



中信
CITIC

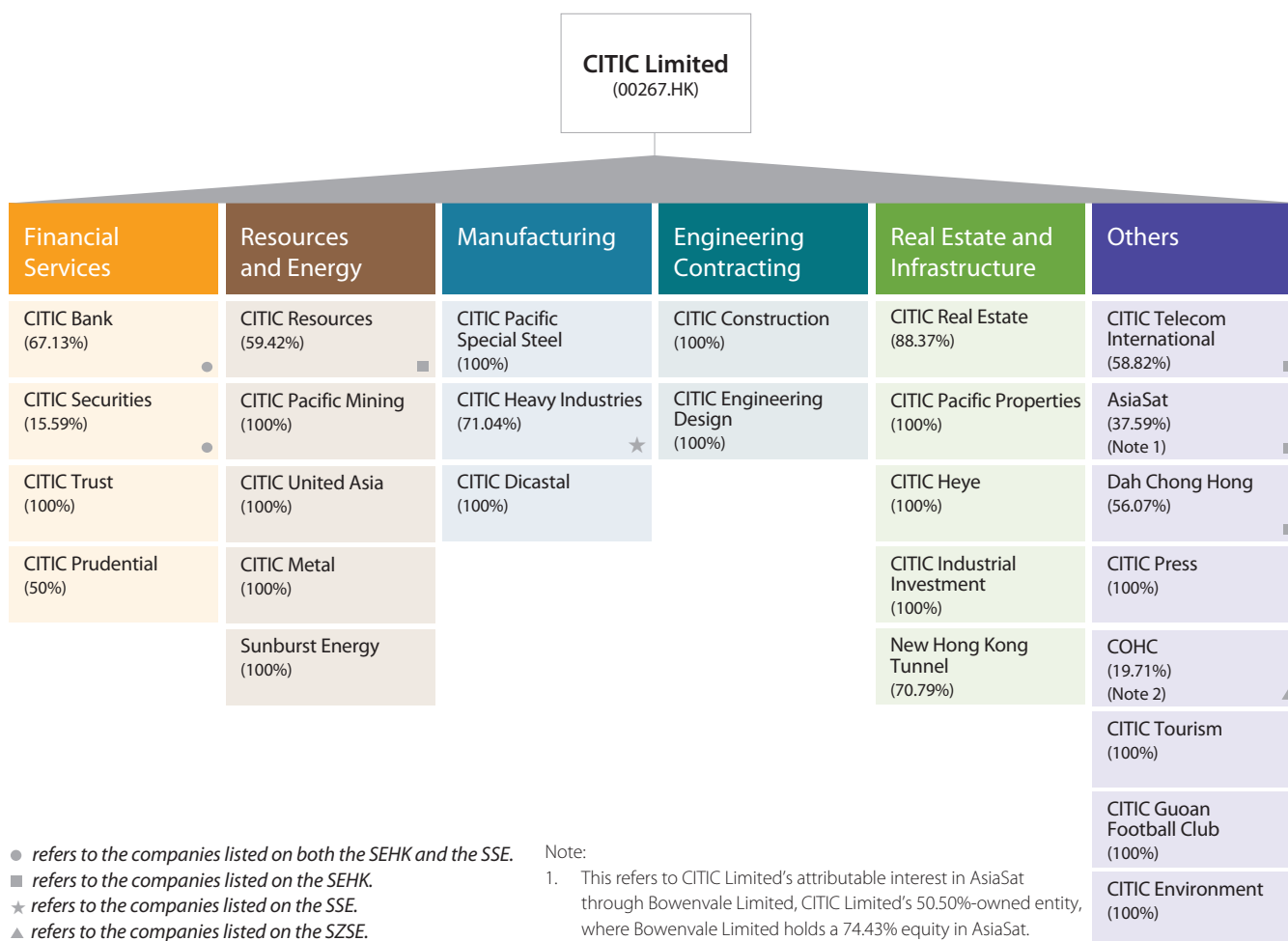


HALF-YEAR REPORT
2015

CITIC Limited at A Glance

CITIC Limited is one of the largest companies on the Hang Seng Index (SEHK: 00267). Our diversified businesses, including financial services, resources and energy, manufacturing, engineering contracting, real estate and infrastructure, are well positioned and aligned with China's economic growth and development.

We are fully committed to increasing our levels of transparency, being innovative and delivering consistent performance, regardless of market dynamics. By leveraging the CITIC platform, leading market positions and expertise, we will continue striving to increase our global competitiveness, deliver profitability, and maximise shareholder value.



As at 30 June 2015

Note:

- This refers to CITIC Limited's attributable interest in AsiaSat through Bowenvale Limited, CITIC Limited's 50.50%-owned entity, where Bowenvale Limited holds a 74.43% equity in AsiaSat.
- This refers to CITIC Limited's attributable interest in COHC through CITIC Zhonghaizhi, CITIC Limited's 51.03%-owned subsidiary, where CITIC Zhonghaizhi holds a 38.63% equity in COHC.

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Highlights

<i>In HK\$ million</i>	Half-year ended 30 June		
	2015	2014 (Restated)	Increase/ (Decrease)
Revenue	201,461	200,627	834
Profit before taxation	62,254	48,759	13,495
Profit attributable to ordinary shareholders	37,685	25,896	11,789
Earnings per share (HK\$)	1.51	1.04	0.47
Dividend per share (HK\$) (Note)	0.10	0.015	0.085
Net cash generated from operating activities	64,997	126,361	(61,364)
Capital expenditure	34,869	64,173	(29,304)

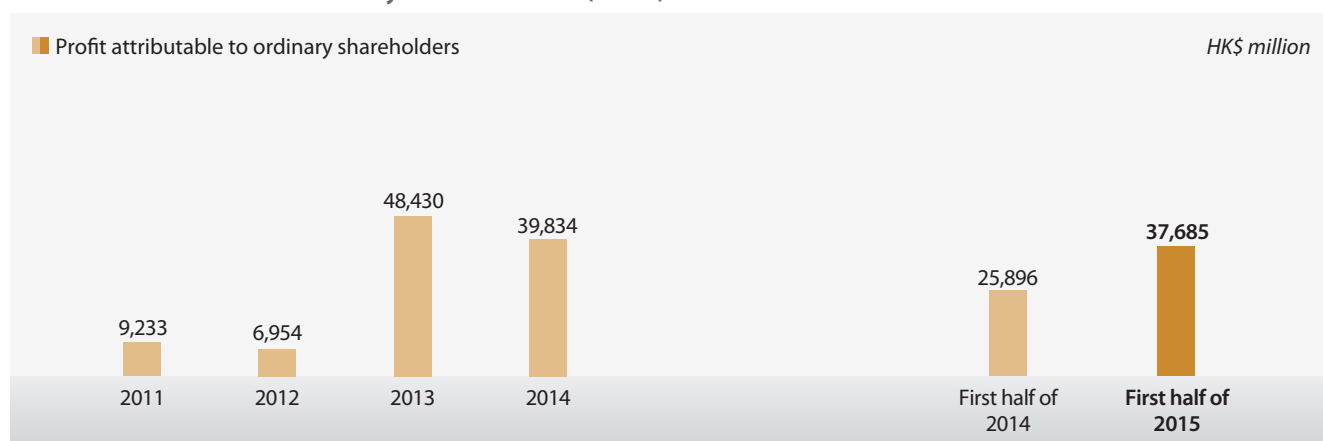
<i>In HK\$ million</i>	As at		
	30 June 2015	31 December 2014	Increase/ (Decrease)
Total assets	6,537,307	5,947,831	589,476
Total liabilities	5,916,161	5,372,324	543,837
Total ordinary shareholders' funds and perpetual capital securities	461,351	431,960	29,391

Note: Dividend per share for the year 2014 was for the former CITIC Pacific Limited.

<i>In HK\$ million</i>	Business assets		Revenue		Profit attributable to ordinary shareholders	
	As at 30 June 2015	Increase/ (Decrease) (Note)	Half-year ended 30 June 2015	Increase/ (Decrease)	Half-year ended 30 June 2015	Increase/ (Decrease)
Financial services	5,868,151	545,641	103,254	22,226	33,317	12,324
Resources and energy	162,241	14,338	22,146	(13,275)	709	136
Manufacturing	100,180	(8,321)	32,336	(2,668)	1,307	183
Engineering contracting	42,698	(1,322)	6,240	(1,895)	995	(223)
Real Estate and infrastructure	262,994	23,064	7,223	(2,326)	2,217	(431)
Others	92,559	20,021	30,170	(1,320)	704	(268)

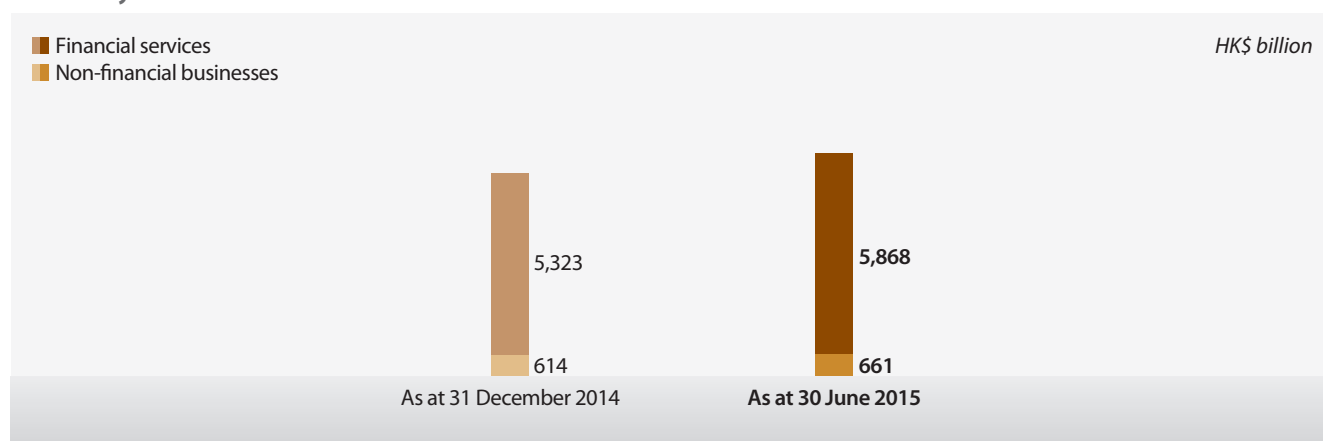
Note: As compared with balances as at 31 December 2014.

Profit attributable to ordinary shareholders (Note)

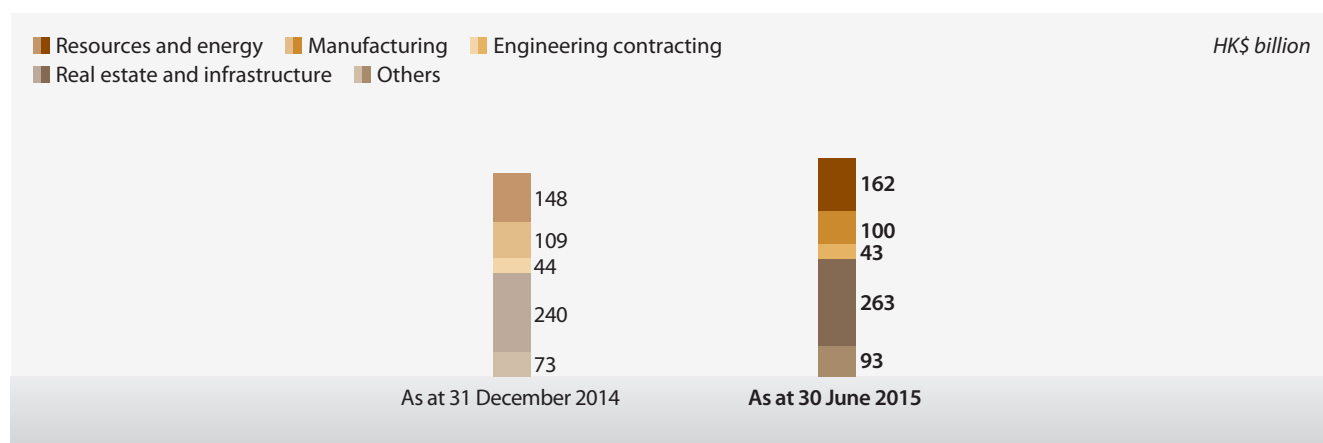


Note: Profit attributable to ordinary shareholders for the years from 2011 to 2012 are from the annual reports of the former CITIC Pacific. Those for the years from 2013 to 2014 are from the audited information of CITIC Limited.

Assets by business



Assets of non-financial businesses



Chairman's Letter to Shareholders



Dear Shareholders,

I consider my biannual letters to you to be among my most important tasks as Chairman. I'm encouraged that many readers take great interest in these letters and find them insightful, especially those of you who have given feedback and said that you have learned much about our enlarged company from our 2014 Annual Report, our first since we became CITIC Limited. We welcome all comments and will make it our goal to further elevate investor understanding of our businesses, their performance and objectives.

In this letter, I will review the performance of our company and our businesses in the first six months of this year, sector by sector. I will also update you on some of the initiatives we are undertaking to improve our corporate structure and to create value.

Our Financial Results

For the first six months of 2015, CITIC Limited recorded profit attributable to ordinary shareholders of HK\$37.7 billion, which included HK\$12.2 billion (pre-tax) from the sale of a 3% interest in CITIC Securities and an accounting gain

when CITIC Securities issued additional shares to investors. Compared with the same period last year, our company's overall profit increased 46%.

Profit from the financial services business was up 59%, and the sector continued to be the largest contributor to our company's bottom line. Profit from the non-financial business was 9% less than the first six months of 2014. This decline was mainly due to a significant reduction in profit from the resources business. The lack of finished residential property units for delivery was another factor that led to a decrease in profitability of the non-financial business.

Since my last letter, there has been a material improvement in CITIC Limited's financial position. This is due to the receipt in early August of HK\$46 billion from the preferred share placement to ITOCHU and CP Group, and HK\$12 billion on the issuance of ordinary shares to the Youngor Group. This substantial inflow of additional capital will strengthen our balance sheet and increase the flexibility we require to finance and execute our business development.

Additionally, since becoming CITIC Limited we have seen a reduction in our financing costs. Taking advantage of this, we have retired some higher interest debt. We will continue to utilise fund raising platforms in China and overseas to optimise our financing arrangements.

Our board recommends an interim dividend to shareholders of HK\$0.10 per share to shareholders.

Our Business Performance

Financial Services

Profit from our financial services business was HK\$33.3 billion, which included the gain from the sale of a 3% interest in CITIC Securities as well as the accounting gain mentioned earlier. Therefore, sector profit grew 59% from a year ago.

CITIC Bank contributed the majority of the sector's profit. The bank's revenue in the first half of the year grew 13% from a year ago to HK\$88 billion. However, profit was tempered by an increase in non-performing loans. In this period, although CITIC Bank's net interest margin decreased slightly net interest income rose as a result of growth in interest-yielding assets. Most notable was the bank's non-interest income, which increased 23% from last year.

Since becoming a listed company in 2007, CITIC Bank has experienced impressive growth with assets now at RMB4.5 trillion. The financial services industry in China, particularly banking, is experiencing significant change, including the liberalisation of interest rates, financial disintermediation and increased competition, which is challenging the traditional banking model. At the same time, banks must also contend with deteriorating asset quality. In this environment, the ability to differentiate will determine long-term success. CITIC Bank has found its niche, adjusted its strategy and sought new ways of generating profit and maintaining growth momentum.

Traditionally, CITIC Bank's core strength has been its corporate banking business. Alongside this, the bank has been developing two other important parts of the business — retail and financial markets. It is keen to achieve greater balance across these three areas.

In recent years, this strategy has seen CITIC Bank develop its retail arm by expanding its branch network, increasing its product sales channels, improving service quality and developing innovative products. These efforts have produced good results, particularly in the past 18 months. Compared with the first six months of last year, revenue from the retail business for the period grew 42%. CITIC Bank's financial markets business also experienced good growth and now represents 31% of the bank's revenue.

So what is the one thing that makes CITIC Bank different from all the others? CITIC Bank is an important part of the broader CITIC family, operating on a unique platform with a genuine competitive advantage and point of differentiation. Aside from synergies with our non-financial businesses, CITIC Bank can work with our other financial entities to offer customers a wide range of products and services.

An illustrative example of how CITIC Bank is utilising the wider CITIC platform has been the development of Xin Jin Bao — an innovative cash management product that invests the balance of customers' current accounts into money market funds, with automatic redemption upon cash withdrawal or transfer. Xin Jin Bao was launched by CITIC Bank in partnership with China Asset Management Company and CITIC Prudential Funds in mid- 2014, leading to increases in new customers both at the bank and at these fund houses.

Our other financial services divisions, CITIC Trust, CITIC Prudential and CITIC Securities, all performed well.

Resources and Energy

HK\$709 million profit was recorded for this sector in the first six months, which included a one-time accounting gain of HK\$511 million. Excluding this, profit was 65% lower over the corresponding period as the price of oil adversely impacted our crude oil exploration and production business. Aside from oil, weakness in the demand for most commodities and corresponding price declines also resulted in lower profitability for our commodities trading business.

With regard to our Sino Iron project in Western Australia, I am pleased to report that we are making good progress on optimising the first two operating production lines, as month-to-month production rates continue to improve. Construction and installation of the remaining four lines is also progressing well. With production and construction teams working in parallel, these are very busy times at the project site. Our target is to commence commissioning of lines three and four before the end of this year, and lines five and six in 2016.

Our disputes with Mineralogy continue to receive public attention. We continue to exercise and defend our rights under Australian law, acting in the best interests of our shareholders, our company and our project. It is important to understand that regardless of various legal actions, it is business as usual at Sino Iron.

Despite lower overall demand for electricity and a reduction in on-grid tariffs, our power generation business experienced only a modest profit decrease, thanks mainly to good management and continued efforts in cost control.

Manufacturing

Amid weaker market conditions, profit from our manufacturing business was up 16% from the same period last year. Both CITIC Pacific Special Steel and

CITIC Dicastal achieved an increase in profit while profit from CITIC Heavy Industries declined.

CITIC Pacific Special Steel sold 3.53 million tonnes of special steel products in the first six months of the year, a modest decrease from a year ago as market demand for steel remained weak. However, profit for the period rose 10%, primarily due to the increased profitability of its plate products, as well as better performance in overseas markets. I am pleased to say that in the first half of the year our special steel business achieved the highest gross profit margin among all domestic steel producers, far exceeding its peers.

CITIC Heavy Industries saw its profit decline 47% for the first six months. The slowdown in fixed investment in China meant reduced demand for heavy machinery from industries such as mining, construction and energy, which include some of CITIC Heavy Industries' main customers. CITIC Heavy Industries is transforming from a single component manufacturer into a total engineering solutions provider, from design through to civil construction, manufacturing, installation, and after-sales services. While this is essential for the company's sustainable development, it is also causing longer average contract completion times in the short-term, which will affect profitability.

CITIC Dicastal, the world's largest aluminium wheels supplier, continued to perform well, with profit in the first half rising 13% over the same period last year, due primarily to the increased sale of aluminium wheels, particularly in Europe and the United States.

All of our manufacturing businesses are evolving toward higher end, high-tech intelligent manufacturing, in line with China's Manufacturing 2025 initiative. For example, CITIC Heavy Industries successfully developed a low-speed, heavy-load and high-power variable speed drive for use in high-end heavy machines. I plan to elaborate more on how we are evolving towards intelligent manufacturing in coming letters.

Engineering and Contracting

Profit from this sector was 18% lower compared with last year, primarily because the KK Social Housing Project in Angola was nearing its end after seven years of construction. New projects such as an office building project with a total contract sum of USD756 million in Caracas, Venezuela are yet to commence.

Leveraging its experience and expertise in developing projects in Angola and Venezuela, CITIC Construction continues to work closely with finance companies, including International Finance Corporation, to develop social housing projects in Africa such as Kenya and Nigeria.

China laid out a blueprint for the One Belt, One Road Initiative, a multilateral strategic plan, aimed at promoting trade and infrastructure connectivity overland through Central Asia and onward to Europe, and south and westward by sea towards Europe and Africa.

CITIC Construction is well positioned to capitalise on the One Belt, One Road Initiative as it has already been operating in many of these regions and countries, where it is gaining valuable local knowledge and establishing excellent relationships with local governments. For example, CITIC Construction successfully built three cement plants in Belarus, each with a daily production capacity of 5,000 tonnes. Chinese technology and equipment used in these projects exceeded 75% of total content. Early in 2015, the company also started construction of an auto assembly line for Chinese automaker Geely in Belarus.

Currently, most of the company's projects are outside China. Earlier this year, CITIC Construction was granted premium-class building and engineering certification in China, enabling it to expand its presence in China's domestic market.

Real Estate and Infrastructure

Profit for this sector in the first half was HK\$2.2 billion, a decline of 16% compared with the same period last year. This was due to a significant reduction in profit from our property business. Our tunnels in Hong Kong and toll roads in China performed well.

The lower contribution from property is mainly explained by the residential project life cycle. As most of our residential projects remained in the development phase, the number of finished units ready for delivery in the first six months of 2015 was limited. The residential property market is showing signs of recovery, as evidenced by several projects that sold well, especially during the second quarter. They included CITIC New Town and CITIC Villa in Beijing, Mangrove Bay in Zhuhai and the Center in Shanghai Jiading. In Hong Kong, we acquired a parcel of land in Ma On Shan for a new residential development.

Meanwhile, the previously announced integration of our two property arms — CITIC Real Estate and CITIC Pacific Properties — has begun. The integration is aimed at clarifying the development model and strategy, further centralising management and better utilising capital so this business can become more competitive and generate enhanced returns.

Our Job: Value Creation

The essence of what we do is to create value for our shareholders. At CITIC's annual general meeting two months ago, one investor shared with me that he bought stocks in a couple of CITIC companies but had been disappointed in their market performance. He said he'd worked hard for his money and hoped in future we would choose investments that make a profit and avoid those that do not. Although simply put, his wish mirrors what our management team and the larger shareholder base want — although different shareholders will have different time horizons for realising returns.

At CITIC, our focus on consistent, steady value creation has allowed us to become the multi-industry powerhouse we are today. In pursuit of this goal, we have many levers at our disposal, and it's not unusual to be pulling more than one at any given time. As I wrote in my last letter, we have been undertaking a root-and-branch review of our businesses with the objective of making them more efficient, more competitive and better positioned for the future.

One of the levers we employ is restructuring, such as the integration of our property business. We can also identify other parts of CITIC that, for legacy reasons, are unnecessarily complex and, in some instances, conduct similar business activities through both listed and unlisted companies. Where possible, unnecessary complexity will be removed. Some of our unlisted subsidiaries have quality assets with high potential that are under-appreciated and under-valued by the market. One solution is to bring these businesses to the market when the timing is right. Another is to look for external partnerships that make strategic and commercial sense, and this was the thinking behind teaming up with CP Group and Itochu.

One lever I certainly consider necessary for a well-managed conglomerate to use from time to time is the sale of businesses or parts of them, at the right moment. This is a continued feature of our ongoing efforts to capture value for you.

The CITIC Platform

Our two greatest strengths are our CITIC platform and our inextricable connection with China and its socio-economic coming of age. Many observers, quite understandably, label us a proxy for the Chinese economy, recognising our unrivalled acumen in accessing and taking

advantage of China's growth opportunities. We know that one of the main reasons that you, our shareholders, have chosen to hold our stock is because of our diversified, yet increasingly integrated, range of businesses.

We are ideally placed for the next phase of the China story, both in-country and abroad. This includes the opportunities presented by the One Belt, One Road Initiative.

We will only fully grasp these opportunities by taking advantage of the CITIC platform and further knitting the company together. While there are already instances where CITIC builds the infrastructure, provides the heavy equipment and machinery and arranges the financing, there's great opportunity to expand this approach — always remembering that we are more than the sum of our parts.

As our company increasingly does more business outside China, we have learned that it's critical to carefully identify the potential risks. This means having a proper understanding of the lay of the land to ensure that appropriate mitigation strategies are in place to warrant the investment. We take due diligence seriously, and no matter what the jurisdiction, proposal or potential partner, we apply a consistent risk management system to monitor, assess and manage various risks across CITIC's business activities.

In Closing

The Chinese economy has now entered a "new normal" of more sustainable, moderate growth. The engine of growth is shifting from manufacturing-led exports and investment to services-led consumption and innovation. We need to embrace these shifts and consider how

to allocate resources and capacity. With these macroeconomic changes come challenges as well as opportunities.

We believe that our multi-business approach mitigates risks and drives consistent performance. The reality is that not every market is always in our favour and, as we are experiencing at the moment, some sectors are subject to cyclical downturns. Our job is to manage the ups and downs and prepare for what lies ahead. In the face of short-term volatility, we are resolved to stay focused on our long-term goals.

By striving to be a leader in our fields of endeavour, we underpin our profitability, global competitiveness and — very importantly — our value to you, our shareholders.

CITIC's franchise in China and the wider world is unparalleled, yet we are humbly focused on the challenges of running the company for your benefit. We remain committed to engaging all our stakeholders, employees and the community at large. Thank you for your continued support.



Chang Zhenming

Chairman

Hong Kong, 24 August 2015

Overview

Profit attributable to ordinary shareholders

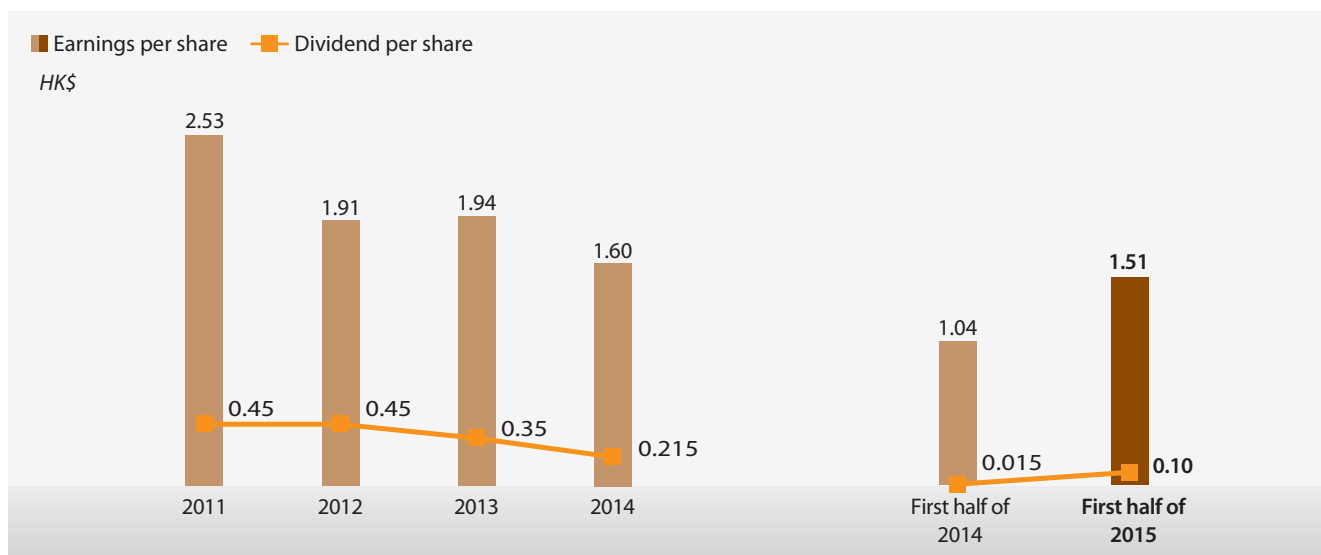
During the first half of 2015, the Group achieved profit attributable to ordinary shareholders of HK\$37,685 million, an increase of HK\$11,789 million, or 46% year-on-year. The financial services segment recorded profit attributable to ordinary shareholders of HK\$33,317 million, an increase of HK\$12,324 million, or 59% above the same period last year, largely due to the gains from the disposal of a 3.16% equity interest and placing of new shares of CITIC Securities. Excluding these gains, attributable profit from financial services, with its banking and trust business, etc., achieved growth to different extents as well.

For the non-financial segments, the manufacturing business maintained steady performance, and achieved profit attributable to ordinary shareholders of HK\$1,307 million. Despite the declining overall demand for commodities and falling crude oil prices, the resources and energy business recorded profit attributable to ordinary shareholders of HK\$709 million, an increase of HK\$136 million, or 24% more than last year. As a result of the acquisition of Jiangsu Ligang and Jiangyin Ligang, the Group recognised a gain from the recycling of reserves relating to the investment in Jiangsu Ligang and Ligang Liang previously recognised in other comprehensive income. The real estate and infrastructure business was the largest contributor in the non-financial segments, with profit attributable to ordinary shareholders of HK\$2,217 million, a decrease of HK\$431 million, or 16% below the same period last year, mainly attributable to the decrease in the bookings of completed properties and revaluation gain on investment properties. As a result of the decreased number of new projects, the engineering contracting business recorded profit attributable to ordinary shareholders of HK\$995 million, a decrease of HK\$223 million, or 18% below the same period last year.

Earnings per share and dividends

Earnings per share of profit attributable to ordinary shareholders was HK\$1.51 in the first half of 2015, an increase of 45% from HK\$1.04 (restated) in the first half of 2014. As at 30 June 2015, the number of ordinary shares outstanding was 24,903,323,630.

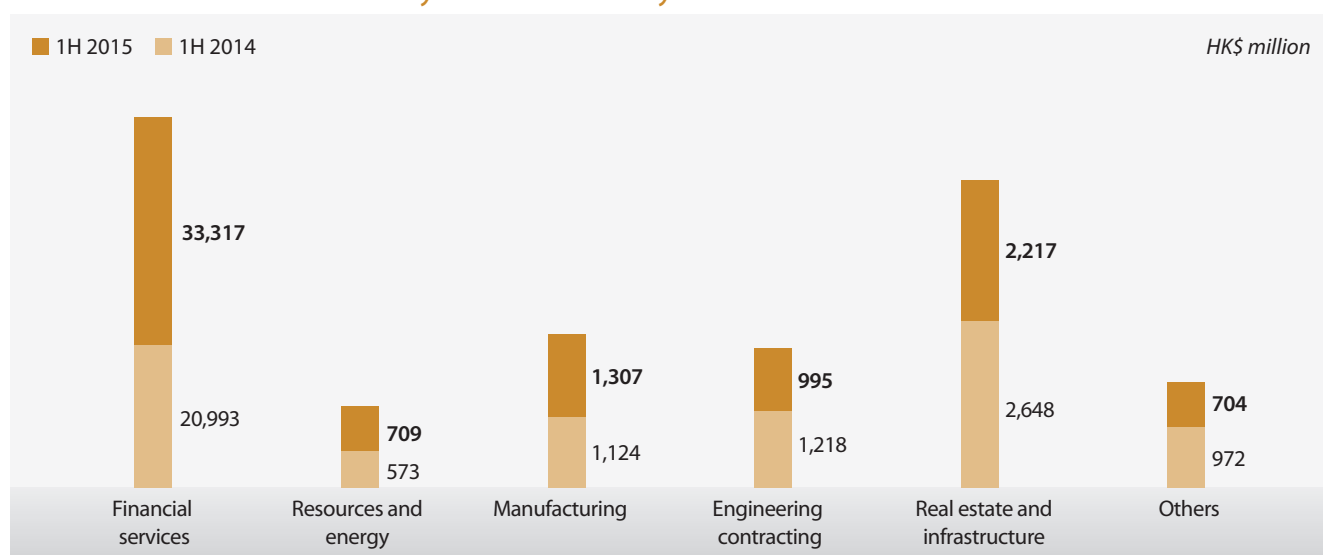
HK\$2,909 million cash will be distributed as an interim dividend. The interim dividend per share of 2015 is HK\$0.1 (interim dividend per share of 2014: HK\$0.015).



Profit/(loss) and assets by business

<i>In HK\$ million</i>	Profit/(loss) Half-year ended 30 June		Assets	
	2015	2014 (Restated)	As at 30 June 2015	As at 31 December 2014
Financial services	43,187	30,473	5,868,151	5,322,510
Resources and energy	1,093	814	162,241	147,903
Manufacturing	1,437	1,372	100,180	108,501
Engineering contracting	995	1,218	42,698	44,020
Real estate and infrastructure	2,098	3,063	262,994	239,930
Others	1,148	1,444	92,559	72,538
Underlying business operations	49,958	38,384	6,528,823	5,935,402
Operation management	(1,495)	(1,435)		
Elimination	496	365		
Profit attributable to non-controlling interests and holders of perpetual capital securities	11,274	11,418		
Profit attributable to ordinary shareholders	37,685	25,896		

Profit attributable to ordinary shareholders by business



Financial services

Profit attributable to ordinary shareholders increased to HK\$33,317 million for the first half of 2015. Excluding the gains from the disposal of a 3.16% equity interest and placing of new shares of CITIC Securities, the financial services business continued to grow steadily due to the rising investment income from the trust business and the growth of the securities business owing to increased transaction volume in the capital market. This was partly offset by the narrowed interest margin for banks and an increase in the impairment provision on loans in the banking business.

Resources and energy

Excluding the gain of HK\$511 million from the recycling of reserves relating to the investment in Jiangsu Ligang and Jiangyin Ligang previously recognised in other comprehensive income, the resources and energy segment recorded profit attributable to ordinary shareholders of HK\$198 million, a decrease of HK\$375 million as compared with the same period last year. This was due primarily to the declining demand for commodities, including crude oil, which was primarily reflected in the drop of Brent crude oil prices in the first half of 2015.

Against this backdrop, trading volume of iron ore in the PRC increased during the first half of 2015, and Sino Iron is exporting quality iron ore concentrate.

Manufacturing

This business recorded attributable profit of HK\$1,307 million during the first half of 2015. Special steel benefited from decreased raw materials prices to achieve a higher profit margin. Aluminium wheels and castings also continued to grow. Heavy machinery experienced a decrease in profit, due to weaker demand for mining and construction equipment.

Engineering contracting

During the first half of 2015, this segment recorded profit attributable to ordinary shareholders of HK\$995 million, a decrease of HK\$223 million from the same period last year, mainly due to a decrease in the delivery and booking of projects in Angola.

Real estate and infrastructure

Profit attributable to ordinary shareholders decreased HK\$431 million, or 16% below the same period last year, to HK\$2,217 million for the first half of 2015. The reduction was due to a combination of the decrease in the bookings of completed properties, decrease in the revaluation gain on investment properties, and gains from the disposal of the Royal Pavilion project. The average occupancy rate for investment properties was approximately 95% on 30 June 2015, which was comparable with preceding years.

Others

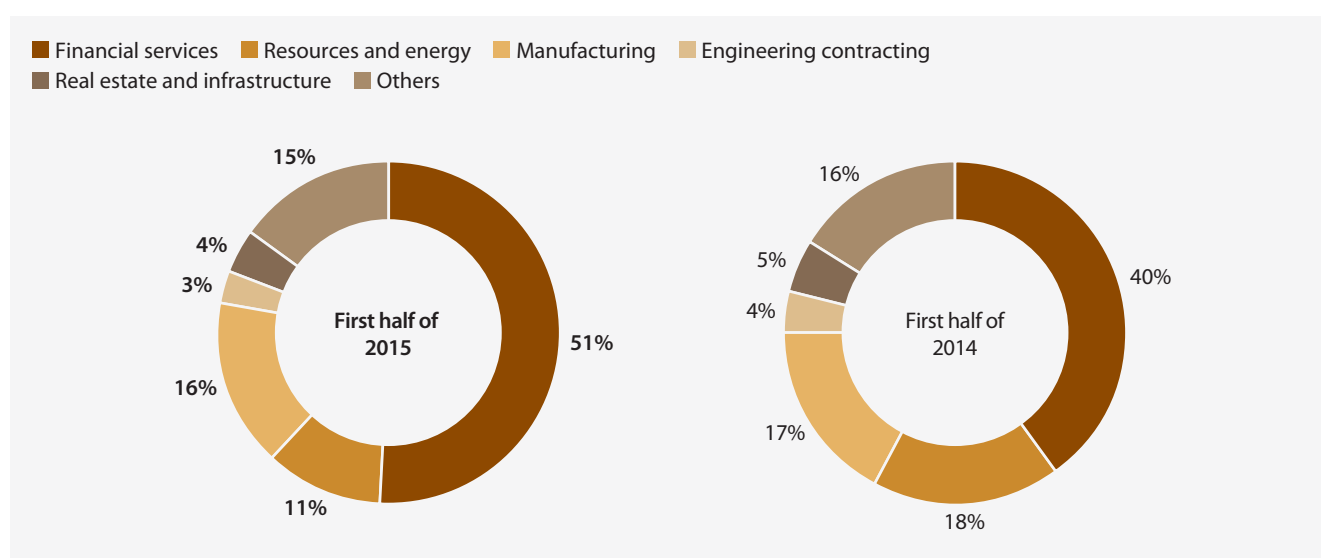
During the first half of 2015, Dah Chong Hong and CITIC Telecom were the main contributors to an attributable profit of HK\$704 million, a 28% decrease as compared with the same period last year, which was mainly attributable to the decreased number of commercial vehicles sold in the PRC. This was, however, partially compensated by the increased profit from mobile sales and services, Internet Services and enterprise solutions businesses.

Group Financial Results

Revenue

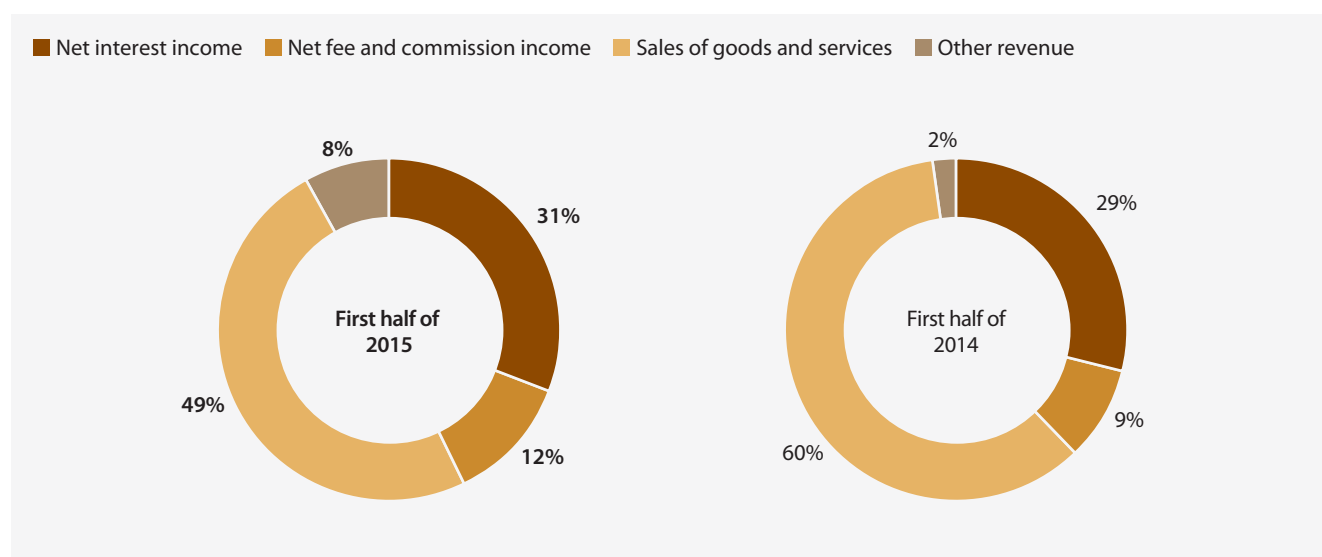
During the first half of 2015, CITIC Limited recorded revenue of HK\$201,461 million, an increase of HK\$834 million, or 0.4%, as compared with the same period last year. Revenue from the financial services segment increased HK\$22,226 million, or 27%, more than last year, to HK\$103,254 million, primarily due to the gains of HK\$12,209 million from the disposal of a 3.16% equity interest and placing of new shares of CITIC Securities, along with an increase in net interest income, net commission income and handling charges. The manufacturing business of the Group recorded a decrease in revenue of HK\$2,668 million, or 8% year-on-year, as a result of the fall in revenue from the special steel and heavy industries businesses, reflecting weaker market demand and intensified market competition. This was partially compensated by the greater volume of aluminium wheels sold. The engineering contracting segment reported revenue of HK\$6,240 million, down by HK\$1,895 million or 23% year-on-year, mainly due to the decrease in the number of projects undertaken. As a result of the decrease in the bookings of completed properties, revenue from the real estate and infrastructure segment reported a decrease of HK\$2,326 million, down by 24%. The Group's revenue was also impacted by a HK\$13,275 million fall in revenue in the resources and energy business, down by 37% year-on-year, a reflection of the declining demand for commodities such as crude oil.

In HK\$ million	Half-year ended 30 June		Increase/(decrease)	
	2015	2014 (Restated)	Amount	%
Financial services	103,254	81,028	22,226	27%
Resources and energy	22,146	35,421	(13,275)	(37%)
Manufacturing	32,336	35,004	(2,668)	(8%)
Engineering contracting	6,240	8,135	(1,895)	(23%)
Real estate and infrastructure	7,223	9,549	(2,326)	(24%)
Others	30,170	31,490	(1,320)	(4%)



Revenue by nature

In HK\$ million	Half-year ended 30 June		Increase/(decrease)	
	2015	2014 (Restated)	Amount	%
Net interest income	63,719	58,534	5,185	9%
Net fee and commission income	23,471	17,763	5,708	32%
Sales of goods and services				
– Sales of goods	79,517	97,567	(18,050)	(19%)
– Services rendered to customers	12,935	14,829	(1,894)	(13%)
– Revenue from construction contracts	5,663	7,450	(1,787)	(24%)
Other revenue	16,156	4,484	11,672	260%



Impairments

In the first half of 2015, the Group recorded an asset impairment of HK\$21,661 million, an increase of HK\$6,582 million, or 44%, from the first half of 2014. Of the total impairment, CITIC Bank accounted for HK\$21,114 million, an increase of HK\$6,446 million, or 44%, from the same period last year, which mainly includes a HK\$19,470 million impairment on its loans and advances to customers.

Net finance charges

Finance costs increased 4% from HK\$5,516 million in the first half of 2014 to HK\$5,718 million in the first half of 2015 as a result of an increase in borrowings, both at CITIC Limited and its subsidiaries.

In the first half of 2015, finance income from CITIC Limited and subsidiaries under non-financial segments amounted to HK\$1,525 million, an increase of 54% from the first half of 2014. This increase mainly came from interest income on bank deposits.

Interest expense capitalised

Interest expense capitalised was mainly attributable to real estate projects and the Sino Iron Project. Capitalised interest expense increased from HK\$2,584 million in the first half of 2014 to HK\$3,162 million in the first half of 2015.

Income tax

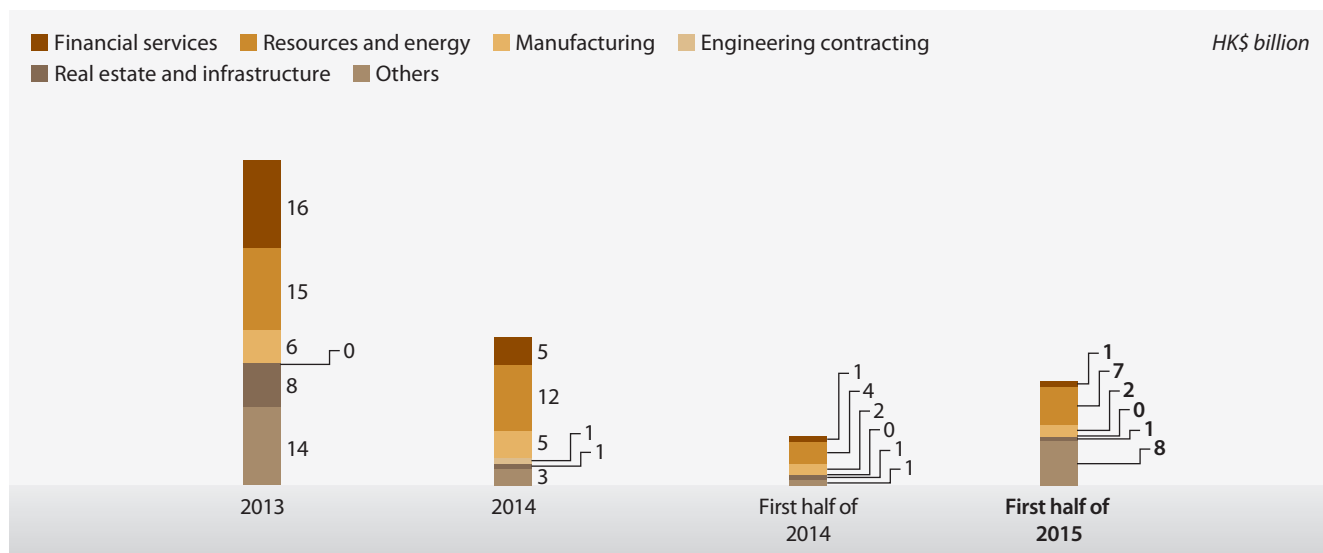
Income tax of the Group in the first half of 2015 was HK\$13,295 million, an increase of HK\$1,850 million compared with the same period last year. This was in line with the changes in profit before taxation.

Group Cash Flows

In HK\$ million	CITIC Limited Half-year ended 30 June				CITIC Bank Half-year ended 30 June			
	2015	2014 (Restated)	Increase/ (Decrease)	%	2015	2014	Increase/ (Decrease)	%
Net cash generated from operating activities	64,997	126,361	(61,364)	(49%)	48,298	113,730	(65,432)	(58%)
Net cash used in investing activities	(142,118)	(18,533)	123,585	667%	(117,133)	(1,270)	115,863	9123%
Including: Proceeds from disposal and redemption of investments	460,865	389,305	71,560	18%	425,890	365,349	60,541	17%
Payments for purchase of investments	(602,555)	(403,493)	199,062	49%	(540,204)	(365,312)	174,892	48%
Net cash generated from/(used in) financing activities	47,022	(2,685)	49,707	1851%	45,340	13,691	31,649	231%
Including: Proceeds from new bank and other loans and new debt instruments issued	234,325	82,598	151,727	184%	117,171	17,907	99,264	554%
Repayment of bank and other loans and debt instruments issued	(168,258)	(75,261)	92,997	124%	(67,709)	(3,788)	63,921	1687%
Interest paid on bank and other loans and debt instruments issued	(12,502)	(10,232)	2,270	22%	(4,121)	(2,755)	1,366	50%
Dividends paid to ordinary shareholders	(4,981)	(22,372)	(17,391)	(78%)	-	-	-	-
Dividends/distribution paid to non-controlling interests/holders of perpetual capital securities	(2,007)	(1,352)	655	48%	-	-	-	-
Net (decrease)/increase in cash and cash equivalents	(30,099)	105,143	(135,242)	(129%)	(23,495)	126,151	(149,646)	(119%)
Cash and cash equivalents at 1 January	347,891	337,894	9,997	3%	289,496	253,924	35,572	14%
Effect of exchange rate changes	1,875	705	1,170	166%	1,907	1,254	653	52%
Cash and cash equivalents at 30 June	319,667	443,742	(124,075)	(28%)	267,908	381,329	(113,421)	(30%)

Capital expenditure

HK\$ million	Half-year ended 30 June		Increase/(Decrease)	
	2015	2014	Amount	%
Financial services	1,324	1,194	130	11%
Resources and energy	6,621	4,020	2,601	65%
Manufacturing	2,425	2,184	241	11%
Engineering contracting	49	96	(47)	(49%)
Real estate and infrastructure	1,057	712	345	48%
Others	8,164	1,165	6,999	601%
Subtotal	19,640	9,371	10,269	110%
Real estate development	15,229	54,802	(39,573)	(72%)
Total	34,869	64,173	(29,304)	(46%)



Capital commitments

As at 30 June 2015, the contracted capital commitments of the Group amounted to approximately HK\$48,356 million. Details are disclosed in Note 31 to the consolidated financial statements.

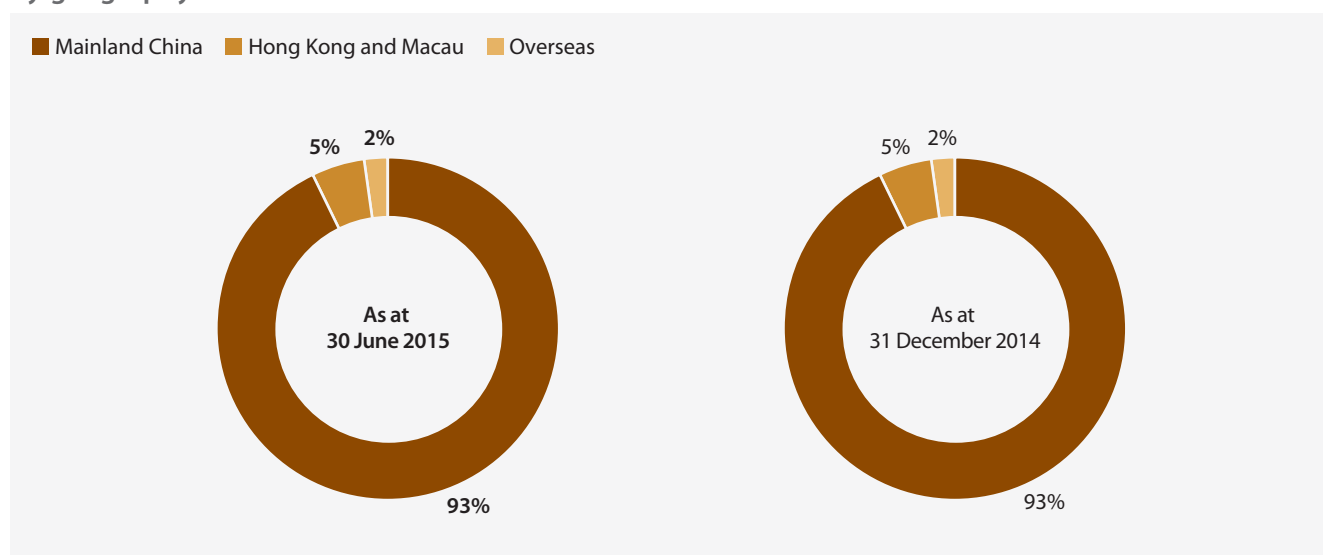
Group Financial Position

<i>In HK\$ million</i>	As at 30 June 2015	As at 31 December 2014	Increase/(Decrease)		Note to the Consolidated Financial Statements
			Amount	%	
Total assets	6,537,307	5,947,831	589,476	10%	
Loans and advances to customers and other parties	2,865,100	2,711,851	153,249	6%	19
Investments classified as receivables	1,150,228	834,652	315,576	38%	22
Financial assets held under resale agreements	99,529	172,100	(72,571)	(42%)	
Fixed assets	199,156	179,303	19,853	11%	
Inventories	145,769	133,258	12,511	9%	
Total liabilities	5,916,161	5,372,324	543,837	10%	
Deposits from customers	3,882,008	3,586,508	295,500	8%	27
Deposits from banks and non-bank financial institutions	1,145,876	871,213	274,663	32%	25
Bank and other loans	223,980	218,993	4,987	2%	28
Debt instruments issued	322,779	273,126	49,653	18%	29
Total ordinary shareholders' funds and perpetual capital securities	461,351	431,960	29,391	7%	

Total assets

Total assets increased from HK\$5,947,831 million as at 31 December 2014 to HK\$6,537,307 million as at 30 June 2015, mainly attributable to an increase in loans and advances to customers and other parties by CITIC Bank and investments classified as receivables.

By geography



Loans and advances to customers and other parties

As at 30 June 2015, the net loans and advances to customers and other parties of the Group was HK\$2,865,100 million, an increase of HK\$153,249 million, or 6%, compared with 31 December 2014. The proportion of loans and advances to customers and other parties to total assets was 44%, a decrease of 2% compared with 31 December 2014.

<i>In HK\$ million</i>	As at 30 June 2015	As at 31 December 2014	Increase/(Decrease)	
			Amount	%
Corporate loans	2,059,515	1,991,735	67,780	3%
Discounted bills	112,449	86,254	26,195	30%
Personal loans	766,387	702,963	63,424	9%
Total loans and advances to customers and other parties	2,938,351	2,780,952	157,399	6%
Impairment allowances	(73,251)	(69,101)	4,150	6%
Net loans and advances to customers and other parties	2,865,100	2,711,851	153,249	6%

Deposits from customers

As at 30 June 2015, deposits from customers of the financial institutions under the Group amounted to HK\$3,882,008 million, an increase of HK\$295,500 million, or 8%, compared with 31 December 2014. The proportion of deposits from customers to total liabilities was 66%, a decrease of 1% compared with 31 December 2014.

<i>In HK\$ million</i>	As at 30 June 2015	As at 31 December 2014	Increase/(Decrease)	
			Amount	%
Corporate deposits				
Time deposits	1,912,396	1,729,747	182,649	11%
Demand deposits	1,296,557	1,205,007	91,550	8%
Subtotal	3,208,953	2,934,754	274,199	9%
Personal deposits				
Time deposits	450,143	464,578	(14,435)	(3%)
Demand deposits	222,912	187,176	35,736	19%
Subtotal	673,055	651,754	21,301	3%
Total	3,882,008	3,586,508	295,500	8%

Bank and other loans

<i>In HK\$ million</i>	As at	As at	Increase/(Decrease)	
	30 June 2015	31 December 2014	Amount	%
Financial services	1,521	–	1,521	100%
Resources and energy	44,893	42,798	2,095	5%
Manufacturing	16,156	19,130	(2,974)	(16%)
Engineering contracting	3,228	2,142	1,086	51%
Real estate and infrastructure	101,705	85,765	15,940	19%
Others	32,143	22,603	9,540	42%
Operation management	72,027	85,754	(13,727)	(16%)
Elimination	(47,693)	(39,199)	8,494	22%
Total	223,980	218,993	4,987	2%

Debt instruments issued

<i>In HK\$ million</i>	As at	As at	Increase/(Decrease)	
	30 June 2015	31 December 2014	Amount	%
Financial services	212,473	169,215	43,258	26%
Resources and energy	–	–	–	–
Manufacturing	5,818	5,054	764	15%
Engineering contracting	–	–	–	–
Real estate and infrastructure	–	–	–	–
Others	5,384	3,477	1,907	55%
Operation management	99,420	95,660	3,760	4%
Elimination	(316)	(280)	36	13%
Total	322,779	273,126	49,653	18%

Total ordinary shareholders' funds and perpetual capital securities

Total ordinary shareholders' funds and perpetual capital securities increased from HK\$431,960 million as at 31 December 2014 to HK\$461,351 million as at 30 June 2015, mainly attributable to an increase in profit for the year.

Risk Management

In accordance with the Group's development strategy, CITIC Limited has established a risk management system covering all the business segments to identify, assess and manage various risks in the Group's business activities.

Taking into account the risk management requirements in the Corporate Governance Code and Corporate Governance Report, the risk management system of CITIC Limited is established along the core concepts of the Enterprise Risk Management-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and the Basic Standard for Enterprise Internal Control jointly issued by five ministries and commissions (Ministry of Finance, CSRC, National Audit Office, CBRC and CIRC) in 2008 as well as relevant guidelines and governmental policies.

The risk management system of CITIC Limited comprises "Four Levels" and "Three Lines of Defence" based on the corporate governance structure. The "Four Levels" are the (i) board of directors, (ii) management and several committees, (iii) risk management functions of CITIC Limited, and (iv) member companies. The "Three Lines of Defence" are the (i) first line of defence comprised by business units of each level of CITIC Limited, (ii) second line of defence comprised by the risk management functions of each level of CITIC Limited, and (iii) third line of defence comprised by the internal audit departments or functions of each level of CITIC Limited.

Financial Risk

Governance structure

As a sub-committee of the Executive Committee, the asset and liability management committee ("ALCO") has been established to monitor financial risks of the Group in accordance with the relevant treasury and financial risk management policies ("management policies"). The treasury department, among others, is responsible for communicating and implementing the decisions of ALCO, monitoring the adherence of the management policies and preparing relevant reports. All member companies have the responsibility for identifying and effectively managing their financial risk positions and reporting to the corresponding departments of CITIC Limited on a timely basis, subject to the overall risk framework under the management policies and within the scope of authorisation.

Based on the annual budget, ALCO shall review the Group's financing plan and instruments, oversee fund management and cash flow positions, and manage risks relating to counterparties, interest rates, currencies, commodities, commitments and contingent liabilities, and is responsible for formulating hedging policy and approving the use of new risk management tools.

Asset and liability management

One of the main functions of ALCO is asset and liability management. CITIC Limited's sources of funds for different businesses include long-term and short-term debt and equity, of which ordinary shares, preferred shares and perpetual securities are the alternative forms of equity financing instruments. CITIC Limited manages its capital structure to finance its overall operations and growth by using different sources of funds. The type of funding is targeted to match the characteristics of our underlying business.

1. Debt

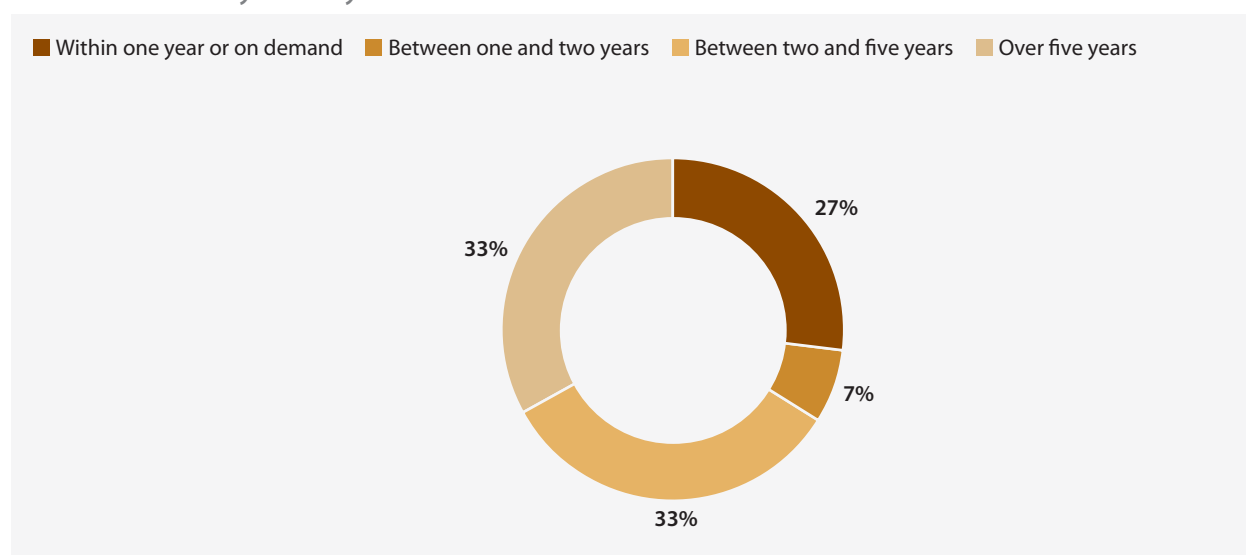
ALCO centrally manages and regularly monitors the existing and projected debt levels of CITIC Limited and its major non-financial subsidiaries to ensure that debt size, structure and cost are at reasonable levels.

As at 30 June 2015, consolidated debt of CITIC Limited⁽¹⁾ was HK\$546,759 million, including loans of HK\$223,980 million and debt instruments issued⁽²⁾ of HK\$322,779 million. Debt of the head office of CITIC Limited⁽³⁾ accounted for HK\$89,708 million and debt of CITIC Bank⁽⁴⁾ HK\$212,473 million. In addition, the head office of CITIC Limited had cash and deposits of HK\$6,825 million and available committed facilities from banks and subsidiaries of HK\$16,581 million.

The details of debt are as follows:

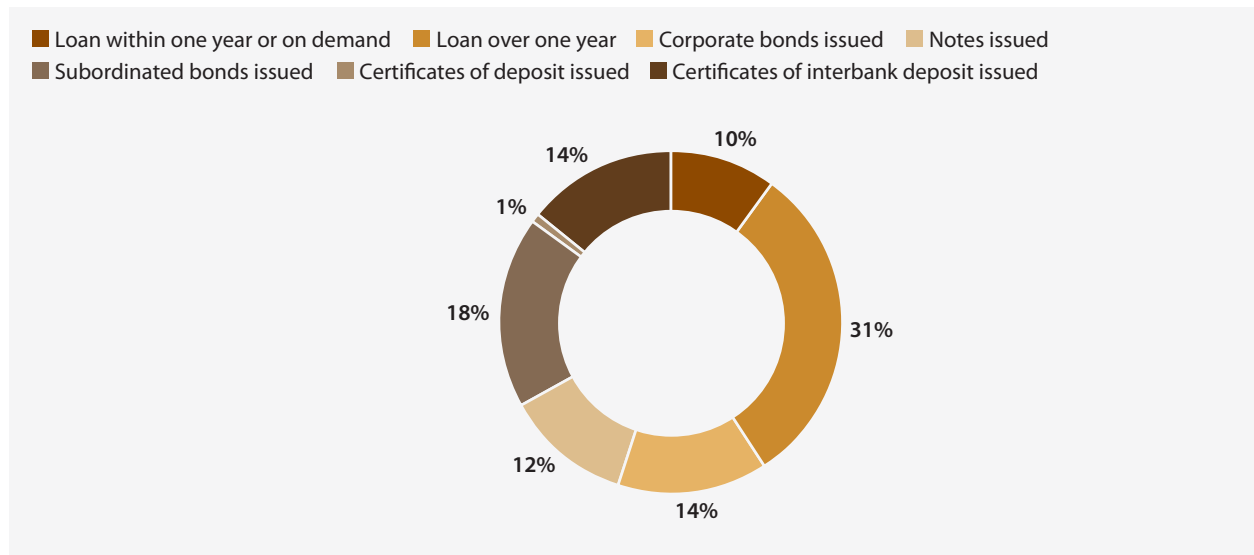
As at 30 June 2015	<i>HK\$ million</i>
Consolidated debt of CITIC Limited	546,759
Among which: Debt of the head office of CITIC Limited	89,708
Debt of CITIC Bank	212,473

Consolidated debt by maturity as at 30 June 2015



- Note:
- (1) Consolidated debt of CITIC Limited is the sum of "bank and other loans" and "debt instruments issued" in the Consolidated Balance Sheet of CITIC Limited;
 - (2) Debt instruments issued include corporate bonds, notes, subordinated bonds, certificates of deposit and certificates of interbank deposit issued;
 - (3) Debt of the head office of CITIC Limited is the sum of "bank and other loans", "long-term borrowings" and "debt instruments issued" in the Balance Sheet of CITIC Limited;
 - (4) Debt of CITIC Bank refers to CITIC Bank's consolidated debt certificates issued, including debt securities, subordinated bonds, certificates of deposit and certificates of interbank deposit issued.

Consolidated debt by type as at 30 June 2015



The debt to equity ratio of CITIC Limited as at 30 June 2015 is as follows:

<i>In HK\$ million</i>	Consolidated	Head office
Debt	546,759	89,708
Total equity ⁽⁵⁾	621,146	341,785
Debt to equity ratio	88%	26%

Note: (5) Total consolidated equity is based on the “total equity” in the Consolidated Balance Sheet; Total equity of head office is based on the “total ordinary shareholders’ funds and perpetual capital securities” in the Balance Sheet.

2. Liquidity risk management

The objective of liquidity risk management is to ensure that CITIC Limited always has sufficient cash to repay its maturing debt, perform other payment obligations and meet other funding requirements for normal business development.

CITIC Limited’s liquidity management involves the regular cash flow forecast for the next three years and the consideration of its liquid assets level and new financings necessary to meet future cash flow requirements.

CITIC Limited centrally manages its own liquidity and that of its major non-financial subsidiaries and improves capital efficiency. With flexible access to domestic and overseas markets, CITIC Limited seeks to diversify sources of funding through different financing instruments, in order to raise low-cost funding of medium and long terms, maintain a mix of staggered maturities and minimise refinancing risk.

Details of liquidity risk management are set out in Note 32(b) to the consolidated financial statements.

3. Contingent liabilities and commitments

Details of contingent liabilities and commitments of CITIC limited as at 30 June 2015 are set out in Note 31 to the consolidated financial statements.

4. Pledged loan

Details of cash and bank deposits, inventories and fixed assets pledged as security for CITIC Limited's loan as at 30 June 2015 are set out in 28(d) to the consolidated financial statements.

5. Credit ratings

	Standard & Poor's	Moody's
30 June 2015	BBB+/CreditWatch: positive	A3/Stable

In January 2015, Standard & Poor's placed CITIC Limited's rating on CreditWatch with positive implication.

Treasury risk management

Treasury risk management essentially covers the following financial risks inherent in CITIC Limited's businesses:

- Interest rate risk
- Currency risk
- Counterparty risk for financial products
- Commodity risk
- Market price risk

CITIC Limited manages the above risks by using appropriate financial derivatives, and priority will be given to simple, cost-efficient and effective hedge instruments which meet the HKAS 39 in performing treasury risk management responsibilities. To the extent possible, gains and losses of the derivatives offset the losses and gains of the assets, liabilities or transactions being hedged.

CITIC Limited is committed to establishing a comprehensive and uniform treasury risk management system. Within the group-wide treasury risk management framework, member companies are required to, according to their respective business characteristics and regulatory requirements, implement suitable treasury risk management strategies and procedures and submit reports on a regular and ad hoc basis.

1. Interest rate risk

CITIC Limited regularly monitors current and projected interest rate changes, with each of the operating entities of the Group establishing its own interest rate risk management system covering identification, measurement, monitoring and control of market risks. Interest rate risk is managed by taking into account market conditions and controlled at a reasonable level.

For our financial subsidiaries, repricing risk and benchmark risk are the main sources of interest rate risk. Observing the principle of prudent risk appetite, they closely track changes in the macroeconomic situation and internal business structure, continue to optimise the maturity structure of deposits, make timely adjustments to the loan repricing lifecycle, and take the initiative to manage sensitive gaps in interest rates for the overall objective of achieving steady growth both in net interest income and economic value with a tolerable level of interest rate risk.

For our head office and non-financial subsidiaries, the interest rate risk arises primarily from debt. Borrowings at floating rates expose CITIC Limited to cash flow interest rate risk, while borrowings at fixed rates expose CITIC Limited to fair value interest rate risk. Based on its balance sheet and market conditions, CITIC Limited and its non-financial subsidiaries will conduct analysis and sensitivity testing on interest rate risk, adopt a flexible approach in choosing financing instruments at floating and fixed rates, or choose to employ, at the suitable time, the interest rate swaps and other derivative instruments approved for use by the ALCO to manage interest rate risk.

Details of interest rate risk management are set out in Note 32(c) to the consolidated financial statements.

2. Currency risk

CITIC Limited has major operations in mainland China, Hong Kong and Australia, with Renminbi (“RMB”), Hong Kong dollar (“HKD”) and United States dollar (“USD”) as functional currencies respectively. The Group’s member companies are exposed to currency risk from gaps between financial assets and liabilities, future commercial transactions and net investments in foreign operations that are denominated in a currency that is not the member company’s functional currency. The reporting currency of the consolidated financial statements of CITIC Limited is HKD. Translation exposures from the consolidation of subsidiaries, whose functional currency is not HKD, are not hedged using derivative instruments as no cash exposures are involved.

CITIC Limited measures its currency risk mainly by currency gap analysis. Where it is appropriate, the Group seeks to lower its currency risk by matching its foreign currency denominated assets with corresponding liabilities in the same currency or using forward contracts and cross currency swaps, provided that hedging is only considered for firm commitments and highly probable forecast transactions.

Details of currency risk management are set out in Note 32 (d) to the consolidated financial statements.

3. Counterparty risk for financial products

CITIC Limited has business with various financial institutions, including deposits, interbank lending, financial investment products and derivative financial instruments. To mitigate the risk of non-recovery of deposited funds or financial instrument gains, member companies of CITIC Limited approve and adjust the list of counterparties and credit limits of approved financial institutions through internal credit extension processes and regularly report to ALCO for overall monitoring and supervision.

4. Commodity risk

Some businesses of CITIC Limited involve the production, procurement, and trading of commodities, and they face exposure to price risks of commodities such as iron ore, crude oil, gas and coal.

To manage some of its raw material exposures such as supply shortages and price volatility, CITIC Limited has entered into long-term supply contracts for certain inputs or used plain vanilla futures contracts for hedging. While CITIC Limited views that natural offsetting is being achieved to a certain extent across its different business sectors, it performs continual risk management review to ensure commodity risks are well understood and controlled within its business strategies.

5. Market price risk

CITIC Limited holds investments in financial assets classified as available-for-sale financial assets or financial assets at fair value through profit or loss in the consolidated balance sheet. To control price risks arising from such investments, the Group actively monitors the price changes and diversifies the relevant investment risks through appropriate asset allocation.

Economic Environment

CITIC Limited operates diversified businesses globally in various countries and regions. As a result, its financial condition, operational results, and business prospects are, to a significantly degree, subject to the development of both international and domestic economies, as well as the political and legislative environment.

As China's economy is undergoing structural changes, the formation of new growth drivers involves further reforms in a variety of areas, including politics, economy, technology, culture and society. With the slower than expected global economic recovery, growth remains soft in the developed economies and tends to be more divergent across regions due to significant differences in inherent structures. In emerging markets, albeit with a slight acceleration in the growth rate, the economic rebound is still vulnerable due to the lowering of potential market growth as well as the decline in commodity prices and capital outflows. If negative economic factors appear in countries and regions in which CITIC Limited operates, there might be an adverse impact on its operational results, financial condition and profitability.

Operational Risk

The financial services business of CITIC Limited covers various sectors, including banking, securities, trust, insurance, and asset management. As information technology is widely applied in the modern financial services industry, the reliability of computer systems, computer networks and information management software is essential to both traditional and innovative financial businesses. Unreliable information technology systems or underdeveloped network technologies may result in inefficient trading systems, business interruption, or loss of important information, thus affecting the reputation and service quality of financial institutions or even bring about economic losses and legal disputes.

CITIC Limited carries out a variety of businesses, including resources and energy, manufacturing, engineering contracting, real estate and infrastructure, in various countries and regions across the world, which might continue to encounter a diversity of operational difficulties. Certain difficulties, if beyond the control of CITIC Limited, might result in production delays or increases in production costs. These operational risks include delay of government payments, deterioration of tax policies, labour disputes, unforeseen technical failures, various disasters and emergencies, unexpected changes in mineral, geological or mining conditions, pollution and other environmental damage, as well as potential disputes with foreign partners, customers, subcontractors, suppliers or local residents or communities. Such risks would cause damage or loss to the relevant businesses of CITIC Limited, which in turn could adversely affect its operations, financial condition and profitability.

Credit Risk

With the proliferation of new market entities, innovative business models, new products, businesses and counterparties, credit risks could increase and become more complex. In this unpredictable economic climate, with extensive business operation and counterparties, the Group pays close attention to market developments and credit risks arising from business partners. Failure to identify and prevent such risks may have an adverse impact on CITIC Limited's operation results, financial condition and profitability.

Competitive Markets

CITIC Limited operates its businesses in highly competitive markets. Failure to compete in terms of product specifications, service quality, reliability or price may have an adverse impact on CITIC Limited:

- The financial services business faces fierce competition from domestic and international commercial banks and other financial institutions.
- The engineering contracting business is challenged by global peers as well as China's large state-owned enterprises and private companies.
- Resources and energy, manufacturing, real estate and infrastructure operations, and other businesses in different sectors also face severe competition over resources, technologies, prices and services.

Intensification of competition might result in lower product prices, narrower profit margins and loss of market share for CITIC Limited.

Other External Risks and Uncertainties

Impact of local, national and international laws and regulations

CITIC Limited faces local business risks in different countries and regions. Such risks might have a significant impact on the financial condition, operations and business prospects of CITIC Limited in the relevant markets. The investments of CITIC Limited in countries and regions across the world might at present or in future be affected by changes in local, national or international political, social, legal, tax, regulatory and environmental requirements from time to time. In addition, new government policies or measures, if introducing changes in fiscal, tax, regulatory, environmental or other aspects that may affect competitiveness, could result in an additional or unforeseen increase in operating expenses and capital expenditures, produce risks to the overall return on investment of CITIC Limited, and delay or impede its business operations and hence adversely affect revenue and profit.

Impact of new accounting standards

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) issues new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) from time to time. As the accounting standards continue to evolve, HKICPA might further issue new and revised HKFRSs in the future. The new accounting policies, if required to be adopted by CITIC Limited, could have a significant impact on its financial condition and operations.

Natural disasters or events, terrorism and diseases

The business of CITIC Limited could be affected by events such as earthquakes, typhoons, tropical cyclones, inclement weather, acts or threats of terrorism, or outbreaks of highly contagious diseases, which could directly or indirectly reduce the supply of essential goods or services or reduce economic activities on a local, regional or global scale. Any of these disasters might damage the businesses of CITIC Limited, which would have a material adverse impact on the financial condition and operational results of CITIC Limited.

CITIC Limited and its subsidiaries are committed to constantly improving its risk monitoring and management mechanism in order to promote risk identification and assessment at all levels; strengthen risk assessment and monitoring of major projects and key businesses; and manage counterparty credit risks. CITIC Limited stays fully informed of the operations, financial condition and major business progress of its subsidiaries through off-site monitoring, on-site inspections and other means to assess the risks that may arise. Through risk reports on weaknesses and potential risks, CITIC Limited supervises and implements risk management and control measures to improve comprehensive risk management practices and initiatives across the Group.

Remuneration

We have adopted a market-based incentive and appraisal regime that correlates salary with performance. This approach underlies our human resources policies, including salary adjustments, bonus distributions, job promotions, training and staff incentives. Our market-oriented remuneration policy is guided by the remuneration policies of governments in the respective jurisdictions where we are located, making reference to data provided by professional advisory bodies.

Equal emphasis is placed on the external competitiveness of employee remuneration and fairness in internal remuneration. We are in strict compliance with government requirements for insurance and benefit plans, working hours and vacation policies. Most of our subsidiaries also provide their employees with additional benefits and insurance coverage, such as supplementary pension schemes (voluntary contributions to mandatory provident funds) and supplementary medical insurance.

Training

We provide staff with training opportunities through a variety of channels to enhance their professional capabilities and to stimulate value creation. We also offer diverse career development plans for our employees to better attract and retain talent.

Past Performance and Forward Looking Statements

Performance and results of the operations of CITIC Limited for previous years described within this Half-Year Report are historical in nature. Past performance is no guarantee of the future results of CITIC Limited. This Half-Year Report may contain forward-looking statements and opinions, and therefore risks and uncertainties are involved. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. None of CITIC Limited, the Directors, employees or agents assumes (a) any obligation to correct or update any forward-looking statements or opinions contained in this Half-Year Report; and (b) any liability arising from any forward-looking statements or opinions that do not materialise or prove to be incorrect.

Consolidated Income Statement

For the six months ended 30 June 2015

	Note	Unaudited Six months ended 30 June	
		2015 HK\$ million	2014 HK\$ million (Restated)
Interest income		136,793	129,686
Interest expenses		(73,074)	(71,152)
Net interest income	5(a)	63,719	58,534
Fee and commission income		24,640	18,634
Fee and commission expenses		(1,169)	(871)
Net fee and commission income	5(b)	23,471	17,763
Sales of goods and services	5(c)	98,115	119,846
Other revenue	5(d)	16,156	4,484
		114,271	124,330
Total revenue		201,461	200,627
Cost of sales and services	6	(81,558)	(102,325)
Other net income	7	5,022	3,920
Impairment losses on			
– Loans and advances to customers		(19,996)	(13,968)
– Others		(1,665)	(1,111)
Other operating expenses		(40,980)	(37,825)
Net valuation gain on investment properties		391	1,100
Share of profits of associates, net of tax		3,209	1,152
Share of profits of joint ventures, net of tax		563	1,716
Profit before net finance charges and taxation		66,447	53,286
Finance income		1,525	989
Finance costs		(5,718)	(5,516)
Net finance charges	8	(4,193)	(4,527)
Profit before taxation	9	62,254	48,759
Income tax	10	(13,295)	(11,445)
Profit for the period		48,959	37,314
Attributable to:			
Ordinary shareholders of the Company		37,685	25,896
Holders of perpetual capital securities		565	562
Non-controlling interests		10,709	10,856
Profit for the period		48,959	37,314
Earnings per share (HK\$)	12		
Basic and diluted		1.51	1.04

The notes on pages 38 to 103 form part of these condensed unaudited consolidated interim accounts.

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015

	Note	Unaudited Six months ended 30 June	
		2015 HK\$ million	2014 HK\$ million (Restated)
Profit for the period		48,959	37,314
Other comprehensive income/(loss) for the period (after tax and reclassification adjustments)	13		
Items that have been reclassified or may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets: net movement in the fair value reserve		183	4,358
Cash flow hedge: net movement in the hedging reserve		320	(240)
Share of other comprehensive loss of associates and joint ventures		(509)	(67)
Exchange differences on translation of financial statements of subsidiaries, associates and joint ventures and others		2	(5,337)
Other comprehensive loss for the period, net of tax		(4)	(1,286)
Total comprehensive income for the period		48,955	36,028
Attributable to:			
Ordinary shareholders of the Company		37,406	25,469
Holder of perpetual capital securities		565	562
Non-controlling interests		10,984	9,997
Total comprehensive income for the period		48,955	36,028

The notes on pages 38 to 103 form part of these condensed unaudited consolidated interim accounts.

Consolidated Balance Sheet

As at 30 June 2015

	Note	30 June 2015 HK\$ million (Unaudited)	31 December 2014 HK\$ million (Audited)
Assets			
Cash and deposits	15	851,286	897,161
Placements with banks and non-bank financial institutions		108,898	86,428
Financial assets at fair value through profit or loss	16	52,160	37,248
Derivative financial instruments	17	9,119	10,594
Trade and other receivables	18	152,878	130,747
Amounts due from customers for contract work		1,666	1,447
Inventories		145,769	133,258
Financial assets held under resale agreements		99,529	172,100
Loans and advances to customers and other parties	19	2,865,100	2,711,851
Available-for-sale financial assets	20	459,633	328,062
Held-to-maturity investments	21	234,529	225,700
Investments classified as receivables	22	1,150,228	834,652
Interests in associates	23	52,164	51,616
Interests in joint ventures	24	26,199	31,016
Fixed assets		199,156	179,303
Investment properties		28,785	28,744
Intangible assets		23,284	21,024
Goodwill	35(a)	19,997	13,709
Deferred tax assets		24,704	24,277
Other assets		32,223	28,894
Total assets		6,537,307	5,947,831
Liabilities			
Borrowing from central banks		12,744	63,445
Deposits from banks and non-bank financial institutions	25	1,145,876	871,213
Placements from banks and non-bank financial institutions		26,123	24,257
Financial liabilities at fair value through profit or loss		–	726
Derivative financial instruments	17	11,091	13,474
Trade and other payables	26	214,953	193,957
Amounts due to customers for contract work		8,671	10,646
Financial assets sold under repurchase agreements		8,735	52,745
Deposits from customers	27	3,882,008	3,586,508
Employee benefits payables		18,500	20,845
Income tax payable		8,199	10,890
Bank and other loans	28	223,980	218,993
Debt instruments issued	29	322,779	273,126
Provisions		2,594	2,932
Deferred tax liabilities		8,075	7,409
Other liabilities		21,833	21,158
Total liabilities		5,916,161	5,372,324

Consolidated Balance Sheet

As at 30 June 2015

	Note	30 June 2015 HK\$ million (Unaudited)	31 December 2014 HK\$ million (Audited)
Equity	30		
Share capital		324,198	324,198
Perpetual capital securities		13,832	13,834
Reserves		123,321	93,928
Total ordinary shareholders' funds and perpetual capital securities		461,351	431,960
Non-controlling interests		159,795	143,547
Total equity		621,146	575,507
Total liabilities and equity		6,537,307	5,947,831

Approved and authorised for issue by the board of directors on 24 August 2015.

Director: **Chang Zhenming**

Director: **Wang Jiong**

The notes on pages 38 to 103 form part of these condensed unaudited consolidated interim accounts.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Note	Perpetual		Investment			General reserve	Retained earnings	Exchange reserve	Non-controlling		
		Share capital	capital securities	Capital reserve	Hedging reserve	related reserves				Total interests	Total equity	
		HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
Six months ended 30 June 2015 (unaudited)												
Balance at 1 January 2015		324,198	13,834	(60,869)	92	4,885	24,836	109,387	15,597	431,960	143,547	575,507
Profit for the period	9	-	565	-	-	-	-	37,685	-	38,250	10,709	48,959
Other comprehensive income/(loss) for the period	13	-	-	-	285	(398)	-	-	(166)	(279)	275	(4)
Total comprehensive income/(loss) for the period		-	565	-	285	(398)	-	37,685	(166)	37,971	10,984	48,955
Capital injection by non-controlling interests		-	-	-	-	-	-	-	-	-	4,152	4,152
Dividends paid to ordinary shareholders of the Company	11	-	-	-	-	-	-	(4,981)	-	(4,981)	-	(4,981)
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	-	(1,888)	(1,888)
Distribution to holders of perpetual capital securities		-	(567)	-	-	-	-	-	-	(567)	-	(567)
New subsidiaries	35	-	-	-	-	-	-	-	-	-	2,966	2,966
Put options issued in business combinations	35(a)	-	-	(3,034)	-	-	-	-	-	(3,034)	-	(3,034)
Others		-	-	2	-	-	-	-	-	2	34	36
Other changes in equity		-	(567)	(3,032)	-	-	-	(4,981)	-	(8,580)	5,264	(3,316)
Balance at 30 June 2015		324,198	13,832	(63,901)	377	4,487	24,836	142,091	15,431	461,351	159,795	621,146

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2014 (Restated)

	Note	Share capital HK\$ million	Share premium HK\$ million	Capital redemption reserve HK\$ million	Perpetual capital securities HK\$ million	Capital reserve HK\$ million	Hedging reserve HK\$ million	Investment related reserves HK\$ million	General reserve HK\$ million	Retained earnings HK\$ million	Exchange reserve HK\$ million	Total HK\$ million	Non-controlling interests HK\$ million	Total equity HK\$ million
Six months ended 30 June 2014														
(unaudited)														
Balance at 1 January 2014		1,460	36,533	29	13,838	202,637	1,031	(4,324)	19,249	97,881	17,280	385,614	130,938	516,552
Profit for the period	9	-	-	-	562	-	-	-	-	25,896	-	26,458	10,856	37,314
Other comprehensive income/(loss) for the period	13	-	-	-	-	-	(240)	2,850	-	-	(3,037)	(427)	(859)	(1,286)
Total comprehensive income/(loss) for the period		-	-	-	562	-	(240)	2,850	-	25,896	(3,037)	26,031	9,997	36,028
Capital injection by non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	147	147
Issue of other equity instruments by a subsidiary		-	-	-	-	-	-	-	-	-	-	-	2,303	2,303
Dividends paid to ordinary shareholders of the Company	11	-	-	-	-	-	-	-	-	(912)	-	(912)	-	(912)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(5,797)	(5,797)
Distribution to holders of perpetual capital securities		-	-	-	(567)	-	-	-	-	-	-	(567)	-	(567)
Prior to business combination under common control, the acquired subsidiary:														
1. capital injection by the ultimate controlling shareholder		-	-	-	-	21,455	-	-	-	-	-	21,455	-	21,455
2. dividends paid to the ultimate controlling shareholder		-	-	-	-	-	-	-	-	(21,455)	-	(21,455)	-	(21,455)
Transition to no-par value regime on 3 March 2014	30(a)	36,562	(36,533)	(29)	-	-	-	-	-	-	-	-	-	-
Others		-	-	-	-	95	-	-	-	-	-	95	(666)	(571)
Other changes in equity		36,562	(36,533)	(29)	(567)	21,550	-	-	-	(22,367)	-	(1,384)	(4,013)	(5,397)
Balance at 30 June 2014		38,022	-	-	13,833	224,187	791	(1,474)	19,249	101,410	14,243	410,261	136,922	547,183

The notes on pages 38 to 103 form part of these condensed unaudited consolidated interim accounts.

Consolidated Cash Flow Statement

For the six months ended 30 June 2015

	Note	Unaudited Six months ended 30 June	
		2015 HK\$ million	2014 HK\$ million (Restated)
Cash flows from operating activities			
Profit before taxation		62,254	48,759
Adjustments for:			
– Depreciation and amortisation	9(b)	5,837	5,077
– Impairment losses		21,661	15,079
– Net valuation gain on investment properties		(391)	(1,100)
– Net valuation gain on investments		(261)	(907)
– Share of profits of associates and joint ventures, net of tax		(3,772)	(2,868)
– Interest expenses on debt instruments issued	5(a)	4,816	2,212
– Finance income	8	(1,525)	(989)
– Finance costs	8	5,718	5,516
– Net gain on available-for-sale financial assets		(3,591)	(356)
– Net gain on disposal of subsidiaries, associates and joint ventures		(13,160)	(429)
		77,586	69,994
Changes in working capital			
Decrease/(increase) in deposits with central banks, banks and non-bank financial institutions		30,273	(54,376)
(Increase)/decrease in placements with banks and non-bank financial institutions		(31,016)	44,405
Increase in financial assets at fair value through profit or loss and derivative financial assets		(8,528)	(14,059)
Increase in trade and other receivables		(17,621)	(26,852)
Increase in amounts due from customers for contract work		(219)	(7)
Increase in inventories		(12,484)	(3,486)
Decrease/(increase) in financial assets held under resale agreements		72,454	(123,568)
Increase in loans and advances to customers and other parties		(170,120)	(212,660)
Increase in investments classified as receivables		(314,781)	(332,885)
Increase in other assets		(8,085)	(4,444)
Increase in deposits from banks and non-bank financial institutions		273,120	290,738
Increase/(decrease) in placements from banks and non-bank financial institutions		1,026	(3,467)
(Decrease)/increase in financial liabilities at fair value through profit or loss and derivative financial liabilities		(725)	774
Increase in trade and other payables		6,865	1,507
Decrease in amounts due to customers for contract work		(1,978)	(85)
(Decrease)/increase in financial assets sold under repurchase agreements		(43,928)	1,306
Increase in deposits from customers		286,528	504,704
Decrease in borrowing from central bank		(50,600)	–
(Decrease)/increase in other liabilities		(3,817)	3,198
Decrease in employee benefits payables		(2,350)	(2,784)
(Decrease)/increase in provisions		(338)	276
Cash generated from operating activities		81,262	138,229
Income tax paid		(16,265)	(11,868)
Net cash generated from operating activities		64,997	126,361

Consolidated Cash Flow Statement

For the six months ended 30 June 2015

	Note	Unaudited Six months ended 30 June	
		2015 HK\$ million	2014 HK\$ million (Restated)
Cash flows from investing activities			
Proceeds from disposal and redemption of investments		460,865	389,305
Proceeds from disposal of fixed assets, intangible assets and other assets		136	335
Proceeds from disposal of associates and joint ventures		14,360	193
Net cash received from disposal of subsidiaries		1,236	2,465
Dividends received from equity investments, associates and joint ventures		2,970	1,323
Payments for purchase of investments		(602,555)	(403,493)
Payments for additions of fixed assets, intangible assets and other assets		(12,269)	(8,562)
Net cash payment for acquisition of subsidiaries, associates and joint ventures		(6,861)	(99)
Net cash used in investing activities		(142,118)	(18,533)
Cash flows from financing activities			
Capital injection received from the controlling shareholder		–	21,455
Capital injection received from non-controlling interests		445	175
Proceeds from new bank and other loans		112,725	62,166
Repayment of bank and other loans and debt instruments issued		(168,258)	(75,261)
Proceeds from new debt instruments issued		121,600	20,432
Proceeds from other equity instrument issued		–	2,304
Interest paid on bank and other loans and debt instruments issued		(12,502)	(10,232)
Dividends paid to non-controlling interests		(1,440)	(785)
Dividends paid to ordinary shareholders of the Company		(4,981)	(22,372)
Distribution paid to holders of perpetual capital securities		(567)	(567)
Net cash generated from/(used in) financing activities		47,022	(2,685)
Net (decrease)/increase in cash and cash equivalents		(30,099)	105,143
Cash and cash equivalents at 1 January		347,891	337,894
Effect of exchange rate changes		1,875	705
Cash and cash equivalents at 30 June		319,667	443,742

The notes on pages 38 to 103 form part of these condensed unaudited consolidated interim accounts.

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2015

1 General information

CITIC Limited (the “Company”) is incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited. Details of the acquisition of CITIC Corporation Limited (“CITIC Corporation”) were set out in the Company’s annual financial statements for the year ended 31 December 2014. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in financial services, resources and energy, manufacturing, engineering contracting, real estate and infrastructure and other businesses.

The parent and the ultimate holding company of the Company is CITIC Group Corporation (“CITIC Group”).

These condensed unaudited consolidated interim accounts (the “Accounts”) are presented in millions of Hong Kong dollars (“HK\$”), unless otherwise stated.

2 Basis of preparation

The Accounts have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Accounts should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The Company obtained control of CITIC Corporation through business combination under common control on 25 August 2014. The financial statements of CITIC Corporation are included in the Group’s comparative interim accounts as at 30 June 2014 and for the six-month period then ended as if the combination had occurred from the date when the ultimate controlling party first obtained control. The comparative interim accounts were prepared and restated using the carrying amount of assets and liabilities of CITIC Corporation.

The accounting policies adopted in the preparation of the Accounts are consistent with those adopted in the Company’s annual financial statements for the year ended 31 December 2014, except in relation to the following amendments which became effective after 1 July 2014 that are relevant to the Group:

Amendments to HKAS 19, Defined benefit plans: Employee contribution
Annual improvements to HKFRSs 2010-2012 cycle
Annual improvements to HKFRSs 2011-2013 cycle

Adoption of the above amendments does not have a significant impact on the Accounts.

2 Basis of preparation *(continued)*

The Group has not applied the following amendments to standards and new standards which are not yet effective for the financial year beginning after 1 January 2015 and which have not been early adopted in the Accounts.

HKAS 1 (Amendment)	The disclosure initiative ⁽¹⁾
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation ⁽¹⁾
HKAS 27 (Amendment)	Separate financial statements regarding the equity method ⁽¹⁾
HKAS 28 and HKFRS 10 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture ⁽¹⁾
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: applying the consolidation exception ⁽¹⁾
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations ⁽¹⁾
Annual Improvement Project	Annual Improvements 2012-2014 Cycle ⁽¹⁾
HKFRS 15	Revenue from Contracts with Customers ⁽²⁾
HKFRS 9	Financial Instruments ⁽³⁾

(1) Effective for the accounting period beginning on 1 January 2016

(2) Effective for the accounting period beginning on 1 January 2017

(3) Effective for the accounting period beginning on 1 January 2018

The Group is in the process of making an assessment of the impact of the above new standards and amendments to standards.

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) came into operation during the financial year. The Group has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the Accounts.

3 Critical accounting estimates and judgement

In addition to those described below, the accounting estimates and judgements required to be made in preparation of the Accounts are consistent with those set out in the Company's annual financial statements for the year ended 31 December 2014.

(a) Assets acquired/liabilities assumed in business combination

Assets/liabilities in CITIC Envirotech Ltd. ("CITIC Envirotech", formerly known as United Envirotech Ltd.) as disclosed in Note 35(a) were recognised at fair value in connection with the Group's acquisition of this entity. The fair values of the acquired assets/assumed liabilities were determined based on valuation methodologies and techniques that involved the use of a third-party valuation firm's expertise. The judgements and assumptions used in that valuation of assets and liabilities along with the assumptions on the useful lives of acquired assets have an effect on the Accounts.

(b) There was no significant update for the six months ended 30 June 2015 in respect of the EPC (engineering, procurement and construction) contract with Metallurgical Corporation of China ("MCC") in relation to the processing area and related facilities at the Group's Sino Iron Project in Western Australia.

Details were set out in the Company's annual financial statements for the year ended 31 December 2014.

3 Critical accounting estimates and judgement *(continued)*

- (c) Sino Iron Pty Ltd ("Sino Iron") and Korean Steel Pty Ltd ("Korean Steel"), subsidiary companies of the Company (together the "CITIC Parties"), are parties to Mining Right and Site Lease Agreements ("MRSLAs") with Mineralogy Pty Ltd ("Mineralogy"). Among other things, those agreements, together with other project agreements, provide Sino Iron and Korean Steel the right to construct the Sino Iron Project and take two billion tonnes of magnetite ore.

There are currently a number of disputes on foot between the CITIC Parties and Mineralogy. Details of relating disputes were set out in the Company's annual financial statements for the year ended 31 December 2014. Developments in those disputes since that time are summarised below.

(i) The Option Agreement legal proceeding

In February 2015, Mineralogy and Mr. Palmer were granted leave to amend the terms of their Further Amended Defence. They now concede that the Company is entitled to seek the declarations it sought in this proceeding. The only issue to be determined at trial should be the question of whether there is utility in the Court making the declarations sought by the Company. The trial has been listed for hearing on 1 October 2015.

Mineralogy recently agreed that a new company should be incorporated for the purpose of being the further company to be acquired under the Option Agreement. The Company's lawyers incorporated the new company and notified Mineralogy of the incorporation. Mineralogy responded by making a fresh assertion that the Option Agreement had been frustrated. The CITIC Parties do not agree with this assertion and are continuing to prepare for the trial.

(ii) Royalty Component B/Restitution legal proceedings

In mid-March 2015, the Company and its subsidiaries filed an amended defence and counterclaim in the Royalty B proceeding to address, among other things, the validity of Mineralogy's default and termination notices in light of the requirement in the State Agreement governing the Sino Iron Project to ensure the continuous operation of the Sino Iron Project. The State of Western Australia applied to intervene in the proceeding on the basis that it was an interested party. The CITIC Parties supported, and Mineralogy did not oppose, the State's application to intervene. The Court granted the State's application and so the State will be permitted to make submissions on the State Agreement issues arising in this proceeding.

In late March 2015, the CITIC Parties filed a new proceeding against Mineralogy and Mr. Palmer seeking restitution of benefits received by each of them consequent upon the termination of the MRSLAs (if the Court finds, contrary to the case of the CITIC Parties, that the MRSLAs have been frustrated and/or that Mineralogy's termination notices are valid and the court does not order relief against forfeiture in favour of the CITIC Parties). Mineralogy applied to strike out the restitution claim. That application was heard on 30 July 2015. The court reserved its decision in relation to that application and its decision is expected later this year.

3 Critical accounting estimates and judgement *(continued)*

- (c) Sino Iron Pty Ltd (“Sino Iron”) and Korean Steel Pty Ltd (“Korean Steel”), subsidiary companies of the Company (together the “CITIC Parties”), are parties to Mining Right and Site Lease Agreements (“MRSLAs”) with Mineralogy Pty Ltd (“Mineralogy”). Among other things, those agreements, together with other project agreements, provide Sino Iron and Korean Steel the right to construct the Sino Iron Project and take two billion tonnes of magnetite ore. *(continued)*

(iii) The Facilities Deeds/Port of Cape Preston legal proceeding

The pleadings in this proceeding were amended to address the validity of certain notices of termination of the Facilities Deeds issued by Mineralogy in late 2014, as well as certain other matters, including the requirement in the State Agreement to ensure the continuous operation of the Sino Iron Project. The State of Western Australia applied to intervene in this proceeding, as it did in the Royalty B proceeding, so that it could make submissions on the operation of the State Agreement. The State’s application to intervene was opposed by Mineralogy, but granted by the Court.

The Court’s reasons for decision were handed down on 14 August 2015. The CITIC Parties were successful in this proceeding. The Court dismissed Mineralogy’s application for various orders arising from its asserted rights at the Port of Cape Preston and as to the port terminal facilities of the CITIC Parties. The Court found that “not only does Mineralogy not have the rights to possess, control, own, operate or manage the port terminal facilities, but the CITIC Parties were under a duty to operate and maintain them by the operation of provisions in later agreements”. The Court also made orders permanently restraining Mineralogy from acting upon termination notices issued by Mineralogy to the CITIC Parties in November 2014.

(iv) The Part IV Environment Protection Act Approvals legal proceedings

Mineralogy is seeking to appeal the decision of the Supreme Court of Western Australia that it is obliged to apply to the Minister for the Environment for the transfer of the status of the proponent under a number of key environmental approvals to Sino Iron and Korean Steel. Mineralogy has not applied to transfer the status of the proponent as ordered by the Court, pending the hearing of the appeal. Sino Iron and Korean Steel applied for supplementary orders to force Mineralogy to apply to transfer the status of proponent. That application was heard on 27 and 28 May 2015. However, the Court dismissed the application for supplementary orders, which does not affect the declaration made by the Court at first instance. The appeal is to be heard on 6 November 2015.

3 Critical accounting estimates and judgement *(continued)*

- (c) Sino Iron Pty Ltd ("Sino Iron") and Korean Steel Pty Ltd ("Korean Steel"), subsidiary companies of the Company (together the "CITIC Parties"), are parties to Mining Right and Site Lease Agreements ("MRSLAs") with Mineralogy Pty Ltd ("Mineralogy"). Among other things, those agreements, together with other project agreements, provide Sino Iron and Korean Steel the right to construct the Sino Iron Project and take two billion tonnes of magnetite ore. *(continued)*

(v) New Minimum Production Royalty Claims

Since the delivery of the judgement in the Port of Cape Preston proceeding on 14 August 2015, companies controlled by Mr. Palmer have brought two new proceedings against the CITIC Parties and certain others. Each new proceeding relates to the minimum production royalty.

On 19 August 2015, Mineralogy initiated a new proceeding in the Supreme Court of Western Australia relating to alleged breaches of the MRSLAs (being failure to pay the minimum production royalty). The writ of summons in relation to the new proceeding has been filed but has not yet been served on the CITIC Parties. The writ claims payment of US\$98,298,000 by each of Sino Iron and Korean Steel and US\$196,596,000 by the Company as guarantor of Sino Iron and Korean Steel's obligations under the MRSLAs. Mineralogy previously made a similar claim in the Royalty B proceeding but it was abandoned in November 2013. Sino Iron and Korean Steel are currently seeking declarations in the Royalty B proceeding including that the clause providing for the minimum production royalty is unenforceable and that they were prevented by factors outside their control from reaching the relevant production levels within the specified timeframe.

On 21 August 2015, Queensland Nickel Pty Ltd ("Queensland Nickel"), a company controlled by Mr. Palmer, commenced a new proceeding in the Supreme Court of Queensland. The Claim and Statement of Claim have been filed but not yet served on the defendants. The Statement of Claim alleges that non-payment of the minimum production royalty by the Company and its subsidiaries amounted to unconscionable conduct pursuant to s21 of the Australian Consumer Law ("ACL") and that specified individual officers of the CITIC Parties were knowingly concerned in the alleged contravention. Queensland Nickel claims that Mineralogy intended to advance the sum of \$120 million (presumably AUD) to Queensland Nickel to carry out planned roaster fuel conversions and that non-payment of the minimum production royalty has resulted in that advance not being made. Queensland Nickel claims damages pursuant to s236 of the ACL, on the basis that the roaster fuel conversions would have given rise to cost savings of approximately \$137,500,000 to date and future cost savings of \$96 million per year.

These matters are ongoing. The Group intends to contest all existing legal proceedings, and any future claims, vigorously. There have been no entries made to the Accounts in relation to these matters.

4 Taxation

The statutory income tax rate of the Company and its subsidiaries located in Hong Kong for the six months ended 30 June 2015 is 16.5% (six months ended 30 June 2014: 16.5%).

Except for the preferential tax treatments, the income tax rate applicable to the Group's other subsidiaries in Mainland China for the six months ended 30 June 2015 is 25% (six months ended 30 June 2014: 25%).

Taxation for other overseas subsidiaries is charged at the rates of taxation prevailing in the countries/ jurisdiction in which the overseas subsidiaries operate.

5 Revenue

As a multi-industry conglomerate, the Group is principally engaged in financial services, resources and energy, manufacturing, engineering contracting, real estate and infrastructure and other businesses.

For financial services segment, revenue mainly comprises net interest income, net fee and commission income and net trading gain (see Notes 5(a), 5(b) and 5(d)). For non-financial services segment, revenue mainly comprises total invoiced value of sales of goods, services rendered to customers and revenue from construction contracts (see Note 5(c)).

The Group's customer base is diversified and there is no single customer with which transactions have exceeded 10% of the Group's revenue.

(a) Net interest income

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Interest income arising from:		
Deposits with central banks, banks and non-bank financial institutions	5,735	9,428
Placements with banks and non-banks financial institutions	1,779	3,867
Financial assets held under resale agreements	3,041	9,131
Investments classified as receivables	29,356	18,770
Loans and advances to customers and other parties	86,666	80,359
Investments in debt securities	10,198	8,129
Others	18	2
	136,793	129,686
Interest expenses arising from:		
Borrowing from central banks	(790)	–
Deposits from banks and non-bank financial institutions	(25,612)	(25,057)
Placements from banks and non-bank financial institutions	(331)	(1,141)
Financial assets sold under repurchase agreements	(429)	(608)
Deposits from customers	(41,075)	(42,131)
Debt instruments issued	(4,816)	(2,212)
Others	(21)	(3)
	(73,074)	(71,152)
Net interest income	63,719	58,534

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2015

5 Revenue (continued)

(b) Net fee and commission income

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Consultancy and advisory fees	4,795	4,219
Bank card fees	7,402	4,645
Settlement and clearing fees	1,320	1,539
Commission for wealth management services	3,249	2,239
Agency fees and commission	2,607	1,034
Guarantee fees	2,042	2,279
Trustee commission and fees	2,797	2,562
Others	428	117
	24,640	18,634
Fee and commission expenses	(1,169)	(871)
Net fee and commission income	23,471	17,763

(c) Sales of goods and services

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Sales of goods	79,517	97,567
Services rendered to customers	12,935	14,829
Revenue from construction contracts	5,663	7,450
	98,115	119,846

(d) Other revenue

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Net trading gain (note (i))	1,802	3,395
Net gain on investment assets attributable to subsidiaries under financial services segment	13,892	1,045
Others	462	44
	16,156	4,484

(i) Net trading gain

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Trading profit/(loss):		
– debt securities	1,294	856
– foreign currencies	1,462	882
– derivatives	(954)	1,657
	1,802	3,395

For the six months ended 30 June 2015

6 Cost of sales and services

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Cost of goods sold	68,132	86,509
Cost of services rendered	8,545	9,726
Cost of construction contracts	4,881	6,090
	81,558	102,325

7 Other net income

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Net gain on disposal of subsidiaries, associates and joint ventures	951	587
Net gain on financial assets attributable to subsidiaries under non-financial services segment	3,000	1,362
Commissions income, net foreign exchange gain and others	1,071	1,971
	5,022	3,920

8 Net finance charges

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Finance costs		
– Interest on bank loans and other loans	6,787	5,412
– Interest on debt instruments issued and other interest expenses	1,827	2,262
	8,614	7,674
Less: interest expense capitalised	(3,162)	(2,584)
	5,452	5,090
Other finance charges	266	424
Other financial instruments	–	2
	5,718	5,516
Finance income	(1,525)	(989)
	4,193	4,527

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2015

9 Profit before taxation

Profit before taxation is arrived at after charging below costs and expenses in cost of sales and services and other operating expenses:

(a) Staff costs

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Salaries and bonuses	16,360	15,071
Contributions to defined contribution retirement schemes	1,517	1,474
Others	3,782	3,375
	21,659	19,920

(b) Other items

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Amortisation	1,284	989
Depreciation	4,553	4,088
Operating lease charges: minimum lease payments	546	656

10 Income tax

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Current tax – Mainland China		
Provision for enterprise income tax	13,396	12,031
Land appreciation tax	62	393
	13,458	12,424
Current tax – Hong Kong		
Provision for Hong Kong profits tax	470	541
Current tax – Overseas		
Provision	393	531
	14,321	13,496
Deferred tax		
Origination and reversal of temporary differences	(1,026)	(2,051)
	13,295	11,445

The particulars of the applicable income tax rates are disclosed in Note 4.

For the six months ended 30 June 2015

11 Dividends

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million
2014 Final dividend paid: HK\$0.20 (2013: HK\$0.25) per share	4,981	912
2015 Interim dividend proposed: HK\$0.10 (2014: HK\$0.015) per share	2,909	374

12 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Company of HK\$37,685 million for the six months ended 30 June 2015 (six months ended 30 June 2014: HK\$25,896 million) and the weighted average number of 24,903 million ordinary shares (six months ended 30 June 2014: 24,903 million ordinary shares), calculated as follows:

Weighted average number of ordinary shares (in million):

	Six months ended 30 June	
	2015	2014 (Restated)
Issued ordinary shares as at 1 January	24,903	3,649
Effect of shares issued as a consideration for business combination under common control	–	21,254
Weighted average number of ordinary shares as at 30 June	24,903	24,903

The diluted earnings per share for the six months ended 30 June 2015 and 2014 are the same as the basic earnings per share. As at 30 June 2015, there are no share options or other equity securities of the Company in issue which if exercised would have a dilutive effect on the issued ordinary share capital as at 30 June 2015. For the six months ended 30 June 2014, it was deemed that no potential additional ordinary shares would be issued at no consideration from the exercise of share options because the exercise price was above the average market price of the Company's shares for that period.

The basic and diluted earnings per share for the six months ended 30 June 2015 are HK\$1.51 (six months ended 30 June 2014: HK\$1.04).

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For the six months ended 30 June 2015

13 Other comprehensive income/(loss)

(a) Tax effects relating to each component of other comprehensive income/(loss)

	Six months ended 30 June					
	2015			2014		
	Before tax amount HK\$ million	Tax expense HK\$ million	Net-of-tax amount HK\$ million	Before tax amount HK\$ million (Restated)	Tax (expense)/ benefit HK\$ million (Restated)	Net-of-tax amount HK\$ million (Restated)
Available-for-sale financial assets: net movement in fair value reserve	245	(62)	183	5,746	(1,388)	4,358
Cash flow hedge: net movement in hedging reserve	378	(58)	320	(260)	20	(240)
Share of other comprehensive loss of associates and joint ventures	(509)	-	(509)	(67)	-	(67)
Exchange differences on translation of financial statements of subsidiaries, associates and joint ventures and others	2	-	2	(5,337)	-	(5,337)
	116	(120)	(4)	82	(1,368)	(1,286)

(b) Components of other comprehensive income/(loss), including reclassification adjustments

	Six months ended 30 June	
	2015 HK\$ million	2014 HK\$ million (Restated)
Fair value gains of available-for-sale financial assets	1,056	5,118
Less: Net amounts previously recognised in other comprehensive (income)/loss transferred to profit or loss in the current period	(811)	628
Tax effect	(62)	(1,388)
	183	4,358
Gains/(losses) arising from cash flow hedge	317	(260)
Less: Net amounts previously recognised in other comprehensive loss transferred to profit or loss in the current period	61	-
Tax effect	(58)	20
	320	(240)
Share of other comprehensive loss of associates and joint ventures	(509)	(67)
Exchange differences on translation of financial statements of subsidiaries, associates and joint venture, and others	2	(5,337)
	(4)	(1,286)

14 Segment reporting

The Group has presented six reportable operating segments which are financial services, resources and energy, manufacturing, engineering contracting, real estate and infrastructure and others. Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose financial performance is regularly reviewed by the board of directors to make decisions about resource to be allocated to the segment and assess its performance, and for which financial information regarding financial position, financial performance and cash flows is available. The details of these six reportable segments are as follows:

- Financial services: this segment includes banking, trust, asset management, securities and insurance services.
- Resources and energy: the major businesses in this segment include exploration, processing and trading of resources and energy products, including crude oil, coal and iron ore.
- Manufacturing: this segment includes manufacturing of special steels, heavy machineries, aluminum wheels and other products.
- Engineering contracting: this segment provides contracting and design services for infrastructure, real estate and industrial projects, etc.
- Real estate and infrastructure: this segment includes development, sale and holding of properties and investment and operation of infrastructures.
- Others: others include various businesses including telecommunication services, motor and food and consumer products business, commercial aviation services, publication services and other.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources among segments, the board of directors monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets are those assets that are attributable to a segment, and segment liabilities are those liabilities that are attributable to a segment.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments.

The measure used for reporting segment profit is "profit for the period". To arrive at segment results, the Group's profit is further adjusted for items not specially attributed to individual segments, such as share of results of associates and joint ventures and head office or corporate administrative costs.

Inter-segment pricing is based on similar terms as those available to other external parties.

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For the six months ended 30 June 2015

14 Segment reporting (continued)

(a) Segment results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the board of directors for the purposes of resources allocation and assessment of segment performance for the six months ended 30 June 2015 and 2014 is set out below:

	Six months ended 30 June 2015								
	Financial services HK\$ million	Resources and energy HK\$ million	Manufacturing HK\$ million	Engineering contracting HK\$ million	Real estate and infrastructure HK\$ million	Others HK\$ million	Operation management HK\$ million	Elimination HK\$ million	Total HK\$ million
Revenue from external customers	103,254	22,146	32,336	6,240	7,223	30,170	92	-	201,461
Inter-segment revenue	647	987	153	68	57	215	-	(2,127)	-
Reportable segment revenue	103,901	23,133	32,489	6,308	7,280	30,385	92	(2,127)	201,461
Share of profits/(losses) of associates, net of tax	2,892	3	(69)	(4)	345	51	(9)	-	3,209
Share of profits/(losses) of joint ventures, net of tax	301	(16)	(66)	-	144	200	-	-	563
Finance income	-	171	152	237	453	96	2,340	(1,924)	1,525
Finance costs	-	(1,289)	(562)	(74)	(1,373)	(449)	(3,829)	1,858	(5,718)
Depreciation and amortisation	(1,499)	(829)	(2,084)	(60)	(378)	(977)	(10)	-	(5,837)
Impairment losses	(21,556)	(2)	(20)	-	-	(45)	(162)	124	(21,661)
Profit/(loss) before taxation	54,499	1,385	1,747	1,408	2,714	1,683	(1,467)	285	62,254
Income tax	(11,312)	(292)	(310)	(413)	(616)	(535)	(28)	211	(13,295)
Profit/(loss) for the period	43,187	1,093	1,437	995	2,098	1,148	(1,495)	496	48,959
Attributable to:									
- Ordinary shareholders of the Company	33,317	709	1,307	995	2,217	704	(2,060)	496	37,685
- Non-controlling interests and holders of perpetual capital securities	9,870	384	130	-	(119)	444	565	-	11,274

	As at 30 June 2015								
	Financial services HK\$ million	Resources and energy HK\$ million	Manufacturing HK\$ million	Engineering contracting HK\$ million	Real estate and infrastructure HK\$ million	Others HK\$ million	Operation management HK\$ million	Elimination HK\$ million	Total HK\$ million
Reportable segment assets	5,868,151	162,241	100,180	42,698	262,994	92,559	139,515	(131,031)	6,537,307
Including:									
Interests in associates	28,870	13,647	2,976	168	5,008	1,469	26	-	52,164
Interests in joint ventures	3,875	5,343	180	-	10,019	6,782	-	-	26,199
Reportable segment liabilities	5,438,519	151,255	51,487	34,801	178,571	45,979	214,266	(198,717)	5,916,161
Including:									
Bank and other loans	1,521	44,893	16,156	3,228	101,705	32,143	72,027	(47,693)	223,980
Debt instruments issued	212,473	-	5,818	-	-	5,384	99,420	(316)	322,779

14 Segment reporting (continued)

(a) Segment results, assets and liabilities (continued)

	Six months ended 30 June 2014 (Restated)								
	Financial services HK\$ million	Resources and energy HK\$ million	Manufacturing HK\$ million	Engineering contracting HK\$ million	Real estate and infrastructure HK\$ million	Others HK\$ million	Operation management HK\$ million	Elimination HK\$ million	Total HK\$ million
Revenue from external customers	81,028	35,421	35,004	8,135	9,549	31,490	-	-	200,627
Inter-segment revenue	(263)	-	-	76	131	10	-	46	-
Reportable segment revenue	80,765	35,421	35,004	8,211	9,680	31,500	-	46	200,627
Share of profits/(losses) of associates, net of tax	1,273	(35)	(334)	(4)	235	19	(2)	-	1,152
Share of profits/(losses) of joint ventures, net of tax	146	1,101	(12)	-	226	255	-	-	1,716
Finance income	-	161	152	277	231	25	2,157	(2,014)	989
Finance costs	-	(1,314)	(547)	(34)	(1,603)	(369)	(3,833)	2,184	(5,516)
Depreciation and amortisation	(1,348)	(458)	(2,108)	(50)	(270)	(834)	(9)	-	(5,077)
Impairment losses	(14,981)	(27)	(76)	-	(14)	(12)	-	31	(15,079)
Profit/(loss) before taxation	39,792	782	1,727	1,702	4,147	1,727	(1,411)	293	48,759
Income tax	(9,319)	32	(355)	(484)	(1,084)	(283)	(24)	72	(11,445)
Profit/(loss) for the period	30,473	814	1,372	1,218	3,063	1,444	(1,435)	365	37,314
Attributable to:									
- Ordinary shareholders of the Company	20,993	573	1,124	1,218	2,648	972	(1,997)	365	25,896
- Non-controlling interests and holders of perpetual capital securities	9,480	241	248	-	415	472	562	-	11,418
	As at 31 December 2014								
	Financial services HK\$ million	Resources and energy HK\$ million	Manufacturing HK\$ million	Engineering contracting HK\$ million	Real estate and infrastructure HK\$ million	Others HK\$ million	Operation management HK\$ million	Elimination HK\$ million	Total HK\$ million
Reportable segment assets	5,322,510	147,903	108,501	44,020	239,930	72,538	138,921	(126,492)	5,947,831
Including:									
Interests in associates	28,608	11,882	3,557	167	5,332	1,961	109	-	51,616
Interests in joint ventures	3,596	9,621	247	-	10,236	7,316	-	-	31,016
Reportable segment liabilities	4,927,978	136,503	59,406	35,820	163,399	39,258	207,573	(197,613)	5,372,324
Including:									
Bank and other loans	-	42,798	19,130	2,142	85,765	22,603	85,754	(39,199)	218,993
Debt instruments issued	169,215	-	5,054	-	-	3,477	95,660	(280)	273,126

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14 Segment reporting (continued)

(b) Geographical information

An analysis of the Group's revenue and total assets by geographical area are as follows:

	Revenue from external customers		Reportable segment assets	
	Six months ended 30 June		30 June	31 December
	2015 HK\$ million	2014 (Restated) HK\$ million	2015 HK\$ million	2014 HK\$ million
Mainland China	167,746	165,526	6,076,471	5,508,334
Hong Kong and Macau	20,391	21,583	344,502	322,547
Overseas	13,324	13,518	116,334	116,950
	201,461	200,627	6,537,307	5,947,831

15 Cash and deposits

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Cash	9,120	9,214
Bank deposits	83,417	82,083
Balances with central banks (note (i)):		
– Statutory deposit reserve funds (note (ii))	550,712	581,678
– Surplus deposit reserve funds (note (iii))	112,369	88,945
– Fiscal deposits (note (iv))	4,821	4,886
Deposits with banks and non-bank financial institutions	90,847	130,355
	851,286	897,161

Notes:

- (i) The balances with central banks represent deposits placed with central banks by China CITIC Bank Corporation Limited ("CITIC Bank") and CITIC Finance Company Limited ("CITIC Finance").
- (ii) CITIC Bank and CITIC Finance place statutory deposit reserves with the People's Bank of China and overseas central banks where they have operations. The statutory deposit reserves are not available for use in their daily business.

As at 30 June 2015, the statutory deposit reserve placed by CITIC Bank with the People's Bank of China was calculated at 16.5% (31 December 2014: 18%) of eligible RMB deposits for domestic branches of CITIC Bank. In addition, CITIC Bank is required to deposit an amount equivalent to 5% (31 December 2014: 5%) of its foreign currency deposits from domestic branch customers as statutory deposit reserve as at 30 June 2015.

As at 30 June 2015, the statutory RMB deposit reserve rate applicable to Zhejiang Lin'an CITIC Rural Bank Corporation Limited, a subsidiary of CITIC Bank, was at 11.5% (31 December 2014: 14%).

The amounts of statutory deposit reserves placed with the central banks of overseas countries are determined by local jurisdictions. The foreign currency reserve deposits placed with the People's Bank of China are non-interest bearing.

As at 30 June 2015, the statutory deposit reserve placed by CITIC Finance with the People's Bank of China was calculated at 8.5% (31 December 2014: 14.5%) of eligible RMB deposits from the customers of CITIC Finance. As at 30 June 2015, CITIC Finance is also required to deposit an amount equivalent to 5% (31 December 2014: 5%) of its foreign currency deposits from the customers as statutory deposit reserve.

15 Cash and deposits (continued)

Notes: (continued)

- (iii) The surplus deposit reserve funds are maintained with the People's Bank of China for the purposes of clearing.
- (iv) Other deposits with central banks primarily represent fiscal deposits placed with the People's Bank of China that are not available for use in the daily operations of CITIC Bank, of which fiscal deposits are non-interest bearing.
- (v) In addition to the statutory deposit reserve funds and fiscal deposits, the amount of HK\$11,821 million (31 December 2014: HK\$9,937 million) included in cash and deposits as at 30 June 2015 are restricted in use. They mainly include guaranteed deposits and cash received from sale of properties before completion which is under the supervision by the Housing Administration Bureau of the PRC.

16 Financial assets at fair value through profit or loss

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Held for trading purpose:		
– Debt trading financial asset (note (a))	20,878	16,164
– Certificates of interbank deposit (note (b))	18,425	17,649
– Investment funds (note (c))	6,363	2,313
– Trading equity investments (note (d))	102	41
Financial assets designated at fair value through profit or loss (note (e)):		
– Debt trading financial assets	3,445	1,062
– Others	2,947	19
	52,160	37,248
Issued by:		
– Government	116	1,282
– Policy banks	1,947	1,731
– Banks and non-bank financial institutions	37,035	24,784
– Corporates	13,062	9,451
	52,160	37,248
Analysed by remaining maturity:		
– Within 3 months	8,844	6,843
– Between 3 months and 1 year	26,644	22,995
– Over 1 year	12,813	7,338
– No fixed terms	3,859	72
	52,160	37,248

The remaining term to maturity of financial assets at fair value through profit or loss does not represent the Group's intended holding period.

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16 Financial assets at fair value through profit or loss (continued)

(a) Debt trading financial assets

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Listed in Hong Kong	1,220	1,054
Listed outside Hong Kong	393	219
Unlisted (note (i))	19,265	14,891
	20,878	16,164

(b) Certificates of interbank deposit

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Unlisted	18,425	17,649

(c) Investment funds

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Listed outside Hong Kong	2	–
Unlisted	6,361	2,313
	6,363	2,313

(d) Trading equity investments

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Listed in Hong Kong	30	38
Listed outside Hong Kong	69	–
Unlisted	3	3
	102	41

(e) Financial assets designated at fair value through profit or loss

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Unlisted (note (i))	6,392	1,081

Note:

- (i) Debt securities traded on the China Domestic Inter-bank Bond Market are included in "unlisted".

17 Derivative financial instruments

The Group's subsidiaries under the financial services segment act as an intermediary to offer derivative products including interest rate and currency forwards and swap to its customers. These derivative positions are managed through entering back-to-back deals with external parties to ensure the remaining exposures are within acceptable risk levels. Meanwhile, derivatives are also used for proprietary trading purposes.

Subsidiaries under non-financial services segment of the Group enter into forward and swap contracts to hedge their exposure to fluctuations in foreign exchange rates, commodity prices and interest rates.

The following tables and notes provide an analysis of the notional amounts of derivatives and the corresponding fair values as at the balance sheet date. The notional amounts of the derivatives indicate the volume of transactions outstanding as at the balance sheet date; they do not represent amounts at risk. Hedging instruments are derivatives qualified for hedge accounting, and non-hedging instruments are derivatives not qualified for hedge accounting.

	30 June 2015			31 December 2014		
	Notional amount HK\$ million	Assets HK\$ million	Liabilities HK\$ million	Notional amount HK\$ million	Assets HK\$ million	Liabilities HK\$ million
Hedging instruments						
Fair value hedge (note (c)(i)):						
– Interest rate derivatives	13,028	312	22	10,304	302	38
– Currency derivatives	915	–	2	–	–	–
Cash flow hedge (note (c)(ii)):						
– Interest rate derivatives	21,554	–	2,829	22,490	–	3,062
– Currency derivatives	965	31	81	2,931	113	223
– Other derivatives	254	14	603	160	10	727
Non-hedging instruments						
– Interest rate derivatives	588,613	1,506	1,338	372,944	961	1,061
– Currency derivatives	1,057,963	5,949	5,607	1,242,393	8,139	7,875
– Precious metals derivatives	39,344	1,307	609	37,728	1,069	488
– Other derivatives	15,774	–	–	26,630	–	–
	1,738,410	9,119	11,091	1,715,580	10,594	13,474

(a) Notional amount analysed by remaining maturity

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Within 3 months	727,578	683,165
Between 3 months and 1 year	814,055	755,520
Between 1 year and 5 years	183,749	261,636
Over 5 years	13,028	15,259
	1,738,410	1,715,580

The remaining term to maturity of derivatives does not represent the Group's intended holding period.

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17 Derivative financial instruments (continued)

(b) Credit risk weighted amounts

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Counter-party default risk:		
– Interest rate derivatives	975	927
– Currency derivatives	8,359	14,264
– Precious metals derivatives	1,131	761
– Other derivatives	8,884	11,662
Credit valuation adjustment	5,757	14,026
	25,106	41,640

Notes:

- (i) The credit risk weighted amounts stated above are solely in connection with the derivatives held by CITIC Bank.
- (ii) The credit risk weighted amount has been computed in accordance with "Regulation Governing Capital of Commercial Banks (provisional)" promulgated by the China Banking Regulatory Commission in the year of 2012, and depends on the status of the counterparties and the maturity characteristics of the instruments, including those customer-driven back-to-back transactions. The credit risk weighted amounts stated above have taken into account the effects of bilateral netting arrangements.

(c) Derivatives designated as hedging instruments

(i) Fair value hedge

Fair value hedge is adopted to hedge the risk that a financial instrument's fair value will fluctuate because of changes in market interest rates or foreign exchange rates by using interest rate swaps or foreign currency forward contracts.

(ii) Cash flow hedge

Cash flow hedge is adopted to hedge the risk that a financial instrument's cash flows will fluctuate because of changes in market interest rates, foreign exchange rates or commodity price by using foreign currency forward contracts, commodity forward contracts or interest rate swaps.

18 Trade and other receivables

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Trade and bills receivables (note (a))	25,509	24,759
Interest receivables (note (b))	35,915	34,114
Prepayments, deposits and other receivables (note (c))	91,454	71,874
	152,878	130,747

As at 30 June 2015, the amount of the Group's prepayments, deposits and other receivables expected to be recovered or recognised as expense after more than one year is HK\$19,621 million (31 December 2014: HK\$20,060 million). The remaining trade and other receivables are expected to be recovered or recognised as expense within one year.

18 Trade and other receivables (continued)

(a) Trade and bills receivables

(i) Ageing analysis

As at the balance sheet date, the ageing analysis of trade and bills receivables of the Group based on invoice date and net of allowance for impairment losses is as follows:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Within 1 year	21,830	22,182
Over 1 year	5,053	3,920
	26,883	26,102
Less: allowance for impairment losses	(1,374)	(1,343)
	25,509	24,759

Each business unit has its own defined credit policy that is specific to the respective business environment and market practice.

(ii) Impairment of trade and bills receivables

As at 30 June 2015, the Group's trade and bills receivables of HK\$344 million (31 December 2014: HK\$491 million) were individually determined to be impaired. These receivables mainly relate to customers which were in financial difficulties. It is assessed that a portion of such receivables is expected to be recovered. Consequently, specific allowance for impairment losses is recognised.

(iii) Trade and bills receivables that are not impaired

The ageing analysis of past due trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Less than 1 year past due	1,928	3,573
Over 1 year past due	816	290
	2,744	3,863

Receivables that are past due but not impaired are related to a number of third-party customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable.

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18 Trade and other receivables (continued)

(b) Interest receivables

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Interest receivables	38,120	35,876
Less: allowance for impairment losses	(2,205)	(1,762)
	35,915	34,114

(c) Prepayments, deposits and other receivables

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Prepayments, deposits and other receivables	92,576	73,061
Less: allowance for impairment losses	(1,122)	(1,187)
	91,454	71,874

19 Loans and advances to customers and other parties

(a) Loans and advances

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Corporate loans		
– Loans	2,056,275	1,991,035
– Discounted bills	112,449	86,254
– Finance lease receivables	3,240	700
	2,171,964	2,077,989
Personal loans		
– Residential mortgages	303,421	294,240
– Business loans	137,092	138,080
– Credit cards	194,981	159,891
– Others	130,893	110,752
	766,387	702,963
	2,938,351	2,780,952
Less: impairment allowance		
– Individually assessed	(19,790)	(17,627)
– Collectively assessed	(53,461)	(51,474)
	(73,251)	(69,101)
	2,865,100	2,711,851

For the six months ended 30 June 2015

19 Loans and advances to customers and other parties (continued)

(b) Types of collateral

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Unsecured loans	562,428	506,983
Guaranteed loans	613,081	651,130
Secured loans		
– Loans secured by collateral	1,313,140	1,209,922
– Pledged loans	337,253	326,663
	2,825,902	2,694,698
Discounted bills	112,449	86,254
Gross loans and advances	2,938,351	2,780,952

(c) Assessment method of allowance for impairment losses

	As at 30 June 2015				Gross impaired loans and advances as a percentage of gross total loans and advances
	Loans and advances for which the allowance is collectively assessed HK\$ million	Impaired loans and advances (note (i)) for which the allowance is collectively assessed HK\$ million	for which the allowance is individually assessed HK\$ million	Total HK\$ million	
Gross loans and advances	2,892,536	9,451	36,364	2,938,351	1.56%
Less: allowance for impairment losses	(46,685)	(6,776)	(19,790)	(73,251)	
	2,845,851	2,675	16,574	2,865,100	

	As at 31 December 2014				Gross impaired loans and advances as a percentage of gross total loans and advances
	Loans and advances for which the allowance is collectively assessed HK\$ million	Impaired loans and advances (note (i)) for which the allowance is collectively assessed HK\$ million	for which the allowance is individually assessed HK\$ million	Total HK\$ million	
Gross loans and advances	2,738,723	7,109	35,120	2,780,952	1.52%
Less: allowance for impairment losses	(46,554)	(4,920)	(17,627)	(69,101)	
	2,692,169	2,189	17,493	2,711,851	

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19 Loans and advances to customers and other parties (continued)

(c) Assessment method of allowance for impairment losses (continued)

Notes:

- (i) Impaired loans and advances include loans and advances for which objective evidence of impairment exists and which have been assessed as bearing significant impairment losses which are assessed individually or collectively (portfolios of homogeneous loans and advances).
- (ii) As at 30 June 2015, the loans and advances of the Group for which the impairment allowance were individually assessed amounted to HK\$36,364 million (31 December 2014: HK\$35,120 million). The secured and unsecured portion of these loans and advances were as follows:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Secured portion	13,744	13,669
Unsecured portion	22,620	21,451
	36,364	35,120

As at 30 June 2015, the fair value of collateral held against these loans and advances amounted to HK\$21,802 million (31 December 2014: HK\$21,545 million).

The fair value of collateral was estimated by management based on the latest available external valuations adjusted by taking into account the current realisation experience as well as market situation.

(d) Movements of allowance for impairment losses

	Six months ended 30 June 2015			Total HK\$ million
	Loans and advances for which the allowance is collectively assessed HK\$ million	Impaired loans and advances for which the allowance is collectively assessed HK\$ million	for which the allowance is individually assessed HK\$ million	
At 1 January	46,554	4,920	17,627	69,101
Charge for the period				
– Impairment allowance on loans charged	304	4,069	17,960	22,333
– Reversal of impairment for the period	(197)	(203)	(1,937)	(2,337)
Unwinding of discount on allowance	–	–	(310)	(310)
Write-offs	–	(2,222)	(13,704)	(15,926)
Recovery of loans and advances written off in previous year	–	201	110	311
Changes of exchange rate	24	11	44	79
At 30 June	46,685	6,776	19,790	73,251

19 Loans and advances to customers and other parties (continued)

(d) Movements of allowance for impairment losses (continued)

	Six months ended 30 June 2014 (Restated)			Total HK\$ million
	Loans and advances for which the allowance is collectively assessed HK\$ million	Impaired loans for which the allowance is collectively assessed HK\$ million	and advances for which the allowance is individually assessed HK\$ million	
At 1 January	37,688	3,409	14,810	55,907
Charge for the period				
– Impairment allowance on loans charged	5,345	1,414	9,031	15,790
– Reversal of impairment for the period	(48)	(10)	(1,764)	(1,822)
Unwinding of discount on allowance	–	–	(246)	(246)
Transfer in	–	–	19	19
Write-offs	–	(180)	(4,222)	(4,402)
Recovery of loans and advances written off in previous year	–	6	202	208
Changes of exchange rate	–	(36)	(529)	(565)
At 30 June	42,985	4,603	17,301	64,889

(e) Overdue loans by overdue period

	As at 30 June 2015				Total HK\$ million
	Overdue within 3 months HK\$ million	Overdue between 3 months and 1 year HK\$ million	Overdue between 1 year and 3 years HK\$ million	Overdue over 3 years HK\$ million	
Unsecured loans	5,774	5,174	1,852	292	13,092
Guaranteed loans	16,618	10,024	5,022	318	31,982
Secured loans					
– Loans secured by collateral	30,139	15,094	8,566	1,228	55,027
– Pledged loans	5,015	1,972	1,054	106	8,147
	57,546	32,264	16,494	1,944	108,248

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For the six months ended 30 June 2015

19 Loans and advances to customers and other parties (continued)

(e) Overdue loans by overdue period (continued)

	As at 31 December 2014				Total HK\$ million
	Overdue within 3 months HK\$ million	Overdue between 3 months and 1 year HK\$ million	Overdue between 1 year and 3 years HK\$ million	Overdue over 3 years HK\$ million	
Unsecured loans	4,384	4,315	1,822	487	11,008
Guaranteed loans	16,170	9,037	4,048	413	29,668
Secured loans					
– Loans secured by collateral	27,681	13,110	7,441	942	49,174
– Pledged loans	6,316	1,619	1,071	47	9,053
	54,551	28,081	14,382	1,889	98,903

Overdue loans represent loans of which the principal or interest are overdue one day or more.

20 Available-for-sale financial assets

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Debt securities (note (a))	313,350	233,881
Certificates of deposit and certificates of interbank deposit (note (b))	70,819	30,281
Wealth management products issued by financial institutions (note (c))	63,126	50,340
Equity investments (note (d))	13,920	15,405
	461,215	329,907
Less: allowance for impairment losses	(1,582)	(1,845)
	459,633	328,062
Issued by:		
– Government	87,249	49,675
– Policy banks	49,349	32,656
– Banks and non-bank financial institutions	232,251	158,586
– Public entities	6,597	–
– Corporates	84,187	87,145
	459,633	328,062
Analysed by remaining maturity:		
– Within 3 months	73,970	61,220
– Between 3 months and 1 year	124,269	66,526
– Over 1 year	246,859	185,878
– No fixed terms	14,535	14,438
	459,633	328,062

The remaining term to maturity of available-for-sale financial assets does not represent the Group's intended holding period.

For the six months ended 30 June 2015

20 Available-for-sale financial assets (continued)

(a) Debt securities

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Debt securities	313,350	233,881
Less: allowance for impairment losses	(101)	(103)
	313,249	233,778
Representing:		
– Listed in Hong Kong	15,467	7,341
– Listed outside Hong Kong	13,860	4,234
– Unlisted (note (i))	283,922	222,203
	313,249	233,778

(b) Certificates of deposit and certificates of interbank deposit

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Certificates of deposit and certificates of interbank deposit	70,819	30,281
Representing:		
– Unlisted	70,819	30,281

(c) Wealth management products issued by financial institutions

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Wealth management products issued by financial institutions	63,126	50,340
Less: allowance for impairment losses	(1,142)	(1,432)
	61,984	48,908
Representing:		
– Unlisted	61,984	48,908

(d) Equity investments

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Equity investments	13,920	15,405
Less: allowance for impairment losses	(339)	(310)
	13,581	15,095
Representing:		
– Listed in Hong Kong	1,367	493
– Listed outside Hong Kong	1,662	3,502
– Unlisted	10,552	11,100
	13,581	15,095

Note:

- (i) Debt securities traded on the China Domestic Inter-bank Bond Market are included in "unlisted".

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2015

21 Held-to-maturity investments

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Debt securities	234,401	225,590
Others	179	163
	234,580	225,753
Less: allowance for impairment losses	(51)	(53)
	234,529	225,700
Representing:		
– Listed in Hong Kong	641	490
– Listed outside Hong Kong	1,029	1,444
– Unlisted (note (i))	232,859	223,766
	234,529	225,700
Issued by:		
– Government	58,971	57,118
– Policy banks	21,871	21,777
– Banks and non-bank financial institutions	113,978	107,161
– Corporates	39,709	39,644
	234,529	225,700
Analysed by remaining maturity:		
– Within 3 months	13,453	9,059
– Between 3 months and 1 year	19,384	24,080
– Over 1 year	201,692	192,561
	234,529	225,700
Market value of listed debt securities	1,689	1,882

Note:

(i) Debt securities traded on the China Domestic Inter-bank Bond Market are included in "unlisted".

22 Investments classified as receivables

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Trust investment plans	204,744	137,582
Investment management products managed by securities companies	786,884	575,841
Wealth management products issued by financial institutions	144,230	99,964
Corporate bonds	9,850	16,732
Others	5,284	5,058
	1,150,992	835,177
Less: allowance for impairment losses	(764)	(525)
	1,150,228	834,652

22 Investments classified as receivables (continued)

As at 30 June 2015, certain of the Group's investments with an aggregate amount of HK\$60,170 million (31 December 2014: HK\$49,800 million) are managed by CITIC Securities Co., Ltd ("CITIC Securities") and CITIC Trust Co., Ltd ("CITIC Trust"). As at 30 June 2015, the underlying assets of investment classified as receivables mainly represented rediscounted bills, deposits with interbanks, beneficiary rights over receivables of project financing, a portion which was collateralised by certificates of deposit.

23 Interests in associates

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Carrying value	55,782	55,232
Less: allowance for impairment losses	(3,618)	(3,616)
	52,164	51,616

24 Interests in joint ventures

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Carrying value	27,891	32,629
Less: allowance for impairment losses	(1,692)	(1,613)
	26,199	31,016

25 Deposits from banks and non-bank financial institutions

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Banks	542,197	439,163
Non-bank financial institutions	603,679	432,050
	1,145,876	871,213
Analysed by remaining maturity:		
– On demand	292,236	157,124
– Within 3 months	496,777	567,738
– Between 3 months and 1 year	351,147	132,940
– Over 1 year	5,716	13,411
	1,145,876	871,213

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2015

26 Trade and other payables

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Trade and bills payables	52,068	53,138
Advances from customers	38,296	27,863
Interest payables	49,111	50,927
Other taxes payables	4,182	4,350
Settlement accounts	7,986	11,841
Other payables	63,310	45,838
	214,953	193,957

As at the balance sheet date, the ageing analysis of the Group's trade and bills payable based on the maturity date is as follows:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
On demand	42,104	34,566
Within 3 months	3,773	3,957
Between 3 months and 1 year	5,574	14,225
Over 1 year	617	390
	52,068	53,138

27 Deposits from customers

(a) Types of deposits from customers

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Demand deposits		
– Corporate customers	1,281,943	1,197,124
– Personal customers	222,912	187,176
	1,504,855	1,384,300
Time and call deposits		
– Corporate customers	1,912,396	1,729,747
– Personal customers	450,143	464,578
	2,362,539	2,194,325
Outward remittance and remittance payables	14,614	7,883
	3,882,008	3,586,508

27 Deposits from customers (continued)

(b) Deposits from customers include pledged deposits for the following items:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Bank acceptances	362,215	340,496
Letters of credit	12,622	29,960
Guarantees	16,819	19,373
Others	186,044	189,292
	577,700	579,121

28 Bank and other loans

(a) Types of loans

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Bank loans		
Unsecured loans	162,416	155,499
Loan pledged with assets (note (d))	32,965	27,682
Guaranteed loans	1,637	1,160
	197,018	184,341
Other loans		
Unsecured loans	26,419	32,933
Loan pledged with assets (note (d))	404	1,581
Guaranteed loans	139	138
	26,962	34,652
	223,980	218,993

(b) Maturity of loans

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Bank and other loans are repayable:		
– Within 1 year or on demand	53,537	89,767
– Between 1 and 2 years	34,010	27,509
– Between 2 and 5 years	92,073	62,167
– Over 5 years	44,360	39,550
	223,980	218,993

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2015

28 Bank and other loans (continued)

(c) Bank or other loans are denominated in the following currency:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
RMB	73,709	69,171
US\$	107,090	117,879
HK\$	31,548	26,742
Other currencies	11,633	5,201
	223,980	218,993

(d) As at 30 June 2015, the Group's bank and other loans of HK\$33,369 million (31 December 2014: HK\$29,263 million) are pledged with cash and deposits, inventories, fixed assets and intangible assets with an aggregate carrying amount of HK\$114,124 million (31 December 2014: HK\$96,124 million).

(e) All of the Group's banking facilities are subject to the fulfilment of covenants relating to balance sheet ratios or ownership of a minimum shareholding in certain entities of the Group, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 32(b). As at 30 June 2015, none of the covenants relating to drawn down facilities had been breached (31 December 2014: Nil).

29 Debt instruments issued

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Corporate bonds issued (note (a))	76,469	70,126
Notes issued (note (b))	63,365	54,450
Subordinated bonds issued (note (c))	98,214	104,368
Certificates of deposit issued (note (d))	7,635	14,156
Certificates of interbank deposit issued (note (e))	77,096	30,026
	322,779	273,126
Analysed by remaining maturity:		
– Within 1 year or on demand	90,912	50,578
– Between 1 and 2 years	6,272	5,092
– Between 2 and 5 years	88,812	54,738
– Over 5 years	136,783	162,718
	322,779	273,126

The Group did not have any defaults of principal, interest or other breaches with respect to its debt instruments issued during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

Certain debt instruments issued were purchased by certain subsidiaries of the Group. These debt instruments issued were eliminated in full on consolidation.

29 Debt instruments issued (continued)

Notes:

(a) Corporate bonds issued

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
The Company (note (i))	36,333	33,931
CITIC Corporation (note (ii))	28,512	27,234
CITIC Telecom International Holdings Limited ("CITIC Telecom International") (note (iii))	3,478	3,477
CITIC Heavy Industries Co., Limited ("CITIC Heavy Industries") (note (iv))	3,535	3,533
CITIC Pacific Limited's ("CITIC Pacific") subsidiaries (note (v))	2,283	1,521
CITIC Environment Investment Group Co., Limited's ("CITIC Environment") subsidiaries (note (vi))	1,906	–
CITIC Pacific Finance (2005) Limited (note (vii))	422	430
	76,469	70,126

(i) Details of corporate bonds issued by the Company

	As at 30 June 2015				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
RMB Notes 1	RMB	1,000	2011-08-03	2016-08-03	2.70%
US\$ Notes 3.1	US\$	750	2012-03-21	2018-01-21	6.88%
US\$ Notes 3.2	US\$	350	2012-04-26	2018-01-21	6.88%
HK\$ Notes	HK\$	500	2013-07-31	2018-07-31	5.90%
US\$ Notes 5	US\$	500	2013-04-10	2020-04-10	6.38%
US\$ Notes 2.1	US\$	500	2011-04-15	2021-04-15	6.63%
US\$ Notes 2.2	US\$	250	2014-06-23	2021-04-15	6.63%
US\$ Notes 1	US\$	150	2010-08-16	2022-08-16	6.90%
US\$ Notes 4.1	US\$	750	2012-10-17	2023-01-17	6.80%
US\$ Notes 4.2	US\$	250	2012-12-11	2023-01-17	6.80%
US\$ Notes 4.3	US\$	400	2014-07-18	2023-01-17	6.80%
US\$ Notes 6.1	US\$	110	2014-07-18	2024-01-18	4.70%
US\$ Notes 6.2	US\$	90	2014-10-29	2024-01-18	4.70%
HK\$ Notes 2	HK\$	420	2014-07-25	2024-07-25	4.35%
US\$ Notes 6.3	US\$	280	2015-04-14	2035-04-14	4.60%

	As at 31 December 2014				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
RMB Notes 1	RMB	1,000	2011-08-03	2016-08-03	2.70%
US\$ Notes 3.1	US\$	750	2012-03-21	2018-01-21	6.88%
US\$ Notes 3.2	US\$	350	2012-04-26	2018-01-21	6.88%
HK\$ Notes	HK\$	500	2013-07-31	2018-07-31	5.90%
US\$ Notes 5	US\$	500	2013-04-10	2020-04-10	6.38%
US\$ Notes 2.1	US\$	500	2011-04-15	2021-04-15	6.63%
US\$ Notes 2.2	US\$	250	2014-06-23	2021-04-15	6.63%
US\$ Notes 1	US\$	150	2010-08-16	2022-08-16	6.90%
US\$ Notes 4.1	US\$	750	2012-10-17	2023-01-17	6.80%
US\$ Notes 4.2	US\$	250	2012-12-11	2023-01-17	6.80%
US\$ Notes 4.3	US\$	400	2014-07-18	2023-01-17	6.80%
US\$ Notes 6.1	US\$	110	2014-07-18	2024-01-18	4.70%
US\$ Notes 6.2	US\$	90	2014-10-29	2024-01-18	4.70%
HK\$ Notes 2	HK\$	420	2014-07-25	2024-07-25	4.35%

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29 Debt instruments issued (continued)

Notes: (continued)

(a) **Corporate bonds issued** (continued)

(ii) *Details of corporate bonds issued by CITIC Corporation*

	As at 30 June 2015				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
02 CITIC bond	RMB	4,500	2002-09-26	2017-09-26	4.08%
03 CITIC bond-2	RMB	6,000	2003-12-10	2023-12-09	5.10%
05 CITIC bond-1	RMB	5,000	2005-12-07	2015-12-06	7-days interbank rate plus 1.48%
05 CITIC bond-2	RMB	4,000	2005-12-07	2025-12-06	4.60%
15 CITIC bond-SCP001	RMB	3,000	2015-04-20	2016-01-17	4.18%
Samurai bond	JPY	10,000	1996-09-19	2016-09-18	4.95%

	As at 31 December 2014				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
02 CITIC bond	RMB	4,500	2002-09-26	2017-09-26	4.08%
03 CITIC bond-2	RMB	6,000	2003-12-10	2023-12-09	5.10%
05 CITIC bond-1	RMB	5,000	2005-12-07	2015-12-06	7-days interbank rate plus 1.48%
05 CITIC bond-2	RMB	4,000	2005-12-07	2025-12-06	4.60%
14 CITIC bond-SCP002	RMB	2,000	2014-09-09	2015-03-10	4.68%
Samurai bond	JPY	10,000	1996-09-19	2016-09-18	4.95%

(iii) *Details of corporate bonds issued by CITIC Telecom International*

	As at 30 June 2015				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
Guaranteed Bonds	US\$	450	2013-03-05	2025-03-05	6.10%

	As at 31 December 2014				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
Guaranteed Bonds	US\$	450	2013-03-05	2025-03-05	6.10%

29 Debt instruments issued (continued)

Notes: (continued)

(a) Corporate bonds issued (continued)

(iv) Details of corporate bonds issued by CITIC Heavy Industries

	As at 30 June 2015				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
Corporate Bonds	RMB	1,200	2013-01-25	2018-01-25	4.85%
Corporate Bonds	RMB	600	2013-01-25	2020-01-25	5.20%
Corporate Bonds	RMB	1,000	2014-11-26	2019-11-26	4.98%

	As at 31 December 2014				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
Corporate Bonds	RMB	1,200	2013-01-25	2018-01-25	4.85%
Corporate Bonds	RMB	600	2013-01-25	2020-01-25	5.20%
Corporate Bonds	RMB	1,000	2014-11-26	2019-11-26	4.98%

(v) Details of corporate bonds issued by CITIC Pacific's subsidiaries

	As at 30 June 2015				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
Medium Term Notes	RMB	200	2015-05-19	2018-05-19	4.50%
Medium Term Notes	RMB	300	2015-06-08	2018-06-08	4.70%
Hubei Xin Yegang Steel Co., Ltd. – RMB Notes 2	RMB	500	2012-06-20	2017-06-25	5.23%
Jiangyin Xingcheng Special Steel Works Co., Ltd. – RMB Notes 3	RMB	200	2012-11-27	2017-11-26	6.06%
– RMB Notes 4	RMB	500	2013-06-05	2016-06-04	4.93%
Jiangyin Ligang Electric Power Generation Co., Ltd. – Medium Term Notes	RMB	100	2013-10-28	2016-10-28	6.30%

	As at 31 December 2014				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
Hubei Xin Yegang Steel Co., Ltd. – RMB Notes 2	RMB	500	2012-06-20	2017-06-25	5.23%
Jiangyin Xingcheng Special Steel Works Co., Ltd. – RMB Notes 3	RMB	200	2012-11-27	2017-11-26	6.06%
– RMB Notes 4	RMB	500	2013-06-05	2016-06-04	4.93%

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29 Debt instruments issued (continued)

Notes: (continued)

(a) Corporate bonds issued (continued)

(vi) Details of corporate bonds issued by CITIC Environment's subsidiaries

	As at 30 June 2015				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
CITIC Envirotech – Medium Term Notes	SG\$	325	2013-09-02	2017-07-02	4.7%-7.25%

(vii) Details of corporate bonds issued by CITIC Pacific Finance (2005) Limited

	As at 30 June 2015				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
JPY Notes	JPY	8,100	2005-10-26	2015-10-28	3 month Libor+0.75%

	As at 31 December 2014				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
JPY Notes	JPY	8,100	2005-10-26	2015-10-28	3 month Libor+0.75%

(b) Notes issued

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
CITIC Corporation (note (i))	33,837	33,785
CITIC Bank (note (ii))	29,528	20,665
	63,365	54,450

(i) Details of notes issued by CITIC Corporation

	As at 30 June 2015				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
2010 First tranche medium term note	RMB	3,000	2010-06-08	2020-06-10	4.60%
2010 Second tranche medium term note	RMB	4,000	2010-08-20	2020-08-24	4.40%
2011 First tranche medium term note	RMB	3,000	2011-07-28	2018-08-02	5.85%
2011 Second tranche medium term note-1	RMB	2,000	2011-11-15	2018-11-16	5.10%
2011 Second tranche medium term note-2	RMB	6,000	2011-11-15	2021-11-16	5.30%
2012 Medium term note -1	RMB	4,000	2012-03-28	2019-03-29	5.00%
2012 Medium term note -2	RMB	5,000	2012-03-28	2022-03-29	5.18%

For the six months ended 30 June 2015

29 Debt instruments issued (continued)

Notes: (continued)

(b) Notes issued (continued)**(i) Details of notes issued by CITIC Corporation** (continued)

	Denominated currency	Face value in denominated currency million	As at 31 December 2014		Interest rate per annum
			Issue date	Maturity date	
2010 First tranche medium term note	RMB	3,000	2010-06-08	2020-06-10	4.60%
2010 Second tranche medium term note	RMB	4,000	2010-08-20	2020-08-24	4.40%
2011 First tranche medium term note	RMB	3,000	2011-07-28	2018-08-02	5.85%
2011 Second tranche medium term note-1	RMB	2,000	2011-11-15	2018-11-16	5.10%
2011 Second tranche medium term note-2	RMB	6,000	2011-11-15	2021-11-16	5.30%
2012 Medium term note -1	RMB	4,000	2012-03-28	2019-03-29	5.00%
2012 Medium term note -2	RMB	5,000	2012-03-28	2022-03-29	5.18%

(ii) Details of notes issued by CITIC Bank

	Denominated currency	Face value in denominated currency million	As at 30 June 2015		Interest rate per annum
			Issue date	Maturity date	
Financial Debts	RMB	15,000	2013-11-08	2018-11-12	5.20%
Dim Sum Bonds	RMB	1,500	2014-02-20	2017-02-27	4.13%
Financial Bonds	RMB	7,000	2015-05-21	2020-05-25	3.98%

	Denominated currency	Face value in denominated currency million	As at 31 December 2014		Interest rate per annum
			Issue date	Maturity date	
Financial Debts	RMB	15,000	2013-11-08	2018-11-12	5.20%
Dim Sum Bonds	RMB	1,500	2014-02-20	2017-02-27	4.13%

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29 Debt instruments issued (continued)

Notes: (continued)

(c) Subordinated bonds issued

The balance represents the subordinated debts issued by CITIC bank or CITIC Bank International Limited ("CBI"), a subsidiary of CITIC Bank. The carrying amount of subordinated debts is as follows:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Fixed rate notes maturing		
– In June 2020 (note (i))	4,203	4,150
– In September 2022 (note (ii))	2,340	2,292
– In May 2024 (note (iii))	2,360	2,312
Fixed rate bonds maturing		
– In May 2020 (note (iv))	–	6,338
– In June 2021 (note (v))	2,536	2,535
– In May 2025 (note (vi))	14,583	14,578
– In June 2027 (note (vii))	25,330	25,320
– In August 2024 (note (viii))	46,862	46,843
	98,214	104,368

		As at 30 June 2015				
		Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
(i)	Subordinated Notes	US\$	500	2010-06-24	2020-06-24	6.88%
(ii)	Subordinated Notes	US\$	300	2012-09-27	2022-09-28	3.88%
(iii)	Subordinated Notes	US\$	300	2013-11-07	2024-05-07	6.00%
(v)	Subordinated Fixed Rate Bonds	RMB	2,000	2006-06-22	2021-06-22	4.12%
(vi)	Subordinated Fixed Rate Bonds	RMB	11,500	2010-05-28	2025-05-28	4.30%
(vii)	Subordinated Fixed Rate Bonds	RMB	20,000	2012-06-21	2027-06-21	5.15%
(viii)	Subordinated Fixed Rate Bonds	RMB	37,000	2014-08-26	2024-08-26	6.13%

		As at 31 December 2014				
		Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
(i)	Subordinated Notes	US\$	500	2010-06-24	2020-06-24	6.88%
(ii)	Subordinated Notes	US\$	300	2012-09-27	2022-09-28	3.88%
(iii)	Subordinated Notes	US\$	300	2013-11-07	2024-05-07	6.00%
(iv)	Subordinated Fixed Rate Bonds	RMB	5,000	2010-05-28	2020-05-28	4.00%
(v)	Subordinated Fixed Rate Bonds	RMB	2,000	2006-06-22	2021-06-22	4.12%
(vi)	Subordinated Fixed Rate Bonds	RMB	11,500	2010-05-28	2025-05-28	4.30%
(vii)	Subordinated Fixed Rate Bonds	RMB	20,000	2012-06-21	2027-06-21	5.15%
(viii)	Subordinated Fixed Rate Bonds	RMB	37,000	2014-08-26	2024-08-26	6.13%

(d) Certificates of deposit issued

The certificates of deposit were issued by CBI.

(e) Certificates of interbank deposit issued

CITIC Bank issued certain certificates of interbank deposit with a total notional value of RMB60,799 million (approximately HK\$77,096 million) during the six months ended 30 June 2015 (six months ended 30 June 2014: RMB13,000 million (approximately HK\$16,415 million)). The yield ranges from 2.88% to 5.795%. The original expire terms are between 3 months to 2 years.

30 Share capital and perpetual capital securities

(a) Share capital

Under the new Hong Kong Companies Ordinance (Cap. 622), which came into operation on 3 March 2014, the concept of “authorised share capital” and “par value” no longer exist. As part of the transition to the no-par value regime, the amounts standing to the credit of the share premium account and the capital redemption reserve on 3 March 2014 have become part of the Company’s share capital, under the transitional provisions set out in section 37 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622). These changes do not have an impact on the number of shares in issue or the relative entitlement of any of the members.

On 25 August 2014, the Company issued 21,253,879,470 ordinary shares. Immediately prior to this issuance, the number of ordinary shares in issue of the Company was 3,649,444,160. As at 30 June 2015, the number of ordinary shares in issue of the Company was 24,903,323,630 (31 December 2014: 24,903,323,630).

(b) Perpetual capital securities

In April 2011 and May 2013, the Company issued perpetual subordinated capital securities (the “perpetual capital securities”) with a notional amount of US\$750 million (approximately HK\$5,850 million) and US\$1,000 million (approximately HK\$7,800 million), respectively. These securities are perpetual and the distribution payments can be deferred at the discretion of the Company. Therefore, perpetual capital securities are classified as equity instruments and recorded in equity in the consolidated balance sheet. The amounts as at 30 June 2015 and 31 December 2014 included the accrued distribution payments.

(c) Capital management

The Group’s primary objectives when managing capital are to safeguard the Group’s stability and growth, so that it can continue to provide returns for shareholders.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders’ returns that might be possible with of borrowings obtained and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Certain subsidiaries under the financial services segment are subject to capital adequacy requirements imposed by the external regulators. There was no non-compliance of capital requirements as at 30 June 2015 (31 December 2014: Nil).

For the six months ended 30 June 2015

31 Contingent liabilities and commitments

(a) Credit commitments

Credit commitments in connection with the financial services segment of the Group take the form of loan commitments, credit card commitments, financial guarantees and letters of credit.

Loan commitments represent the undrawn amount of approved loans with signed contracts. Credit card commitments represent the credit card overdraft limits authorised by the Group. Financial guarantees and letters of credit represent guarantee provided by the Group to guarantee the performance of customers to third parties. Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

The contractual amounts of credit commitments by category as at the balance sheet date are set out below. The amounts disclosed in respect of loan commitments and credit card commitments assume that amounts are fully advanced. The amounts of guarantees, letters of credit and acceptances represent the maximum potential loss that would be recognised as at the balance sheet date if counterparties failed to perform as contracted.

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Contractual amount		
Loan commitments		
With an original maturity of within 1 year	160,127	177,924
With an original maturity of 1 year or above	50,885	59,229
	211,012	237,153
Guarantees	164,442	168,029
Letters of credit	141,566	170,780
Acceptances	837,712	903,806
Credit card commitments	167,959	157,321
Others	3,871	3,255
	1,526,562	1,640,344

(b) Credit commitments analysed by credit risk weighted amount

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Credit risk weighted amount on credit commitments	577,053	577,096

Notes:

- (i) The above credit risk weighted amount is solely in connection with the credit commitments held by CITIC Bank under the financial services segment of the Group.
- (ii) As at 30 June 2015 and 31 December 2014, the credit risk weighted amount refers to the amount as computed in accordance with the rules set out by the China Banking Regulatory Commission and depends on the status of counterparties and the maturity characteristics. The risk weighting used is ranging from 0% to 150%.

31 Contingent liabilities and commitments (continued)**(c) Bond redemption obligations**

As an underwriting agent of PRC government bonds, CITIC Bank has the responsibility to buy back those bonds sold by it should the holders decide to early redeem the bonds held. The redemption price for the bonds at any time before their maturity dates is based on the coupon value plus any interest unpaid and accrued up to the redemption date. Accrued interest payables to the bond holders are calculated in accordance with relevant rules of the Ministry of Finance and the People's Bank of China. The redemption price may be different from the fair value of similar instruments traded at the redemption date.

The redemption obligations below represent the notional value of government bonds underwritten and sold by CITIC Bank, but not yet matured as at the balance sheet date:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Bonds redemption obligations	15,846	15,347

The Group estimates that the possibility of redemption before maturity date is remote.

(d) Guarantees provided

Except for guarantees that have been recognised as liabilities, the guarantees issued by the Group as at the balance sheet date are as follows:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Related parties	12,737	11,925
Third parties	11,838	13,769
	24,575	25,694

The relationship of related parties is disclosed in Note 33 (a).

Included in the above table, the Group's counter guarantees issued to third parties as at the balance sheet date are as follows:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Related parties	62	–
Third parties	8	–
	70	–

31 Contingent liabilities and commitments (continued)

(e) Outstanding litigation and disputes

The Group is involved in a number of current and pending legal proceedings. The Group provided for liabilities arising from those legal proceedings in which the outflow of economic benefit is probable and can be reliably estimated in the consolidated balance sheet. The Group believes that these accruals are reasonable and adequate.

(i) The Hong Kong Securities and Futures Commission (the "SFC") Investigation

Details of the SFC investigation were set out in the Company's annual financial statements for the year ended 31 December 2014. The Marketing Misconduct Tribunal (the "MMT") hearing is scheduled to commence in November 2015. The Court of First Instance of the High Court of Hong Kong proceeding commenced by the SFC have been stayed pending the MMT results.

(ii) Mineralogy Disputes

Details of significant disputes between the Company and its subsidiaries and Mineralogy were set out in the Company's annual financial statements for the year ended 31 December 2014, and significant developments that have arisen in relation to these disputes since disclosure in the last annual financial statements of the Company are disclosed in Note 3(c).

(iii) CITIC Resources Holdings Limited ("CITIC Resources") Litigation

CITIC Resources, a subsidiary of the Group, had noted from an announcement issued by Qingdao Port International Co., Ltd. on 15 August 2014 and an announcement issued by 山煤國際能源集團股份有限公司 (Shanxi Coal International Energy Group Co., Ltd.) ("Shanxi Coal International") on 27 August 2014 that ABN AMRO Bank, N.V., Singapore Branch and 山煤煤炭進出口有限公司 (Shanxi Coal Import & Export Co., Ltd.), a wholly-owned subsidiary of Shanxi Coal International, had commenced legal proceedings in China against CITIC Australia Commodity Trading Pty Limited ("CACT") (the "Potential Legal Proceedings"). As at 30 June 2015 and the date of approval of the Accounts, CACT had not been served with the Potential Legal Proceedings and is, therefore, unable to consider or comment on the substance of the Potential Legal Proceedings on the date of approval of the Accounts. No adjustment had been made in the Accounts with respect to the Potential Legal Proceedings.

(iv) There are some issues in dispute with MCC, and their details are disclosed in the Company's annual financial statements for the year ended 31 December 2014 and Note 3(b).

(f) Capital commitments

As at the balance sheet date, the Group had the following contracted capital commitments not provided for in the Accounts:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Contracted for	48,356	39,488

31 Contingent liabilities and commitments (continued)

(g) Operating lease commitments

The Group leases certain properties and fixed assets under operating leases. As at the balance sheet date, the Group's future minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Within 1 year	4,188	4,392
Between 1 and 2 years	3,997	3,833
Between 2 and 3 years	3,316	3,025
Over 3 years	11,347	11,454
	22,848	22,704

32 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the business of the Group. The Group has established policies and procedures to identify and analyse these risks, to set appropriate risk limits and controls, and to constantly monitor the risks and limits by means of reliable and up-to-date management information systems. The Group regularly updates and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. Internal auditors also perform regular audits to ensure compliance with policies and procedures.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligations when due. For loan business, the Group identifies and manages the credit risk through its definitions of target markets, credit approval process, strict counterparty selection and due diligence procedures, ongoing evaluation of the contractual capacity and collateral of counterparties, and risk prevention and mitigation measures. For treasury business, credit risk represents impairment losses of asset value attributable to the Group resulting from lowering of ratings for issuers of debt securities. The Group sets credit limits for treasury activities and monitors them regularly with reference to the fair values of the relevant financial instruments.

The Group is also confronted with credit risk resulting from receivables that arising from sale of goods and rendering of services within the non-financial services segments. The relevant subsidiaries have established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and their bank credit records where available.

32 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(i) Maximum credit risk exposure

The maximum exposure to credit risk as at the balance sheet date without taking into consideration of any collateral held or other credit enhancement is represented by the net balance of each type of financial assets in the balance sheet after deducting any impairment allowance. A summary of the maximum exposure is as follows:

	30 June 2015 HK\$ million	31 December 2014 HK\$ million
Deposits with central banks, banks and non-bank financial institutions	842,166	887,947
Placements with banks and non-bank financial institutions	108,898	86,428
Financial assets at fair value through profit or loss	45,695	34,894
Derivative financial assets	9,119	10,594
Trade and other receivables	130,283	116,512
Financial assets held under resale agreements	99,529	172,100
Loans and advances to customers and other parties	2,865,100	2,711,851
Available-for-sale financial assets	384,068	264,059
Held-to-maturity investments	234,529	225,700
Investments classified as receivables	1,150,228	834,652
	5,869,615	5,344,737
Credit commitments and guarantees provided	1,551,137	1,666,038
Maximum credit risk exposure	7,420,752	7,010,775

32 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(ii) Distribution by credit exposure is as follows:

	As at 30 June 2015				
	Loans and advances to customers and other parties HK\$ million	Due from central bank, banks and non-bank financial institutions HK\$ million	Financial asset held under resale agreements HK\$ million	Debt securities investments and certificates of deposit HK\$ million	Investments classified as receivables HK\$ million
Impaired					
Individually assessed					
Gross balance	36,364	37	–	274	–
Allowance for impairment losses	(19,790)	(10)	–	(152)	–
	16,574	27	–	122	–
Collectively assessed					
Gross balance	9,451	–	–	–	–
Allowance for impairment losses	(6,776)	–	–	–	–
	2,675	–	–	–	–
Overdue but not impaired (note (1))					
Gross balance	66,857	–	–	–	–
Within which:					
– Within 3 months	56,405	–	–	–	–
– Between 3 months and 1 year	10,410	–	–	–	–
– Over one year	42	–	–	–	–
– Allowance for impairment losses	(7,651)	–	–	–	–
	59,206	–	–	–	–
Neither overdue nor impaired					
Gross balance	2,825,679	951,037	99,529	661,044	1,150,992
Allowance for impairment losses (note (2))	(39,034)	–	–	–	(764)
	2,786,645	951,037	99,529	661,044	1,150,228
	2,865,100	951,064	99,529	661,166	1,150,228

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32 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(ii) Distribution by credit exposure is as follows (continued):

	As at 31 December 2014				
	Loans and advances to customers and other parties HK\$ million	Due from central bank, bank and non-bank financial institutions HK\$ million	Financial asset held under resale agreements HK\$ million	Debt securities investments and certificates of deposit HK\$ million	Investments classified as receivables HK\$ million
Impaired					
Individually assessed					
Gross balance	35,120	36	–	263	–
Allowance for impairment losses	(17,627)	(10)	–	(156)	–
	17,493	26	–	107	–
Collectively assessed					
Gross balance	7,109	–	–	–	–
Allowance for impairment losses	(4,920)	–	–	–	–
	2,189	–	–	–	–
Overdue but not impaired (note (1))					
Gross balance	60,470	–	–	–	–
Within which:					
– Within 3 months	53,638	–	–	–	–
– Between 3 months and 1 year	6,699	–	–	–	–
– Over one year	133	–	–	–	–
– Allowance for impairment losses	(7,041)	–	–	–	–
	53,429	–	–	–	–
Neither overdue nor impaired					
Gross balance	2,678,253	974,349	172,100	523,302	835,177
Allowance for impairment losses (note (2))	(39,513)	–	–	–	(525)
	2,638,740	974,349	172,100	523,302	834,652
	2,711,851	974,375	172,100	523,409	834,652

32 Financial risk management and fair values (continued)**(a) Credit risk** (continued)**(ii) Distribution by credit exposure is as follows** (continued):

Notes:

- (1) Collateral and other credit enhancements for overdue but not impaired loans and advances:

As at 30 June 2015, the above loans and advances of the Group which were overdue but not impaired and subject to individual assessment were HK\$53,606 million (31 December 2014: HK\$49,617 million). As at 30 June 2015, the secured portion of these loans and advances were HK\$27,929 million (31 December 2014: HK\$27,424 million), and the remaining loans and advances were unsecured.

The fair value of collateral held against these loans and advances amounted to HK\$34,702 million as at 30 June 2015 (31 December 2014: HK\$38,266 million).

The fair value of collateral was estimated by management based on the latest available external valuations, if any, adjusted by taking into account the current realisation experience as well as market situation.

- (2) The balance represents collectively assessed allowance for impairment losses.

(iii) Loans and advances to customers and other parties analysed by industry sector:

	As at 30 June 2015			As at 31 December 2014		
	Gross balance HK\$ million	%	Loans and advances secured by collateral HK\$ million	Gross balance HK\$ million	%	Loans and advances secured by collateral HK\$ million
Corporate loans						
– Manufacturing	501,856	17%	237,794	487,406	18%	217,349
– Wholesale and retail	337,048	11%	201,020	367,750	13%	213,316
– Real estate	280,079	10%	235,911	226,712	8%	191,641
– Transportation, storage and postal services	176,027	6%	88,928	175,225	6%	85,575
– Water, environment and public utility management	151,262	5%	74,863	141,372	5%	67,771
– Rental and business services	134,409	5%	58,163	106,873	4%	59,648
– Construction	123,475	4%	79,868	129,164	5%	59,000
– Production and supply of electric power, gas and water	64,149	2%	24,190	65,699	2%	20,891
– Public management and social organisations	24,343	1%	20,219	24,471	1%	5,862
– Others	266,867	9%	80,376	267,063	10%	99,884
	2,059,515	70%	1,101,332	1,991,735	72%	1,020,937
Personal loans	766,387	26%	549,061	702,963	25%	515,648
Discounted bills	112,449	4%	–	86,254	3%	–
	2,938,351	100%	1,650,393	2,780,952	100%	1,536,585

32 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(iv) Loans and advances to customers and other parties analysed by geographical sector:

	As at 30 June 2015			As at 31 December 2014		
	Gross balance HK\$ million	%	Loans and advances secured by collateral HK\$ million	Gross balance HK\$ million	%	Loans and advances secured by collateral HK\$ million
Mainland China	2,775,515	95%	1,592,009	2,629,961	95%	1,480,972
Hong Kong and Macau	159,237	5%	58,384	147,422	5%	55,613
Overseas	3,599	0%	–	3,569	0%	–
	2,938,351	100%	1,650,393	2,780,952	100%	1,536,585

(v) Rescheduled loans and advances to customers and other parties

Rescheduled loans and advances are those loans and advances which have been restructured or renegotiated because of deterioration in the financial position of the borrower, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are a concession that the Group would not otherwise consider.

	As at 30 June 2015		As at 31 December 2014	
	Gross balance HK\$ million	% of total loans and advances	Gross balance HK\$ million	% of total loans and advances
Rescheduled loans and advances overdue less than 3 months	8,990	0.31%	8,649	0.31%
Rescheduled loans and advances overdue more than 3 months	9,201	0.31%	11,382	0.41%
	18,191	0.62%	20,031	0.72%

32 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The Group enters into enforceable master netting arrangements with counterparties. If an event of default occurs, all outstanding transactions with the counterparty will be terminated and all amounts outstanding will be settled on a net basis. Except for the event of default, all outstanding transactions with the counterparty are settled on a gross basis and generally do not result in offsetting the assets and liabilities in the balance sheet.

Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are analysed as below:

	As at 30 June 2015					
	Gross amounts of recognised financial instruments HK\$ million	Gross amounts offset in the balance sheet HK\$ million	Net amounts presented in the balance sheet HK\$ million	Amounts not offset in the balance sheet		Net amount HK\$ million
			Financial instruments HK\$ million	Cash collateral received HK\$ million		
Financial assets						
- Derivative financial assets	9,119	-	9,119	(4,002)	(95)	5,022
Financial liabilities						
- Derivative financial liabilities	11,091	-	11,091	(4,002)	-	7,089

	As at 31 December 2014					
	Gross amounts of recognised financial instruments HK\$ million	Gross amounts offset in the balance sheet HK\$ million	Net amounts presented in the balance sheet HK\$ million	Amounts not offset in the balance sheet		Net amount HK\$ million
			Financial instruments HK\$ million	Cash collateral received HK\$ million		
Financial assets						
- Derivative financial assets	10,594	-	10,594	(4,288)	(43)	6,263
Financial liabilities						
- Derivative financial liabilities	13,474	-	13,474	(4,288)	-	9,186

For the six months ended 30 June 2015

32 Financial risk management and fair values *(continued)*

(b) Liquidity risk

Liquidity risk arises when there is mismatch between maturity dates of financial assets and financial liabilities.

Each of the Group's operating entity formulates liquidity risk management policies and procedures within the Group's overall liquidity risk management framework and takes into consideration of the business and regulatory requirements applicable to individual entity.

The Group manages liquidity risk by holding liquid assets (including deposits, other short term funds and securities) of appropriate quality and quantity to ensure that short term funding requirements are covered within prudent limits. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material demand for payments in the ordinary course of business.

The following tables indicate the analysis by remaining maturities of the Group's financial assets and liabilities:

	As at 30 June 2015				
	Repayable on demand HK\$ million	Within 1 year HK\$ million	Between 1 and 5 years HK\$ million	More than 5 years HK\$ million	Total HK\$ million
Total financial assets	354,622	3,131,949	1,227,545	1,246,649	5,960,765
Total financial liabilities	(1,993,056)	(2,931,761)	(693,590)	(191,586)	(5,809,993)
Financial asset-liability gap	(1,638,434)	200,188	533,955	1,055,063	150,772

	As at 31 December 2014				
	Repayable on demand HK\$ million	Within 1 year HK\$ million	Between 1 and 5 years HK\$ million	More than 5 years HK\$ million	Total HK\$ million
Total financial assets	308,783	2,874,799	1,054,113	1,196,848	5,434,543
Total financial liabilities	(1,843,646)	(2,550,701)	(529,056)	(246,741)	(5,170,144)
Financial asset-liability gap	(1,534,863)	324,098	525,057	950,107	264,399

32 Financial risk management and fair values (continued)

(c) Interest rate risk

Each of the Group's operating entity has formulated its own interest risk management policies and procedures covering identification, measurement, monitoring and control of risks. The Group manages interest rate risk to control potential loss from interest rate risk at an acceptable level.

(i) Asset-liabilities gap

Interest rate risk arises from mismatch between repricing dates of financial assets and liabilities affected by market interest rate volatility.

	As at 30 June 2015				
	Non-interest bearing HK\$ million	Within 1 year HK\$ million	Between 1 and 5 years HK\$ million	More than 5 years HK\$ million	Total HK\$ million
Total financial assets	232,571	4,988,042	584,207	155,945	5,960,765
Total financial liabilities	(180,761)	(4,935,723)	(550,131)	(143,378)	(5,809,993)
Financial asset-liability gap	51,810	52,319	34,076	12,567	150,772

	As at 31 December 2014				
	Non-interest bearing HK\$ million	Within 1 year HK\$ million	Between 1 and 5 years HK\$ million	More than 5 years HK\$ million	Total HK\$ million
Total financial assets	216,598	4,513,163	571,054	133,728	5,434,543
Total financial liabilities	(155,749)	(4,388,797)	(456,433)	(169,165)	(5,170,144)
Financial asset-liability gap	60,849	124,366	114,621	(35,437)	264,399

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32 Financial risk management and fair values (continued)

(c) Interest rate risk (continued)

(ii) Effective interest rate

	Effective interest rate	As at 30 June 2015 HK\$ million	Effective interest rate	As at 31 December 2014 HK\$ million
Assets				
Cash and deposits	0.98%-1.48%	851,286	1.49%-3.24%	897,161
Placements with banks and non-bank financial institutions	3.28%	108,898	3.96%	86,428
Financial assets held under resale agreements	4.89%	99,529	5.27%	172,100
Loans and advances to customers and other parties	6.16%	2,865,100	6.31%	2,711,851
Investments classified as receivable	5.47%	1,150,228	6.17%	834,652
Investments (note (1))	3.93%	824,686	4.03%	673,642
Others		637,580		571,997
		6,537,307		5,947,831
Liabilities				
Borrowing from the central banks	3.59%	12,744	3.50%	63,445
Deposits from banks and non-bank financial institutions	4.44%	1,145,876	5.08%	871,213
Placements from banks and non-bank financial institutions	1.94%	26,123	1.15%	24,257
Financial assets sold under repurchase agreements	3.20%	8,735	3.60%	52,745
Deposits from customers	2.28%	3,882,008	2.43%	3,586,508
Bank and other loans	0.53%-8.60%	223,980	0.53%-8.60%	218,993
Debt instruments issued	3.87%-6.88%	322,779	2.70% -6.90%	273,126
Others		293,916		282,037
		5,916,161		5,372,324

Note:

- (1) The Group's investments include financial assets at fair value through profit or loss, available-for-sale financial assets, held-to-maturity investments, and interests in associates and joint ventures. The calculation of effective interest rate is based on the interest yielding part of the financial assets.

32 Financial risk management and fair values *(continued)*

(c) Interest rate risk *(continued)*

(iii) Sensitivity analysis

The Group uses sensitivity analysis to measure the potential effect of changes in interest rates on the Group's net profit or loss. As at 30 June 2015, it is estimated that a general increase or decrease of 100 basis points in interest rates, with all other variables held constant, the Group's annualised profit before taxation would decrease or increase by HK\$1,708 million (31 December 2014: the Group's annual profit before taxation would decrease or increase by HK\$549 million).

This sensitivity analysis is based on a static interest rate risk profile of the Group's non-derivative assets and liabilities and certain simplified assumptions. The analysis only measures the impact of changes in the interest rates within one year, showing how annualised interest income would have been affected by repricing of the Group's non-derivative assets and liabilities within the one-year period. The analysis is based on the following assumptions: (1) all assets and liabilities that reprice or mature within three months and after three months but within one year reprice or mature at the beginning of the respective periods; (2) there is a parallel shift in the yield curve and in interest rates; and (3) there are no other changes to the portfolio, all positions will be retained and rolled over upon maturity. The analysis does not take into account the effect of risk management measures taken by management. Because of its hypothetical nature with the assumptions adopted, actual changes in the Group's profit before taxation resulting from increases or decreases in interest rates may differ from the results of this sensitivity analysis.

(d) Currency risk

Currency risk arises from the changes in exchange rates on the Group's foreign currency denominated assets and liabilities. The Group measures its currency risk with foreign currency exposures, and manages currency risk by entering into spot foreign exchange transactions, use of derivatives (mainly foreign forwards and swaps), and matching its foreign currency denominated assets with corresponding liabilities in the same currency.

The revenue from the Group's Sino Iron Project will be denominated in US\$, which is also the functional currency for this entity. A substantial portion of its development and operating expenditure are denominated in Australian Dollars. The Group entered into plain vanilla forward contracts to manage the foreign currency risks.

The Group funded the Sino Iron Project and the acquisition of bulk cargo vessels by borrowing US\$ loans to match the future cash outflows of these assets. The Group's investments in the Sino Iron Project and bulk cargo vessels (whose functional currency is in US\$) have been designated as an accounting hedge against other US\$ loans.

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For the six months ended 30 June 2015

32 Financial risk management and fair values (continued)

(d) Currency risk (continued)

The exposure to currency risk arising from the financial assets and financial liabilities as at the balance sheet date is as follows (expressed in HK\$ million):

	As at 30 June 2015				
	HK\$	US\$	RMB	Others	Total
Total financial assets	118,845	374,045	5,429,513	38,362	5,960,765
Total financial liabilities	(176,556)	(490,826)	(5,085,126)	(57,485)	(5,809,993)
Financial asset-liability gap	(57,711)	(116,781)	344,387	(19,123)	150,772

	As at 31 December 2014				
	HK\$	US\$	RMB	Others	Total
Total financial assets	109,195	373,760	4,921,746	29,842	5,434,543
Total financial liabilities	(146,374)	(539,477)	(4,440,071)	(44,222)	(5,170,144)
Financial asset-liability gap	(37,179)	(165,717)	481,675	(14,380)	264,399

The Group uses sensitivity analysis to measure the potential effect of changes in foreign currency exchange rates on the Group's net profit or loss.

Assuming all other risk variables remained constant, an 100 basis points strengthening or weakening of HK\$ against the US\$, RMB and other currencies as at 30 June 2015 would decrease or increase the Group's annualised profit before taxation by HK\$2,085 million (31 December 2014: decrease or increase the Group's annual profit before taxation by HK\$3,016 million).

This sensitivity analysis is based on a static foreign exchange exposure profile of assets and liabilities and certain simplified assumptions. The analysis is based on the following assumptions: (1) the foreign exchange sensitivity is the gain and loss recognised as a result of 100 basis points fluctuation in the foreign currency exchange rates against HK\$; and (2) the exchange rates against HK\$ for all foreign currencies changes in the same direction simultaneously. The analysis does not take into account the effect of risk management measures taken by management. Because of its hypothetical nature with the assumptions adopted, actual changes in the Group's profit before taxation resulting from increases or decreases in foreign exchange rates may differ from the results of this sensitivity analysis.

32 Financial risk management and fair values (continued)

(e) Fair values

(i) Financial instruments carried at fair value

The following table presents the carrying amounts of financial instruments measured at fair value as at the balance sheet date across the three levels of the fair value hierarchy defined in HKFRS 13 Fair value measurement, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted market for similar active markets for identical financial instruments;
- Level 2: fair values measured using quoted prices in active market for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data;
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

	As at 30 June 2015			
	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million	Total HK\$ million
Assets				
Financial assets at fair value through profit or loss	11,866	40,262	32	52,160
Derivative financial assets	22	9,091	6	9,119
Available-for-sale financial assets	52,695	371,979	34,959	459,633
	64,583	421,332	34,997	520,912
Liabilities				
Derivative financial liabilities	3	10,484	604	11,091

	As at 31 December 2014			
	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million	Total HK\$ million
Assets				
Financial assets at fair value through profit or loss	4,280	32,947	21	37,248
Derivative financial assets	21	10,564	9	10,594
Available-for-sale financial assets	35,390	258,417	34,255	328,062
	39,691	301,928	34,285	375,904
Liabilities				
Derivative financial liabilities	1	12,708	765	13,474

During the six months ended 30 June 2015, there were no significant transfers between instruments in different levels (six months ended 30 June 2014: Nil) and no significant changes in valuation techniques for determining the fair values of the instruments (six months ended 30 June 2014: Nil).

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2015

32 Financial risk management and fair values (continued)

(e) Fair values (continued)

(i) Financial instruments carried at fair value (continued)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Six months ended 30 June 2015				Liabilities
	Financial assets at fair value through profit or loss HK\$ million	Derivatives financial assets HK\$ million	Available-for-sale financial assets HK\$ million	Total HK\$ million	
As at 1 January 2015	21	9	34,255	34,285	(765)
Total gains/(losses)					
– in profit or loss	40	(1)	547	586	161
– in other comprehensive income	–	–	326	326	–
Net settlements	(29)	(2)	(169)	(200)	–
As at 30 June 2015	32	6	34,959	34,997	(604)
Total gains/(losses) for the period included in profit or loss for assets and liabilities held in Level 3 as at the balance sheet date	40	(1)	547	586	161

	Six months ended 30 June 2014 (Restated)				Liabilities
	Financial assets at fair value through profit or loss HK\$ million	Derivatives financial assets HK\$ million	Available-for-sale financial assets HK\$ million	Total HK\$ million	
As at 1 January 2014	54	15	23,737	23,806	(119)
Total gains/(losses):					
– in profit or loss	3	4	374	381	14
– in other comprehensive income	–	–	(35)	(35)	–
Net settlements	(53)	62	4,945	4,954	1
As at 30 June 2014	4	81	29,021	29,106	(104)
Total gains for the period included in profit or loss for assets and liabilities held in Level 3 as at the balance sheet date	3	4	374	381	14

32 Financial risk management and fair values (continued)

(e) Fair values (continued)

(ii) Fair value of other financial instruments (carried at other than fair value)

The carrying amounts and fair values of the Group's financial assets and liabilities, other than those with carrying amounts that reasonably approximate to their fair values, are as follows:

	As at 30 June 2015				
	Carrying amount HK\$ million	Fair value HK\$ million	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million
Financial assets					
Held-to-maturity investments	234,529	235,589	1,705	233,091	793
Financial liabilities					
Debt instruments issued					
– Corporate bonds issued	76,469	76,951	4,170	72,781	–
– Notes issued	63,365	64,215	–	64,215	–
– Subordinated bonds issued	98,214	101,467	9,324	92,143	–
– Certificates of deposit (not for trading purpose)	7,635	7,673	–	7,673	–
– Certificates of interbank deposit issued	77,096	77,426	–	77,426	–
	322,779	327,732	13,494	314,238	–

	As at 31 December 2014				
	Carrying amount HK\$ million	Fair value HK\$ million	Level 1 HK\$ million	Level 2 HK\$ million	Level 3 HK\$ million
Financial assets					
Held-to-maturity investments	225,700	225,944	1,947	223,726	271
Financial liabilities					
Debt instruments issued					
– Corporate bonds issued	70,126	74,023	3,584	70,439	–
– Notes issued	54,450	54,899	–	54,899	–
– Subordinated bonds issued	104,368	106,119	9,062	97,057	–
– Certificates of deposit (not for trading purpose)	14,156	14,190	–	14,190	–
– Certificates of interbank deposit issued	30,026	31,662	–	31,662	–
	273,126	280,893	12,646	268,247	–

32 Financial risk management and fair values (continued)

(e) Fair values (continued)

(iii) Estimation of fair values

As at the balance sheet date, the Group adopted the following major methods and assumptions in estimating the fair value of financial instruments.

Debt securities and equity investments

Fair value is based on quoted market prices as at the balance sheet date for trading financial assets and liabilities (excluding derivatives), available-for-sale financial assets, and held-to-maturity investments if there is an active market. If an active market does not exist for available-for-sale financial assets, the fair value is determined using valuation techniques.

Loans and advances to customers and other parties, bank and other loans

Loans and advances to customers and other parties, and bank and other loans are repriced at market rates at least annually. Accordingly, their carrying amounts approximate to their fair values.

Placements with banks and non-bank financial institutions, financial assets held/sold under resale/repurchase agreements

Placements with banks and non-bank financial institutions, financial assets held/sold under resale/repurchase agreements are mainly priced at market interest rates and mature within one year. Accordingly, the carrying amounts approximate to their fair values.

Derivatives

The fair values of foreign currency and interest rate contracts are either based on their listed market prices or by discounted cash flow model at the measurement date.

Financial guarantees

The fair values of financial guarantees are determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that the lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

33 Material related party

(a) Relationship of related parties

- (i) In addition to subsidiaries, related parties include parent company, holding company's fellow entities, associates and joint ventures of the Group.
- (ii) CITIC Group, the ultimate holding company of the Group, was established in Beijing in 1979.

(b) Related party transactions

(i) Transaction amounts with related parties:

	Six months ended 30 June 2015			
	Parent company	Holding company's fellow entities	Associates and joint ventures	Total
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Sales of goods	–	133	–	133
Purchase of goods	–	4	12	16
Interest income (note (2))	8	27	21	56
Interest expenses	165	9	195	369
Fee and commission income	–	2	50	52
Fee and commission expenses	–	–	47	47
Income from other services	–	18	8	26
Expenses for other services	–	265	26	291
Interest income from deposits and receivables	–	44	2	46
Other operating expenses	–	1	65	66

	Six months ended 30 June 2014 (Restated)			
	Parent company	Holding company's fellow entities	Associates and joint ventures	Total
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Sales of goods	–	157	–	157
Purchase of goods	–	1,151	6	1,157
Interest income (note (2))	4	14	3	21
Interest expenses	34	4	134	172
Fee and commission income	–	1	116	117
Income from other services	241	13	2	256
Expenses for other services	–	231	11	242
Interest income from deposits and receivables	–	52	–	52
Other operating expenses	–	1	1	2

Notes:

- (1) These above transactions with related parties were conducted under the normal commercial terms.
- (2) Interest rates of loans and advances to the related parties were determined at rates negotiated between the Group and the corresponding related parties on a case by case basis.

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2015

33 Material related party (continued)

(b) Related party transactions (continued)

(ii) Outstanding balances with related parties:

	As at 30 June 2015			
	Parent company HK\$ million	Holding company's fellow entities HK\$ million	Associates and joint ventures HK\$ million	Total HK\$ million
Trade and other receivables	83	3,879	6,588	10,550
Loans and advances (note (2))	–	1,349	2,756	4,105
Placements with banks and non-bank financial institutions	–	–	102	102
Other assets	–	2,153	–	2,153
Trade and other payables	3,478	11,851	232	15,561
Deposits from customers	1,326	12,624	3,084	17,034
Deposits from banks and non-bank financial institutions	–	55	35,554	35,609
Held to maturity investments	–	–	614	614
Guarantees provided (note (3))	–	155	12,582	12,737

	As at 31 December 2014			
	Parent company HK\$ million	Holding company's fellow entities HK\$ million	Associates and joint ventures HK\$ million	Total HK\$ million
Trade and other receivables	79	3,667	6,280	10,026
Loans and advances (note (2))	–	999	500	1,499
Placements with banks and non-bank financial institutions	–	17	–	17
Trade and other payables	1,330	456	550	2,336
Deposits from customers	691	1,553	558	2,802
Deposits from banks and non-bank financial institutions	–	50	30,271	30,321
Guarantees provided (note (3))	–	–	11,925	11,925

Notes:

- (1) The above transactions were negotiated and carried out in accordance with the normal commercial terms.
- (2) Interest rates of loans and advances to the related parties were determined at rates negotiated between the Group and the corresponding related parties on a case by case basis.
- (3) The guarantees provided by the Group to the related parties were based on the terms agreed between the Group and the related parties on a case by case basis.

33 Material related party (continued)

(c) Transactions with other state-owned entities in the PRC

In addition to these related party transactions disclosed in Note 33(b), transactions with other state-owned entities include but are not limited to the following:

- sales and purchases of goods and provision of services;
- leases of assets;
- lending and deposit taking;
- taking and placing of inter-bank balances;
- entrusted lending and other custody services;
- insurance and securities agency, and other intermediary services; and
- sale, purchase, underwriting and redemption of bonds issued by other state-owned entities.

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2015

34 Involvement with unconsolidated structured entities

- (a) Structured entities sponsored by third party institutions in which the Group holds an interest

The Group holds an interest in some structured entities sponsored by third party institutions through investments in debt securities issued by these structured entities. Such structured entities include wealth management products, investment management products managed by securities companies, trust investment plans, asset-backed financings and investment funds and the Group does not consolidate these structured entities.

The following table sets out an analysis of the carrying amounts of interests held by the Group as at the balance sheet date in the structured entities sponsored by third party institutions, as well as an analysis of the line items in the balance sheet in which the relevant assets are recognised:

Carrying amount	As at 30 June 2015							
	Held-to-maturity investments	Available-for-sale financial assets	Investments classified as receivables	Financial assets held under resale agreements	Interest receivables	Total	Guarantees	Maximum loss exposure
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Wealth management products	-	37,540	144,230	-	2,882	184,652	-	184,652
Investment management products managed by securities companies	-	1,686	786,313	367	10,065	798,431	-	798,431
Trust investment plans	-	9,389	204,744	-	2,883	217,016	3,871	220,887
Asset-backed securities	11,450	11	-	-	54	11,515	-	11,515
Investment funds	-	9,256	-	-	-	9,256	-	9,256
Total	11,450	57,882	1,135,287	367	15,884	1,220,870	3,871	1,224,741

Carrying amount	As at 31 December 2014							
	Held-to-maturity investments	Available-for-sale financial assets	Investments classified as receivables	Financial assets held under resale agreements	Interest receivables	Total	Guarantees	Maximum loss exposure
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Wealth management products	-	31,127	99,964	-	2,026	133,117	-	133,117
Investment management products managed by securities companies	-	1,408	575,791	2,671	10,021	589,891	-	589,891
Trust investment plans	-	12,050	137,582	20	1,964	151,616	3,255	154,871
Asset-backed financings	9,013	11	-	-	-	9,024	-	9,024
Investment funds	-	1,868	474	-	-	2,342	-	2,342
Total	9,013	46,464	813,811	2,691	14,011	885,990	3,255	889,245

34 Involvement with unconsolidated structured entities *(continued)*

(b) Structured entities sponsored by the Group which the Group does not consolidate but holds an interest

The investments issued by unconsolidated structured entities sponsored by the Group are primarily wealth management products and trust plans without principle and/or return guarantee. The nature and purpose of these structured entities are for the Group to generate fees from managing assets on behalf of investors. These structured entities are financed through the issuance of products to investors. Interest held by the Group includes fees charged by providing management services and investment made by the Group.

Wealth management products and trust plans

As at 30 June 2015, the aggregate amount of assets held by the unconsolidated non-principal-guaranteed wealth management products and trust plans which are sponsored by the Group was HK\$1,821,742 million (31 December 2014: HK\$1,667,100 million).

As at 30 June 2015, the carrying amounts of management fee receivables being recognised in the balance sheet were HK\$979 million (31 December 2014: HK\$1,373 million).

As at 30 June 2015, the amount of placements from the Group with non-principal-guaranteed wealth management products sponsored by the Group was HK\$24,297 million (31 December 2014: HK\$21,296 million).

The aggregate amount of the non-principal-guaranteed wealth management products sponsored and issued by the Group after 1 January but matured before 30 June for the six months ended 30 June 2015 was HK\$232,347 million (six months ended 30 June 2014: HK\$80,600 million).

During the six months ended 30 June 2015, the maximum exposure of the placements from the Group with non-principal guaranteed wealth management products sponsored by the Group was HK\$38,246 million (six months ended 30 June 2014: HK\$32,464 million). In the opinion of management, these transactions were conducted in the ordinary course of business under normal terms and conditions and at market rates.

During the six months ended 30 June 2015, the amount of fee and commission income recognised from the above mentioned structured entities sponsored by the Group was HK\$5,056 million (six months ended 30 June 2014: HK\$3,736 million).

Securitisation vehicle

The Group enters into securitisation transactions in the normal course of business by which it transfers credit assets to structured entities which issue asset-backed securities to investors. The Group may retention interests in the form of subordinated tranches which would give rise to the Group's retention of risk and rewards on the transferred assets. The Group will assess whether to derecognise the assets or not to the extent of risks and rewards retained. As at 30 June 2015, the financial assets transferred to the unconsolidated securitization vehicles were derecognised in their entirety by the Group.

For the six months ended 30 June 2015

35 Major business combinations

(a) Acquisition of CITIC Envirotech

On 24 April 2015, CKM (Cayman) Company Limited ("CKM", a 62.65% indirectly owned subsidiary of CITIC Environment) acquired 87.67% equity interests in CITIC Envirotech, an entity listed on the Main Board of the Singapore Exchange Securities Trading Limited, with a total consideration of approximately SG\$1,630 million (equivalent to approximately HK\$9,598 million). The goodwill of HK\$6,102 million arising from the acquisition is attributable to acquired customer base and economies of scale expected from combining the operations.

The following table summarises the consideration paid by CITIC Envirotech, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Consideration:	HK\$ million
Cash	6,013
Equity instruments	3,585
Total consideration	9,598
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and deposits	2,034
Trade and other receivables	4,816
Inventories	84
Fixed assets	574
Intangible assets	2,133
Deferred tax assets	5
Other assets	317
Total identifiable assets acquired	9,963
Trade and other payables	(1,140)
Income tax payable	(134)
Bank and other loans	(2,008)
Debt instruments issued	(1,941)
Deferred tax liabilities	(409)
Other liabilities	(148)
Total identifiable liabilities assumed	(5,780)
Non-controlling interests	(687)
Goodwill	6,102
	9,598
Net cash paid for acquisition:	
	HK\$ million
Total consideration paid in cash	6,013
Cash and cash equivalents acquired	(2,034)
	3,979

35 Major business combinations (continued)

(a) Acquisition of CITIC Envirotech (continued)

Notes:

- (i) Acquisition-related costs of approximately HK\$51 million have been charged to other operating expenses in the consolidated income statement for the six months ended 30 June 2015.
- (ii) The fair value of the ordinary shares issued by CKM as part of the consideration for CITIC Envirotech was based on the offer price of SG\$1.65 per share in the voluntary offer.
- (iii) The fair value of acquired trade and other receivables is HK\$4,816 million including trade receivables with a fair value of HK\$3,491 million. The gross contractual amount for trade receivables is HK\$3,491 million.
- (iv) The fair value of the acquired identifiable fixed assets and intangible assets is HK\$2,707 million.
- (v) Non-controlling interests in CITIC Envirotech were recognised at proportionate share of the fair value of its net assets.
- (vi) The revenue and net profit attributable to ordinary shareholders during the period from 24 April 2015 to 30 June 2015 contributed by CITIC Envirotech was approximately HK\$386 million and HK\$21 million respectively.

Had CITIC Envirotech been consolidated from 1 January 2015, the consolidated income statement would show pro-forma revenue and net profit of approximately HK\$201,912 million and HK\$48,957 million respectively.

- (vii) In conjunction with this business combination, CITIC Environment issued put options over the equity of CKM to the other shareholders of CKM and the potential cash payments related to put options were accounted for as financial liabilities and initially recognised at fair value of approximately HK\$3,034 million with a corresponding charge being directly debited to equity in April 2015.

(b) Acquisition of Jiangsu Ligang Electric Power Company Limited (“Ligang I&II”) and Jiangyin Ligang Electric Power Generation Company Limited (“Ligang III&IV”)

Prior to 2015, CITIC Pacific had investments in two joint ventures, namely Ligang I&II and III&IV. As at 31 December 2014, the effective equity interests of CITIC Pacific in Ligang I&II and Ligang III&IV (collectively referred to as “Ligang”) were 65.05% and 71.35% respectively.

On 1 January 2015, two supplemental agreements were signed between the shareholders of Ligang I&II and Ligang III&IV, whereby the other shareholders agreed to vote in accordance with the decisions made by the shareholders representatives of CITIC Pacific in Ligang I&II and Ligang III&IV over certain key aspects of Ligang’s business including decisions over project development, operational plan, budgeting, finance policy and procedures, treasury management, and assets and cash management. As a result, the directors consider CITIC Pacific has obtained control over Ligang I&II and Ligang III&IV, and the investments have been changed from joint ventures to subsidiaries with effect from 1 January 2015.

The carrying amounts of the investments in Ligang I&II and Ligang III&IV immediately prior to the acquisition was HK\$4,495 million. Management is in the process of carrying out a valuation of Ligang I&II and Ligang III&IV as at 1 January 2015, and therefore in accordance with HKFRS 3, and in the preparation of the Accounts, the Group has applied the provisional fair values of assets, liabilities and equity interests in Ligang I&II and Ligang III&IV as at the acquisition date, and such fair value measurement will be updated subsequently.

The provisional fair values of the assets and liabilities of Ligang I&II and Ligang III&IV include fixed assets of HK\$13,470 million. In addition, non-controlling interests of HK\$1,989 million were recognised at 1 January 2015.

35 Major business combinations *(continued)*

- (b) Acquisition of Jiangsu Ligang Electric Power Company Limited (“Ligang I&II”) and Jiangyin Ligang Electric Power Generation Company Limited (“Ligang III&IV”) *(continued)*

As a result of the acquisition, the Group recognized a gain of HK\$511 million, including recycling of exchange reserves relating to the investments in Ligang I&II and Liang III&IV previously recognized in other comprehensive income.

The revenue and net profit contributed by Ligang I&II and Ligang III&IV included in the consolidated income statement during the period from 1 January 2015 to 30 June 2015 was approximately HK\$5,162 million and HK\$1,009 million respectively.

36 Post balance sheet events

- (a) Proposed issue of notes

CITIC Corporation made an application to the National Association of Financial Market Institutional Investors of the People’s Republic of China on 10 July 2015 for the issuance of the 2015 first tranche medium term notes (the “First Tranche Medium-Term Notes”). The First Tranche Medium-Term Notes will adopt a fixed interest rate which should be determined upon consensus among CITIC Corporation, the lead underwriter and the joint lead underwriter pursuant to the results of book building. The proposed issue amount shall be no more than RMB 7 billion and the term of issuance shall be no more than 10 years. The actual issue amount and term of issuance shall be determined upon the official issue.

- (b) Issue of ordinary shares

On 17 July 2015, the Company and Xin Ma Apparel International Limited (“Youngor”), a limited liability company incorporated in Hong Kong and a wholly owned subsidiary of Youngor Group Co., Ltd (“Youngor Group”) entered into a subscription agreement pursuant to which Youngor has conditionally agreed to subscribe for 859,218,000 new shares of the Company at a price of HK\$13.95 per share for an aggregate amount of HK\$11,986,091,100. The above mentioned subscription was completed on 12 August 2015. Immediately after the subscription completion, Youngor beneficially held approximately 3.85% of the then issued share capital of the Company. For details of the subscription, please refer to the Company’s announcements issued on 17 July 2015 and 12 August 2015, respectively.

On 3 August 2015, the Company allotted and issued to Chia Tai Bright Investment Company Limited (“CT Bright”) 3,327,721,000 fully paid convertible preferred shares of the Company (“Preferred Shares”) for a total consideration of HK\$45,922,549,800. Such transaction was disclosed in a circular to the shareholders of the Company dated 16 February 2015. The Preferred Shares may be converted into ordinary shares of the Company at an initial conversion price of HK\$13.80 per ordinary share, subject to adjustment in accordance with the terms of the amendments to the Articles of Association in light of the issue of the Preferred Shares. On 14 August 2015, CT Bright converted all of the Preferred Shares at the conversion price of HK\$13.80 per ordinary share and the Company allotted and issued 3,327,721,000 ordinary shares to CT Bright. Immediately after the full conversion of the Preferred Shares, CT Bright beneficially held approximately 20% of the issued share capital of the Company. For details of the allotment and issuance of the Preferred Shares and the conversion of the Preferred Shares, please refer to the Company’s announcements issued on 3 August 2015 and 14 August 2015, respectively.

36 Post balance sheet events *(continued)*

(c) Private placement

In December 2014, CITIC Bank entered into a private placement agreement with China National Tobacco Corporation ("CNTC") to place its A-share at a subscription price of RMB4.84 per share for a total amount of RMB11.92 billion. Such agreement has been approved by CITIC Bank annual shareholders' meeting on 17 March 2015. As at 30 July 2015, CITIC Bank and CNTC entered into a supplemental agreement whereby the subscription price was increased to RMB 5.55 per share and the number of share was reduced to 2,147,469,539 shares with the total amount remained at RMB11.92 billion. As at the date of approval of the Accounts, the private placement agreement together with the supplemental agreement has been approved by Ministry of Finance and is subject to China Securities Regulatory Commission approval.

(d) Acquisition and share subscription

On 24 August 2015, CITIC Group and a subsidiary of the Company, CITIC Telecom, agreed to implement the Acquisition Arrangement whereby CITIC Group has proposed to sell, and CITIC Telecom has proposed to bid (or to procure its subsidiary including CITIC Telecom International CPC Limited, a wholly owned subsidiary of CITIC Telecom, to bid) for, in an open tender process at China Beijing Equity Exchange (北京產權交易所), up to 39% equity interest in CITIC Networks Co., Ltd (a wholly owned subsidiary of CITIC Group) from CITIC Group. In accordance with the terms of the Acquisition Arrangement, the Final Consideration for the Acquisition is expected not to exceed RMB1,287 million (equivalent to approximately HK\$1,562.1 million); In connection with the Acquisition, on 24 August 2015, CITIC Group and CITIC Telecom entered into the Share Subscription Agreement whereby CITIC Group has agreed to subscribe (or to procure its wholly-owned subsidiaries as its nominees to subscribe) for not more than 520,713,219 Subscription Shares at the Subscription Price of HK\$3.00 per Subscription Share, subject to the terms and conditions of the Share Subscription Agreement. The above transactions are still subject to a series of conditions precedent being fulfilled or waived. For details of the transaction, please refer to the joint announcement issued by the Company and CITIC Telecom on 24 August 2015.

Report on Review of Interim Financial Information

TO THE BOARD OF DIRECTORS OF CITIC LIMITED

(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim condensed financial information set out on pages 30 to 103, which comprises the consolidated balance sheet of CITIC Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2015 and the related consolidated income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 24 August 2015

Subscription of Preferred Shares, Sale of Shares, Subscription of New Shares and Conversion of Preferred Shares

On 20 January 2015, the Company entered into a subscription agreement and agreed to allot and issue to Chia Tai Bright Investment Company Limited ("CT Bright") 3,327,721,000 fully paid convertible preferred shares of the Company for a total consideration of HK\$45,922,549,800 (the "Preferred Shares Subscription"). The preferred shares may be converted into the ordinary shares of the Company at the conversion price initially being HK\$13.80 per ordinary share, subject to adjustment in accordance with the terms of the amendments to the Company's Articles of Association in light of the issue of the preferred shares. On the same day, CITIC Polaris Limited, a wholly-owned subsidiary of CITIC Group Corporation and one of the controlling shareholders of the Company, entered into a share purchase agreement and agreed to sell 2,490,332,363 fully paid ordinary shares of the Company to CT Bright for a total consideration of HK\$34,366,586,609 (the "Sale of Shares"). Completion of the Preferred Shares Subscription is conditional upon the completion of the Sale of Shares. Details of the Preferred Shares Subscription and the Sale of Shares are set out in the Company's announcement dated 20 January 2015 and the Company's circular dated 16 February 2015.

At the extraordinary general meeting of the Company held on 16 March 2015, the proposed Preferred Shares Subscription and the proposed amendments to the Company's Articles of Association with effect immediately upon the issue of the preferred shares were approved by the Company's shareholders.

Completion of the Sale of Shares and the Preferred Shares Subscription took place on 30 April 2015 and 3 August 2015 respectively. Further details are set out in the Company's announcements dated 30 April 2015, 15 July 2015 and 3 August 2015.

On 17 July 2015, the Company and Xin Ma Apparel International Limited ("Youngor"), a wholly-owned subsidiary of Youngor Group Co., Ltd, entered into a subscription agreement pursuant to which Youngor had conditionally agreed to subscribe for 859,218,000 new ordinary shares (the "Subscription Shares") of the Company at the subscription price of HK\$13.95 per share (the "Subscription"). The Subscription Shares were issued under the general mandate granted to the directors by a resolution of the shareholders passed at the Company's annual general meeting held on 2 June 2015. The Subscription will increase the public float percentage to a level which enables the full conversion of the preferred shares. The net proceeds of HK\$11,986,091,100 from the Subscription will be used for general corporate purposes. Details of the Subscription are set out in the Company's announcement dated 17 July 2015.

Completion of the Subscription took place on 12 August 2015 and further details of which are set out in the Company's announcement dated 12 August 2015.

On 13 August 2015, the Company received a conversion notice from CT Bright for the conversion of the preferred shares in the amount of HK\$45,922,549,800 in full. As a result of the conversion of the preferred shares at the conversion price of HK\$13.80 per ordinary share, the Company allotted and issued a total of 3,327,721,000 ordinary shares to CT Bright on 14 August 2015. Details of the conversion of the preferred shares are set out in the Company's announcement dated 14 August 2015.

Interim Dividend and Closure of Register of Members

The directors have declared an interim dividend of HK\$0.10 per share (2014: HK\$0.015 per share) for the year ending 31 December 2015, payable on Friday, 2 October 2015 to shareholders whose names appear on CITIC Limited's register of members on Tuesday, 22 September 2015. The register of members of CITIC Limited will be closed from Thursday, 17 September 2015 to Tuesday, 22 September 2015, both days inclusive, during which period no transfer of shares will be effected. To qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with CITIC Limited's Share Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 16 September 2015.

Share Option Plan Adopted by the Company

(i) CITIC Pacific Share Incentive Plan 2000

The Company adopted the CITIC Pacific Share Incentive Plan 2000 ("the Plan 2000") on 31 May 2000 which expired on 30 May 2010. During the period between the adoption of the Plan 2000 and its expiry, the Company granted six lots of share options:

Date of grant	Number of share options	Exercise price per share
		<i>HK\$</i>
28.05.2002	11,550,000	18.20
01.11.2004	12,780,000	19.90
20.06.2006	15,930,000	22.10
16.10.2007	18,500,000	47.32
19.11.2009	13,890,000	22.00
14.01.2010	880,000	20.59

All options granted and accepted under the Plan 2000 can be exercised in whole or in part within 5 years from the date of grant. All share options at the exercise price of HK\$18.20 per share, HK\$19.90 per share, HK\$22.10 per share, HK\$47.32 per share, HK\$22.00 per share and HK\$20.59 per share expired at the close of business on 27 May 2007, 31 October 2009, 19 June 2011, 15 October 2012, 18 November 2014 and 13 January 2015 respectively.

During the six months ended 30 June 2015, none of the share options granted under the Plan 2000 were exercised or cancelled, but options for 400,000 shares have lapsed. A summary of the movements of the share options under the Plan 2000 during the six months ended 30 June 2015 is as follows:

Employees of the Company under continuous contracts (as defined in the Employment Ordinance), other than the directors

Date of grant	Exercise Price	Number of share options			Balance as at 30.06.2015
		Balance as at 01.01.2015	Exercised/ cancelled during the six months ended 30.06.2015	Lapsed during the six months ended 30.06.2015	
	<i>HK\$</i>				
14.01.2010	20.59	400,000	-	400,000	-

(ii) CITIC Pacific Share Incentive Plan 2011

As the Plan 2000 expired on 30 May 2010, the Company adopted a new plan, the CITIC Pacific Share Incentive Plan 2011 (“the Plan 2011”) on 12 May 2011, pursuant to which the board may at its discretion offer to grant share options to any eligible participant including any employee, executive director, non-executive director, independent non-executive director or officer, consultant or representative of any member of the Group who shall make payment of HK\$1.00 to the Company on acceptance. The subscription price determined by the board will be at least the higher of (i) the nominal value of the Company’s shares; (ii) the closing price of the Company’s shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on the date of offer of the grant; and (iii) the average of the closing prices of the Company’s shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of offer of the grant. The total number of the Company’s shares which may be issued upon exercise of all options to be granted under the Plan 2011 must not in aggregate exceed 10% of the Company’s shares in issue as at the date of adopting the Plan 2011. As at 30 June 2015, the total number of shares available for issue under the Plan 2011 is 364,944,416 shares.

No share options were granted under the Plan 2011 during the period ended 30 June 2015.

Share Option Plan Adopted by Subsidiaries of the Company**CITIC Telecom International Holdings Limited (“CITIC Telecom”)**

CITIC Telecom adopted a share option plan (“CITIC Telecom Share Option Plan”) on 17 May 2007. As approved at the annual general meeting of CITIC Telecom held on 25 April 2014, the mandate limit is refreshed so that taking into account the overriding limit of the CITIC Telecom Share Option Plan, the total number of shares of CITIC Telecom (“CITIC Telecom Shares”) which may be issued upon the exercise of all options to be granted under the CITIC Telecom Share Option Plan, together with all outstanding options granted and yet to be exercised as at 25 April 2014, shall not exceed 333,505,276 CITIC Telecom Shares, being 10% of the number of CITIC Telecom Shares in issue as at the date of approval of the refreshment of the mandate limit.

Since the adoption of the CITIC Telecom Share Option Plan, CITIC Telecom has granted the following share options:

Date of grant	Number of share options	Exercise price per share	Exercise period
		<i>HK\$</i>	
23.05.2007	18,720,000	3.26	23.05.2007 – 22.05.2012
17.09.2009	17,912,500	2.10	17.09.2010 – 16.09.2015
17.09.2009	17,912,500	2.10	17.09.2011 – 16.09.2016
19.08.2011	24,227,500	1.54	19.08.2012 – 18.08.2017
19.08.2011	24,227,500	1.54	19.08.2013 – 18.08.2018
26.06.2013	81,347,000	2.25	26.06.2013 – 25.06.2018
24.03.2015	43,756,250	2.612	24.03.2016 – 23.03.2021
24.03.2015	43,756,250	2.612	24.03.2017 – 23.03.2022

The share options granted on 23 May 2007 have expired at the close of business on 22 May 2012. The remaining options granted and accepted under the CITIC Telecom Share Option Plan can be exercised in whole or in part within 5 years from the date of commencement of the exercise period.

Upon completion of the rights issue of CITIC Telecom on 7 June 2013, the exercise price and the number of CITIC Telecom Shares to be allotted and issued upon full exercise of the subscription rights attaching to the outstanding share options of CITIC Telecom as at 6 June 2013 have been adjusted (the "Adjustments") in the following manner:

Date of grant	Before Adjustments		After Adjustments	
	Number of outstanding share options	Exercise price per share <i>HK\$</i>	Number of outstanding share options	Exercise price per share <i>HK\$</i>
17.09.2009	19,451,000	2.10	21,438,072	1.91
19.08.2011	32,332,500	1.54	35,635,462	1.40

The closing price of CITIC Telecom Shares immediately before the grant on 24 March 2015 was HK\$2.59.

The grantees were directors, officers or employees of CITIC Telecom. None of these options were granted to the directors, chief executives or substantial shareholders of the Company. As at 1 January 2015, options for 94,478,688 CITIC Telecom Shares were outstanding under the CITIC Telecom Share Option Plan. During the six months ended 30 June 2015, options for 23,401,623 CITIC Telecom Shares were exercised, options for 591,783 CITIC Telecom Shares have lapsed and options for 398,000 CITIC Telecom Shares were cancelled. As at 30 June 2015, options for 70,720,282 CITIC Telecom Shares under the CITIC Telecom Share Option Plan were exercisable.

A summary of the movements of the share options during the six months ended 30 June 2015 is as follows:

A. Employees of CITIC Telecom under continuous contracts (as defined in the Employment Ordinance)

Date of grant	Number of share options					Balance as at 30.06.2015
	Balance as at 01.01.2015	Granted during the six months ended 30.06.2015	Exercised during the six months ended 30.06.2015 ^(Note 1)	Cancelled during the six months ended 30.06.2015 ^(Note 2)	Lapsed during the six months ended 30.06.2015 ^(Note 3)	
17.09.2009	12,711,695	–	5,586,053	–	3,200	7,122,442
19.08.2011	22,619,176	–	5,358,570	–	58,583	17,202,023
26.06.2013	58,747,817	–	12,457,000	–	295,000	45,995,817
24.03.2015	–	86,312,000	–	398,000	235,000	85,679,500

B. Others ^(Note 4)

Date of grant	Number of share options		
	Balance as at 01.01.2015	Granted during the six months ended 30.06.2015	Balance as at 30.06.2015
26.06.2013	400,000	–	400,000
24.03.2015	–	1,200,000	1,200,000

Notes:

1. The weighted average closing price of CITIC Telecom Shares immediately before the dates on which the options were exercised was HK\$3.23.
2. These are in respect of options granted to employees under continuous contracts who had not accepted the options. These options were cancelled during the six months ended 30 June 2015.
3. These are in respect of options granted to some employees under continuous contracts who have subsequently resigned. Such options lapsed during the six months ended 30 June 2015.
4. These are in respect of options granted to independent non-executive directors of CITIC Telecom who are not employees under continuous contracts. None of these options were exercised, cancelled or lapsed during the six months ended 30 June 2015.

The average fair value of an option on one ordinary share of CITIC Telecom measured at the date of grant of 24 March 2015 was HK\$0.673 based on the following assumptions using the binomial option pricing model:

- Taking into account the probability of early exercise behaviour, the average expected term of the grant for directors and employees was determined to be 6.0 years and 4.1 years respectively;
- Expected volatility of CITIC Telecom's share price at 40% per annum (based on historical movements of CITIC Telecom's share prices);
- Expected annual dividend yield of 4.0%;
- Expected post-vesting exit rate of 0% per annum for directors and 15.0% per annum for employees;
- Early exercise assumption for directors and employees to exercise their options when the share price is at least 250% and 161% of the exercise price respectively; and
- Risk-free interest rate of 1.18% and 1.30% for the first 50% and the remaining 50% of the options respectively (based on linearly interpolated yields of the Hong Kong Exchange Fund Notes at the grant date).

The result of the binomial option pricing model can be materially affected by changes in these assumptions so an option's actual value may differ from the estimated fair value of the options due to limitations of the model.

The total expense recognised in CITIC Telecom Group's consolidated income statement for the six months ended 30 June 2015 in respect of options granted by CITIC Telecom is HK\$9,772,000.

Dah Chong Hong Holdings Limited (“DCH Holdings”)

DCH Holdings adopted the Share Option Scheme (the “Scheme”) on 28 September 2007. Since the adoption of the Scheme, DCH Holdings has granted the following share options:

Date of grant	Number of share options	Exercise price per share <i>HK\$</i>	Exercise period
07.07.2010	23,400,000	4.766	07.07.2010 – 06.07.2015
08.06.2012	24,450,000	7.400	08.06.2013 – 07.06.2017*
30.04.2014	28,200,000	4.930	30.04.2015 – 29.04.2019*

* Subject to a vesting scale

The share options granted on 7 July 2010 were accepted and fully vested on the date of grant and are then exercisable in whole or in part within 5 years from the date of grant. The closing price of DCH Holdings’ shares immediately before the grant on 7 July 2010 was HK\$4.69 per share.

Of the share options granted on 8 June 2012, 24,250,000 were accepted and 200,000 were not as the latest date of acceptance pursuant to the scheme rules (i.e. 5 July 2012). The share options granted are subject to a vesting scale. 25% of the share options granted will vest on the first anniversary of the date of grant. A further 25% will vest on the second anniversary of the date of grant and the remaining 50% of the share options granted will vest on the third anniversary of the date of grant. The vested options are exercisable in whole or in part within 5 years from the date of grant. The closing price of DCH Holdings’ shares immediately before the grant on 8 June 2012 was HK\$7.49 per share.

Of the share options granted on 30 April 2014, 27,850,000 were accepted and 350,000 were not as at the latest date of acceptance pursuant to the scheme rules (i.e. 28 May 2014). The share options granted are subject to a vesting scale. 25% of the options granted will vest on the first anniversary of the date of grant. A further 25% will vest on the second anniversary of the date of grant and the remaining 50% of the share options granted will vest on the third anniversary of the date of grant. The vested options are exercisable in whole or in part within five years from the date of grant. The closing price of DCH Holdings’ shares immediately before the grant on 30 April 2014 was HK\$4.91 per share.

The grantees were certain directors or employees of DCH Holdings working under continuous contracts (as defined in the Employment Ordinance). None were granted to the directors, chief executives or substantial shareholders of the Company. As at 1 January 2015, options for 57,090,000 DCH Holdings’ shares were outstanding under the Scheme. During the six months ended 30 June 2015, options for 140,000 DCH Holdings’ shares were exercised, options for 1,400,000 DCH Holdings’ shares were lapsed and none of the options were cancelled. As at 30 June 2015, options for 36,537,500 DCH Holdings’ shares under the Scheme were exercisable.

A. Employees of the DCH Holdings Group working under continuous contracts (as defined in the Employment Ordinance)

Date of grant	Balance as at 01.01.2015	Number of share options				Balance as at 30.06.2015
		Granted during the six months ended 30.06.2015	Cancelled during the six months ended 30.06.2015	Lapsed during the six months ended 30.06.2015	Exercised during the six months ended 30.06.2015	
07.07.2010	5,140,000	–	–	–	40,000 ^(Note 2)	5,100,000
08.06.2012	19,750,000	–	–	400,000	–	19,350,000
30.04.2014	26,350,000	–	–	1,000,000	–	25,350,000

B. Others ^(Note 1)

Date of grant	Balance as at 01.01.2015	Number of share options				Balance as at 30.06.2015
		Granted during the six months ended 30.06.2015	Cancelled during the six months ended 30.06.2015	Lapsed during the six months ended 30.06.2015	Exercised during the six months ended 30.06.2015	
07.07.2010	900,000	–	–	–	100,000 ^(Note 2)	800,000
08.06.2012	3,450,000	–	–	–	–	3,450,000
30.04.2014	1,500,000	–	–	–	–	1,500,000

Notes:

1. These are in respect of share options granted to former employees whose employment was terminated other than for cause or misconduct.
2. The weighted average closing price of the shares of DCH Holdings immediately before the dates on which the share options granted on 7 July 2010 were exercised was HK\$5.06.

CITIC Resources Holdings Limited (“CITIC Resources”)

CITIC Resources adopted a share option scheme on 30 June 2004 (the “Old Scheme”) for a term of 10 years, which expired on 29 June 2014. The share options that have been granted under the Old Scheme and remained outstanding as at the date of expiry of the Old Scheme remain valid and exercisable subject to and in accordance with the terms of the Old Scheme.

To enable CITIC Resources to continue to grant share options as an incentive or reward to eligible persons, a new share option scheme was adopted by CITIC Resources on 27 June 2014 (the “New Scheme”). As at 30 June 2015, no share option has been granted under the New Scheme.

Statutory Disclosure

The following share options granted under the Old Scheme remained outstanding as at 30 June 2015:

Date of grant	Number of share options	Exercise price per share HK\$	Exercise period
06.11.2013	200,000,000	1.770	06.11.2014 – 05.11.2018
06.11.2013	200,000,000	1.770	06.11.2015 – 05.11.2018

Note: The share options are subject to the following vesting conditions:

- (i) 50% of the share options vest and are exercisable with effect from the first anniversary of the date of grant; and
- (ii) The remaining 50% of the share options shall vest and be exercisable with effect from the second anniversary of the date of grant.

The grantee was a director of CITIC Resources. Save as disclosed above, none were granted to the directors, chief executives or substantial shareholders of the Company. As at 1 January 2015, options for 400,000,000 CITIC Resources' shares were outstanding. During the six months ended 30 June 2015, no share options were granted, exercised, lapsed or cancelled. As at 30 June 2015, options for 200,000,000 CITIC Resources' shares were exercisable.

CITIC Envirotech Ltd. (formerly United Envirotech Ltd) ("CITIC Envirotech")

CITIC Envirotech is a company incorporated in Singapore and whose shares are listed on the main board of the Singapore Exchange. It became a subsidiary of the Company in April 2015 and changed its name on 30 July 2015.

CITIC Envirotech adopted an employee share option scheme ("Share Option Scheme") on 2 February 2010. Since the adoption of the Share Option Scheme, CITIC Envirotech has granted the following share options:

Date of grant	Number of share options	Exercise price per share S\$	Exercise period	Number of share options exercised during the six months ended 30.06.2015	Closing price per share S\$
01.03.2010	4,375,000	0.2780	01.03.2011 – 01.03.2020	200,000	1.675*
01.03.2010	4,375,000	0.2224	01.03.2012 – 01.03.2020	200,000	1.675*
20.07.2010	1,500,000	0.3830	20.07.2011 – 20.07.2020	–	–
20.07.2010	1,500,000	0.3064	20.07.2012 – 20.07.2020	–	–
15.02.2013	49,950,000	0.552	15.02.2015 – 15.02.2023	14,724,500	1.675*
28.03.2013	12,000,000	0.584	28.03.2015 – 28.03.2023	–	–
25.07.2014	6,000,000	1.135	25.07.2016 – 25.07.2024	–	–

* This represented the weighted average closing price of the ordinary shares of CITIC Envirotech immediately before the date on which the share options were exercised.

Under the Share Option Scheme, the ordinary shares of CITIC Envirotech under option may be exercised in full or a multiple thereof, on the payment of the exercise price. The vesting period is 1 year for non-discount options and 2 years for discounted options. If the options remain unexercised after a period of 10 years (in the case of executive directors and employees) and 5 years (in the case of non-executive directors) from the date of grant, the options will expire.

The grantees were certain directors and employees of CITIC Envirotech. None were granted to the directors, chief executives or substantial shareholders of the Company. As at 1 January 2015, 70,950,000 ordinary shares of CITIC Envirotech under option were outstanding. During the six months ended 30 June 2015, 15,124,500 ordinary shares of CITIC Envirotech under option were exercised, and 500,000 ordinary shares of CITIC Envirotech under option were cancelled. As at 30 June 2015, 55,325,500 ordinary shares of CITIC Envirotech under option were exercisable.

Directors' Interests in Securities

As at 30 June 2015, none of the directors of the Company had nor were they taken or deemed to have, under Part XV of Securities and Futures Ordinance ("SFO"), any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

Interests of Substantial Shareholders

As at 30 June 2015, substantial shareholders of the Company (other than the directors of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or which were notified to the Company, were as follows:

Name	Nature of interest/capacity	Number of shares of the Company	Approximate percentage to the number of issued shares
CITIC Group Corporation ("CITIC Group") (Note 1)	Interests in a controlled corporation and interests in a section 317 concert party agreement	26,055,943,755 (Long position)	104.63% (Long position)
CITIC Glory Limited ("CITIC Glory") (Note 2)	Beneficial owner	7,446,906,755 (Long position)	29.90% (Long position)
CITIC Polaris Limited ("CITIC Polaris") (Note 3)	Beneficial owner and interests in a section 317 concert party agreement	18,609,037,000 (Long position)	74.73% (Long position)
Chia Tai Bright Investment Company Limited ("CT Bright") (Note 4)	Beneficial owner and interests in a section 317 concert party agreement	22,728,222,755 (Long position)	91.26% (Long position)
		5,818,053,363 (Short position)	23.36% (Short position)
CT Brilliant Investment Holdings Limited ("CT Brilliant") (Note 5)	Interests in a controlled corporation and interests in a section 317 concert party agreement	22,728,222,755 (Long position)	91.26% (Long position)
		5,818,053,363 (Short position)	23.36% (Short position)
Charoen Pokphand Group Company Limited ("CPG") (Note 6)	Interests in a controlled corporation and interests in a section 317 concert party agreement	22,728,222,755 (Long position)	91.26% (Long position)
		5,818,053,363 (Short position)	23.36% (Short position)
ITOCHU Corporation ("ITOCHU") (Note 7)	Interests in a controlled corporation and interests in a section 317 concert party agreement	22,728,222,755 (Long position)	91.26% (Long position)
		5,818,053,363 (Short position)	23.36% (Short position)
National Council for Social Security Fund	Beneficial owner	1,246,290,000 (Long position)	5% (Long position)

Note 1: CITIC Group is deemed to be interested in 26,055,943,755 shares: (i) by attribution of the interests of its two wholly-owned subsidiaries, CITIC Polaris (9,463,262,637 shares) and CITIC Glory (7,446,906,755 shares); and (ii) because CITIC Group is a party to the Share Purchase Agreement and the Subscription Agreement which, reading together, constitute an agreement to which Section 317(1) of the SFO applies, and accordingly CITIC Group has aggregated its interests in the shares with the interests of the other parties to the Share Purchase Agreement and the Subscription Agreement.

Note 2: CITIC Glory is beneficially interested in 7,446,906,755 shares of the Company.

Note 3: CITIC Polaris is deemed to be interested in 18,609,037,000 shares: (i) by including 9,463,262,637 shares it holds as beneficial owner; and (ii) because CITIC Polaris is a party to the Share Purchase Agreement which, reading together with the Subscription Agreement, constitute an agreement to which Section 317(1) of the SFO applies, and accordingly CITIC Polaris has aggregated its interests in the shares with the interests of the other parties to the Share Purchase Agreement and the Subscription Agreement.

Note 4: CT Bright is deemed to be interested in 22,728,222,755 shares: (i) by including 2,490,332,363 shares it holds as beneficial owner; (ii) by including 3,327,721,000 preferred shares CT Bright has agreed to subscribe for under the Subscription Agreement which is convertible to a maximum of 3,327,721,000 shares upon the full conversion of the preferred shares as beneficial owner; and (iii) because CT Bright is a party to the Share Purchase Agreement and the Subscription Agreement which, reading together, constitute an agreement to which Section 317(1) of the SFO applies, and accordingly CT Bright has aggregated its interests in the shares with the interests of the other parties to the Share Purchase Agreement and the Subscription Agreement. CT Bright has a short position of 5,818,053,363 shares because it is under an obligation to deliver a maximum of 5,818,053,363 shares to CITIC Polaris if CITIC Polaris' right of first refusal under the Share Purchase Agreement is exercised in full.

Note 5: CT Brilliant is deemed to be interested in 22,728,222,755 shares and to have a short position of 5,818,053,363 shares as a shareholder of CT Bright directly holding a 50% equity interest in CT Bright.

Note 6: CPG is deemed to be interested in 22,728,222,755 shares and to have a short position of 5,818,053,363 shares as a shareholder of CT Bright indirectly holding a 50% equity interest in CT Bright through CT Brilliant, its wholly-owned subsidiary.

Note 7: ITOCHU is deemed to be interested in 22,728,222,755 shares and to have a short position of 5,818,053,363 shares as a shareholder of CT Bright directly holding a 50% equity interest in CT Bright.

Purchase, Sale or Redemption of Listed Securities

Neither CITIC Limited nor any of its subsidiary companies has purchased, sold or redeemed any of CITIC Limited's listed securities during the six months ended 30 June 2015.

Continuing Disclosure Requirements under the Listing Rules

Rules 13.18 and 13.21 of the Listing Rules in relation to loan agreements with covenants relating to specific performance of the controlling shareholder

In September 2014, Shine Surplus Limited ("Shine Surplus" or the "Borrower"), an indirect wholly-owned subsidiary of the Company, as borrower, and CITIC Corporation Limited, as guarantor (the "Guarantor", a direct wholly-owned subsidiary of the Company), entered into a facility agreement (the "Facility Agreement") and related finance documents (including a guarantee from the Guarantor in favour of the facility agent for and on behalf of the syndicate) for a US\$1,000,000,000 equivalent dual tranche term loan facility (the "Loan Facility") with a syndicate of banks. The Loan Facility has a term of 36 months and 60 months, respectively, commencing from the utilisation date for each tranche.

Pursuant to the Facility Agreement, it shall be an event of default if (i) the government of the People's Republic of China (the "PRC") is not or ceases to be (directly or indirectly through its subsidiaries) the beneficial owner of more than 50% of the issued share capital of the Guarantor; or (ii) the government of the PRC is not or ceases to maintain ultimate control of the Guarantor, and control for this purpose means the power to direct the management and the policies of the Guarantor whether through the ownership of voting capital, by contract or otherwise.

If an event of default under the Facility Agreement occurs, the facility agent may, and must if so instructed by the majority of the lenders, by notice to Shine Surplus: (i) cancel all or part of the total commitments; and/or (ii) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement and the related finance documents be immediately due and payable; and/or (iii) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the Facility Agreement and the related finance documents be payable on demand by the facility agent acting on the instructions of the majority of the lenders. In case of an event of default under the Facility Agreement and if the Borrower or the Guarantor cannot successfully remedy or settle the default to the satisfaction of the majority of the lenders, it will trigger cross default under the existing loan agreements and guarantees of the Company (excluding the Guarantor and its subsidiaries) and the existing loan agreements and guarantees of the Guarantor.

As at 30 June 2015, there was no breach of the aforesaid covenants.

Corporate Governance

CITIC Limited is committed to maintaining high standards of corporate governance. The board of directors believes that good corporate governance practices are important to promote investor confidence and protect the interests of our shareholders. Looking ahead, we will keep our corporate governance practices under continual review to ensure their consistent application and will continue to improve our practices having regard to the latest developments. Details of our corporate governance practices can be found in CITIC Limited's Annual Report 2014 and on CITIC Limited's website www.citic.com.

Board Changes

On 14 May 2015, Mr Dou Jianzhong retired as an executive director, vice president and a member of the executive committee of CITIC Limited. At the annual general meeting held on 2 June 2015, Mr Alexander Reid Hamilton retired as an independent non-executive director of CITIC Limited by rotation and did not offer himself for re-election. Following his retirement, he ceased to act as a member of each of the audit and risk management committee, nomination committee and remuneration committee of CITIC Limited.

On 3 August 2015, Mr Yang Xiaoping and Mr Noriharu Fujita were appointed as a non-executive director and an independent non-executive director of CITIC Limited respectively.

Board Committees

Currently the board has the following committees to discharge its functions:

- An executive committee whose principal role is to select suitable candidates for senior management; to review/provide advice to the board on material investment plans and feasibility studies and proposed disposals/divestments, mergers, acquisitions and other significant transactions of CITIC Limited, strategy and planning of the Group. The committee is chaired by Mr Chang Zhenming, the chairman of the board, and other members are Mr Wang Jiong (being executive director, vice chairman and president of CITIC Limited and also serves as vice chairman of the committee), Mr Zhu Xiaohuang (who serves as vice chairman of the committee), Mr Feng Guang, Ms Li Qingping (being vice president of CITIC Limited), Mr Pu Jian (being vice president of CITIC Limited) and Mr Zhu Gaoming (being vice president of CITIC Limited).

- An audit and risk management committee to oversee the relationship with the external auditor; and to review CITIC Limited's financial reporting, annual audit and interim report. The committee acts on behalf of the board in providing oversight of CITIC Limited's financial reporting system, risk management and internal control systems, reviews and monitors the effectiveness of the internal audit function, and reviews CITIC Limited's policies and practices on corporate governance. The committee comprises two independent non-executive directors, Mr Francis Siu Wai Keung (who serves as the chairman of the committee) and Dr Xu Jinwu, and a non-executive director, Ms Cao Pu.
- A nomination committee to determine the policy for the nomination of directors and set out the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship, which shall take into consideration the principle of diversity. It also reviews the structure, size, composition and diversity of the board. The committee is chaired by Mr Chang Zhenming, the chairman of the board, and other members include an executive director, Mr Wang Jiong (being vice chairman and president of CITIC Limited) and three independent non-executive directors, Mr Francis Siu Wai Keung, Dr Xu Jinwu and Mr Anthony Francis Neoh.
- A remuneration committee to determine and review the remuneration packages of individual executive directors and senior management, including salaries, bonuses, benefits in kind, share options and other plans. The committee comprises two independent non-executive directors, Mr Francis Siu Wai Keung (who serves as the chairman of the committee) and Dr Xu Jinwu, and a non-executive director, Mr Yang Jinming.
- A special committee to deal with all matters relating to all investigations (including enquiries) of, and proceedings involving, CITIC Limited and its directors, arising from the 2008 forex incident, including but not limited to by the Market Misconduct Tribunal, the Securities and Futures Commission and the Commercial Crime Bureau of the Hong Kong Police Force. The committee comprises two members, Mr Zhang Jijing (an executive director) and Mr Francis Siu Wai Keung (an independent non-executive director).

Other Management Committee

CITIC Limited has established the asset and liability management committee as a committee under the executive committee to be in charge of monitoring and controlling the financial risks of CITIC Limited. The principal responsibilities of the asset and liability management committee are to:

- monitor and control the asset and liability financial position of CITIC Limited on a regular basis
- monitor and control the following issues of CITIC Limited:
 - asset and liability structure
 - counterparties
 - currencies
 - interest rates
 - bulk commodity
 - commitments and contingent liabilities
- approve financing plans of CITIC Limited and manage the cash flow of CITIC Limited on the basis of the annual budget
- establish hedging policies and approve the use of new financial instruments for hedging

As at 30 June 2015, the committee is chaired by Mr Zhang Jijing, an executive director. Other members include responsible persons of the financial control department, treasury department, strategic development department and the office of the board of directors.

Compliance with the Corporate Governance Code

Save as disclosed below, CITIC Limited has applied the principles and complied with all the code provisions of the corporate governance code (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the six months ended 30 June 2015. In respect of code provision A.6.7 of the CG Code, Mr Dou Jianzhong (former executive director) and Dr Xu Jinwu (independent non-executive director) were not able to attend the extraordinary general meeting of CITIC Limited held on 16 March 2015 due to other engagements.

Review of Half-Year Report

The audit and risk management committee of the board reviewed the Half-Year Report with the management and the Company’s internal auditor and recommended its adoption by the board.

The interim financial information is prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. It has been reviewed by the Company’s independent auditor PricewaterhouseCoopers in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”) contained in Appendix 10 to the Listing Rules. All directors complied with the required standard set out in the Model Code throughout the six months ended 30 June 2015.

Update on Directors' Information Pursuant to Rule 13.51B(1) of the Listing Rules

Change in other directorships

Independent Non-executive Directors

Mr Francis Siu Wai Keung has been appointed as an independent non-executive director of China International Capital Corporation Limited with effect from 15 May 2015 and an independent non-executive director of Beijing Gao Hua Securities Company Limited with effect from 8 June 2015. He resigned as an independent non-executive director of Hop Hing Group Holdings Limited with effect from 1 May 2015 and retired as an independent non-executive director of Shunfeng International Clean Energy Limited (formerly known as Shunfeng Photovoltaic International Limited) at its annual general meeting held on 26 June 2015. He also ceased to act as an independent non-executive director of China Huishan Dairy Holdings Company Limited with effect from the conclusion of its annual general meeting held on 28 August 2015.

Mr Anthony Francis Neoh has been appointed as an independent non-executive director of Industrial and Commercial Bank of China Limited with effect from 28 April 2015.

Change in directors' emoluments

As from January 2015, the annual basic salary and annual performance salary of each of Mr Chang Zhenming and Mr Wang Jiong is HK\$47,000 per month.

Corporate Information

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Beijing 100004, China

Website

www.citic.com contains a description of the Company's business, a copy of the full report to shareholders, announcements, press releases and other information.

Stock Codes

The Stock Exchange of Hong Kong:	00267
Bloomberg:	267 HK
Reuters:	0267.HK
American Depositary Receipts:	CTPCY
CUSIP Reference No:	17304K102

Share Registrar

Shareholders should contact our Registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong at +852 2980 1333, or by fax at +852 2810 8185, on matters such as transfer of shares, change of name or address, or loss of share certificates.

Investor Relations

Investors, shareholders and research analysts may contact our Investor Relations Department by telephone at +852 2820 2205, or by fax at +852 2522 5259 or by email at ir@citic.com.

Financial Calendar

Closure of Register:	17 September 2015 to 22 September 2015 (both days inclusive)
Interim dividend payment:	2 October 2015

The Half-Year Report is printed in English and Chinese and is available on our website at www.citic.com under the 'Investor Relations' section.

Shareholders may choose to receive the Half-Year Report in printed form in either English or Chinese or both or by electronic means. Shareholders may at any time change their choice on these matters by writing to the Company's Share Registrar.

Shareholders having difficulty in gaining access to the Half-Year Report will promptly be sent printed copies free of charge upon request to the Company's Share Registrar.

Non-shareholders are requested to write to the Joint Company Secretaries, CITIC Limited, 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong, or by fax at +852 2877 2771 or by email at contact@citic.com.



CITIC Limited

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