange, where it is a constituent of the Hang Seng Index. CITIC Group Corporation, a Chinese state-owned enterprise, owns 58% of CITIC Limited. For more information about CITIC Limited, please visit the company's website at [www.citic.com](http://www.citic.com).

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**Attachments:**

- Announcement of the 2020 half-year results is on CITIC Limited's website: [www.citic.com](http://www.citic.com).

-The Half-Year Report 2020 will be posted on CITIC Limited's website around 9 September 2020 and mailed to shareholders of record and others expressing interest around 16 September 2020.