



## PRESS RELEASE

29 August 2018

### 2018 HALF-YEAR RESULTS

CITIC Limited ("the company") today announced its half-year results for the period ended 30 June 2018.

### HIGHLIGHTS

<i>HK\$ million</i>	<b>1H 2018</b>	1H 2017 (restated)
Profit attributable to ordinary shareholders	<b>30,668</b>	32,234
Earnings per share (HK\$)	<b>1.05</b>	1.11
Dividend per share (HK\$)	<b>0.15</b>	0.11
	<b>As at 30 Jun 2018</b>	As at 31 Dec 2017
Total ordinary shareholders' funds and perpetual capital securities	<b>566,204</b>	550,951

For the first six months of 2018, CITIC Limited recorded a profit attributable to ordinary shareholders of HK\$30.7 billion, 5% less than the same period last year. However, last year's interim result included revaluation gains of HK\$5.4 billion. When excluding this, as well as the RMB to HK dollar exchange rate effect, profit grew 6%. The growth in earnings was driven by the solid performance of the businesses, particularly contributions from investments made in recent years.

The board has decided to raise the interim dividend by HK\$0.04 to HK\$0.15 per share.

**Financial Services** recorded HK\$24.3 billion in profit in the first six months of 2018. Excluding the RMB to HK dollar exchange rate effect, profits were 5% more than the first half of 2017. CITIC Bank's profit rose 7% to RMB25.7 billion as compared with the same period in 2017. The bank continued to improve its income mix. Non-interest income increased to 38.8% of revenue in the first half of 2018, up 3.3 percentage points year-on-year. CITIC Bank also continued to focus on optimising its asset structure and allocating more resources to the lending business. CITIC Trust's core business remained stable, but recognition of a mark-to-market loss from its investment in China Hongqiao Group resulted in a 24% decline in profit. CITIC-Prudential's premium and investment income delivered double-digit growth; however, higher income tax dragged down net profit 5%. During the reporting period, CITIC Securities outperformed the market with a 13% increase in net profit.

**Resources and Energy** turned course with a profit of HK\$1.3 billion as a result of higher commodity prices and a reduced loss at Sino Iron. CITIC Resources achieved a profit of HK\$529

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million, a 186% growth, driven primarily by higher oil prices and stringent ongoing cost controls. CITIC Metal posted an impressive profit growth of 41% to HK\$776 million for the same period. In June this year, CITIC Metal signed an agreement to acquire a 19.5% stake in Canadian company Ivanhoe Mines, which is developing projects in Southern Africa. Sino Iron's focus has been on increasing production and improving efficiencies. During the period, it achieved record production of magnetite concentrate with more than 9.4 million wet metric tonnes exported, 20% higher than the same period a year ago.

**Manufacturing** recorded a net profit of HK\$2.4 billion, a year-on-year increase of 37%. Special steel profit grew 31% to HK\$1.6 billion, which included the contribution from the newly-acquired Qingdao Special Steel. In June, the acquisition of Hualing Special Steel, which has been renamed Jingjiang Special Steel, further enlarged our production capacity. Driven by strong demand for its aluminium wheels and casting products, CITIC Dicastal's strong performance continued in the first half of 2018, with profit climbing 30% to RMB597 million. Strong demand for specialty robotics increased CITIC Heavy Industries' profit to RMB63 million during the review period.

**Engineering Contracting** recorded a profit of HK\$704 million, up HK\$394 million year-on-year, mainly due to solid results at CITIC Engineering Design as well as from tax savings and investment gains at CITIC Construction. Both companies continued to make inroads securing new projects. New contracts signed at CITIC Construction in the first half of 2018 totalled RMB15.3 billion, including a road project in Kazakhstan, a social housing development project in the Maldives and an integrated resort in Korea. CITIC Engineering won its largest design contract ever to build a logistics centre in Hubei province for RMB700 million.

**Real Estate** recorded a net profit of HK\$4.7 billion, a year-on-year reduction of 17%, as the gain from the sale of two office buildings in Shanghai was booked in the first half of 2017. The profit for the first six months of 2018 was attributable to the company's 10% interest in China Overseas Land and Investment as well as the delivery of units at Kadooria, a luxury residential development in Hong Kong.

**Other businesses** continued to contribute to the company's bottom line. The disposal of three toll roads in mainland China generated a total of HK\$1.3 billion in profit. After joining the CITIC family, the McDonald's mainland China and Hong Kong business achieved tangible operational progress in terms of the number of stores opened, as well as improved profitability.

### **About CITIC Limited**

CITIC Limited (SEHK: 267) is one of China's largest conglomerates with total assets of more than US\$970 billion. 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 in capturing opportunities arising in China.

CITIC Limited is listed on the Stock Exchange of Hong Kong, 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 website at [www.citic.com](http://www.citic.com).

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**Attachments:**

- Announcement of the 2018 half-year results is on CITIC Limited's website: [www.citic.com](http://www.citic.com).

-The Half-Year Report 2018 will be posted on CITIC Limited's website around 10 September 2018 and mailed to shareholders of record and others expressing interest around 14 September 2018.