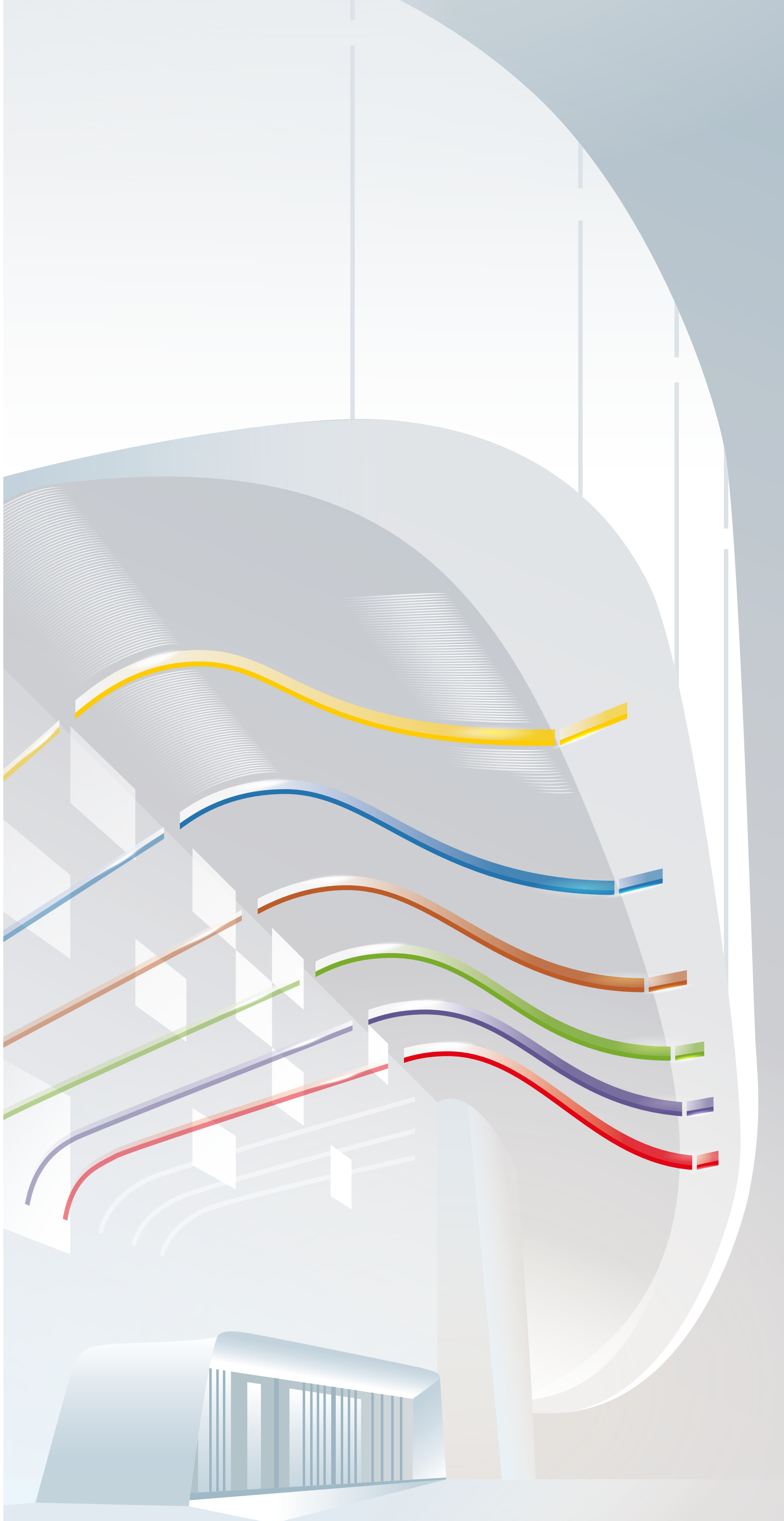
中信股份
CITIC Limited

CITIC LIMITED

Stock code: 00267



Half-Year Report 2023

Our Businesses

Comprehensive Financial Services

CITIC Financial Holdings	(100%)
CITIC Bank[1] *(601998.SH) (00998.HK)*	(65.93%)
CITIC Securities *(600030.SH) (06030.HK)*	(18.45%)
CITIC Trust	(100%)
CITIC-Prudential Life	(50%)
China Securities[2] *(601066.SH) (06066.HK)*	(9.47%)
CITIC Finance	(98.69%)
CITIC Consumer Finance[3]	(70%)

Advanced Intelligent Manufacturing

CITIC Heavy Industries *(601608.SH)*	(67.27%)
CITIC Dicastal	(42.11%)
CITIC Holdings	(100%)

Advanced Materials

CITIC Pacific Special Steel *(000708.SZ)*	(83.85%)
CITIC Metal *(601061.SH)*	(89.77%)
CITIC Resources[4] *(01205.HK)*	(59.50%)
CITIC Mining International	(100%)
CITIC Pacific Energy Investment	(100%)

New Consumption

CITIC Telecom International *(01883.HK)*	(57.56%)
AsiaSat	(50.50%)
CITIC Press *(300788.SZ)*	(73.50%)
Dah Chong Hong	(100%)
CITIC Agriculture	(100%)

New-Type Urbanisation

CITIC Construction	(100%)
CITIC Environment	(100%)
CITIC Industrial Investment	(100%)
CITIC Offshore Helicopter *(000099.SZ)*	(38.63%)
CITIC Pacific Properties	(100%)
CITIC Urban Development & Operation	(100%)
CITIC Heye Investment	(100%)

Note 1: CITIC Financial Holdings, an indirect wholly-owned subsidiary of CITIC Limited, holds a total of 263,880,000 A-share convertible corporate bonds (Bond code: 113021) of CITIC Bank.

Note 2: CITIC Limited holds 4.53% of the shares of China Securities through Glasslake Holdings Limited, an indirect wholly-owned subsidiary. At the same time, CITIC Securities directly holds 4.94% of the shares of China Securities.

Note 3: CITIC Limited holds 35.1% and 34.9% of the shares of CITIC Consumer Finance through its indirect wholly-owned subsidiaries, CITIC Financial Holdings and CITIC Trust.

Note 4: CITIC Limited holds 9.61%, 1.37% and 7.94% of the shares of Alumina Limited (Stock code: AWC.ASX) through CITIC Resources Holdings Limited, CITIC Australia Pty Limited and Bestbuy Overseas Company Limited, respectively.

Note 5: CITIC Limited holds 2.05% of the shares of SSC (Stock code: 600871.SH) through CITIC Corporation, a wholly-owned subsidiary and 10.01% shares of China Overseas Land & Investment Limited (Stock code: 00688.HK) through an indirect wholly-owned subsidiary.

As at 30 June 2023

Our Company

CITIC Limited (00267.HK) is one of China's largest conglomerates and a constituent of the Hang Seng Index. Tracing our roots to the beginning of China's opening and reform, CITIC has grown in step with the country's rise and modernisation. We have built a remarkable portfolio of businesses in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation.

Aligning its mission with national goals and contributing to national rejuvenation, CITIC pursues a vision of "building an outstanding conglomerate with a lasting reputation." CITIC is committed to pioneering national goals and to being a leading technology-driven group.

Our platform is unique in its diversity and scale, allowing CITIC to capture emerging opportunities in China and around the world. Guiding us as we grow is our fundamental commitment to create long-term value for all of our shareholders.

Contents

Highlights

RMB million	Half-Year ended 30 June 2023	2022 (Restated)	Increase/ (Decrease)
Revenue	333,986	324,847	2.8%
Profit before taxation	69,263	72,896	(5.0%)
Net profit	57,471	61,097	(5.9%)
Profit attributable to ordinary shareholders	32,092	41,665	(23%)
Basic earnings per share *(RMB)*	1.10	1.43	(23%)
Diluted earnings per share *(RMB)*	1.10	1.43	(23%)
Dividend per share *(RMB)*	0.18	N/A	N/A
Dividend per share *(HK$)*	N/A	0.20	N/A
Net cash (used in)/generated from operating activities	(132,313)	12,803	(1,133%)
Capital expenditure	7,093	11,980	(41%)

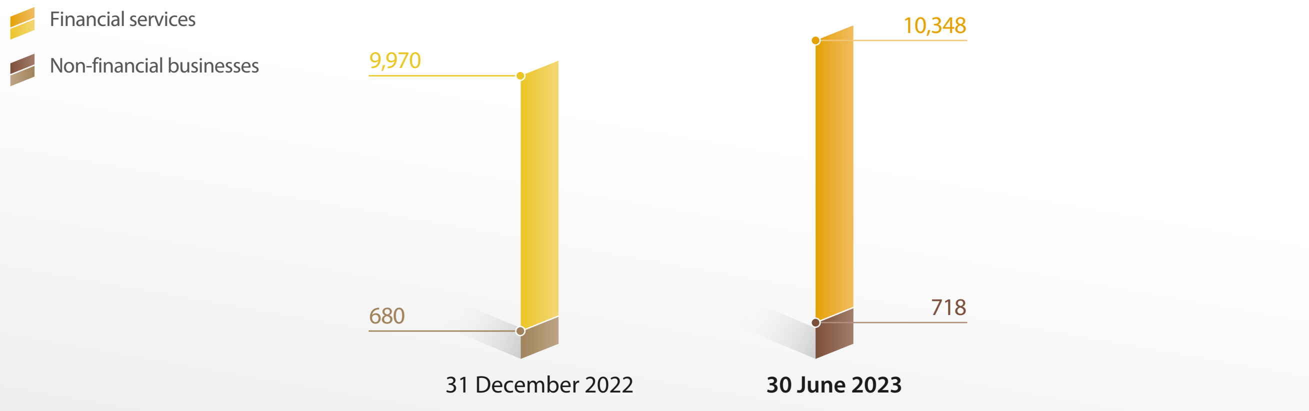
RMB million	As at 30 June 2023	As at 31 December 2022 (Restated)	Increase/ (Decrease)
Total assets	10,976,305	10,537,317	4.2%
Total liabilities	9,700,131	9,302,630	4.3%
Total ordinary shareholders' funds	684,613	660,478	3.7%

Business	**Business assets**		**Revenue from external customers**		**Profit attributable to ordinary shareholders**	
RMB million	As at 30 June 2023	Increase/ (Decrease) (Note)	Half-year ended 30 June 2023	Increase/ (Decrease)	Half-year ended 30 June 2023	Increase/ (Decrease)
Comprehensive financial services	10,347,568	3.8%	138,277	5.1%	27,529	7.9%
Advanced intelligent manufacturing	58,712	(0.4%)	24,145	0.2%	426	25%
Advanced materials	276,706	18%	130,603	3.7%	5,789	(25%)
New consumption	55,990	1.1%	24,870	(1.8%)	481	25%
New-type urbanisation	326,395	(1.6%)	16,077	(10%)	3,042	2.3%

Note: As compared with balances as at 31 December 2022.

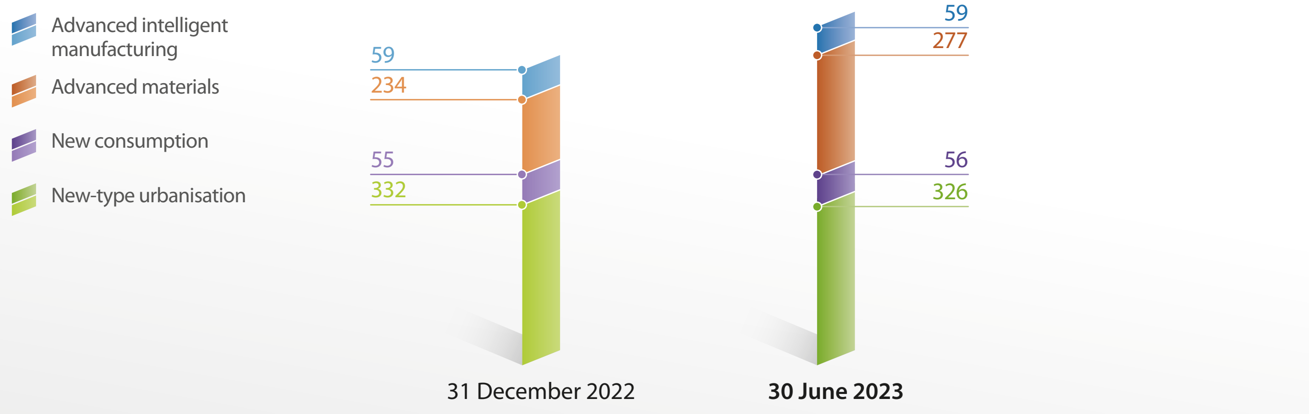
Business assets

RMB billion



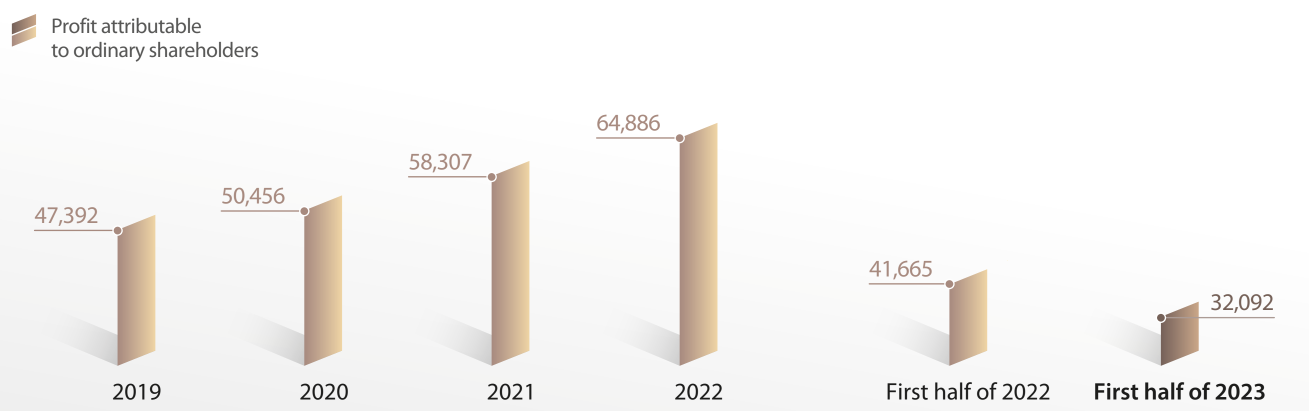
Assets of non-financial businesses

RMB billion



Profit attributable to ordinary shareholders

RMB million



Chairman's Letter to Shareholders

Dear shareholders,

In the first half of 2023, CITIC Limited remained fully committed to the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and thoroughly implemented the guiding principles set forth by the 20th National Congress of the Communist Party of China as well as the major decisions and plans of the Party Central Committee. We made solid progress in studying and implementing the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We are dedicated to following the principle of seeking progress while maintaining stability, supporting national development and implementing national strategies. Our substantial progress in advancing reforms and addressing challenges to consolidate and strengthen our comprehensive operational advantages have yielded fruitful results in high-quality development. Despite a series of economic challenges both in China and globally, CITIC Limited achieved steady growth. The company recorded total revenue of RMB334 billion, a year-on-year increase of 2.8%. Profit attributable to ordinary shareholders was RMB32.1 billion, a year-on-year increase of 2.3% on a comparable basis excluding the one-off revaluation gain of CITIC

Securities' consolidated earnings of RMB10.3 billion in the same period last year. The board recommends a dividend distribution of RMB0.18 per share, with a total dividend amount of RMB5.236 billion. Earlier this year, CITIC Group made its debut among the top 100 organisations on the Fortune Global 500 list. S&P Global Ratings upgraded CITIC Limited's outlook from "Stable" to "Positive", and the company's stock price has outperformed the Hang Seng Index during the first half of the year, further enhancing our international image and credibility. These achievements are testaments to the company's steady development, stable growth in profitability and strengthened risk resilience, reflecting the investment community's confidence in the company's high-quality development.

Building a strong foundation for comprehensive financial services

CITIC is dedicated to implementing the decisions and action plan of the Party Central Committee regarding financial work. The company is comprehensively carrying out the "three tasks", which guide the allocation of financial resources to key areas including strategic and cutting-edge industries as well as those affecting the national economy and people's livelihoods, to drive the high-quality development of the real economy.

Developing major drivers for high-quality development: We have been making significant progress in our goal to become a top-tier financial holding company under the "One-Four-Three-Five" strategy. We have leveraged the advantage of having comprehensive financial licences to strengthen the core competence of our comprehensive financial services. We are supporting the development of our comprehensive financial services business by enhancing corporate governance, risk management, capital management and wealth management systems. We are building a top-tier digital platform to harness the potential of CITIC Financial Holdings and to lead industry-wide digitalisation with Chinese characteristics. Our optimised capital allocation with migration to lower risk-weighted assets resulted in a capital saving of RMB10.5 billion. Additionally, we successfully hosted the First Session of the CITIC Wealth Manager Conference, which gathered a significant number of asset management institutions to build a comprehensive wealth management ecosystem. The new "CITIC Fortune Plaza" was successfully launched as well.

Committed to serving the real economy: We are committed to consolidating our comprehensive financial services as a "ballast stone" and emphasising the very essence of finance. CITIC Bank achieved double-digit loan growth in key areas such as inclusive finance, medium-to-long-term financing for the manufacturing sector, green lending, strategic emerging industries and agricultural loans compared to the beginning of the year. ROA and ROE both recorded year-on-year improvement, while the non-performing loan ratio and non-performing loan balance decreased. CITIC Securities has increased its support for strategic emerging industries and is ranked first in both equity and bond underwriting value. China Securities has actively facilitated the development of specialised and sophisticated enterprises. It has maintained an industry-leading position in total sponsored listings and fundraising value on the Beijing Stock Exchange. CITIC Trust, closely aligned with the developmental needs of the real economy, has further accelerated its business transformation, surpassing RMB1.2 trillion in the scale of its innovative business, marking a major breakthrough. CITIC-Prudential Life has remained committed to implementing new regulations under the second phase of the China Risk-Oriented Solvency System. CITIC-Prudential Life has also optimised its business structure, resulting in growth in both new business value and margin. The number of customers served by CITIC Consumer Finance, which has been improving its consumer lending capabilities, has exceeded tens of millions. With a cumulative loan amount of RMB87 billion, it helps boost domestic consumption and stimulate domestic demand.

Building a strong line of defence against risks: Our ability to respond and address risks has been enhanced by the establishment of a comprehensive risk management system, which has strengthened the integration of compliance and internal controls and given us a thorough understanding of our risk profile. Our financial subsidiaries have shown improvements in reducing the balance and ratios of non-performing assets as well as the proportion of special-mention assets. The exploration and application of CITIC's distinctive approach to promoting synergies among financial and non-financial sectors has yielded tangible results in risk mitigation. To help rebuild market confidence and foster social stability, and guided by the 16-point set of financial measures, CITIC has played a role in supporting key property developers to ensure the completion and delivery of projects.

Enhancing the value creation capability of non-financial subsidiaries

With a focus on stabilising the supply chain and ensuring a steady supply of strategic resources for the country, we strive to promote the supporting and catalytic role of the industrial chain. As we actively integrate and support the construction of a Chinese-style modern industrial system, we are also capitalising on opportunities for industrial transformation and upgrading to accelerate the development of the "second growth curve" and help our industrial businesses grow stronger, better and bigger.

Consolidating our industry-leading advantage: CITIC Dicastal is conducting R&D on integrated chassis die-casting projects for automobiles, to reduce production costs and improve the strength of vehicle bodies. The initiative will contribute to the development of intelligent manufacturing in China's automobile industry. CITIC Heavy Industries recorded rapid growth in orders from the offshore wind power sector, as part of the continuous expansion of its new business portfolio. CITIC Pacific Special Steel aims to become the world's largest producer of seamless steel tubes. It has manufactured tubes specifically designed for use in the underwater pipeline infrastructure of "Deep Sea No.1", China's first-ever ultra-deepwater high-pressure gas field development project. Overall, CITIC owns four specialised and sophisticated "little giant" enterprises, 20 specialised and sophisticated enterprises and 24 national high-tech enterprises.

Continuously improving the resilience of the industrial chain: CITIC Metal's Kamoa-Kakula Copper Project in the Democratic Republic of Congo has maintained steady production and met production targets, retaining its leading position in the production of key non-ferrous metals for trading. The Sino Iron project has ensured the stable seaborne supply of magnetite concentrate for China, achieving a production volume of 10.41 million wet tonnes. Sino Iron remains the world's largest seaborne supplier of magnetite concentrate to China. CITIC Resources has further improved production efficiency and asset value, yielding an equity oil production of 4.67 million barrels.

Contributing to better lives: CITIC Telecom International has a penetration rate of over 50% in the 5G market in Macau, supporting the city's "Digital Macau 3.0" initiative. CITIC Press's market share in the publishing sector has continued to grow, further solidifying its leading position in the industry. CITIC Environment won the bid for China's largest seawater desalination project under construction. Dah Chong Hong has leveraged its strong channel network to expand its healthy snacks portfolio and identify business opportunities in the new energy vehicle market. CITIC Agriculture is working to build a leading enterprise in the seed industry, actively contributing to China's development as an agricultural powerhouse.

Promoting globalised industrial development: Marking the 10th anniversary of the Belt and Road Initiative, we are strategically expanding our presence in key markets and advantageous sectors along the Belt and Road with the purpose of raising our global competitiveness. CITIC Dicastal's aluminium casting parts manufacturing base in Morocco and aluminium wheels manufacturing base in Mexico have continuously strengthened their global competitiveness, with year-on-year increases in the sales of aluminium wheels and castings. CITIC Construction has made significant progress in the 20,000-unit Social Housing Project in Riyadh, Saudi Arabia, whilst the subway car project in Buenos Aires, Argentina, was successfully inspected and completed.

Accelerating growth through innovation

Capitalising on our advantages of having both financial and non-financial businesses, we are facilitating the integration of innovation, industry and finance to continuously cultivate CITIC's comprehensive strengths.

Stimulating innovation and creativity: We have constructed a result-oriented system for technological innovation, founded a science and technology association and optimised top-level design. Incentives have been introduced to expedite innovative developments, such as R&D credits and scientific and technological achievement awards. We are also advancing the construction of a science and technology innovation platform system, which is predominantly comprised of State Key Laboratories. Ten national-level and 117 provincial-level R&D platforms have been established to date. To deepen cooperation with national strategic scientific and technological bodies, the "PCL & CITIC Joint Laboratory" was officially launched with a mission to create a competitive and open innovation ecosystem.

Empowering industrial transformation and upgrading: CITIC has launched a dedicated campaign for digital transformation, establishing "Digital CITIC" as a cornerstone. Through the implementation of cloud-based management, we have built a digitalised intelligent management system to improve management quality and efficiency. With our "Blooming Application" initiative, we have leveraged the advantages of CITIC's diverse business model, extensive use cases and vast data volumes. The company has capitalised on AI technology across our five business segments to drive continuous transformation in the areas of smart finance, smart manufacturing, smart cities, smart agriculture, smart publishing and new digital infrastructure. Our cutting-edge achievements, such as the three-dimensional digital banking outlet, seamless steel tube manufacturing with digital twins, large-scale integrated smart cities, BIDS (Breeding information decision system), AIGC+ publishing and intelligent network infrastructure, were showcased at the 2023 World Artificial Intelligence Conference, demonstrating CITIC's thriving, collaborative AI ecosystem.

Promoting lean management

In our endeavour to become a world-class enterprise, we strive to continuously build a highly efficient management system through integration, collaboration and expansion. To achieve this, we focus on the concept of "creating excellent products, building a distinguished brand, leading innovation and modernising governance".

Fostering integration and collaboration efforts: We are actively engaged in deepening strategic restructuring and professional integration, which has contributed to the stable and sustainable development of our environmental businesses. Our proactive approach to separate listings for our subsidiaries has facilitated CITIC Metal's successful A-share debut. Driven by enhanced synergies, joint financing by our financial subsidiaries has reached RMB979.5 billion, while sales from business-to-business cross-selling has reached RMB36.9 billion, marking a year-on-year growth of 24%. Our financial subsidiaries also achieved sales of RMB59.1 billion through a retail consignment system for their products. We have fostered extensive collaboration with strategic clients, including businesses, universities and governments, providing products and services as well as research and development support, to enable us to explore new markets. By actively seizing opportunities in industrial upgrading and technological transformation, such as the successful acquisition and integration of Tianjin Pipe Corporation, we have solidified our leading position in the high-end seamless steel tube sector.

Enhancing quality and efficiency through state-owned enterprise reform: We have witnessed the increasing advantages of empowerment at the headquarters level and the effectiveness of refined management. The 2.0 version of our "Cost Reduction and Efficiency Enhancement" initiative has established a long-term control mechanism that focuses on comprehensive efficiency across all areas of our operations instead of single metrics. Meanwhile, we have worked on managing losses, reducing redundancies, streamlining processes and improving efficiency with the 2.0 version of the special project, "Streamlining and Strengthening". This has prompted the iterative improvement of our centralised fund management, significantly sharpening the efficiency of capital operations and enhancing the quality of our business. In line with our approach to introduce market-based mechanisms, performance assessments serve as a guiding tool to drive our focus toward front line staff in the non-financial segments. We aim to create a positive work environment with a fulfilling atmosphere and to promote a "Happy CITIC" culture by enhancing employee satisfaction with organisational care and fostering cultural cohesion. We have also strengthened our brand management efforts to enhance brand value, while improving communications with stakeholders in both overseas and local capital markets to promote a more comprehensive understanding of the company's investment value.

Actively implementing ESG values

We firmly believe that responsibility and accountability are fundamental to achieving high-quality development. Therefore, we are dedicated to relentlessly integrating sustainable development principles into our business management and operations. We have issued the "CITIC Limited ESG Guidelines" to enhance the level of ESG-integrated management throughout our organisation. We have also employed the strategy of "Two Increases, One Decrease" and made tangible progress in our dual-carbon efforts. As a result, CITIC Bank has achieved a double-digit year-on-year growth rate in the underwriting value of green loans and green bonds, while CITIC Securities has emerged as the first securities firm in the country to lead national carbon emissions trading. Our non-financial subsidiaries are rapidly transitioning towards more sustainable development practices, such as strengthening carbon asset management, implementing advanced carbon-reduction technologies, improving the efficiency of resource utilisation and adopting clean production processes. CITIC Environment actively supports the development of the green economy through significant innovations in energy conservation, consumption reduction and resource utilisation. The utilisation of CITIC Dicastal's green-power aluminium and recycled aluminium is steadily increasing, and our green, low-carbon manufacturing technologies have reached advanced levels in the sector. CITIC Pacific Energy has also expanded its implementation and operation of new energy projects, accelerating our efforts towards a green, low-carbon transition. These achievements in ESG practices have earned us recognition within the industry. We were shortlisted for "Top 100 ESG Listed Companies in China", securing second place among all competing diversified companies, and were acknowledged as a "Leader in ESG Development of Listed Companies".

Our mission is a call to action; our dedication steers the course to the future. Not only has the year of 2023 been a new start for implementing the guiding principles of the 20th National Congress of the Communist Party, but it is also a critical year for CITIC Limited to execute our strategic plan. Guided by the approach of seeking progress amidst stability, CITIC Limited will continue to completely embrace and precisely implement new development philosophy, accelerate our adaption to evolving environment and strive to become a world-class enterprise. As we work towards building CITIC into an excellent and lasting enterprise, we are firmly committed to driving reforms with the objective of promoting high-quality development to reach new heights. Our unwavering dedication will enable us to make further and greater contributions to the Chinese path to modernisation on all fronts while driving value creation for our shareholders and the wider community.

朱鹤新

Zhu Hexin
Chairman
Beijing, 31 August 2023

Financial Review

Highlights

Affected by multiple factors, the external environment still faced many uncertainties in the first half of 2023. Global economic growth slowed down, and the domestic economy continued to recover but with weakened marginal momentum. In this severe and complex external environment, the Company focused on making progress while maintaining stability and achieved increasing momentum in its operating results. Revenue for the Company amounted to RMB334 billion, representing a year-on-year increase of 2.8%. Net profit reached RMB57.5 billion, with a net profit attributable to ordinary shareholders of RMB32.1 billion. On a comparable basis, without the one-off revaluation gain of RMB10.3 billion from the consolidation of CITIC Securities in the same period last year, underlying profit and profit attributable to the parent company increased 13% and 2.3%, respectively.

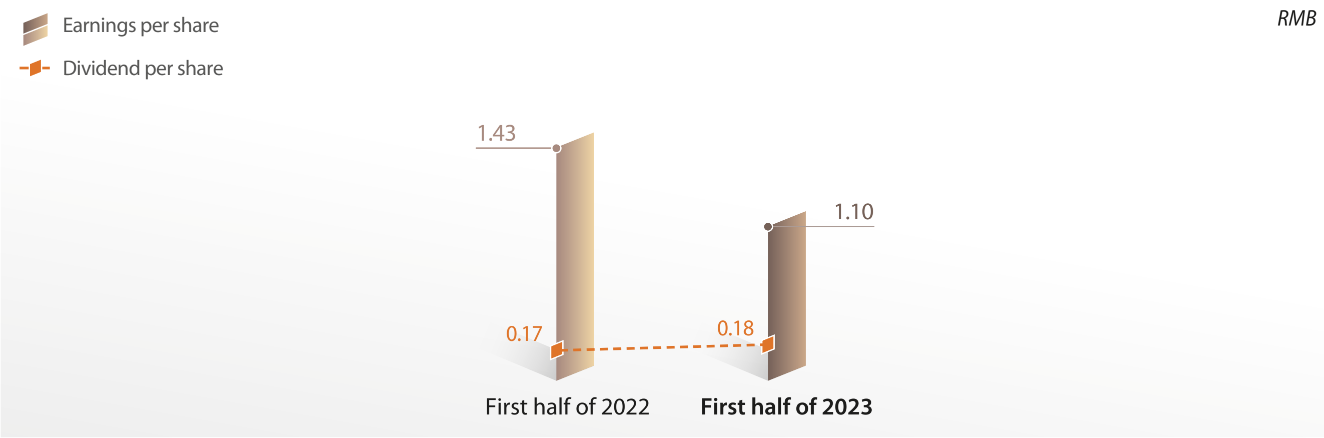
The comprehensive financial services segment utilised the aggregation effect of its financial holding platform and its comprehensive financial advantages to achieve a year-on-year growth of 5.1% and 7.9% in revenue and net profit attributable to ordinary shareholders, respectively. **CITIC Bank** maintained stable growth in its balances of deposits and loans and continuously improved asset quality and efficiency, resulting in a double-digit growth in net profit attributable to its shareholders. **CITIC Securities** promoted the development of a world-class investment bank and continued to consolidate its leadership position in the industry, with a 1% year-on-year increase in net profit attributable to owners of the parent company. **CITIC Trust** continued to transform its business and achieved a breakthrough of more than RMB1.2 trillion in innovative business assets and gained recognition as the Outstanding China Trust Company of the Year 2023. **CITIC-Prudential Life** optimised its business structure throughout the first half of the year, achieving growth in both premium income and new business value.

The **non-financial segment** promoted technological innovation and transformation, expanded into overseas markets and recorded a year-on-year increase of 1.3% in revenue and a year-on- year decrease of 15% in net profit attributable to ordinary shareholders due to the decline in commodity prices. The **advanced intelligent manufacturing segment** continued to optimise its global industrial layout, resulting in a significant increase in overseas sales of aluminium wheels and new overseas orders of heavy machinery, with a year-on-year increase of 25% in net profit attributable to ordinary shareholders. The **advanced materials segment** saw a year-on-year increase of 3.7% in revenue, while the core production and sales remained stable, CITIC Metal was successfully listed and the performance of the newly acquired Tianjin Pipe Corporation improved significantly. However, due to the decline in the prices of steel, iron ore and crude oil, net profit attributable to ordinary shareholders recorded a year-on-year decrease of 25%. The **new consumption segment** adapted to new consumption trends, applied new technologies and expanded into new marketing channels, with a year-on-year increase of 25% in net profit attributable to ordinary shareholders. The **new-type urbanisation segment** advanced the construction and delivery of key development projects in an orderly manner and achieved a smooth fund collection on overseas projects, with a year-on-year increase of 2.3% in net profit attributable to ordinary shareholders.

Earnings per share and dividends

In the first half of 2023, the Group's earnings per share of net profit attributable to ordinary shareholders was RMB1.10, a decrease of 23% from RMB1.43 in the first half of 2022. As at 30 June 2023, there were 29,090,262,630 shares in issue.

The Group will distribute an interim dividend of RMB0.18 per share to ordinary shareholders (interim dividend 2022: HK$0.20 per share, equivalent to RMB0.17 per share), which is equivalent to an aggregate cash distribution of RMB5,236 million.



Segment Results

COMPREHENSIVE FINANCIAL SERVICES

RMB million	**First half of 2023**	First half of 2022	Increase/(Decrease) Amount	%
Revenue from external customers	**138,277**	131,533	6,744	5.1%
Net profit	**51,228**	43,222	8,006	19%
Profit attributable to ordinary shareholders	**27,529**	25,506	2,023	7.9%
Total assets (as compared with the end of 2022)	**10,347,568**	9,970,318	377,250	3.8%

In the first half of 2023, this segment achieved revenue of RMB138,277 million, with net profit of RMB51,228 million and profit attributable to ordinary shareholders of RMB27,529 million, up by 5.1%, 19% and 7.9% year-on-year, respectively.

CITIC Bank's asset quality has been improving. In the first half of the year, it achieved net profit attributable to its shareholders of RMB36,067 million, up by 11% year-on-year. However, revenue decreased by 2.2% year-on-year to RMB105,885 million as a result of the impact of narrowing interest rate spreads. The NPL balance fell by 0.6% to RMB64,850 million, and the NPL ratio declined by 0.06 percentage point to 1.21% as compared with the beginning of the year, marking a decrease in both the NPL balance and the NPL ratio. The provision coverage ratio increased by 7.09 percentage points to 208.28%. The balance of deposits and loans reached RMB5.5 trillion and RMB5.4 trillion, respectively. The amount of credit in key areas such as inclusive finance services, medium-to-long-term manufacturing industries, green credit, strategic emerging industries and agriculture-related sectors witnessed a double-digit increase from the beginning of the year.

CITIC Securities has been transforming itself into a world-class investment bank and, in the first half of the year, continued to consolidate its leading position in the industry, ranking number one in terms of equity underwriting amount, bond underwriting amount, A-share channel M&A transaction amount and AUM. Affected by fluctuations in capital markets and the shrunken commodities business, CITIC Securities achieved revenue of RMB42,753 million in the first half of the year, representing a decrease of 6.8% year-on-year. Its net profit attributable to owners of the parent company amounted to RMB11,306 million, representing an increase of 1.0% year-on-year.

CITIC Trust continued its business transformation, with the assets of innovative business growing to more than RMB1.2 trillion, which accounted for over 70% of the total. The Company also accelerated the disposal of real estate and urban investment risk projects to further strengthen asset quality. As the handling charge for new business was relatively low, CITIC Trust recorded revenue of RMB2,237 million and profit attributable to the parent company of RMB1,318 million, representing a decrease of 33% and 13% year-on-year, respectively.

CITIC-Prudential Life[note 1] achieved primary premium income of RMB17,035 million for the first half of the year, up 7.7% year-on-year. By adhering to the C-ROSS Phase II regulations and optimising its business structure, CITIC-Prudential Life was able to realise growth in both new business value and new business value margin.

ADVANCED INTELLIGENT MANUFACTURING

RMB million	**First half of 2023**	First half of 2022	Increase/(Decrease) Amount	%
Revenue from external customers	**24,145**	24,094	51	0.2%
Net profit	**903**	707	196	28%
Profit attributable to ordinary shareholders	**426**	342	84	25%
Total assets (as compared with the end of 2022)	**58,712**	58,955	(243)	(0.4%)

In the first half of 2023, this segment achieved revenue of RMB24,145 million, net profit of RMB903 million and profit attributable to ordinary shareholders of RMB426 million, representing year-on-year increases of 0.2%, 28% and 25%, respectively.

Note 1 CITIC-Prudential Life is a joint venture of CITIC Limited, which holds a 50% equity interest, without consolidating its financial statements. In accordance with IFRS 17 – Insurance Contracts, retrospective adjustments have been made to its financial data for the same period.

CITIC Dicastal expanded its international market during the review period, with overseas sales of aluminium wheels amounting to 13.36 million pieces, representing a year-on-year increase of 25%. The gross profit margin of overseas aluminium wheels sales increased 7 percentage points year-on-year to 26%. The sales of aluminium casting parts achieved a year-on-year increase of 29% due to promotion of the integrated automobile chassis casting project. The Company also took advantage of development opportunities in new energy vehicles, and achieved full supply coverage for major domestic new energy vehicle manufactures.

CITIC Heavy Industries, in line with the strategy of building a strong national manufacturing capability, expanded into the international market for mining equipment and the offshore wind power market. Revenue and profit attributable to ordinary shareholders was RMB4,654 million and RMB190 million, respectively, for a year-on-year increase of 9.1% and 3.3%, respectively. The value of new orders in force was RMB7,060 million, a record high.

ADVANCED MATERIALS

RMB million	**First half of 2023**	First half of 2022	Increase/(Decrease) Amount	%
Revenue from external customers	**130,603**	125,937	4,666	3.7%
Net profit	**6,595**	8,646	(2,051)	(24%)
Profit attributable to ordinary shareholders	**5,789**	7,690	(1,901)	(25%)
Total assets (as compared with the end of 2022)	**276,706**	234,215	42,491	18%

In the first half of 2023, this segment achieved revenue of RMB130,603 million, up by 3.7% year-on-year, for a net profit of RMB6,595 million and profit attributable to ordinary shareholders of RMB5,789 million. This represented a decrease of 24% and 25% year-on-year, respectively, due to the decline in commodity prices.

CITIC Pacific Special Steel seized opportunities in new energy and growing overseas demand for its special steel products. Sales of energy steel and steel exports increased significantly by 88% and 55% year-on-year, respectively, for an overall growth in sales of 23% against the market trend. Revenue for the first half of the year was RMB58,325 million, representing an increase of 13% year-on-year. In a steel industry affected by a sharp decline in overall profitability, profit attributable to ordinary shareholders amounted to RMB3,040 million, representing a year-on-year decrease of 20%. The Company continued to promote the integration of resources and synergies in the steel tubes business. It also advanced the technological and management transformation of Tianjin Pipe, which contributed to Tianjin Pipe's turnaround from loss to profit.

Sino Iron overcame the challenges of labour shortages, weak demand from steel mills and inflation to ensure the project's continuing production and operation. The production and sale of iron ore concentrate remained stable, staying the world's largest seaborne supplier of magnetite concentrate to China. As the FOB iron ore price recorded a year-on-year decrease of 21% during the period, revenue dropped by 21% year-on-year to US$1,239 million for the first half of the year, and profit attributable to the parent company recorded a year-on-year decline of 35% to US$232 million.

CITIC Metal ensured the security of key resources in its supply chain to achieve revenue of RMB61,218 million for the first half of the year, maintaining stable revenue year-on-year. Profit attributable to shareholders of the listed company decreased by 32% year-on-year to RMB1,070 million, which was mainly due to the loss on changes in fair value of Ivanhoe Mine's convertible bonds. The Company also took the initiative of optimising its trade product structure and developing the copper trade business, which resulted in revenue from the non-ferrous metal trade contributing more than 50% of its total revenue. The Company became one of the first group of listed companies under the A-share registration-based system and raised RMB3.3 billion, laying a solid foundation for its future development.

CITIC Resources continued to explore and develop oil and gas resources, while continually improving production efficiency. The Company realized an equity production output of 4.67 million barrels, which was a slight year-on-year decrease of 3% despite power cuts and power rationing at the KBM project. Revenue of CITIC Resources decreased by 37% year-on-year to HK$2,043 million, and net profit attributable to ordinary shareholders dropped by 57% to HK$383 million, which was mainly due to the combined effects of declining crude oil prices and U.S. interest-rate hiking.

CITIC Pacific Energy achieved a year-on-year increase in profit attributable to the parent company of 85% to RMB384 million by increasing the proportion of coal under long-term contract, which significantly reduced the coal-fired costs of the thermal power business. The Company continued to promote its green transformation by doubling the installed capacity of new energy sources such as wind and photovoltaic since the beginning of the year.

NEW CONSUMPTION

RMB million	**First Half of 2023**	First Half of 2022	Increase/(Decrease) Amount	%
Revenue from external customers	**24,870**	25,313	(443)	(1.8%)
Net profit	**828**	690	138	20%
Profit attributable to ordinary shareholders	**481**	386	95	25%
Total assets (as compared with the end of 2022)	**55,990**	55,397	593	1.1%

In the first half of 2023, this segment achieved revenue of RMB24,870 million, representing a year-on-year decrease of 1.8%, as well as net profit of RMB828 million and profit attributable to ordinary shareholders of RMB481 million, representing a year-on-year increase of 20% and 25%, respectively.

CITIC Press expanded its community and self-broadcasting channels, which increased its market share by a 0.48 percentage point to 3.47%. In the first half of the year, CITIC Press recorded revenue of RMB873 million, representing a year-on-year increase of 2.9%, and profit attributable to ordinary shareholders of RMB91 million, representing a year-on-year increase of 1.4%. The Company also promoted its AIGC Digital & Intelligent Publishing project and adopted artificial intelligence technology to improve publishing efficiency and reduce costs.

Dah Chong Hong continued to carry out promotions of its vehicles, which contributed to a rebound in the sales volume of new vehicles each month in the first half of the year. However, the Company's performance was affected by declined traditional vehicle consumption and auto market price war, resulting in a cumulative decrease in the volume of vehicle sales by 10% year-on-year. Revenue was RMB19,346 million, a year-on-year decrease of 5.3%, and profit attributable to the parent company was RMB36 million, representing a year-on-year decrease of 68%.

CITIC Telecom has prioritised Digital Macau 3.0, which contributed to a growth in the number of 5G customers in Macau to more than 300,000 and a market share of approximately 79%. Benefiting from the growth in international telecommunications services, revenue for the first half of the year increased by 7% year-on-year to HK$5,326 million, and profit attributable to ordinary shareholders increased by 26% to HK$721 million, both of which reached unprecedented peaks.

CITIC Agriculture took advantage of the upswing in both sales volume and the prices of rice and corn seeds, recording a significant 32% year-on-year decrease in net loss attributable to the parent company. The Company has also engaged in scientific and technological innovation in the seed business. Five high-yield, high-quality varieties of Longping high-tech seeds were selected as the leading varieties by the Ministry of Agriculture and Rural Affairs in 2023.

NEW-TYPE URBANISATION

RMB million	**First Half of 2023**	First Half of 2022	Increase/(Decrease) Amount	%
Revenue from external customers	**16,077**	17,933	(1,856)	(10%)
Net profit	**3,094**	3,066	28	0.9%
Net profit attributable to ordinary shareholders	**3,042**	2,973	69	2.3%
Total assets (as compared with the end of 2022)	**326,395**	331,732	(5,337)	(1.6%)

In the first half of 2023, this segment realised revenue of RMB16,077 million, down by 10% year-on-year as result of the impact of the projects' settlement interval. Net profit was RMB3,094 million, and profit attributable to ordinary shareholders was RMB3,042 million, up by 0.9% and 2.3% year-on-year, respectively.

Although Wuxi Jade Mansion, Guangzhou Harbour City and other new projects recorded favourable sales, the property development and operation business recorded revenue of RMB2,360 million, a decrease of 23% year-on-year, while net profit was RMB1,975 million, a decrease of 27% year-on-year, due to the higher project settlement base of the same period last year and the decrease in net profit contributed by COLI for the period.

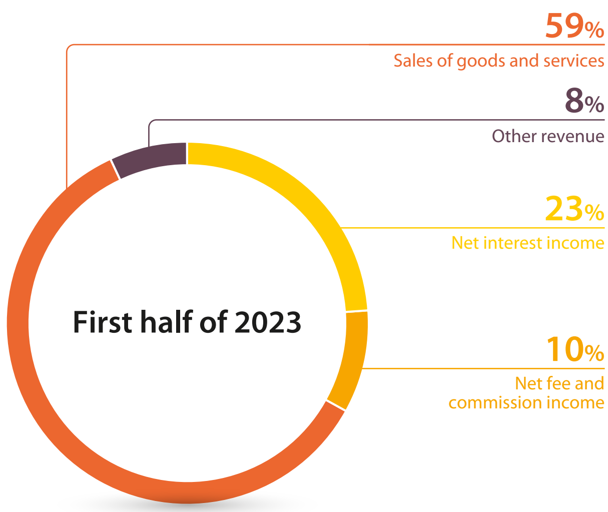
The business of engineering construction and urban operations is deeply integrated into the national regional development strategy, particularly in key markets along the Belt and Road. In the first half of this year, the Linqing Expressway tunnel project was completed, key progress was made in the construction of 20,000 affordable housing units in Riyadh, Saudi Arabia, and Algeria's east-west expressway was officially opened to traffic. Revenue in the first half of the year was RMB14,617 million, down 5.9% year-on-year, while net profit increased by 2.9 times year-on-year to RMB1,070 million, driven by the fund collection from overseas key projects.

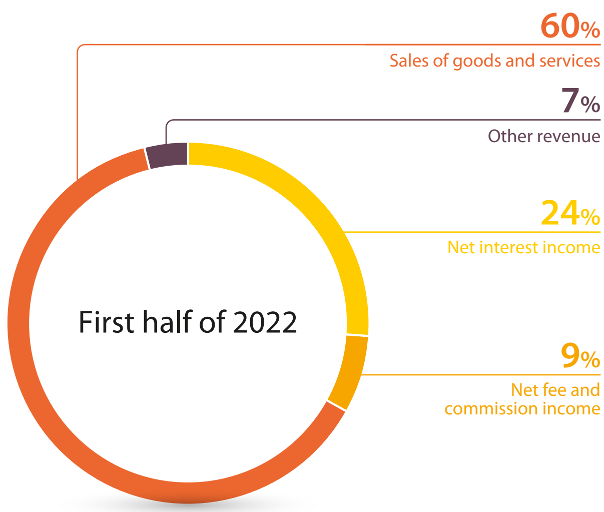
Group Financial Results

Revenue

by nature

RMB million	Half-year ended 30 June 2023	2022 (restated)	Increase/(Decrease) Amount	%
Net interest income	75,717	76,828	(1,111)	(1.4%)
Net fee and commission income	34,499	28,263	6,236	22%
Sales of goods and services	197,166	196,916	250	0.1%
– Sales of goods	177,501	175,041	2,460	1.4%
– Revenue from construction contracts	6,143	8,677	(2,534)	(29%)
– Revenue from other services	13,522	13,198	324	2.5%
Other revenue	26,604	22,840	3,764	16%





Expected credit losses and other impairment losses

In the first half of 2023, expected credit losses and impairment losses of RMB34,517 million were recorded, a decrease of 24% from the same period last year, mainly including expected credit losses in CITIC Bank's loans and advances to customers.

Net finance charges

In the first half of 2023, finance costs of the Group amounted to RMB5,694 million, year-on-year increase of RMB1,759 million, or 45%; the finance income of the Group amounted to RMB739 million, a year-on-year increase of RMB257 million, or 53%.

Income tax

Income tax of the Group in the first half of 2023 was RMB11,792 million, which was basically the same as the previous period.

Group Cash Flows

	CITIC Limited Half-year ended 30 June				Including: CITIC Bank Half-year ended 30 June			
		2022	Increase/(Decrease)				Increase/(Decrease)	
RMB million	2023	(restated)	Amount	%	2023	2022	Amount	%
Net cash (used in)/generated from operating activities	(132,313)	12,803	(145,116)	(1,133%)	(123,018)	36,219	(159,237)	(440%)
Net cash generated from investing activities	26,738	169,385	(142,647)	(84%)	44,392	4,109	40,283	980%
Including: Proceeds from disposal and redemption of financial investments	1,320,930	1,360,259	(39,329)	(2.9%)	1,320,829	1,336,535	(15,706)	(1.2%)
Payments for purchase of financial investments	(1,275,837)	(1,339,369)	63,532	4.7%	(1,272,807)	(1,331,906)	59,099	4.4%
Net cash generated from/(used in) financing activities	31,521	(58,977)	90,498	153%	(16,838)	(51,335)	34,497	67%
Including: Proceeds from bank and other loans and debt instruments issued	150,963	93,698	57,265	61%	519,116	362,177	156,939	43%
Repayment of bank and other loans and debt instruments issued	(725,903)	(519,449)	(206,454)	(40%)	(521,085)	(400,708)	(120,377)	(30%)
Interest paid on bank and other loans and debt instruments issued	(19,302)	(16,985)	(2,317)	(14%)	(11,168)	(13,163)	1,995	15%
Dividends paid to non-controlling interests/shareholders	(1,404)	(3,203)	1,799	56%	(1,984)	(1,860)	(124)	(6.7%)
Net (decrease)/increase in cash and cash equivalents	(74,054)	123,211	(197,265)	(160%)	(95,464)	(11,007)	(84,457)	(767%)
Cash and cash equivalents at the beginning of the Period	427,460	292,386	135,074	46%	307,871	252,818	55,053	22%
Effect of exchange rate changes	2,621	4,765	(2,144)	(45%)	5,766	4,271	1,495	35%
Cash and cash equivalents at the end of the Period	356,027	420,362	(64,335)	(15%)	218,173	246,082	(27,909)	(11%)

Capital Expenditure

RMB million	Half-year ended 30 June 2023	2022 (restated)	Increase/(Decrease) Amount	%
Comprehensive financial services	1,532	5,742	(4,210)	(73%)
Advanced intelligent manufacturing	703	831	(128)	(15%)
Advanced materials	2,917	2,877	40	1.4%
New consumption	709	626	83	13%
New-type urbanisation	1,232	1,904	(672)	(35%)
Total	7,093	11,980	(4,887)	(41%)

Capital Commitments

As at 30 June 2023, the contracted capital commitments of the Group amounted to approximately RMB20,423 million. Details are disclosed in note 32(f) to the financial statements.

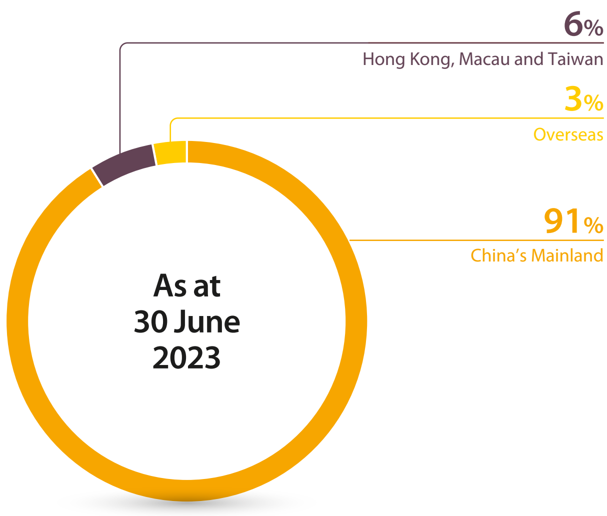
Group Financial Position

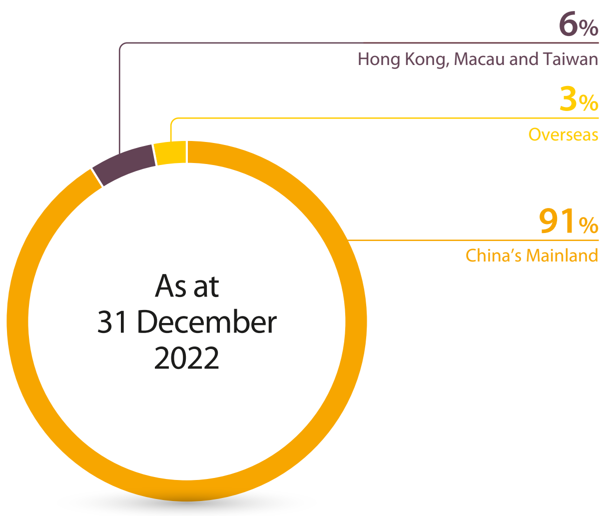
RMB million	As at 30 June 2023	As at 31 December 2022 (Restated)	Increase/(Decrease) Amount	%
Total assets	10,976,305	10,537,317	438,988	4.2%
Loans and advances to customers and other parties	5,257,646	5,042,734	214,912	4.3%
Investments in financial assets	3,198,559	3,143,196	55,363	1.8%
Cash and deposits	643,485	676,978	(33,493)	(4.9%)
Trade and other receivables	289,118	211,273	77,845	37%
Fixed assets	171,671	159,803	11,868	7.4%
Placement with banks and non-bank financial institutions	207,328	217,354	(10,026)	(4.6%)
Total liabilities	9,700,131	9,302,630	397,501	4.3%
Deposits from customers	5,574,033	5,150,772	423,261	8.2%
Deposits from banks and non-bank financial institutions	981,540	1,103,099	(121,559)	(11%)
Debt instruments issued	1,209,702	1,182,140	27,562	2.3%
Borrowing from central banks	155,251	119,421	35,830	30%
Trade and other payables	422,966	378,271	44,695	12%
Bank and other loans	195,028	154,114	40,914	27%
Total ordinary shareholders' funds	684,613	660,478	24,135	3.7%

Total assets

As at 30 June 2023, total assets were increased to RMB10,976,305 million from RMB10,537,317 million as at 31 December 2022.

By geography





Loans and advances to customers and other parties

As at 30 June 2023, the net loans and advances to customers and other parties of the Group were RMB5,257,646 million, an increase of RMB214,912 million, or 4.3% compared with 31 December 2022. The proportion of loans and advances to customers and other parties to total assets was 47.9%, an increase of 0.04 percentage point compared with 31 December 2022.

RMB million	**As at 30 June 2023**	As at 31 December 2022 (Restated)	Increase/(Decrease) Amount	%
Loans and advances to customers and other parties measured at amortised cost				
Corporate loans	**2,658,771**	2,465,643	193,128	7.8%
Discounted bills	**2,820**	3,704	(884)	(24%)
Personal loans	**2,222,155**	2,126,533	95,622	4.5%
Accrued interest	**19,049**	17,385	1,664	9.6%
Total loans and advances to customers and other parties measured at amortised cost	**4,902,795**	4,613,265	289,530	6.3%
Allowance for impairment losses	**(137,173)**	(137,495)	322	0.2%
Carrying amount of loans and advances to customers and other parties measured at amortised cost	**4,765,622**	4,475,770	289,852	6.5%
Loans and advances to customers and other parties at fair value through profit or loss				
Corporate loans	**5,383**	3,881	1,502	39%
Loans and advances to customers and other parties at fair value through other comprehensive income				
Corporate loans	**60,788**	54,851	5,937	11%
Discounted bills	**425,853**	508,232	(82,379)	(16%)
Carrying amount of loans and advances to customers and other parties at fair value through other comprehensive income	**486,641**	563,083	(76,442)	(14%)
Net loans and advances to customers and other parties	**5,257,646**	5,042,734	214,912	4.3%

Investments in financial assets

As at 30 June 2023, the investments in financial assets of the Group were RMB3,198,559 million, an increase of RMB55,363 million, or 1.8% compared with 31 December 2022. The proportion of investments in financial assets to total assets was 29.14%, an decrease of 0.69 percentage points compared with 31 December 2022.

(a) Analysed by types

RMB million	As at 30 June 2023	As at 31 December 2022 (restated)	Increase/(Decrease) Amount	%
Debt securities	1,938,245	1,938,976	(731)	(0.04%)
Investment management products managed by non-bank financial institutions	57,002	58,777	(1,775)	(3.0%)
Investment funds	579,711	556,234	23,477	4.2%
Trust investment plans	212,073	232,571	(20,498)	(8.8%)
Certificates of deposit and certificates of interbank	116,207	96,531	19,676	20%
Equity investment	260,984	233,827	27,157	12%
Wealth management products	4,551	3,022	1,529	51%
Investments in creditor's rights on assets	1,900	1,900	–	–
Others	43,367	35,970	7,397	21%
Subtotal	3,214,040	3,157,808	56,232	1.8%
Accrued interest	17,576	16,958	618	3.6%
Less: allowance for impairment losses	(33,057)	(31,570)	(1,487)	(4.7%)
Total	3,198,559	3,143,196	55,363	1.8%

(b) Analysed by measurement attribution

RMB million	As at 30 June 2023	As at 31 December 2022 (restated)	Increase/(Decrease) Amount	%
Financial assets at amortised cost	1,154,867	1,124,596	30,271	2.7%
Financial assets at FVPL	1,279,879	1,135,886	143,993	13%
Debt investments at FVOCI	755,005	873,367	(118,362)	(14%)
Equity investments at FVOCI	8,808	9,347	(539)	(5.8%)
Total	3,198,559	3,143,196	55,363	1.8%

Deposits from customers

As at 30 June 2023, deposits from customers of the financial institutions under the Group were RMB5,574,033 million, representing an increase of RMB423,261 million or 8.2% as compared with the end of year 2022. The proportion of deposits from customers to total liabilities was 57.46%, representing an increase of 2.09 percentage points as compared with the end of year 2022.

RMB million	As at 30 June 2023	As at 31 December 2022 (restated)	Increase/(Decrease) Amount	%
Corporate deposits				
Time deposits	1,849,158	1,854,108	(4,950)	(0.3%)
Demand deposits	2,201,334	1,931,755	269,579	14%
Subtotal	4,050,492	3,785,863	264,629	7.0%
Personal deposits				
Time deposits	1,099,639	942,803	156,836	17%
Demand deposits	350,579	349,013	1,566	0.4%
Subtotal	1,450,218	1,291,816	158,402	12%
Outward remittance and remittance payables	16,530	14,420	2,110	15%
Accrued interest	56,793	58,673	(1,880)	(3.2%)
Total	5,574,033	5,150,772	423,261	8.2%

Bank and other loans

RMB million	As at 30 June 2023	As at 31 December 2022 (restated)	Increase/(Decrease) Amount	%
Comprehensive financial services	13,922	12,716	1,206	9.5%
Advanced intelligent manufacturing	9,980	12,840	(2,860)	(22%)
Advanced materials	65,357	41,813	23,544	56%
New consumption	5,935	5,670	265	4.7%
New-type urbanisation	46,928	47,680	(752)	(1.6%)
Operation management	114,763	94,793	19,970	21%
Elimination	(62,350)	(62,015)	(335)	(0.5%)
Subtotal	194,535	153,497	41,038	27%
Accrued interest	493	617	(124)	(20%)
Total	195,028	154,114	40,914	27%

Debt instruments issued

RMB million	As at 30 June 2023	As at 31 December 2022 (restated)	Increase/(Decrease) Amount	%
Comprehensive financial services	1,108,844	1,081,892	26,952	2.5%
Advanced intelligent manufacturing	–	–	–	–
Advanced materials	4,885	5,011	(126)	(2.5%)
New consumption	3,247	3,129	118	3.8%
New-type urbanisation	–	–	–	–
Operation management	84,562	86,878	(2,316)	(2.7%)
Elimination	(183)	(1,831)	1,648	90%
Subtotal	1,201,355	1,175,079	26,276	2.2%
Accrued interest	8,347	7,061	1,286	18%
Total	1,209,702	1,182,140	27,562	2.3%

Total ordinary shareholders' funds

As at 30 June 2023, total ordinary shareholders' funds of the Group amounted to RMB684,613 million, representing an increase of RMB24,135 million as compared with the end of year 2022.

Risk Management

CITIC Limited has established a risk management and internal control system covering all business segments to identify, assess and manage various risks in the Group's business activities. The business, operating results, financial position and profitability of CITIC Limited may be subject to a number of risk factors and uncertainties, directly or indirectly, relating to the Group. The risk factors set out below are not exhaustive and CITIC Limited, in addition to these risk factors, may also be exposed to other unknown risks or risks that may not be material at present but may become material in future.

Financial Risk

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.

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 the Group's debt size, structure and cost are at reasonable levels.

   As at 30 June 2023, consolidated debt of CITIC Limited[1] was RMB1,395,890 million, including loans of RMB194,535 million and debt instruments issued[2] of RMB1,201,355 million. Debt of CITIC Bank[3] accounted for RMB942,967 million. CITIC Limited attaches importance to cash flow management, the head office of CITIC Limited had cash and deposits of RMB5,180 million and available committed facilities of RMB40,993 million.

   The details of debt are as follows:

As at 30 June 2023	RMB¥ million
Consolidated debt of CITIC Limited	1,395,890
Among which: Debt of CITIC Bank	942,967

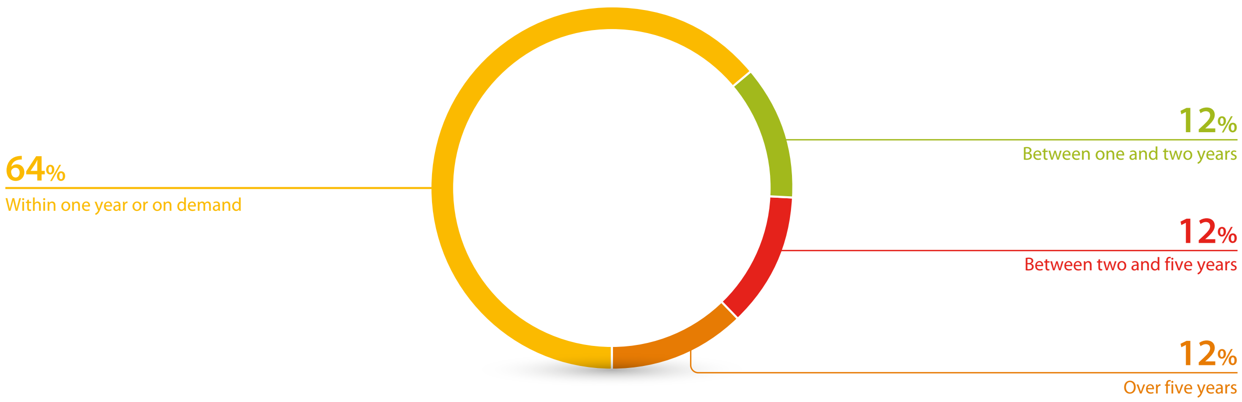
Note:

(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 excluding interest accrued;

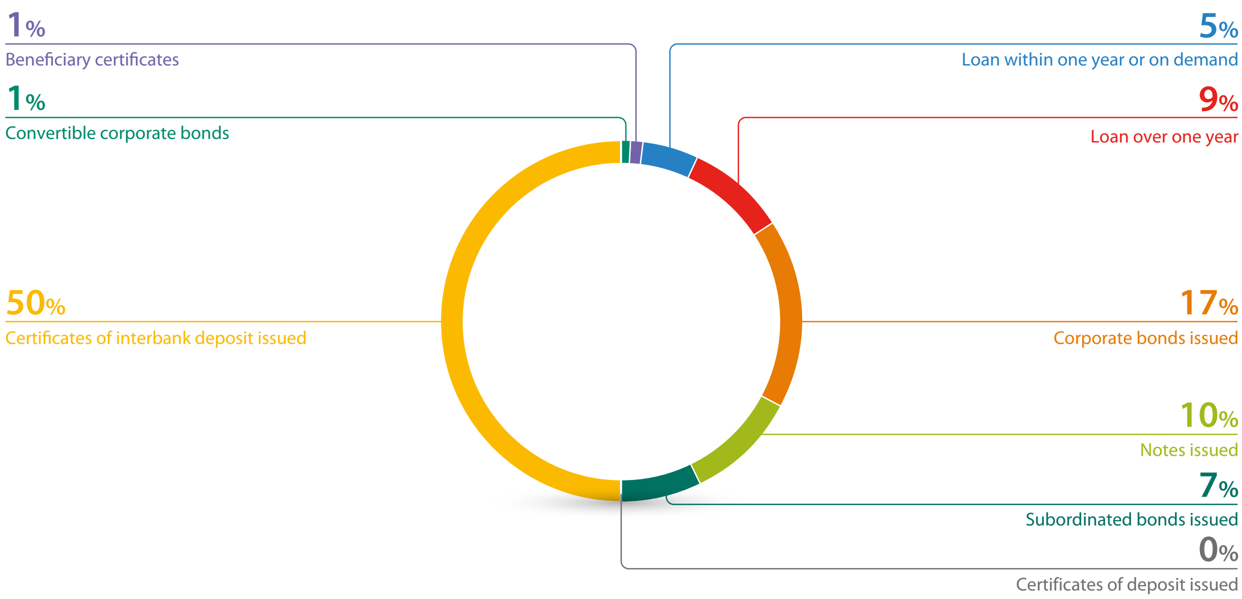
(2) Debt instruments issued include corporate bonds, notes, subordinated bonds, certificates of deposit issued, certificates of interbank deposit issued, convertible corporate bonds and beneficiary certificates excluding interest accrued;

(3) Debt of CITIC Bank refers to CITIC Bank's consolidated debt securities issued, including long-term debt securities, subordinated bonds, certificates of deposit issued, certificates of interbank deposit issued and convertible corporate bonds excluding interest accrued and convertible corporate bonds that has been subscribed by another subsidiary of the group.

Consolidated debt by maturity as at 30 June 2023



Consolidated debt by type as at 30 June 2023



The debt to equity ratio of CITIC Limited as at 30 June 2023 is as follows:

RMB¥ million	Consolidated
Debt	1,395,890
Total equity(4)	1,276,174
Debt to equity ratio	109%

Note:
(4) Total consolidated equity is based on the "total equity" in the Consolidated 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 monitors and graded manages its own liquidity and that of its major non-financial subsidiaries and improves the efficiency of fund utilisation. 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 33(b) to the consolidated financial statements.

3. Commitments and contingent liabilities

Details of contingent liabilities and commitments of CITIC Limited as at 30 June 2023 are set out in Note 32 to the consolidated financial statements.

4. Pledged loan

Details of cash and deposits, inventories, trade and other receivables, fixed assets, intangible assets and right-of-use assets pledged as security for CITIC Limited's loan as at 30 June 2023 are set out in Note 29(d) to the consolidated financial statements.

5. Credit ratings

	Standard & Poor's	Moody's
30 June 2023	BBB+/Positive	A3/Stable

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 or other means, and priority will be given to simple, cost-efficient and effective hedge instruments which meet the HKFRS 9 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 implementing 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 within 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 33(c) to the consolidated financial statements.

2. Currency risk

CITIC Limited has major operations in China's Mainland, 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 RMB. Translation exposures from the consolidation of subsidiaries, whose functional currency is not RMB, are not hedged by 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, cross currency swaps and other derivative instruments, provided that hedging is only considered for firm commitments and highly probable forecast transactions.

Details of currency risk management are set out in Note 33(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. A regular report is required.

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, forward contracts and other derivative instruments for hedging. While CITIC Limited views that natural offsetting is being achieved to a certain extent across its different business sectors, it performs a 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 Derivative financial instruments or Investments in financial assets in the consolidated balance sheet, including shares of listed company. 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 significant 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. The global economy is still on the way of recovery, but the performances in main economic entities and regions are divergent. Due to factors including challenges from trade friction, prevalent global pandemic, and the continuous mutation of the virus, the growth prospect is with uncertainty. 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 segment of the 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 financial and innovative 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 and even incurring economic losses and legal disputes.

CITIC Limited carries out resources and energy, manufacturing, engineering contracting, property development and management, and other businesses in countries and regions across the world, and these businesses 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 in both width and complexity. In this unpredictable economic climate, with extensive business operations and counterparties, the Company pays close attention to market developments and credit risks arising from business partners. If the Company fails to investigate and prevent such risks, they may have an adverse impact on its operations, financial condition and profitability.

Competitive Markets

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

- The comprehensive 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, property development and management, 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 as well as 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 would 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 operations of CITIC Limited.

Human Resources

Protecting Employees' Rights and Interests

During the period, we complied fully with relevant laws, regulations and policies, including those concerning labour contracts. We are committed to protecting the lawful rights and interests of our staff to build harmonious relationships with them. In our recruitment and career development practices, we provide equal opportunities for all, based on individual merit and overall fairness, without regard to race, gender, religion, ethnicity, nationality or physical disability. We also prohibit child and forced labour in all of our operations.

We and our subsidiaries have established a competitive remuneration policy, which is guided by the remuneration policies of relevant local governments and based on business results. This market-oriented mechanism puts equal emphasis on market competitiveness and fairness, and correlates salary with performance. During the period, we continued to optimise our performance appraisal and remuneration systems to help the Company achieve better performance. In addition, we made further improvements to our staff benefits schemes, including insurance and policies on working hours and rest periods. As required by the Hong Kong SAR Government, we made contributions to the Mandatory Provident Fund for all staff based in Hong Kong and provided full coverage of basic social insurance for our mainland staff according to the requirements of local governments.

Developing our Staff

Focusing on improving the human capital efficiency, we advance "The Programme of Talent Development during the Fourteenth Five Year" which proposes building "Four Teams" and cultivating "Six Core Talents". We recommended high-level professionals to take part in the review of Honors Programs. We also strengthen our approach to talent cultivation with highlighting our unique features, continuously improve the construction of the training system, build up a strong training guarantee mechanism, and insist on serving the overall situation and provide all staff with training based on demands and classification.

In line with our people-oriented philosophy, and capitalising on the strength of our integrated network, we arrange for staff postings, internal rotations and exchanges between our headquarters and subsidiaries and among our subsidiaries in different sectors. These are also arranged between CITIC and provincial and municipal governments as well as strategic partner companies. By organising these programmes, we are able to enrich the experience of our employees and allow them to improve their professional knowledge and skills.

Caring for CITIC Employees

The quality of life of our employees is one of our greatest concerns. To improve employees' sense of achievement and belonging, we have taken various measures including providing awards and recognition, giving publicity, organizing cultural and sports activities, and staff visit at special time points and offering regular support and caring.

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 2023 – unaudited
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June 2023	2022 (Restated)
Interest income		169,660	160,519
Interest expenses		(93,943)	(83,691)
Net interest income	5(a)	75,717	76,828
Fee and commission income		39,524	31,625
Fee and commission expenses		(5,025)	(3,362)
Net fee and commission income	5(b)	34,499	28,263
Sales of goods and services	5(c)	197,166	196,916
Other revenue	5(d)	26,604	22,840
		223,770	219,756
Total revenue		333,986	324,847
Cost of sales and services	6	(176,981)	(175,084)
Other net income	7	2,507	11,956
Expected credit losses		(33,213)	(44,296)
Impairment losses		(1,304)	(1,175)
Other operating expenses	9	(55,337)	(45,676)
Net valuation loss on investment properties		(84)	(147)
Share of profits of associates, net of tax		2,912	4,055
Share of profits of joint ventures, net of tax		1,732	1,869
Profit before net finance charges and taxation		74,218	76,349
Finance income		739	482
Finance costs		(5,694)	(3,935)
Net finance charges	8	(4,955)	(3,453)
Profit before taxation	9	69,263	72,896
Income tax	10	(11,792)	(11,799)
Profit for the period		57,471	61,097
Attributable to:			
– Ordinary shareholders of the Company		32,092	41,665
– Non-controlling interests		25,379	19,432
Profit for the period		57,471	61,097
Earnings per share for profit attributable to ordinary shareholders of the Company during the period:			
Basic and diluted earnings per share (RMB)	12	1.10	1.43

The notes on pages 41 to 132 form part of this unaudited consolidated interim financial report.

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023 – unaudited
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June 2023	2022 (Restated)
Profit for the period		**57,471**	61,097
Other comprehensive gain/(loss) for the period	13		
Items that may be reclassified subsequently to profit or loss:			
Fair value changes on debt instruments at fair value through other comprehensive income		**3,839**	(3,416)
Loss allowance changes on debt instruments at fair value through other comprehensive income		**586**	(23)
Cash flow hedge: net movement in the hedging reserve		**43**	498
Share of other comprehensive loss of associates and joint ventures		**(1,701)**	(966)
Exchange differences on translation of financial statements and others		**2,205**	2,213
Items that will not be reclassified subsequently to profit or loss:			
Revaluation (loss)/gain on owner-occupied property reclassified as investment property		**(10)**	7
Fair value changes on investments in equity instruments designated at fair value through other comprehensive income		**(247)**	(26)
Other comprehensive gain/(loss) for the period		**4,715**	(1,713)
Total comprehensive income for the period		**62,186**	59,384
Attributable to:			
– Ordinary shareholders of the Company		**34,115**	39,488
– Non-controlling interests		**28,071**	19,896
Total comprehensive income for the period		**62,186**	59,384

The notes on pages 41 to 132 form part of this unaudited consolidated interim financial report.

Consolidated Balance Sheet

At 30 June 2023 – unaudited
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	30 June 2023	31 December 2022 (Restated)	1 January 2022 (Restated)
Assets				
Cash and deposits	15	**643,485**	676,978	588,864
Cash held on behalf of customers	16	**264,550**	245,723	–
Placements with banks and non-bank financial institutions		**207,328**	217,354	142,061
Derivative financial instruments	17	**107,982**	80,867	22,858
Trade and other receivables	18	**289,118**	211,273	141,312
Contract assets		**19,320**	19,506	10,962
Inventories		**116,250**	109,050	92,718
Financial assets held under resale agreements		**93,093**	45,713	91,757
Loans and advances to customers and other parties	19	**5,257,646**	5,042,734	4,749,680
Margin accounts	20	**111,104**	106,976	–
Investments in financial assets	21	**3,198,559**	3,143,196	2,376,651
– Financial assets at amortised cost		**1,154,867**	1,124,596	1,173,929
– Financial assets at fair value through profit or loss		**1,279,879**	1,135,886	545,508
– Debt investments at fair value through other comprehensive income		**755,005**	873,367	648,511
– Equity investments at fair value through other comprehensive income		**8,808**	9,347	8,703
Refundable deposits		**70,636**	69,158	–
Interests in associates	22	**106,656**	104,384	126,058
Interests in joint ventures	23	**60,856**	61,010	52,189
Fixed assets		**171,671**	159,803	144,965
Investment properties		**36,095**	35,407	32,709
Right-of-use assets		**40,086**	41,220	31,480
Intangible assets		**19,543**	16,718	15,047
Goodwill		**26,022**	25,623	17,652
Deferred tax assets		**86,379**	88,818	67,549
Other assets		**49,926**	35,806	34,612
Total assets		**10,976,305**	10,537,317	8,739,124

Consolidated Balance Sheet

At 30 June 2023 – unaudited
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	30 June 2023	31 December 2022 (Restated)	1 January 2022 (Restated)
Liabilities				
Borrowing from central banks		155,251	119,421	189,257
Deposits from banks and non-bank financial institutions	24	981,540	1,103,099	1,162,895
Placements from banks and non-bank financial institutions		102,785	108,736	88,136
Financial liabilities at fair value through profit or loss	25	99,138	94,845	4,648
Customer brokerage deposits	26	305,138	279,001	–
Funds payable to securities issuers		1,356	15,253	–
Derivative financial instruments	17	108,989	72,393	24,563
Trade and other payables	27	422,966	378,271	151,206
Contract liabilities		33,391	29,596	27,380
Financial assets sold under repurchase agreements		376,014	470,477	100,117
Deposits from customers	28	5,574,033	5,150,772	4,785,168
Employee benefits payables		51,711	54,938	31,517
Income tax payable		8,739	15,727	13,232
Bank and other loans	29	195,028	154,114	118,848
Debt instruments issued	30	1,209,702	1,182,140	1,022,266
Lease liabilities		17,870	19,528	16,975
Provisions		17,017	17,410	20,361
Deferred tax liabilities		17,403	18,153	11,839
Other liabilities		22,060	18,756	15,087
Total liabilities		9,700,131	9,302,630	7,783,495
Equity	31			
Share capital		307,576	307,576	307,576
Reserves		377,037	352,902	309,416
Total ordinary shareholders' funds		684,613	660,478	616,992
Non-controlling interests		591,561	574,209	338,637
Total equity		1,276,174	1,234,687	955,629
Total liabilities and equity		10,976,305	10,537,317	8,739,124

Approved and authorised for issue by the board of directors on 31 August 2023.

Director: Director:

The notes on pages 41 to 132 form part of this unaudited consolidated interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023 – unaudited
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	Share capital	Capital reserve	Hedging reserve	Investment related reserves	General reserve	Retained earnings	Exchange reserve	Total	Non-controlling interests	Total equity
Balance at 31 December 2022 (restated)		307,576	(43,956)	2,750	(5,863)	55,773	335,447	6,838	658,565	574,209	1,232,774
Effect on accounting policy change	2(b)	–	–	–	(2,367)	–	4,280	–	1,913	–	1,913
Balance at 1 January 2023		307,576	(43,956)	2,750	(8,230)	55,773	339,727	6,838	660,478	574,209	1,234,687
Profit for the period		–	–	–	–	–	32,092	–	32,092	25,379	57,471
Other comprehensive income for the period	13	–	–	49	1,100	–	–	874	2,023	2,692	4,715
Total comprehensive income for the period		–	–	49	1,100	–	32,092	874	34,115	28,071	62,186
Transactions with non-controlling interests		–	1,399	–	–	–	–	–	1,399	1,550	2,949
Appropriation to general reserve		–	–	–	–	106	(106)	–	–	–	–
Dividends paid to ordinary shareholders of the Company	11	–	–	–	–	–	(11,608)	–	(11,608)	–	(11,608)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(15,502)	(15,502)
Acquisition of a new subsidiary	36	–	–	–	–	–	–	–	–	3,191	3,191
Disposal of equity investments at fair value through other comprehensive income		–	–	–	(151)	–	151	–	–	–	–
Others		–	229	–	–	–	–	–	229	42	271
Other changes in equity		–	1,628	–	(151)	106	(11,563)	–	(9,980)	(10,719)	(20,699)
Balance at 30 June 2023		307,576	(42,328)	2,799	(7,281)	55,879	360,256	7,712	684,613	591,561	1,276,174

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023 – unaudited
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	Share capital	Capital reserve	Hedging reserve	Investment related reserves	General reserve	Retained earnings	Exchange reserve	Total	Non-controlling interests	Total equity
Balance at 31 December 2021		307,576	(44,010)	1,695	3,701	51,459	291,322	2,605	614,348	338,637	952,985
Effect on accounting policy change	2(b)	–	–	–	(1,478)	–	4,122	–	2,644	–	2,644
Balance at 1 January 2022 (restated)		307,576	(44,010)	1,695	2,223	51,459	295,444	2,605	616,992	338,637	955,629
Profit for the period		–	–	–	–	–	41,665	–	41,665	19,432	61,097
Other comprehensive gain/(loss) for the period	13	–	–	511	(3,049)	–	–	361	(2,177)	464	(1,713)
Total comprehensive income for the period		–	–	511	(3,049)	–	41,665	361	39,488	19,896	59,384
Capital injection by non-controlling interests		–	–	–	–	–	–	–	–	105	105
Appropriation to general reserve		–	–	–	–	207	(207)	–	–	–	–
Dividends paid to ordinary shareholders of the Company	11	–	–	–	–	–	(11,404)	–	(11,404)	–	(11,404)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(15,254)	(15,254)
Other equity instruments issued by subsidiaries		–	–	–	–	–	–	–	–	4,286	4,286
Acquisition of new subsidiaries		–	–	–	–	–	–	–	–	208,767	208,767
Disposal of subsidiaries		–	–	–	–	–	–	–	–	(7)	(7)
Disposal of equity investments at fair value through other comprehensive income		–	–	–	(31)	–	31	–	–	–	–
Others		–	68	–	–	–	–	–	68	(31)	37
Other changes in equity		–	68	–	(31)	207	(11,580)	–	(11,336)	197,866	186,530
Balance at 30 June 2022		307,576	(43,942)	2,206	(857)	51,666	325,529	2,966	645,144	556,399	1,201,543

The notes on pages 41 to 132 form part of this unaudited consolidated interim financial report.

Consolidated Cash Flow Statement

For the six months ended 30 June 2023 – unaudited
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June 2023	2022 (Restated)
Cash flows from operating activities			
Profit before taxation		69,263	72,896
Adjustments for:			
– Depreciation and amortisation	9	11,156	9,403
– Expected credit losses		33,213	44,296
– Impairment losses		1,304	1,175
– Net valuation loss on investment properties		84	147
– Net valuation gain on investments		(5,650)	(3,426)
– Share of profits of associates and joint ventures, net of tax		(4,644)	(5,924)
– Interest expenses on debt instruments issued	5(a)	14,609	14,892
– Finance income	8	(739)	(482)
– Finance costs	8	5,694	3,935
– Net gain on investments in financial assets		(17,728)	(12,938)
– Net gain on disposal/deemed disposal of subsidiaries, associates and joint ventures		(63)	(10,624)
		106,499	113,350
Changes in working capital			
Increase in deposits with central banks, banks and non-bank financial institutions		(10,310)	(2,619)
Decrease/(Increase) in placements with banks and non-bank financial institutions		16,798	(72,483)
Increase in trade and other receivables		(72,736)	(80,452)
Decrease/(Increase) in contract assets		187	(1,296)
Increase in inventories		(7,493)	(15,558)
(Increase)/Decrease in financial assets held under resale agreements		(45,313)	51,133
Increase in loans and advances to customers and other parties		(227,686)	(173,081)
Increase in investments in financial assets held for trading purposes		(99,919)	(30,500)
(Increase)/Decrease in cash held on behalf of customers		(18,826)	25,868
Increase in other operating assets		(46,843)	(13,376)
Decrease in deposits from banks and non-bank financial institutions		(117,369)	(188,434)
(Decrease)/Increase in placements from banks and non-bank financial institutions		(7,350)	8,230
Increase in financial liabilities at fair value through profit or loss		3,755	17,671
Increase in trade and other payables		10,671	14,220
Increase in contract liabilities		3,795	2,347
(Decrease)/Increase in financial assets sold under repurchase agreements		(97,584)	6,307
Increase in deposits from customers		401,206	341,776
Increase/(Decrease) in borrowing from central banks		34,767	(1,506)
Increase in customer brokerage deposits		26,538	30,917
Increase in other operating liabilities		39,130	5,410
Decrease in employee benefits payables		(3,228)	(6,394)
(Decrease)/Increase in provisions		(393)	3,148

Consolidated Cash Flow Statement

For the six months ended 30 June 2023 – unaudited
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June 2023	Six months ended 30 June 2022 (Restated)
Cash (used in)/generated from operating activities		**(111,704)**	34,678
Income tax paid		**(20,609)**	(21,875)
Net cash (used in)/generated from operating activities		**(132,313)**	12,803
Cash flows from investing activities			
Proceeds from disposal and redemption of financial investments		**1,320,930**	1,360,259
Proceeds from disposal of fixed assets, intangible assets and other assets		**346**	696
Proceeds from disposal of associates and joint ventures		**(22)**	161
Net cash received from disposal of subsidiaries		**–**	2
Dividends received from equity investments, associates and joint ventures		**2,796**	2,305
Payments for purchase of financial investments		**(1,275,837)**	(1,339,369)
Payments for additions of fixed assets, intangible assets and other assets		**(8,987)**	(4,732)
Net cash (payment)/receipt for acquisition of subsidiaries		**(1,216)**	156,800
Net cash payment for acquisition of associates and joint ventures		**(333)**	(6,792)
Net (increase)/decrease in restricted cash		**(606)**	55
Cash paid for other investing activities		**(10,333)**	–
Net cash generated from investing activities		**26,738**	169,385
Cash flows from financing activities			
Capital injection received from non-controlling interests		**–**	105
Payments for transaction with non-controlling interests		**(245)**	–
Proceeds from bank and other loans		**150,963**	93,698
Repayments of bank and other loans and debt instruments issued		**(725,903)**	(519,449)
Proceeds from debt instruments issued		**626,862**	385,038
Issuance of equity instruments by subsidiaries		**3,246**	–
Issuance of other equity instruments by subsidiaries		**–**	4,285
Principal and interest elements of lease payments		**(2,696)**	(2,466)
Interest paid on bank and other loans and debt instruments issued		**(19,302)**	(16,985)
Dividends paid to non-controlling interests		**(1,404)**	(3,203)
Net cash generated from/(used in) financing activities		**31,521**	(58,977)
Net (decrease)/increase in cash and cash equivalents		**(74,054)**	123,211
Cash and cash equivalents at 1 January		**427,460**	292,386
Effect of exchange changes		**2,621**	4,765
Cash and cash equivalents at 30 June		**356,027**	420,362

The notes on pages 41 to 132 form part of this unaudited consolidated interim financial report.

1 General information

CITIC Limited (the "Company") was incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation.

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

These unaudited consolidated interim accounts (the "Accounts") are presented in millions of Renminbi ("RMB"), unless otherwise stated.

The financial information relating to the year ended 31 December 2022 that is included in the Accounts as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6, to the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

2 Basis of preparation and changes in material accounting policies

(a) 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 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies adopted in the preparation of the Accounts are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2022, except for the following amendments which became effective for the first time for the financial year beginning on or after 1 January 2023.

HKFRS 17	Insurance Contracts [(1)]
HKAS 1 (Amendments) and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies [(2)]
Amendments to HKAS 8	Definition of Accounting Estimates [(2)]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction [(2)]

(1) The impact of adoption of the standard is set out in Note 2(b).

(2) Adoption of these amendments does not have a significant impact on the Accounts.

(Expressed in millions of Renminbi, unless otherwise stated)

2 Basis of preparation and changes in material accounting policies (continued)

(a) Basis of preparation (continued)

The Group has not applied the following amendments which are not yet effective for the financial year beginning on or after 1 January 2023 and which have not been early adopted in the Accounts:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current [1]
Amendments to HKAS 1	Non-current Liabilities with Covenants [1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback [2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements [2]
Amendments to HKFRS 10 and HKAS 28	Sale of contribution of assets between an investor and its associate or joint venture [3]

(1) In December 2022, the Hong Kong Institute of Certified Public Accountants ("HKICPA") deferred the effective date of these amendments to annual reporting period beginning on or after 1 January 2024.

(2) Effective for the annual reporting periods beginning on or after 1 January 2024.

(3) In December 2015, the HKICPA decided to defer the application date of these amendment until such time as the HKICPA has finalised its research project on the equity method.

The Group is in the process of making an assessment of the impact of the above amendments to standards. None of these is expected to have a significant effect on the consolidated financial statements of the Group.

(b) Changes in material accounting policies

Changes in presentation currency

The Group has changed its presentation currency from Hong Kong dollars ("HK$") to Renminbi ("RMB") for the preparation of its interim financial information for the six months ended 30 June 2023. Since the Group mainly operates its business in the People's Republic of China ("PRC") and most of the Group's transactions are denominated and settled in Renminbi, the Board believes it is more appropriate to adopt RMB as its presentation currency for the Group's financial statements. Furthermore, the Board considers that the change of presentation currency enables the shareholders and potential investors of the Company to have a more accurate picture of the Group's financial performance. The change in presentation currency has been applied retrospectively.

HKFRS 17 Insurance Contracts

The Group has adopted HKFRS 17 Insurance Contracts ("HKFRS 17") replacing HKFRS 4 Insurance Contract with a date of initial application as 1 January 2023, which resulted in changes in accounting policies. The Group has adjusted the consolidated financial statements retrospectively and the amounts previously recognised in the Accounts. The Group did not early adopt HKFRS 17 in previous periods.

The impact of the adoption of HKFRS 17 is presented in consolidated statement of changes in equity.

3 Critical accounting estimates and judgements

In addition to those described below, the critical 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 2022.

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes

Each of Sino Iron Pty Ltd. ("Sino Iron"), Korean Steel Pty Ltd. ("Korean Steel") and Balmoral Iron Pty Ltd. ("Balmoral Iron"), subsidiary companies of the Company, has entered into a Mining Right and Site Lease Agreement ("MRSLA") with Mineralogy. Among other things, those agreements, together with other project agreements, provide Sino Iron, Korean Steel and Balmoral Iron the right to develop and operate the Group's Sino Iron project in Western Australia ("Sino Iron Project") and to take and process one billion tonnes each of magnetite ore for that purpose. Before Balmoral Iron can exercise its one billion tonne mining right, it will need to submit and have approved by the State of Western Australia project proposals for its project, among other things.

There are a number of ongoing disputes between the Company, Sino Iron and Korean Steel ("CITIC Parties") on the one hand, and Mineralogy and Mr. Clive Palmer (management and major shareholder of Mineralogy, "Mr. Palmer") on the other hand, arising from the MRSLAs and other project agreements. Set out below are the details of those disputes considered to be material.

FCD Indemnity Disputes

Mineralogy and Mr. Palmer have commenced proceedings to pursue claims pursuant to an indemnity given by the Company under the Fortescue Coordination Deed ("FCD"). Mineralogy and Mr. Palmer allege that the CITIC Parties' failure to make certain royalty payments caused them loss which they would be entitled to be indemnified against pursuant to the indemnity contained in the FCD.

(i) Queensland Nickel FCD Indemnity Claim

On 29 June 2017, Mr. Palmer commenced a proceeding against the Company in the Supreme Court of Western Australia ("Proceeding CIV 2072/2017") claiming damages in the sum of AUD2,324,000,000 (now reduced by an amended statement of claim to AUD1,800,438,000). The amount claimed is alleged to represent the diminution in the value of the nickel and cobalt refinery business located at Yabulu in North Queensland, which was carried on by the Queensland Nickel group of companies controlled by Mr. Palmer ("Yabulu Refinery"), and a consequential diminution in the value of Mr. Palmer's ultimate beneficial shareholding in the joint venturers that own the Yabulu Refinery.

After commencing this proceeding, Mr. Palmer joined Mineralogy as a second plaintiff and Sino Iron and Korean Steel as second and third defendants.

3 Critical accounting estimates and judgements (continued)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

FCD Indemnity Disputes (continued)

(i) Queensland Nickel FCD Indemnity Claim (continued)

On 2 September 2022, Mineralogy and Mr. Palmer filed their fifth amended statement of claim. That statement of claim alleges that if the CITIC Parties had paid to Mineralogy royalty on products produced by Sino Iron and Korean Steel ("Royalty Component B") when it was due for payment under the MRSLAs, then in about November 2015 Mineralogy would have paid Queensland Nickel Pty Limited ("QNI") AUD28,000,000. Mineralogy and Mr. Palmer claim that because the CITIC Parties did not pay amounts of Royalty Component B to Mineralogy, including for the period ended 30 September 2015 and/or 31 December 2015, Mineralogy did not provide QNI with the funds to enable it to continue managing and operating the Yabulu Refinery business. Later, in January 2016, QNI was placed in administration, followed by liquidation in April 2016. Mineralogy and Mr. Palmer claim that the liquidation of QNI led to the diminution in value of the Yabulu Refinery, and a consequential diminution in value of the shares of its joint venture owners, QNI Metals Pty Ltd and QNI Resources Pty Ltd. The shares in those companies are ultimately beneficially owned by Mr. Palmer. Mineralogy and Mr. Palmer claim that the CITIC Parties are liable for those losses pursuant to the indemnity in the FCD.

On 14 October 2022, the CITIC Parties filed their further re-amended defence. The CITIC Parties plead a number of defences, including construction arguments, causation, mitigation, abuse of process and Anshun estoppel.

On 11 November 2022, Mineralogy and Mr. Palmer filed a further re-amended reply. The reply contains allegations that certain conduct of the CITIC Parties, specifically alleged activities of the Fulcrum Group, has the effect of disentitling the CITIC Parties from obtaining relief claimed in the form of a permanent stay of the proceeding on grounds of Anshun estoppel or abuse of process ("Fulcrum Allegations"). The CITIC Parties applied to strike out the paragraphs of the reply which contain the Fulcrum Allegations but that application was refused on 13 June 2023. This means that the Fulcrum Allegations contained in Mineralogy and Mr. Palmer's reply will be heard and determined at trial.

Mineralogy and Mr. Palmer applied for leave to amend their statement of claim in January 2023. That application was refused on 22 June 2023. Justice Lundberg found that the amendments proposed would make Mineralogy and Mr. Palmer's case overly generalised, with the effect that the CITIC Parties would not be able to understand the case they would have to meet at trial. Mineralogy and Mr. Palmer filed their minute of sixth amended statement of claim on 23 July 2023 and their submissions in support of their application for leave to amend on 7 August 2023. On 21 August 2023, the CITIC Parties filed their responsive submissions. Mineralogy and Mr. Palmer filed their submissions in reply on 29 August 2023.

Following the strategic conference on 28 July 2023, Justice Lundberg listed Mineralogy and Mr. Palmer's application for leave to amend their statement of claim in this proceeding for a hearing on 27 September 2023.

3 Critical accounting estimates and judgements (continued)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

FCD Indemnity Disputes (continued)

(i) Queensland Nickel FCD Indemnity Claim (continued)

A number of other interlocutory applications in this proceeding have not yet been determined, including interlocutory applications filed by Mineralogy and Mr. Palmer on 23 January 2023 to be relieved of certain discovery obligations, to strike out certain paragraphs of the CITIC Parties' defence filed on 14 October 2022 and to obtain discovery from the CITIC Parties of documents related to the Fulcrum Allegations. These applications, if pressed by Mineralogy and Mr. Palmer, will be programmed to be heard at an appropriate time once pleadings issues have been resolved.

Pursuant to orders made by Justice K Martin in September 2020, this proceeding will be heard together with Proceeding CIV 1267/2018 mentioned in 3(a)(ii). Orders previously made in this proceeding that damages would be determined separately and subsequently to liability have been vacated. This means that all issues will be heard and determined together in a single trial.

No trial date has been set for this proceeding.

(ii) Palmer Petroleum FCD Indemnity Claim

On 16 February 2018, Mineralogy commenced a proceeding against the CITIC Parties in the Supreme Court of Western Australia ("Proceeding CIV 1267/2018") in which it claims damages in the sum of AUD2,675,400,000. That amount is alleged to represent the diminution in the value of Mineralogy's shares in a subsidiary of Mineralogy arising from the cancellation of petroleum prospecting licences in the Gulf of Papua held by that subsidiary, or, alternatively, the diminution in value of another subsidiary of Mineralogy arising from that subsidiary having been delayed or impaired from developing the relevant petroleum prospecting licences.

On 29 June 2023, Mineralogy filed its third amended statement of claim, pursuant to orders made by Justice Lundberg on 22 June 2023 granting Mineralogy leave to amend. In that statement of claim, Mineralogy alleges that Palmer Petroleum Pty Ltd. (now named Aspenglow Pty Ltd.) ("Palmer Petroleum") was engaged in the business of owning, exploring, developing, and exploiting petroleum prospecting licences in Papua New Guinea. Mineralogy alleges that in June 2016, following the exercise of an option contained in a Funding Agreement, Palmer Petroleum transferred certain petroleum prospecting licences to Blaxcell Limited. Mineralogy is the holder and beneficial owner of all of the shares in both Palmer Petroleum and Blaxcell Limited.

Mineralogy claims that, if the CITIC Parties had paid Royalty Component B in accordance with their obligations under the MRSLAs and the FCD, Mineralogy would have provided such of those funds to Palmer Petroleum to meet its contractual obligations, pay the amount of a statutory demand, meet working capital requirements and operate its business, among other things. In July 2016, Palmer Petroleum became insolvent and was ordered to be wound up in insolvency.

3 Critical accounting estimates and judgements (continued)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

FCD Indemnity Disputes (continued)

(ii) Palmer Petroleum FCD Indemnity Claim (continued)

Mineralogy pleads that Palmer Petroleum, or alternatively Blaxcell Limited, suffered a diminution in its value equivalent to the sale value of oil that allegedly would have been recoverable under rights to certain Papua New Guinea petroleum prospecting licences. Mineralogy claims that it suffered a loss equivalent to the diminution in value of its shareholding in Palmer Petroleum, or alternatively Blaxcell Limited, and that the CITIC Parties are liable for that loss pursuant to the indemnity in the FCD.

As at the date of issuance of these financial statements, the CITIC Parties have not yet filed a further re-amended defence following the filing of Mineralogy's third amended statement of claim. However, in the CITIC Parties' re-amended defence filed on 14 October 2022, the CITIC Parties plead a number of defences, including construction arguments, causation, mitigation, abuse of process and Anshun estoppel.

On 11 November 2022, Mineralogy filed its further re-amended reply, which includes the Fulcrum Allegations. The CITIC Parties applied to strike out the paragraphs of the reply which contain the Fulcrum Allegations but that application was refused on 13 June 2023. This means that the Fulcrum Allegations contained in Mineralogy's reply will be heard and determined at trial.

The CITIC Parties' defence and Mineralogy's reply will be further amended following the hearing before Justice Lundberg on 27 September 2023 at which his Honour will determine Mineralogy and Mr. Palmer's application for leave to amend their statement of claim in Proceeding CIV 2072/2017.

A number of other interlocutory applications in this proceeding have not yet been determined, including interlocutory applications filed by Mineralogy on 23 January 2023 to be relieved of certain discovery obligations, to strike out certain paragraphs of the CITIC Parties' defence filed on 14 October 2022 and to obtain discovery from the CITIC Parties of documents related to the Fulcrum Allegations. These applications, if pressed by Mineralogy, will be programmed to be heard at an appropriate time once pleadings issues have been resolved.

Pursuant to orders made by Justice K Martin in September 2020, this proceeding will be heard together with Proceeding 2072/2017. Orders previously made in this proceeding that damages would be determined separately and subsequently to liability have been vacated. This means that all issues will be heard and determined together in a single trial.

No trial date has been set for this proceeding.

3 Critical accounting estimates and judgements (continued)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

Mine Continuation Proposals Dispute

(i) Mine Continuation Proposals Proceedings

The continued operation of the Sino Iron Project requires it to extend beyond the footprint it currently occupies. The need for extension is driven by the need to extend the mine pit and accommodate waste rock and tailings, which are necessary by-products of the mining process. The mining tenements upon which the Sino Iron Project is currently conducted, and those into which the CITIC Parties wish to extend in order to continue operation, are all held by Mineralogy.

The CITIC Parties commenced a proceeding against Mineralogy and Mr. Palmer in the Federal Court of Australia, which was transferred to the Supreme Court of Western Australia on 10 June 2019 ("Proceeding CIV 1915/2019"). The proceeding related to the failure and refusal of Mineralogy to:

– submit mine continuation proposals for the Sino Iron Project to the State of Western Australia under the State Agreement;

– grant further tenure which is reasonably required for the Sino Iron Project;

– take steps to secure the re-purposing of general-purpose leases for the Sino Iron Project; and

– submit a Programme of Works for the Sino Iron Project to the State of Western Australia.

The CITIC Parties brought claims for breach of contract, of unconscionable conduct under the Australian Consumer Law, and in estoppel. Mr. Palmer was sued as an accessory to the unconscionable conduct claim. The CITIC Parties sought orders requiring Mineralogy to take the four steps set out above, and to pay the CITIC Parties damages for its failure and refusal to do those things. Damages were also sought from Mr. Palmer. The State of Western Australia was joined to the proceeding as a necessary party, because it is a party to the State Agreement, but no relief was sought against it.

The CITIC Parties commenced a new proceeding ("Proceeding CIV 2326/2021") on 8 December 2021. Proceeding CIV 2326/2021 sought orders for specific performance in relation to a refined tenure request addressed to Mineralogy on 29 November 2021. That tenure request was in the alternative to the tenure in respect of which relief was sought in Proceeding CIV 1915/2019. On 29 December 2021, Justice K Martin ordered that Proceeding CIV 1915/2019 and Proceeding CIV 2326/2021 be consolidated and proceed as one action ("Consolidated MCP Proceedings").

The primary trial in the Consolidated MCP Proceedings occurred before Justice K Martin from 21 February 2022 to 29 April 2022. The primary trial was to determine all issues in the Consolidated MCP Proceedings other than the quantification of any loss or damage suffered by the CITIC Parties.

3 Critical accounting estimates and judgements (continued)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

Mine Continuation Proposals Dispute (continued)

(i) Mine Continuation Proposals Proceedings (continued)

On 7 March 2023, Justice K Martin delivered his reasons in the Consolidated MCP Proceedings and on 10 March 2023 made orders consequent upon his reasons. His Honour dismissed most of the CITIC Parties' claims. However, Justice K Martin made the following key findings relevant to mine continuation:

– Mineralogy is obliged to either submit, or consent to the CITIC Parties submitting, the Programme of Works.

– Mineralogy is contractually obliged to assist, and cooperate with, the CITIC Parties, including in relation to the submission of project proposals under the State Agreement. However, the Court declined to require Mineralogy to submit the mine continuation proposals in the form before the Court, for reasons including that those proposals presumed the use of tenure outside areas which Mineralogy had previously agreed to provide.

– Mineralogy is required to honestly consider, and not unreasonably refuse, requests for additional tenure that is reasonably requested and reasonably required. His Honour found that the CITIC Parties' most recent tenure request lacked certain features required to meet that test, and so declined to order Mineralogy to grant the tenure the subject of that request. However, his Honour confirmed that an area outside the site lease areas, to the south of the current tailings storage facility, and that is held by Mineralogy, is necessary for future tailings and waste storage for the Sino Iron Project.

– Mineralogy is not required to take steps to re-purpose the general purpose leases, for reasons including because Mineralogy had not granted the CITIC Parties tenure over all of those general purpose leases.

While not operationally and financially optimal for life-of-mine operations, the Court's decision means that there is now a pathway forward that should enable the CITIC Parties to seek approval of a proposal for extension of the mine pit and expansion of waste rock and tailings storage within the areas already made available by Mineralogy to Sino Iron and Korean Steel.

In its orders made on 10 March 2023, the Court ordered Mineralogy to submit the Programme of Works to the State for its consideration. On 6 April 2023, Mineralogy applied for a stay of that order pending the determination of its appeal of that aspect of the trial judgment as described below.

On 20 April 2023, Justice K Martin heard Mineralogy's stay application. On 2 June 2023, his Honour delivered his decision in which he dismissed Mineralogy's stay application. On 7 June 2023, Mineralogy applied to the Court of Appeal for a stay of the order made on 10 March 2023. On 9 June 2023, the Court of Appeal refused Mineralogy's stay application.

3 Critical accounting estimates and judgements (continued)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

Mine Continuation Proposals Dispute (continued)

(i) Mine Continuation Proposals Proceedings (continued)

On 9 June 2023, Mineralogy submitted the Programme of Works to the State. The Programme of Works was approved on 28 July 2023. That approval will allow the CITIC Parties to undertake investigative works necessary for the extension of the mine pit and the establishment of a new tailings storage facility.

At a hearing on 21 April 2023, Justice K Martin made orders deferring the CITIC Parties' Programme of Works damages claim until after the determination of the appeals referred to below. His Honour also ordered the CITIC Parties to pay Mineralogy's and Mr. Palmer's costs of the Consolidated MCP Proceedings up to and including the 21 April 2023 hearing, except in relation to Mr. Palmer's unsuccessful application to stay the trial, for which Mr. Palmer must pay the CITIC Parties' costs.

Unless approval can be obtained to allow extension of the mine pit and establishment of additional storage areas for waste rock and tailings, constraints on pit size and waste/tailings storage capacity will ultimately force the suspension of operations. In the short term, these constraints are reflected in reduction of concentrate production for calendar year 2024.

(ii) Mine Continuation Proposals Appeals

On 31 March 2023, the CITIC Parties appealed Justice K Martin's decision in the Consolidated MCP Proceedings ("Proceeding CACV 35/2023"). The CITIC Parties' grounds of appeal include that Justice K Martin erred because:

- there is no requirement in the State Agreement or the project agreements for the CITIC Parties to pay additional monetary consideration for areas reasonably required for the Project, including because Mineralogy has been paid for those areas;

- Mineralogy's failure to submit the mine continuation proposals was a breach of its obligations under the State Agreement and certain project agreements;

- his Honour applied the wrong contractual standard when evaluating the CITIC Parties' tenure request, as the standard was whether the tenure was 'reasonably required', and not a higher standard;

- the mine continuation proposals and the CITIC Parties' tenure request were divisible, and not holistic global packages, and their licence request was accompanied by the required level of detail;

- Mineralogy had sufficient technical information and time to consider the CITIC Parties' tenure request, and Mineralogy's refusal to agree to the tenure request constituted a breach of the State Agreement and certain project agreements; and

- injunctive relief compelling Mineralogy to conditionally surrender and apply for the re-grant of certain general purpose leases should have been ordered.

3 Critical accounting estimates and judgements (continued)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

Mine Continuation Proposals Dispute (continued)

(ii) Mine Continuation Proposals Appeals (continued)

Also on 31 March 2023, Mineralogy separately appealed Justice K Martin's decision ("Proceeding CACV 37/2023") in relation to the order that it must submit the Programme of Works. Mineralogy's grounds of appeal include that his Honour erred in failing to hold that, before Mineralogy had an obligation to submit a proposal, the CITIC Parties had to demonstrate a need to submit the proposal for the purposes of performing the MRSLA, so that Mineralogy could make an informed assessment of whether to do so having regard to its own commercial interests.

On 1 May 2023, the Court of Appeal ordered that Proceeding CACV 35/2023 and Proceeding CACV 37/2023 be consolidated ("Consolidated MCP Appeal Proceedings").

On 16 June 2023, the CITIC Parties filed their responsive answer to Mineralogy's appellant's case. On 17 June 2023, Mineralogy filed its responsive answer to the CITIC Parties' appellants' case.

No date has been set for the hearing of the appeals.

Site Remediation Fund Disputes

Under clause 20.5 of the MRSLAs, Mineralogy may require Sino Iron and Korean Steel to provide reasonable security for the performance of their obligations under clause 20 of the MRSLAs, relating to the protection of the environment and rehabilitation following Mine Closure (i.e. the permanent cessation of operations at the Mine). In accordance with clause 20.6 of the MRSLAs, such security is to be provided by way of contributions by Sino Iron and Korean Steel into a Site Remediation Fund.

There has been previous litigation between Mineralogy and the CITIC Parties regarding the proper construction of clause 20.6 of the MRSLAs, Mineralogy's determination of the annual charge to be contributed by Sino Iron and Korean Steel to the Site Remediation Fund and the validity of Mineralogy's notices purporting to require such contributions. All those disputes have now been determined and there are no ongoing Court proceedings between the CITIC Parties and Mineralogy in relation to the Site Remediation Fund.

(b) Metallurgical Corporation of China ("MCC") claim

MCC was appointed as the EPC (engineering, procurement and construction) contractor for the processing area and related facilities at the Sino Iron Project. The fixed price contract amount was US$3.4 billion.

On 30 January 2013, MCC announced that it had incurred costs over the value of the contract and had provided additional funding of US$858 million to MCC Mining (Western Australia) Pty Ltd. ("MCC WA"), its wholly owned subsidiary company responsible for delivering MCC's obligations under the contract.

As at the date of issuance of these financial statements, MCC has not claimed any additional costs from Sino Iron or its subsidiary companies, other than minor contract variations in the normal course of operations, and the Group believes it has satisfied all of its obligations under the contract.

3 Critical accounting estimates and judgements (continued)

(b) Metallurgical Corporation of China ("MCC") claim (continued)

Under the contract, the Group has a right to claim liquidated damages from MCC WA for certain delays in the completion of their project scope at a daily amount of 0.15% of the value of the main contract (approximately US$5 million per day, with a cap of approximately US$530 million in total). As at balance sheet date the cumulative days of delay that has been incurred has resulted in the contractual cap to the liquidated damages being reached.

As set out in the Company's announcement dated 24 December 2013, Sino Iron and MCC WA entered into a supplemental contract pursuant to which Sino Iron will take over the management of the construction and commissioning of the remaining four production lines of the Sino Iron Project. An independent audit will opine on various matters including the contract price for the hand over pursuant to the supplemental contract and related fees and expenses, the value of the supporting services provided by Sino Iron to MCC WA in carrying out its responsibilities under the contract, the extent of the works completed by MCC WA in respect of the first two production lines, and the liability of MCC WA in respect of the extensive delays on completion of the works under the contract. By reference to such findings of the independent audit, Sino Iron and MCC WA expect to enter into further negotiations to determine the amount of liabilities to be borne between the parties. Outcomes are not yet known as at 30 June 2023.

4 Taxation

The statutory income tax rate of the Company and its subsidiaries located in Hong Kong for the six months ended 30 June 2023 is 16.5% (six months ended 30 June 2022: 16.5%).

Except for the preferential tax treatments, the income tax rate applicable to the Group's other subsidiaries in China's Mainland for the six months ended 30 June 2023 is 25% (six months ended 30 June 2022: 25%).

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

The non-taxable income mainly contains interest income arising from PRC government bonds and local government bonds.

5 Revenue

As a multi-industry conglomerate, the Group is principally engaged in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation.

For comprehensive financial services segment, revenue mainly comprises net interest income, net fee and commission income, net trading gain and net gain on financial investments (Notes 5(a), 5(b) and 5(d)). For non-comprehensive financial services segment, revenue mainly comprises total invoiced value of sales of goods and services rendered to customers (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.

(Expressed in millions of Renminbi, unless otherwise stated)

5 Revenue (continued)

(a) Net interest income

	Six months ended 30 June 2023	2022 (Restated)
Interest income arising from (note):		
Deposits with central banks, banks and non-bank financial institutions	8,192	5,954
Placements with banks and non-bank financial institutions	3,890	2,719
Financial assets held under resale agreements	1,326	1,079
Investments in financial assets		
– Financial assets at amortised cost	18,607	20,554
– Debt investments at fair value through other comprehensive income (“FVOCI”)	10,615	8,506
Loans and advances to customers and other parties	122,502	119,535
Margin financing and securities lending	4,207	2,113
Others	321	59
	169,660	160,519
Interest expenses arising from:		
Borrowing from central banks	(1,904)	(2,821)
Deposits from banks and non-bank financial institutions	(11,344)	(12,658)
Placements from banks and non-bank financial institutions	(2,320)	(1,383)
Financial assets sold under repurchase agreements	(4,486)	(1,826)
Deposits from customers	(57,273)	(49,089)
Debt instruments issued	(14,609)	(14,892)
Customer brokerage deposits	(802)	(381)
Lease liabilities	(728)	(259)
Others	(477)	(382)
	(93,943)	(83,691)
Net interest income	75,717	76,828

Note:

Interest income includes interest income accrued on credit-impaired financial assets of RMB291 million for the six months ended 30 June 2023 (six months ended 30 June 2022: RMB177 million).

(Expressed in millions of Renminbi, unless otherwise stated)

5 Revenue (continued)

(b) Net fee and commission income

	Six months ended 30 June	
	2023	2022 (Restated)
Bank card fees	**8,200**	8,040
Trustee commission and fees	**6,547**	7,688
Agency fees and commission	**3,538**	3,069
Guarantee and advisory fees	**2,751**	3,065
Commission on securities brokerage	**6,314**	3,219
Commission on fund management	**3,874**	1,863
Commission on investment banking	**4,153**	1,710
Settlement and clearing fees	**1,213**	1,167
Commission on asset management	**1,224**	840
Commission on futures brokerage	**1,440**	730
Others	**270**	234
	39,524	31,625
Fee and commission expenses	**(5,025)**	(3,362)
Net fee and commission income	**34,499**	28,263

(c) Sales of goods and services

	Six months ended 30 June	
	2023	2022 (Restated)
Sales of goods	**177,501**	175,041
Services rendered to customers		
– Revenue from construction contracts	**6,143**	8,677
– Revenue from other services	**13,522**	13,198
	197,166	196,916

(d) Other revenue

	Six months ended 30 June	
	2023	2022 (Restated)
Net trading (loss)/gain under comprehensive financial services segment (note (i))	**(9,883)**	3,310
Net gain on financial investments under comprehensive financial services segment	**35,725**	19,347
Others	**762**	183
	26,604	22,840

(Expressed in millions of Renminbi, unless otherwise stated)

5 Revenue (continued)

(d) Other revenue (continued)

(i) Net trading (loss)/gain under comprehensive financial services segment

	Six months ended 30 June	
	2023	2022 (Restated)
Trading (loss)/gain:		
– debt securities and certificates of deposits	5,739	1,440
– foreign currencies	(1,136)	(1,075)
– derivatives	(14,486)	2,945
	(9,883)	3,310

6 Costs of sales and services

	Six months ended 30 June	
	2023	2022 (Restated)
Costs of goods sold	162,933	158,060
Costs of services rendered		
– Costs of construction contracts	5,745	8,099
– Costs of other services	8,303	8,925
	176,981	175,084

7 Other net income

	Six months ended 30 June	
	2023	2022 (Restated)
Net gain on disposal/deemed disposal of subsidiaries, associates and joint ventures	63	10,624
Net gain/(loss) on financial investments under non-comprehensive financial services segment	731	(137)
Net foreign exchange gain	268	96
Others	1,445	1,373
	2,507	11,956

(Expressed in millions of Renminbi, unless otherwise stated)

8 Net finance charges

	Six months ended 30 June	
	2023	2022 (Restated)
Finance costs		
– Interest on bank and other loans	4,229	2,136
– Interest on debt instruments issued	1,790	2,145
– Interest and finance charges paid for lease liabilities	133	103
	6,152	4,384
Less: interest expense capitalised	(569)	(537)
	5,583	3,847
Other finance charges	111	88
	5,694	3,935
Finance income	(739)	(482)
	4,955	3,453

9 Profit before taxation

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

	Six months ended 30 June	
	2023	2022 (Restated)
Salaries and bonuses	28,796	24,309
Including:		
– Salaries and bonuses without taking into account of consolidation scope change	23,632	24,309
– Consolidation scope change (note)	5,164	–
Depreciation	9,498	8,127
Amortisation	1,658	1,276
Tax and surcharges	1,622	1,901

Note:

Consolidation scope change represented including CITIC Securities Company Limited ("CITIC Securities"), Shanghai Electric Group Steel Pipe Co., Ltd. ("Shanghai Electric Steel") and Shenzhen Chengkai Xinyin Investment Co., Ltd. ("Chengkai Xinyin") into the consolidated financial statements of the Group.

During the six months ended 30 June 2023, the amount of other operating expenses was RMB55,337 million, and the amount of other operating expenses without taking into account of the above consolidation scope change was RMB47,057 million (six months ended 30 June 2022: RMB45,676 million).

(Expressed in millions of Renminbi, unless otherwise stated)

10 Income tax expense

	Six months ended 30 June	
	2023	2022 (Restated)
Current tax – China's Mainland		
Provision for enterprise income tax	**9,958**	12,784
Land appreciation tax	**12**	19
	9,970	12,803
Current tax – Hong Kong		
Provision for Hong Kong profits tax	**285**	662
Current tax – Overseas		
Provision for the period	**220**	86
	10,475	13,551
Deferred tax		
Origination and reversal of temporary differences	**1,317**	(1,752)
	11,792	11,799

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

11 Dividends

	Six months ended 30 June	
	2023	2022 (Restated)
2022 Final dividend proposed: HK$0.451 (2021 Final dividend paid: HK$0.456) per share	**11,608**	11,404
2023 Interim dividend proposed: RMB0.18 (2022 Interim dividend paid: HK$0.20) per share	**5,236**	5,081

(Expressed in millions of Renminbi, unless otherwise stated)

12 Earnings per share

Basic earnings per share for the six months ended 30 June 2023 is calculated by dividing profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares.

Diluted earnings per share for the six months ended 30 June 2023 is calculated by dividing adjusted profit attributable to the ordinary shareholders of the Company based on assuming conversion of all potentially dilutive shares by the adjusted weighted average number of ordinary shares.

In 2019, China CITIC Bank Corporation Limited ("CITIC Bank"), a subsidiary of the Group, issued convertible bonds, the specific terms of which are disclosed in Note 30(f). The Group has subscribed 65.97% of the convertible bonds, which is the same as the Group's interest in CITIC Bank's common shares. Therefore, the convertible bonds issued by CITIC Bank has no dilutive effect on earnings per share.

In 2022, CITIC Pacific Special Steel Group Co., Ltd. ("CITIC Special Steel"), a subsidiary of the Group, issued convertible bonds, the specific terms of which are disclosed in Note 30(f). The convertible bonds issued by CITIC Special Steel has a dilutive effect on profit attributable to ordinary shareholders of the Company, the calculation results of which are listed as below:

	Six months ended 30 June	
	2023	2022 (Restated)
Profit attributable to ordinary shareholders of the Company	**32,092**	41,665
Less: impact on profit attributable to ordinary shareholders of the Company assuming above convertible bonds converted	**(54)**	–
Profit attributable to ordinary shareholders of the Company (adjusted)	**32,038**	41,665
Weighted average number of ordinary shares (in million)	**29,090**	29,090
Basic earnings per share (RMB)	**1.10**	1.43
Diluted earnings per share (RMB)	**1.10**	1.43

(Expressed in millions of Renminbi, unless otherwise stated)

13 Other comprehensive gain/(loss)

Components of other comprehensive gain/(loss)

	Six months ended 30 June	
	2023	2022 (Restated)
Items that may be reclassified subsequently to profit or loss:		
Fair value gains/(loss) on debt instruments at FVOCI	**5,352**	(2,644)
Less: Net amounts previously recognised in other comprehensive gain transferred to profit or loss in the current period	**(401)**	(1,888)
Tax effect	**(1,112)**	1,116
	3,839	(3,416)
Allowance change for impairment gain/(loss) on debt investments at FVOCI	**722**	(67)
Less: Net amounts previously recognised in other comprehensive income transferred to profit or loss in the current period	**–**	–
Tax effect	**(136)**	44
	586	(23)
Gain arising from cash flow hedge	**54**	633
Less: Net amounts previously recognised in other comprehensive income transferred to profit or loss in the current period	**(14)**	(140)
Tax effect	**3**	5
	43	498
Share of other comprehensive loss of associates and joint ventures	**(1,701)**	(966)
Exchange differences on translation of financial statements and others	**2,205**	2,213
Items that will not be reclassified subsequently to profit or loss:		
Reclassification of owner-occupied property as investment property: revaluation (loss)/gain	**(10)**	7
Less: Tax effect	**–**	–
	(10)	7
Fair value changes on investments in equity instruments designated at FVOCI	**(246)**	(62)
Less: Tax effect	**(1)**	36
	(247)	(26)
	4,715	(1,713)

14 Segment reporting

The Group has presented five reportable operating segments which are comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation. 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 resources 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 five reportable segments are as follows:

- Comprehensive financial services: this segment includes banking, securities, trust, insurance and asset management services.
- Advanced intelligent manufacturing: this segment includes manufacturing of heavy machineries, specialised robotics, aluminum wheels, aluminum casting parts and other products.
- Advanced materials: this segment includes exploration, processing and trading of resources and energy products, including iron ore, copper and crude oil, as well as manufacturing of special steels.
- New consumption: this segment includes motor, food and consumer products business, telecommunication services, publication services, modern agriculture and others.
- New-type urbanisation: this segment includes development, sale and holding of properties, contracting and design services, infrastructure services, environmental services and others.

(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, revenue and expenses 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 specifically attributed to individual segments, such as share of results of associates and joint ventures.

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

(Expressed in millions of Renminbi, unless otherwise stated)

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 six months ended 30 June is set out below:

	Six months ended 30 June 2023							
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total
Revenue from external customers	138,277	24,145	130,603	24,870	16,077	14	–	333,986
Inter-segment revenue	1,220	106	137	59	703	93	(2,318)	–
Reportable segment revenue	139,497	24,251	130,740	24,929	16,780	107	(2,318)	333,986
Disaggregation of revenue:								
– Net interest income (Note 5(a))	76,749	–	–	–	–	90	(1,122)	75,717
– Net fee and commission income (Note 5(b))	34,534	–	–	–	–	–	(35)	34,499
– Sales of goods (Note 5(c))	1,461	24,092	129,877	17,943	4,389	–	(261)	177,501
– Services rendered to customers-construction contracts (Note 5(c))	–	99	–	–	6,556	–	(512)	6,143
– Services rendered to customers-others (Note 5(c))	–	60	863	6,986	5,835	11	(233)	13,522
– Other revenue (Note 5(d))	26,753	–	–	–	–	6	(155)	26,604
Share of profits/(losses) of associates, net of tax	751	2	820	(1)	1,299	41	–	2,912
Share of profits of joint ventures, net of tax	659	1	476	25	546	25	–	1,732
Finance income (Note 8)	–	48	515	59	389	361	(633)	739
Finance costs (Note 8)	–	(239)	(1,547)	(295)	(787)	(4,296)	1,470	(5,694)
Depreciation and amortisation (Note 9)	(4,787)	(622)	(3,715)	(1,003)	(994)	(35)	–	(11,156)
Expected credit losses	(33,993)	(218)	60	(3)	941	–	–	(33,213)
Impairment losses	(246)	(288)	(146)	(49)	–	(575)	–	(1,304)
Profit/(loss) before taxation	60,944	1,099	7,741	1,075	3,578	(4,639)	(535)	69,263
Income tax (Note 10)	(9,716)	(196)	(1,146)	(247)	(484)	4	(7)	(11,792)
Profit/(loss) for the period	51,228	903	6,595	828	3,094	(4,635)	(542)	57,471
Attributable to:								
– Ordinary shareholders of the Company	27,529	426	5,789	481	3,042	(4,633)	(542)	32,092
– Non-controlling interests	23,699	477	806	347	52	(2)	–	25,379

(Expressed in millions of Renminbi, unless otherwise stated)

14 Segment reporting (continued)

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

	As at 30 June 2023							
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total
Reportable segment assets	10,347,568	58,712	276,706	55,990	326,395	65,685	(154,751)	10,976,305
Including:								
Interests in associates (Note 22)	27,955	846	22,317	7,158	47,175	1,205	–	106,656
Interests in joint ventures (Note 23)	14,658	567	7,752	1,795	34,567	1,517	–	60,856
Reportable segment liabilities	9,265,112	38,748	134,545	25,805	139,483	239,836	(143,398)	9,700,131
Including:								
Bank and other loans (Note 29) (note)	13,922	9,980	65,357	5,935	46,928	114,763	(62,350)	194,535
Debt instruments issued (Note 30) (note)	1,108,844	–	4,885	3,247	–	84,562	(183)	1,201,355

(Expressed in millions of Renminbi, unless otherwise stated)

14 Segment reporting (continued)

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

	Six months ended 30 June 2022 (Restated)							
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total
Revenue from external customers	131,533	24,094	125,937	25,313	17,933	37	–	324,847
Inter-segment revenue	366	147	555	41	624	7	(1,740)	–
Reportable segment revenue	131,899	24,241	126,492	25,354	18,557	44	(1,740)	324,847
Disaggregation of revenue:								
– Net interest income (Note 5(a))	77,181	–	–	–	–	5	(358)	76,828
– Net fee and commission income (Note 5(b))	28,271	–	–	–	–	–	(8)	28,263
– Sales of goods (Note 5(c))	3,605	23,829	125,608	19,072	3,604	4	(681)	175,041
– Services rendered to customers-construction contracts (Note 5(c))	–	206	–	–	8,832	–	(361)	8,677
– Services rendered to customers-others (Note 5(c))	–	206	884	6,282	6,121	30	(325)	13,198
– Other revenue (Note 5(d))	22,842	–	–	–	–	5	(7)	22,840
Share of profits/(losses) of associates, net of tax	1,666	(2)	724	(73)	1,762	(22)	–	4,055
Share of profits/(losses) of joint ventures, net of tax	753	(1)	458	19	618	22	–	1,869
Finance income (Note 8)	–	31	203	27	384	132	(295)	482
Finance costs (Note 8)	–	(204)	(901)	(204)	(559)	(2,813)	746	(3,935)
Depreciation and amortisation (Note 9)	(3,869)	(597)	(3,171)	(989)	(737)	(40)	–	(9,403)
Expected credit losses	(43,910)	(65)	(8)	(28)	(285)	–	–	(44,296)
Impairment losses	(250)	(78)	(770)	(77)	–	–	–	(1,175)
Profit/(loss) before taxation	51,510	830	10,605	942	3,476	5,690	(157)	72,896
Income tax (Note 10)	(8,288)	(123)	(1,959)	(252)	(410)	(760)	(7)	(11,799)
Profit/(loss) for the period	43,222	707	8,646	690	3,066	4,930	(164)	61,097
Attributable to:								
– Ordinary shareholders of the Company	25,506	342	7,690	386	2,973	4,932	(164)	41,665
– Non-controlling interests	17,716	365	956	304	93	(2)	–	19,432

(Expressed in millions of Renminbi, unless otherwise stated)

14 Segment reporting (continued)

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

	As at 31 December 2022 (Restated)							
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total
Reportable segment assets	9,970,318	58,955	234,215	55,397	331,732	51,174	(164,474)	10,537,317
Including:								
Interests in associates (Note 22)	26,798	846	22,895	6,899	45,927	1,019	–	104,384
Interests in joint ventures (Note 23)	15,862	526	7,236	1,745	34,155	1,486	–	61,010
Reportable segment liabilities	8,924,482	39,907	105,363	24,715	152,720	203,277	(147,834)	9,302,630
Including:								
Bank and other loans (Note 29) (note)	12,716	12,840	41,813	5,670	47,680	94,793	(62,015)	153,497
Debt instruments issued (Note 30) (note)	1,081,892	–	5,011	3,129	–	86,878	(1,831)	1,175,079

Note:

The amount is the principal excluding interest accrued.

(b) Geographical information

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

	Revenue from external customers Six months ended 30 June		Reportable segment assets	
	2023	2022 (Restated)	30 June 2023	31 December 2022 (Restated)
China's Mainland	286,198	286,454	9,942,177	9,632,205
Hong Kong, Macau and Taiwan	21,838	21,321	637,167	591,800
Overseas	25,950	17,072	396,961	313,312
	333,986	324,847	10,976,305	10,537,317

(Expressed in millions of Renminbi, unless otherwise stated)

15 Cash and deposits

	30 June 2023	31 December 2022 (Restated)
Cash	4,125	5,604
Bank deposits	118,864	109,587
Balances with central banks (note (i)):		
– Statutory deposit reserve funds (note (ii))	375,154	367,350
– Surplus deposit reserve funds (note (iii))	59,401	104,315
– Fiscal deposits (note (iv))	285	298
– Foreign exchange reserves (note (v))	3,294	1,693
Deposits with banks and non-bank financial institutions	81,099	86,207
	642,222	675,054
Accrued interest	1,345	2,022
	643,567	677,076
Less: allowance for impairment losses on deposits with banks and non-bank financial institutions	(82)	(98)
	643,485	676,978

Notes:

(i) The balances with central banks represent deposits placed with central banks by CITIC Bank and CITIC Finance Company Limited ("CITIC Finance").

(ii) CITIC Bank and CITIC Finance place statutory deposit reserve funds with the People's Bank of China and overseas central banks where they have operations. The statutory deposit reserve funds are not available for use in their daily business.

As at 30 June 2023, the statutory deposit reserve funds placed by CITIC Bank with the People's Bank of China was calculated at 7.25% (31 December 2022: 7.5%) of eligible RMB deposits for domestic branches of CITIC Bank and at 6% (31 December 2022: 6%) of eligible RMB deposits from overseas financial institutions, respectively. In addition, CITIC Bank is required to deposit an amount equivalent to 6% (31 December 2022: 6%) of its foreign currency deposits from domestic branch customers as statutory deposit reserve funds as at 30 June 2023.

As at 30 June 2023, the statutory RMB deposit reserve rate applicable to Zhejiang Lin'an CITIC Rural Bank Corporation Limited, a subsidiary of CITIC Bank, was at 5% (31 December 2022: 5%).

The amounts of statutory deposit reserve funds placed with the central banks of overseas countries are determined by respective jurisdictions. The statutory deposit reserve funds are interest bearing except for the foreign currency reserve funds deposits placed with the People's Bank of China.

As at 30 June 2023, the statutory deposit reserve funds placed by CITIC Finance with the People's Bank of China was calculated at 5% (31 December 2022: 5%) of eligible RMB deposits from the customers of CITIC Finance. CITIC Finance is also required to deposit an amount equivalent to 6% (31 December 2022: 6%) of its foreign currency deposits from the customers as statutory deposit reserve funds.

(iii) The surplus deposit reserve funds are maintained with the People's Bank of China for the purposes of clearing.

(iv) Fiscal deposits placed with the People's Bank of China are not available for use in the Group's daily operations, and are non-interest bearing (unless otherwise stipulated by the local People's Bank of China).

(v) The foreign exchange reserve is a deposit made by CITIC Bank to the People's Bank of China in accordance with relevant notices issued by the People's Bank of China. For the applicable period of forward foreign exchange sales, it is calculated and withdrawn at 20% of the signed amount in the previous month, with a freezing period of 1 year and no interest paid.

(vi) In addition to the statutory deposit reserve funds, fiscal deposits and foreign exchange reserve, RMB14,149 million (31 December 2022: RMB8,840 million) included in cash and deposits as at 30 June 2023 were restricted in use, mainly including guaranteed pledged bank deposits, guaranteed deposits and risk reserve.

16 Cash held on behalf of customers

CITIC Securities, the Group's subsidiary, maintains segregated deposit accounts with banks and authorised institutions to hold cash on behalf of customers arising from its normal course of business. The Group has recorded the related amounts as cash held on behalf of customers and the corresponding liabilities as customer brokerage deposits (Note 26). In China's Mainland, the use of cash held on behalf of customers for security and the settlement of their transactions is restricted and governed by relevant third-party deposit regulations issued by the China Securities Regulatory Commission. In Hong Kong, the "Securities and Futures (Client Money) Rules" together with the related provisions of the Securities and Futures Ordinance impose similar restrictions. In other countries and regions, cash held on behalf of customers is supervised by relevant authorities.

17 Derivative financial instruments

The Group's subsidiaries under the comprehensive financial services segment act as an intermediary to offer derivative products including forwards, swaps and option transactions. 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 to manage its own assets and liabilities and structural positions. Derivatives, except for those which are designated as hedging instruments, are held for trading. Derivatives classified as held for trading are for trading and customer-initiated transactions purpose, and those for risk management purposes but do not meet the criteria for hedge accounting.

Subsidiaries under non-comprehensive 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 nominal amounts of derivatives and the corresponding fair values as at the balance sheet date. The nominal amounts of the derivatives provide a basis for comparison with fair values of derivatives recognised on the consolidated balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair values of the derivatives and, therefore, do not indicate the Group's exposure to credit or market risks.

(Expressed in millions of Renminbi, unless otherwise stated)

17 Derivative financial instruments (continued)

	30 June 2023			31 December 2022		
	Nominal amount	Assets	Liabilities	Nominal amount (Restated)	Assets (Restated)	Liabilities (Restated)
Hedging instruments						
Fair value hedge						
– Interest rate derivatives	5,234	131	–	600	9	–
– Currency derivatives	2,036	213	–	1,976	176	–
Cash flow hedge						
– Interest rate derivatives	5,606	224	41	13,026	272	92
– Currency derivatives	498	3	17	213	5	9
– Other derivatives	117	117	–	92	92	–
Non-hedging instruments						
– Interest rate derivatives	6,015,942	28,726	27,919	4,932,627	22,730	21,351
– Currency derivatives	3,803,060	56,122	56,756	3,329,629	33,752	33,657
– Equity derivatives	600,941	18,344	19,315	507,788	19,696	11,611
– Precious metals derivatives	45,910	197	1,055	35,523	250	598
– Credit derivatives	15,235	73	118	12,110	79	152
– Other derivatives	993,369	3,832	3,768	855,985	3,806	4,923
	11,487,948	107,982	108,989	9,689,569	80,867	72,393

(Expressed in millions of Renminbi, unless otherwise stated)

17 Derivative financial instruments (continued)

(a) Credit risk weighted amounts

The credit risk weighted amounts are solely in connection with the derivatives held by CITIC Bank, and have been computed in accordance with "Regulation Governing Capital of Commercial Banks (provisional)" promulgated by the Former China Banking and Insurance Regulatory Commission in 2012, and depends on the status of the counterparties and the maturity characteristics of the instruments including those customer-driven back-to-back transactions. As at 30 June 2023, the credit risk weighted amount for counterparty was RMB29,208 million (31 December 2022: RMB24,579 million).

18 Trade and other receivables

	30 June 2023	31 December 2022 (Restated)
Account and bills receivables	79,618	68,900
Advanced payments and settlement accounts	66,918	22,477
Accounts due from brokers	31,616	26,731
Prepayments, deposits and other receivables	133,031	106,979
	311,183	225,087
Less: allowance for impairment losses	(22,065)	(13,814)
	289,118	211,273

As at 30 June 2023, the amount of the Group's prepayments, deposits and other receivables expected to be recovered or recognised as expenses after one year is RMB2,012 million (31 December 2022: RMB2,845 million). The remaining trade and other receivables are expected to be recovered or recognised as expense within one year.

(Expressed in millions of Renminbi, unless otherwise stated)

19 Loans and advances to customers and other parties

(a) Loans and advances to customers and other parties analysed by nature

	30 June 2023	31 December 2022 (Restated)
Loans and advances to customers and other parties at amortised cost		
Corporate loans:		
– Loans	2,608,837	2,419,077
– Discounted bills	2,820	3,704
– Finance lease receivables	49,934	46,566
	2,661,591	2,469,347
Personal loans:		
– Residential mortgages	985,349	975,807
– Credit cards	519,471	511,101
– Business loans	428,489	378,819
– Personal consumption	288,285	260,436
– Finance lease receivables	561	370
	2,222,155	2,126,533
	4,883,746	4,595,880
Accrued interest	19,049	17,385
	4,902,795	4,613,265
Less: allowance for impairment losses	(137,173)	(137,495)
Carrying amount of loans and advances to customers and other parties at amortised cost	4,765,622	4,475,770
Loans and advances to customers and other parties at fair value through Profit and loss ("FVPL")		
Corporate loans:		
– Loans	5,383	3,881
Loans and advances to customers and other parties at FVOCI		
Corporate loans:		
– Loans	60,788	54,851
– Discounted bills	425,853	508,232
Carrying amount of loans and advances to customers and other parties at FVOCI	486,641	563,083
Total carrying amount of loans and advances	5,257,646	5,042,734
Allowance for impairment losses on loans and advances to customers and other parties at FVOCI	(384)	(629)

(Expressed in millions of Renminbi, unless otherwise stated)

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

(b) Assessment method of allowance for impairment losses

	As at 30 June 2023				
	Stage 1	Stage 2	Stage 3 (note)	Total	Gross loans and advances at stage 3 as a percentage of gross total loans and advances
Loans and advances at amortised cost	4,716,223	91,228	76,295	4,883,746	1.43%
Accrued interest	18,062	347	640	19,049	
Less: allowance for impairment losses	(63,274)	(25,473)	(48,426)	(137,173)	
Carrying amount of loans and advances at amortised cost	4,671,011	66,102	28,509	4,765,622	
Carrying amount of loans and advances at FVOCI	486,218	423	–	486,641	
Total carrying amount of loans and advances for which allowance for impairment losses is recognised	5,157,229	66,525	28,509	5,252,263	
Allowance for impairment losses of loans and advances at FVOCI	(340)	(44)	–	(384)	

(Expressed in millions of Renminbi, unless otherwise stated)

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

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

	As at 31 December 2022				
	Stage 1 (Restated)	Stage 2 (Restated)	Stage 3 (note) (Restated)	Total (Restated)	Gross loans and advances at stage 3 as a percentage of gross total loans and advances
Loans and advances at amortised cost	4,426,303	89,433	80,144	4,595,880	1.57%
Accrued interest	14,547	2,125	713	17,385	
Less: allowance for impairment losses	(61,602)	(22,648)	(53,245)	(137,495)	
Carrying amount of loans and advances at amortised cost	4,379,248	68,910	27,612	4,475,770	
Carrying amount of loans and advances at FVOCI	562,208	720	155	563,083	
Total carrying amount of loans and advances for which allowance for impairment losses is recognised	4,941,456	69,630	27,767	5,038,853	
Allowance for impairment losses of loans and advances at FVOCI	(523)	(27)	(79)	(629)	

Note:

Loans and advances at stage 3 are credit-impaired, details are as follows:

	30 June 2023	31 December 2022 (Restated)
Secured portion	**38,701**	43,326
Unsecured portion	**38,234**	37,686
Total loans and advances that are credit-impaired	**76,935**	81,012
Allowance for impairment losses	**(48,426)**	(53,324)

As at 30 June 2023, the maximum exposure covered by fair value of pledge and collateral held against these loans and advances amounted to RMB37,553 million (31 December 2022: RMB42,470 million).

(Expressed in millions of Renminbi, unless otherwise stated)

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

(c) Overdue loans by overdue period

	As at 30 June 2023				
	Overdue within 3 months	Overdue between 3 months and 1 year	Overdue between 1 year and 3 years	Overdue over 3 years	Total
Unsecured loans	26,547	9,522	1,867	361	38,297
Guaranteed loans	3,695	1,940	2,238	2,712	10,585
Secured loans					
– Loans secured by collateral	11,868	11,873	7,310	1,907	32,958
– Pledged loans	2,965	2,246	2,066	775	8,052
	45,075	25,581	13,481	5,755	89,892

	As at 31 December 2022				
	Overdue within 3 months (Restated)	Overdue between 3 months and 1 year (Restated)	Overdue between 1 year and 3 years (Restated)	Overdue over 3 years (Restated)	Total (Restated)
Unsecured loans	17,097	9,365	1,696	280	28,438
Guaranteed loans	2,892	2,341	2,365	1,989	9,587
Secured loans					
– Loans secured by collateral	12,441	13,046	7,091	2,337	34,915
– Pledged loans	2,751	6,601	2,189	763	12,304
	35,181	31,353	13,341	5,369	85,244

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

20 Margin accounts

	30 June 2023	31 December 2022 (Restated)
Margin accounts	111,191	106,976
Less: allowance for impairment losses	(87)	–
	111,104	106,976

Margin accounts are funds that the Group lends to the customers for margin financing business.

As at 30 June 2023, the Group received collateral with fair value amounted to RMB466,900 million (31 December 2022: RMB431,795 million) in connection with its margin financing business.

(Expressed in millions of Renminbi, unless otherwise stated)

21 Investments in financial assets

(a) Analysed by types

	30 June 2023	31 December 2022 (Restated)
Financial assets at amortised cost		
Debt securities	933,156	873,628
Investment management products managed by non-bank financial institutions	36,109	39,628
Trust investment plans	203,450	226,256
Certificates of deposit and certificates of interbank deposit	1,090	3,923
Investments in creditor's rights on assets	1,900	1,900
Others	353	336
	1,176,058	1,145,671
Accrued interest	11,866	10,495
	1,187,924	1,156,166
Less: allowance for impairment losses on financial assets at amortised cost	(33,057)	(31,570)
	1,154,867	1,124,596
Financial assets at FVPL		
Debt securities	297,029	242,969
Investment management products managed by non-bank financial institutions	20,893	19,149
Trust investment plans	8,623	6,315
Certificates of deposit and certificates of interbank deposit	73,882	48,083
Wealth management products	4,551	3,022
Investment funds	579,365	555,883
Equity investment	252,522	224,831
Others	43,014	35,634
	1,279,879	1,135,886

(Expressed in millions of Renminbi, unless otherwise stated)

21 Investments in financial assets (continued)

(a) Analysed by types (continued)

	30 June 2023	31 December 2022 (Restated)
Debt investments at FVOCI (note (i))		
Debt securities	708,060	822,379
Certificates of deposit and certificates of inter-bank deposit	41,235	44,525
	749,295	866,904
Accrued interest	5,710	6,463
	755,005	873,367
Equity investments at FVOCI (note (i))		
Equity investment	8,462	8,996
Investment funds	346	351
	8,808	9,347
	3,198,559	3,143,196
Allowance for impairment losses on debt investments at FVOCI	(4,513)	(3,069)

Note:

(i) Financial assets measured at FVOCI

	As at 30 June 2023		
	Equity instruments	Debt instruments	Total
Cost/amortised cost	9,231	751,694	760,925
Accumulative fair value change in other comprehensive income	(423)	(2,399)	(2,822)
Accrued interest	–	5,710	5,710
Carrying amount	8,808	755,005	763,813
Allowance for impairment losses	Not applicable	(4,513)	(4,513)

	As at 31 December 2022		
	Equity instruments (Restated)	Debt instruments (Restated)	Total (Restated)
Cost/amortised cost	9,452	873,432	882,884
Accumulative fair value change in other comprehensive income	(105)	(6,528)	(6,633)
Accrued interest	–	6,463	6,463
Carrying amount	9,347	873,367	882,714
Allowance for impairment losses	Not applicable	(3,069)	(3,069)

(Expressed in millions of Renminbi, unless otherwise stated)

21 Investments in financial assets (continued)

(b) Analysed by counterparties

	30 June 2023	31 December 2022 (Restated)
Issued by:		
– Government	1,231,231	1,162,046
– Policy banks	108,281	109,549
– Banks and non-bank financial institutions	1,460,897	1,490,147
– Corporates	376,275	362,987
– Public entities	4,401	1,593
	3,181,085	3,126,322
Accrued interest	17,474	16,874
	3,198,559	3,143,196
– Listed in Hong Kong	84,717	101,516
– Listed outside Hong Kong	2,631,352	2,534,408
– Unlisted	465,016	490,398
	3,181,085	3,126,322
Accrued interest	17,474	16,874
	3,198,559	3,143,196

Bonds traded in China's interbank bond market are "listed outside Hong Kong".

(Expressed in millions of Renminbi, unless otherwise stated)

21 Investments in financial assets (continued)

(c) Analysed by assessment method of allowance for impairment losses

	As at 30 June 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount of investments in financial assets at amortised cost	**1,113,482**	**6,154**	**56,422**	**1,176,058**
Accrued interest	**11,395**	**280**	**191**	**11,866**
Less: allowance for impairment losses	**(3,395)**	**(1,593)**	**(28,069)**	**(33,057)**
Carrying amount of investments in financial assets at amortised cost	**1,121,482**	**4,841**	**28,544**	**1,154,867**
Gross carrying amount of debt investments in financial assets at FVOCI	**747,631**	**687**	**977**	**749,295**
Accrued interest	**5,648**	**(49)**	**111**	**5,710**
Carrying amount of debt investments in financial assets at FVOCI	**753,279**	**638**	**1,088**	**755,005**
Total carrying amount of investments in financial assets for which allowance for impairment losses is recognised	**1,874,761**	**5,479**	**29,632**	**1,909,872**
Allowance for impairment losses on debt investments in financial assets at FVOCI	**(2,622)**	**(179)**	**(1,712)**	**(4,513)**

	As at 31 December 2022			
	Stage 1 (Restated)	Stage 2 (Restated)	Stage 3 (Restated)	Total (Restated)
Gross carrying amount of investments in financial assets at amortised cost	1,083,385	5,159	57,127	1,145,671
Accrued interest	10,237	138	120	10,495
Less: allowance for impairment losses	(3,518)	(1,434)	(26,618)	(31,570)
Carrying amount of investments in financial assets at amortised cost	1,090,104	3,863	30,629	1,124,596
Gross carrying amount of debt investments in financial assets at FVOCI	865,688	136	1,080	866,904
Accrued interest	6,440	–	23	6,463
Carrying amount of debt investments in financial assets at FVOCI	872,128	136	1,103	873,367
Total carrying amount of investments in financial assets for which allowance for impairment losses is recognised	1,962,232	3,999	31,732	1,997,963
Allowance for impairment losses on debt investments in financial assets at FVOCI	(1,554)	(98)	(1,417)	(3,069)

For the details of the allowance for credit loss on financial assets, refer to Note 33(a).

(Expressed in millions of Renminbi, unless otherwise stated)

22 Interests in associates

	30 June 2023	31 December 2022 (Restated)
Carrying value	114,955	112,307
Less: allowance for impairment losses	(8,299)	(7,923)
	106,656	104,384

23 Interests in joint ventures

	30 June 2023	31 December 2022 (Restated)
Carrying value	62,240	62,352
Less: allowance for impairment losses	(1,384)	(1,342)
	60,856	61,010

24 Deposits from banks and non-bank financial institutions

	30 June 2023	31 December 2022 (Restated)
Banks	256,846	317,494
Non-bank financial institutions	719,444	781,503
	976,290	1,098,997
Accrued interest	5,250	4,102
	981,540	1,103,099
Analysed by remaining maturity:		
– On demand	544,097	581,640
– Within 3 months	249,893	193,374
– Between 3 months and 1 year	182,300	323,983
	976,290	1,098,997
Accrued interest	5,250	4,102
	981,540	1,103,099

(Expressed in millions of Renminbi, unless otherwise stated)

25 Financial liabilities at fair value through profit or loss

	30 June 2023	31 December 2022 (Restated)
Not designated		
Debt instruments	10,895	7,903
Stocks	7,842	9,226
Non-controlling interests in consolidated structured entities and others	2,134	4,528
	20,871	21,657
Financial liabilities designated as at fair value through profit or loss		
Beneficiary certificates and structured notes	72,428	64,449
Non-controlling interests in consolidated structured entities and others	5,839	8,739
	78,267	73,188
	99,138	94,845

26 Customer brokerage deposits

	30 June 2023	31 December 2022 (Restated)
Customer brokerage deposits	305,138	279,001

Customer brokerage deposits represent the amounts received from and repayable to customers arising from the ordinary course of the Group's securities brokerage activities. For more details, please refer to Note 16 "Cash held on behalf of customers".

(Expressed in millions of Renminbi, unless otherwise stated)

27 Trade and other payables

	30 June 2023	31 December 2022 (Restated)
Financial liabilities		
Trade and bills payable	93,997	89,527
Settlement accounts	36,472	30,585
Client deposits payables	137,174	134,917
Dividend payables	25,832	498
Other payables	122,913	115,445
	416,388	370,972
Non-financial liabilities		
Advances	260	212
Other taxes payables	6,318	7,087
	6,578	7,299
	422,966	378,271

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

	30 June 2023	31 December 2022 (Restated)
Within 1 year	77,388	73,745
Between 1 and 2 years	4,641	4,849
Between 2 and 3 years	1,912	1,187
Over 3 years	10,056	9,746
	93,997	89,527

(Expressed in millions of Renminbi, unless otherwise stated)

28 Deposits from customers

(a) Types of deposits from customers

	30 June 2023	31 December 2022 (Restated)
Demand deposits		
– Corporate customers	2,201,334	1,931,755
– Personal customers	350,579	349,013
	2,551,913	2,280,768
Time and call deposits		
– Corporate customers	1,849,158	1,854,108
– Personal customers	1,099,639	942,803
	2,948,797	2,796,911
Outward remittance and remittance payables	16,530	14,420
Accrued interest	56,793	58,673
	5,574,033	5,150,772

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

	30 June 2023	31 December 2022 (Restated)
Bank acceptances	338,978	348,926
Letters of credit	29,572	25,132
Guarantees	20,225	17,091
Others	47,514	55,709
	436,289	446,858

(Expressed in millions of Renminbi, unless otherwise stated)

29 Bank and other loans

(a) Types of loans

	30 June 2023	31 December 2022 (Restated)
Bank loans		
Unsecured loans	145,536	108,070
Loans pledged with assets (note (d))	14,835	14,562
	160,371	122,632
Other loans		
Unsecured loans	32,563	30,262
Loans pledged with assets (note (d))	1,601	603
	34,164	30,865
	194,535	153,497
Accrued interest	493	617
	195,028	154,114

(b) Maturity of loans

	30 June 2023	31 December 2022 (Restated)
Bank loans		
– Within 1 year or on demand	61,461	51,187
– Between 1 and 2 years	30,209	19,717
– Between 2 and 5 years	49,766	34,600
– Over 5 years	18,935	17,128
	160,371	122,632
Other loans		
– Within 1 year or on demand	12,437	7,689
– Between 1 and 2 years	18,588	17,865
– Between 2 and 5 years	3,085	5,257
– Over 5 years	54	54
	34,164	30,865
	194,535	153,497
Accrued interest	493	617
	195,028	154,114

(Expressed in millions of Renminbi, unless otherwise stated)

29 Bank and other loans (continued)

(c) Bank and other loans are denominated in the following currencies

	30 June 2023	31 December 2022 (Restated)
RMB	64,222	46,096
US$	55,698	41,875
HK$	70,842	61,554
Other currencies	3,773	3,972
	194,535	153,497
Accrued interest	493	617
	195,028	154,114

(d) As at 30 June 2023, the Group's bank and other loans of RMB16,436 million (31 December 2022: RMB15,165 million) are pledged with cash and deposits, inventories, trade and other receivables, fixed assets, intangible assets and right-of-use assets with an aggregate carrying amount of RMB71,934 million (31 December 2022: RMB71,503 million).

(e) 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 33(b). As at 30 June 2023, none of the covenants relating to drawn down facilities have been breached (31 December 2022: Nil).

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued

	30 June 2023	31 December 2022 (Restated)
Corporate bonds issued (note (a))	235,832	202,077
Notes issued (note (b))	141,268	128,709
Subordinated bonds issued (note (c))	97,120	98,926
Certificates of deposit issued (note (d))	1,679	1,035
Certificates of interbank deposit issued (note (e))	696,091	720,080
Convertible corporate bonds (note (f))	17,771	18,212
Beneficiary certificates (note (g))	11,594	6,040
	1,201,355	1,175,079
Accrued interest	8,347	7,061
	1,209,702	1,182,140
Analysed by remaining maturity:		
– Within 1 year or on demand	812,299	832,239
– Between 1 and 2 years	122,552	61,436
– Between 2 and 5 years	114,917	128,629
– Over 5 years	151,587	152,775
	1,201,355	1,175,079
Accrued interest	8,347	7,061
	1,209,702	1,182,140

The Group did not have any default of principal, interest or other breaches with respect to its debt instruments issued for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

Notes:

(a) **Corporate bonds issued**

	30 June 2023	31 December 2022 (Restated)
The Company (note (i))	45,955	54,407
CITIC Corporation Limited (“CITIC Corporation”) (note (ii))	38,423	30,639
CITIC Securities (note (iii))	148,007	113,502
CITIC Telecom International Holdings Limited (“CITIC Telecom International”) (note (iv))	3,247	3,129
CITIC Pacific Limited’s (“CITIC Pacific”) subsidiaries (note(v))	200	400
	235,832	202,077

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued (continued)

Notes: (continued)

(a) Corporate bonds issued (continued)

(i) Details of corporate bonds issued by the Company

	As at 30 June 2023				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
US$ Notes6.1	US$	110	2014-07-18	2024-01-18	4.70%
HK$ Notes2	HK$	420	2014-07-25	2024-07-25	4.35%
US$ Notes6.2	US$	90	2014-10-29	2024-01-18	4.70%
US$ Notes7	US$	280	2015-04-14	2035-04-14	4.60%
US$ Notes8	US$	150	2016-02-04	2041-02-04	4.88%
US$ Notes9	US$	350	2016-02-04	2036-02-04	4.75%
US$ Notes10	US$	90	2016-04-25	2036-04-25	4.65%
US$ Notes11	US$	210	2016-04-25	2046-04-25	4.85%
US$ Notes13	US$	750	2016-06-14	2026-06-14	3.70%
US$ Notes14	US$	200	2016-09-07	2031-09-07	3.98%
US$ Notes15	US$	250	2016-09-07	2046-09-07	4.49%
US$ Notes16	US$	750	2017-02-28	2027-02-28	3.88%
US$ Notes18	US$	250	2018-01-11	2023-07-11	3.50%
US$ Notes19	US$	500	2018-01-11	2028-01-11	4.00%
US$ Notes20	US$	75	2018-03-13	2038-03-13	4.85%
US$ Notes21	US$	200	2018-04-18	2048-04-18	5.07%
US$ Notes22	US$	300	2020-02-25	2025-02-25	2.45%
US$ Notes23	US$	700	2020-02-25	2030-02-25	2.85%
US$ Notes24	US$	700	2022-02-17	2027-02-17	2.88%
US$ Notes25	US$	300	2022-02-17	2032-02-17	3.50%
US$ Notes26	US$	100	2022-08-02	2027-02-17	2.88%

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued (continued)

Notes: (continued)

(a) Corporate bonds issued (continued)

(i) Details of corporate bonds issued by the Company

	As at 31 December 2022				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
US$ Notes4.1	US$	750	2012-10-17	2023-01-17	6.80%
US$ Notes4.2	US$	250	2012-12-11	2023-01-17	6.80%
US$ Notes4.3	US$	400	2014-07-18	2023-01-17	6.80%
US$ Notes6.1	US$	110	2014-07-18	2024-01-18	4.70%
HK$ Notes2	HK$	420	2014-07-25	2024-07-25	4.35%
US$ Notes6.2	US$	90	2014-10-29	2024-01-18	4.70%
US$ Notes7	US$	280	2015-04-14	2035-04-14	4.60%
US$ Notes8	US$	150	2016-02-04	2041-02-04	4.88%
US$ Notes9	US$	350	2016-02-04	2036-02-04	4.75%
US$ Notes10	US$	90	2016-04-25	2036-04-25	4.65%
US$ Notes11	US$	210	2016-04-25	2046-04-25	4.85%
US$ Notes13	US$	750	2016-06-14	2026-06-14	3.70%
US$ Notes14	US$	200	2016-09-07	2031-09-07	3.98%
US$ Notes15	US$	250	2016-09-07	2046-09-07	4.49%
US$ Notes16	US$	750	2017-02-28	2027-02-28	3.88%
US$ Notes18	US$	250	2018-01-11	2023-07-11	3.50%
US$ Notes19	US$	500	2018-01-11	2028-01-11	4.00%
US$ Notes20	US$	75	2018-03-13	2038-03-13	4.85%
US$ Notes21	US$	200	2018-04-18	2048-04-18	5.07%
US$ Notes22	US$	300	2020-02-25	2025-02-25	2.45%
US$ Notes23	US$	700	2020-02-25	2030-02-25	2.85%
US$ Notes24	US$	700	2022-02-17	2027-02-17	2.88%
US$ Notes25	US$	300	2022-02-17	2032-02-17	3.50%
US$ Notes26	US$	100	2022-08-02	2027-02-17	2.88%

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued (continued)

Notes: (continued)

(a) Corporate bonds issued (continued)

(ii) Details of corporate bonds issued by CITIC Corporation

	As at 30 June 2023				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
03 CITIC bond-2	RMB	6,000	2003-12-10	2023-12-09	5.10%
05 CITIC bond-2	RMB	4,000	2005-12-07	2025-12-06	4.60%
19 CITIC bond-2	RMB	1,500	2019-02-25	2024-02-25	3.85%
19 CITIC bond-3	RMB	2,000	2019-03-19	2029-03-19	4.59%
19 CITIC bond-4	RMB	2,000	2019-04-22	2029-04-22	4.71%
19 CITIC bond-5	RMB	1,800	2019-07-17	2034-07-17	4.60%
19 CITIC bond-6	RMB	700	2019-07-17	2029-07-17	4.46%
19 CITIC bond-7	RMB	500	2019-08-14	2029-08-14	4.38%
19 CITIC bond-8	RMB	2,000	2019-08-14	2039-08-14	4.58%
19 CITIC bond-9	RMB	1,000	2019-11-05	2039-11-05	4.65%
20 CITIC bond-2	RMB	2,000	2020-02-26	2030-02-26	3.88%
20 CITIC bond-3	RMB	1,000	2020-03-23	2030-03-23	4.00%
20 CITIC bond-4	RMB	600	2020-03-23	2040-03-23	4.30%
20 CITIC bond-5	RMB	1,000	2020-04-21	2030-04-21	3.87%
20 CITIC bond-6	RMB	1,500	2020-04-21	2040-04-21	4.16%
20 CITIC bond-8	RMB	1,900	2020-05-11	2040-05-11	4.20%
21 CITIC bond-1	RMB	1,000	2021-11-02	2026-11-02	3.49%
21 CITIC bond-2	RMB	2,000	2021-11-02	2031-11-02	3.79%
23 CITIC SCP001	RMB	3,000	2023-03-13	2023-12-08	2.73%
23 CITIC SCP002	RMB	3,000	2023-04-06	2023-10-09	2.53%

	As at 31 December 2022				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
03 CITIC bond-2	RMB	6,000	2003-12-10	2023-12-09	5.10%
05 CITIC bond-2	RMB	4,000	2005-12-07	2025-12-06	4.60%
19 CITIC bond-2	RMB	1,500	2019-02-25	2024-02-25	3.85%
19 CITIC bond-3	RMB	2,000	2019-03-19	2029-03-19	4.59%
19 CITIC bond-4	RMB	2,000	2019-04-22	2029-04-22	4.71%
19 CITIC bond-5	RMB	1,800	2019-07-17	2034-07-17	4.60%
19 CITIC bond-6	RMB	700	2019-07-17	2029-07-17	4.46%
19 CITIC bond-7	RMB	500	2019-08-14	2029-08-14	4.38%
19 CITIC bond-8	RMB	2,000	2019-08-14	2039-08-14	4.58%
19 CITIC bond-9	RMB	1,000	2019-11-05	2039-11-05	4.65%
20 CITIC bond-2	RMB	2,000	2020-02-26	2030-02-26	3.88%
20 CITIC bond-3	RMB	1,000	2020-03-23	2030-03-23	4.00%
20 CITIC bond-4	RMB	600	2020-03-23	2040-03-23	4.30%
20 CITIC bond-5	RMB	1,000	2020-04-21	2030-04-21	3.87%
20 CITIC bond-6	RMB	1,500	2020-04-21	2040-04-21	4.16%
20 CITIC bond-8	RMB	1,900	2020-05-11	2040-05-11	4.20%
21 CITIC bond-1	RMB	1,000	2021-11-02	2026-11-02	3.49%
21 CITIC bond-2	RMB	2,000	2021-11-02	2031-11-02	3.79%

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued (continued)

Notes: (continued)

(a) Corporate bonds issued (continued)

(iii) Details of corporate bonds issued by CITIC Securities

	As at 30 June 2023				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
15 CITIC 02	RMB	2,500	2015-06-25	2025-06-25	5.10%
19 CS G2	RMB	1,000	2019-09-10	2024-09-10	3.78%
20 CS G2	RMB	2,000	2020-02-21	2025-02-21	3.31%
20 CS G4	RMB	2,000	2020-03-10	2025-03-10	3.20%
20 CS G7	RMB	1,000	2020-04-14	2025-04-14	3.10%
20 CS 13	RMB	3,000	2020-07-14	2023-07-14	3.58%
20 CS 15	RMB	7,500	2020-07-28	2023-07-28	3.49%
20 CS 16	RMB	5,200	2020-08-07	2023-08-07	3.55%
20 CS 18	RMB	2,800	2020-08-24	2023-08-24	3.48%
20 CS 20	RMB	800	2020-09-11	2030-09-11	4.20%
20 CS 24	RMB	900	2020-10-28	2030-10-28	4.27%
21 CS 02	RMB	4,600	2021-01-25	2024-01-25	3.56%
21 CS 03	RMB	3,200	2021-01-25	2031-01-25	4.10%
21 CS 04	RMB	1,500	2021-03-01	2024-03-01	3.60%
21 CS 05	RMB	3,000	2021-03-01	2031-03-01	4.10%
21 CS 06	RMB	2,500	2021-03-19	2031-03-19	4.10%
21 CS 07	RMB	1,400	2021-04-13	2031-04-13	4.04%
21 CS 08	RMB	1,000	2021-06-11	2026-06-11	3.70%
21 CS 09	RMB	2,500	2021-06-11	2031-06-11	4.03%
21 CS 10	RMB	1,500	2021-07-09	2026-07-09	3.62%
21 CS 11	RMB	1,500	2021-07-09	2031-07-09	3.92%
21 CS 12	RMB	3,000	2021-08-23	2024-08-23	3.01%
21 CS 13	RMB	1,000	2021-08-23	2026-08-23	3.34%
21 CS 14	RMB	4,500	2021-09-16	2024-09-16	3.08%
21 CS 16	RMB	2,200	2021-09-28	2024-09-27	3.09%
21 CS 17	RMB	1,800	2021-09-28	2026-09-28	3.47%
21 CS 18	RMB	2,500	2021-10-19	2024-10-19	3.25%
21 CS 19	RMB	2,000	2021-10-19	2026-10-19	3.59%
21 CS 20	RMB	3,000	2021-11-24	2024-11-24	3.07%
21 CS 21	RMB	3,000	2021-12-14	2024-12-14	2.97%
22 CS 01	RMB	500	2022-02-16	2027-01-29	3.20%
22 CS 02	RMB	1,000	2022-02-16	2032-02-06	3.69%
22 CS 03	RMB	1,000	2022-03-11	2025-03-11	3.03%
22 CS 04	RMB	500	2022-03-11	2027-03-11	3.40%
22 CS 05	RMB	3,000	2022-08-24	2025-08-24	2.50%
23 CS 10	RMB	2,000	2023-05-30	2026-05-30	2.89%
23 CS 11	RMB	500	2023-06-13	2025-06-13	2.64%
23 CS 12	RMB	2,500	2023-06-13	2026-06-13	2.80%
23 CS G1	RMB	3,000	2023-02-08	2025-02-08	2.95%
23 CS G2	RMB	1,500	2023-02-21	2025-02-21	2.89%
23 CS G3	RMB	3,000	2023-02-21	2026-02-21	3.06%
23 CS G4	RMB	2,000	2023-03-13	2025-03-13	3.01%

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued (continued)

Notes: (continued)

(a) Corporate bonds issued (continued)

(iii) Details of corporate bonds issued by CITIC Securities (continued)

	As at 30 June 2023				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
23 CS G5	RMB	2,000	2023-03-13	2028-03-13	3.32%
23 CS G6	RMB	2,000	2023-04-19	2025-04-19	2.87%
23 CS G7	RMB	2,500	2023-04-19	2028-04-19	3.17%
23 CS G8	RMB	3,500	2023-05-15	2024-05-15	2.53%
23 CS G9	RMB	3,500	2023-05-15	2026-05-15	2.90%
CITICS MTN ECP51	US$	120	2022-08-16	2023-08-15	0.00%
CITICS MTN ECP50	US$	50	2022-08-08	2023-08-07	0.00%
CITICS MTN ECP49	US$	50	2022-08-01	2023-07-31	0.00%
CITICS MTN ECP47	US$	40	2022-07-27	2023-07-26	0.00%
CITICS MTN ECP48	US$	30	2022-07-06	2023-07-05	0.00%
CITICS MTN ECP53	US$	120	2022-09-22	2023-09-21	4.15%
CITICS MTN ECP55	US$	60	2022-11-11	2023-11-10	0.00%
23 CS S1	RMB	3,000	2023-01-10	2023-07-12	3.00%
23 CS S2	RMB	3,000	2023-02-08	2023-11-10	3.00%
23 CS S3	RMB	4,000	2023-03-02	2023-09-07	3.00%
23 CS S4	RMB	5,000	2023-03-22	2023-09-27	3.00%
23 CS S5	RMB	5,000	2023-04-21	2023-10-26	3.00%
23 CS S6	RMB	4,000	2023-05-19	2023-11-24	2.00%
23 CS S7	RMB	3,000	2023-05-25	2024-05-24	2.00%
HK0000904596	US$	21	2023-01-17	2023-07-17	5.00%
HK0000904802	US$	20	2023-01-20	2023-07-20	5.00%
HK0000904836	US$	5	2023-01-20	2023-10-20	5.00%
HK0000904869	US$	20	2023-01-20	2023-10-20	5.00%
HK0000924297	US$	21	2023-04-24	2023-07-24	0.00%
HK0000932415	US$	7	2023-05-31	2023-08-31	0.00%
HK0000932407	US$	6	2023-05-31	2023-12-01	0.00%
HK0000932597	US$	7	2023-06-02	2023-09-01	0.00%
HK0000936739	US$	12	2023-06-16	2023-09-18	0.00%
XS2580203839	US$	139	2023-01-20	2023-10-20	0.00%
CILHCP23013	HK$	66	2023-02-20	2023-08-21	4.00%
CILHCP23027	US$	69	2023-04-04	2023-10-04	5.00%
CITIC SEC N2410	US$	200	2019-10-24	2024-10-24	2.88%
CITIC SEC N2506	US$	500	2020-06-03	2025-06-03	2.00%
CITIC SEC N2405	US$	175	2022-12-14	2024-05-14	5.15%
CITIC SEC N2502	US$	200	2023-02-21	2025-02-21	5.00%
CITIC SEC N2606	RMB	700	2023-06-23	2026-06-23	2.90%

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued (continued)

Notes: (continued)

(a) Corporate bonds issued (continued)

(iii) Details of corporate bonds issued by CITIC Securities (continued)

	As at 31 December 2022				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
13 CITIC 02	RMB	12,000	2013-06-07	2023-06-07	5.05%
15 CITIC 02	RMB	2,500	2015-06-25	2025-06-25	5.10%
18 CS G2	RMB	600	2018-06-15	2023-06-15	4.90%
19 CS G2	RMB	1,000	2019-09-10	2024-09-10	3.78%
20 CS G1	RMB	3,000	2020-02-21	2023-02-21	3.02%
20 CS G2	RMB	2,000	2020-02-21	2025-02-21	3.31%
20 CS G3	RMB	2,200	2020-03-10	2023-03-10	2.95%
20 CS G4	RMB	2,000	2020-03-10	2025-03-10	3.20%
20 CS G6	RMB	3,300	2020-04-14	2023-04-14	2.54%
20 CS G7	RMB	1,000	2020-04-14	2025-04-14	3.10%
20 CS 09	RMB	4,500	2020-06-02	2023-06-02	2.70%
20 CS 11	RMB	2,000	2020-06-19	2023-06-19	3.10%
20 CS 13	RMB	3,000	2020-07-14	2023-07-14	3.58%
20 CS 15	RMB	7,500	2020-07-28	2023-07-28	3.49%
20 CS 16	RMB	5,200	2020-08-07	2023-08-07	3.55%
20 CS 18	RMB	2,800	2020-08-24	2023-08-24	3.48%
20 CS 20	RMB	800	2020-09-11	2030-09-11	4.20%
20 CS 24	RMB	900	2020-10-28	2030-10-28	4.27%
21 CS 02	RMB	4,600	2021-01-25	2024-01-25	3.56%
21 CS 03	RMB	3,200	2021-01-25	2031-01-25	4.10%
21 CS 04	RMB	1,500	2021-03-01	2024-03-01	3.60%
21 CS 05	RMB	3,000	2021-03-01	2031-03-01	4.10%
21 CS 06	RMB	2,500	2021-03-19	2031-03-19	4.10%
21 CS 07	RMB	1,400	2021-04-13	2031-04-13	4.04%
21 CS 08	RMB	1,000	2021-06-11	2026-06-11	3.70%
21 CS 09	RMB	2,500	2021-06-11	2031-06-11	4.03%
21 CS 10	RMB	1,500	2021-07-09	2026-07-09	3.62%
21 CS 11	RMB	1,500	2021-07-09	2031-07-09	3.92%
21 CS 12	RMB	3,000	2021-08-23	2024-08-23	3.01%
21 CS 13	RMB	1,000	2021-08-23	2026-08-23	3.34%
21 CS 14	RMB	4,500	2021-09-16	2024-09-16	3.08%
21 CS 16	RMB	2,200	2021-09-28	2024-09-27	3.09%
21 CS 17	RMB	1,800	2021-09-28	2026-09-28	3.47%
21 CS 18	RMB	2,500	2021-10-19	2024-10-19	3.25%
21 CS 19	RMB	2,000	2021-10-19	2026-10-19	3.59%
21 CS 20	RMB	3,000	2021-11-24	2024-11-24	3.07%
21 CS 21	RMB	3,000	2021-12-14	2024-12-14	2.97%
22 CS 01	RMB	500	2022-02-16	2027-01-29	3.20%
22 CS 02	RMB	1,000	2022-02-16	2032-02-06	3.69%
22 CS 03	RMB	1,000	2022-03-11	2025-03-11	3.03%
22 CS 04	RMB	500	2022-03-11	2027-03-11	3.40%
22 CS 05	RMB	3,000	2022-08-24	2025-08-24	2.50%
CITICSCSI03	US$	26	2022-12-20	2023-03-20	0.00%
CITICSCSI01	US$	100	2022-11-25	2023-02-25	0.00%

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued (continued)

Notes: (continued)

(a) Corporate bonds issued (continued)

(iii) Details of corporate bonds issued by CITIC Securities (continued)

	As at 31 December 2022				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
CITICS MTN ECP55	US$	60	2022-11-11	2023-11-10	0.00%
CITICS MTN ECP54	US$	20	2022-10-21	2023-01-26	0.00%
CITICS MTN ECP53	US$	120	2022-09-22	2023-09-21	4.15%
CITICSCSI02	US$	50	2022-09-22	2023-03-22	3.90%
CITICS MTN ECP52	US$	20	2022-09-14	2023-03-16	0.00%
CITICS MTN ECP51	US$	120	2022-08-16	2023-08-15	0.00%
CITICS MTN ECP50	US$	50	2022-08-08	2023-08-07	0.00%
CITICS MTN ECP49	US$	50	2022-08-01	2023-07-31	0.00%
CITICS MTN ECP47	US$	40	2022-07-27	2023-07-26	0.00%
CITICS MTN ECP48	US$	30	2022-07-06	2023-07-05	0.00%
CITICS MTN ECP44	US$	30	2022-05-27	2023-05-22	2.82%
CITICS MTN ECP46	US$	50	2022-05-27	2023-02-27	0.00%
CITICS MTN ECP41	US$	80	2022-01-28	2023-01-28	0.00%

(iv) Details of corporate bonds issued by CITIC Telecom International

	As at 30 June 2023				
	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 2022				
	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%

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

	As at 30 June 2023				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
23 JLEPC SCP001	RMB	200	2023-04-21	2023-10-18	2.45%

	As at 31 December 2022				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
22 JLEPC SCP004	RMB	200	2022-06-16	2023-03-10	2.50%
22 JLEPC SCP005	RMB	200	2022-08-29	2023-04-19	1.90%

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued (continued)

Notes: (continued)

(b) Notes issued

	30 June 2023	31 December 2022 (Restated)
CITIC Bank (note (i))	138,495	116,344
CITIC Securities (note (ii))	2,156	11,630
CITIC Trust Co., Ltd. (note (iii))	617	735
	141,268	128,709

(i) Details of notes issued by CITIC Bank

	As at 30 June 2023				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
Financial bonds	US$	200	2021-02-02	2024-02-02	0.88%
Financial bonds	US$	350	2021-02-02	2026-02-02	1.25%
Financial bonds	RMB	20,000	2021-06-10	2024-06-10	3.19%
Financial bonds	US$	500	2021-11-17	2024-11-17	1.75%
Financial bonds	RMB	30,000	2022-04-28	2025-04-28	2.80%
Financial bonds	RMB	30,000	2022-08-05	2025-08-05	2.50%
Financial bonds	US$	270	2022-12-20	2024-11-17	1.75%
Financial bonds	RMB	30,000	2023-04-13	2026-04-13	2.77%
Financial bonds	RMB	10,000	2023-03-27	2026-03-27	2.79%
Financial bonds	RMB	10,000	2023-05-16	2026-05-16	2.68%
Financial bonds	RMB	1,800	2023-04-26	2024-04-26	3.90%

	As at 31 December 2022				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
Financial bonds	RMB	30,000	2020-03-18	2023-03-18	2.75%
Financial bonds	US$	200	2021-02-02	2024-02-02	0.88%
Financial bonds	US$	350	2021-02-02	2026-02-02	1.25%
Financial bonds	RMB	20,000	2021-06-10	2024-06-10	3.19%
Financial bonds	US$	500	2021-11-17	2024-11-17	1.75%
Financial bonds	RMB	30,000	2022-04-28	2025-04-28	2.80%
Financial bonds	RMB	30,000	2022-08-05	2025-08-05	2.50%
Financial bonds	US$	270	2022-12-20	2024-11-17	1.75%

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued (continued)

Notes: (continued)

(b) Notes issued (continued)

(ii) Details of notes issued by CITIC Securities

	As at 30 June 2023				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
CITIC SEC N2504	US$	300	2022-04-21	2025-04-21	3.38%

	As at 31 December 2022				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
CITIC SEC N2306	US$	500	2020-06-03	2023-06-03	1.75%
CITIC SEC N2506	US$	500	2020-06-03	2025-06-03	2.00%
CITIC SEC N2410	US$	200	2019-10-24	2024-10-24	2.88%
CITIC SEC N2405	US$	175	2022-12-14	2024-05-14	5.15%
CITIC SEC N2504	US$	300	2022-04-21	2025-04-21	3.38%

(iii) Details of notes issued by CITIC Trust Co., Ltd.

	As at 30 June 2023				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
Participation notes	US$	5 (Offset 4.80)	2018-01-22	2025-01-22	Non fixed interest rate
Participation notes	US$	1.54	2021-06-25	No fixed maturity date	Non fixed interest rate
Participation notes	US$	270 (Offset 110)	2022-03-30	2025-03-30	Fixed interest rate

	As at 31 December 2022				
	Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
Participation notes	US$	5 (Offset 4.80)	2018-01-22	2025-01-22	Non fixed interest rate
Participation notes	US$	1.54	2021-06-25	No fixed maturity date	Non fixed interest rate
Participation notes	US$	270 (Offset 110)	2022-03-30	2025-03-30	Fixed interest rate

(Expressed in millions of Renminbi, unless otherwise stated)

30 Debt instruments issued (continued)

Notes: (continued)

(c) Subordinated bonds issued

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

	30 June 2023	31 December 2022 (Restated)
Fixed rate notes maturing		
– In February 2029 (i)	3,628	3,444
Fixed rate bonds maturing		
– In March 2023 (ii)	–	1,999
– In February 2024 (iii)	2,998	2,997
– In July 2025 (iv)	506	499
– In September 2028 (v)	29,994	29,993
– In October 2028 (vi)	20,000	20,000
– In August 2030 (vii)	39,994	39,994
	97,120	98,926

		As at 30 June 2023				
		Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
(i)	Subordinated Notes	US$	500	2019-02-28	2029-02-28	4.63%
(iii)	21 CS C1	RMB	3,000	2021-02-08	2024-02-08	3.97%
(iv)	22 CS C1	RMB	500	2022-07-22	2025-07-22	3.03%
(v)	Subordinated Fixed Rate Bonds	RMB	30,000	2018-09-13	2028-09-13	4.96%
(vi)	Subordinated Fixed Rate Bonds	RMB	20,000	2018-10-22	2028-10-22	4.80%
(vii)	Subordinated Fixed Rate Bonds	RMB	40,000	2020-08-14	2030-08-14	3.87%

		As at 31 December 2022				
		Denominated currency	Face value in denominated currency million	Issue date	Maturity date	Interest rate per annum
(i)	Subordinated Notes	US$	500	2019-02-28	2029-02-28	4.63%
(ii)	20 CS C1	RMB	2,000	2020-03-24	2023-03-24	3.32%
(iii)	21 CS C1	RMB	3,000	2021-02-08	2024-02-08	3.97%
(iv)	22 CS C1	RMB	500	2022-07-22	2025-07-22	3.03%
(v)	Subordinated Fixed Rate Bonds	RMB	30,000	2018-09-13	2028-09-13	4.96%
(vi)	Subordinated Fixed Rate Bonds	RMB	20,000	2018-10-22	2028-10-22	4.80%
(vii)	Subordinated Fixed Rate Bonds	RMB	40,000	2020-08-14	2030-08-14	3.87%

30 Debt instruments issued (continued)

Notes: (continued)

(d) Certificates of deposit issued

These certificates of deposit were issued by CBI with interest rate ranging from 0% to 5.38% per annum (31 December 2022: 2.76% – 5.37% per annum).

(e) Certificates of interbank deposit issued

As at 30 June 2023, CITIC Bank issued certain certificates of interbank deposit with a total value of RMB696,091 million (31 December 2022: RMB720,080 million). The yield ranges from 1.90% to 2.75% per annum (31 December 2022: 1.65% to 2.68% per annum). The original maturity terms are between 1 month to 1 year (31 December 2022: between 3 months to 1 year).

(f) Convertible corporate bonds

As approved by the relevant regulatory authorities in China, CITIC Bank made a public offering of RMB40,000 million A-share convertible corporate bonds (the "convertible bonds") on 4 March 2019. CITIC Corporation, as its parent company, has subscribed RMB26,388 million and it was subsequently transferred to CITIC Financial Holdings Co., Ltd. at nil consideration on 22 June 2022. 65.97% of the total corporate bonds, which is the same percentage of the Group's interest in CITIC Bank's common shares. The convertible bonds of CITIC Bank have a term of six years from 4 March 2019 to 3 March 2025, at coupon rates of 0.3% for the first year, 0.8% for the second year, 1.5% for the third year, 2.3% for the fourth year, 3.2% for the fifth year and 4.0% for the sixth year. The conversion of these convertible bonds begins on the first trading day (8 March 2019) after six months upon the completion date of the offering until the maturity date (from 11 September 2019 to 3 March 2025). As at 30 June 2023, convertible bonds (including accrued interest) were recorded as debt instruments issued of RMB13,404 million and non-controlling interests of RMB1,051 million, respectively.

As approved by the relevant regulatory authorities in China, the Group's subsidiary, CITIC Pacific Special Steel made a public offering of RMB5,000 million A-share convertible corporate bonds (the "convertible bonds") on 25 February 2022. The convertible bonds of CITIC Pacific Special Steel have a term of 6 years from 25 February 2022 to 24 February 2028, at coupon rates of 0.2% for the first year, 0.4% for the second year, 0.9% for the third year, 1.3% for the fourth year, 1.6% for the fifth year and 2.0% for the sixth year. The conversion of these convertible bonds begins on the first trading day (3 March 2022) after six months upon the completion date of the offering until the maturity date (from 3 September 2022 to 24 February 2028). As at 30 June 2023, convertible bonds (including accrued interest) were recorded as debt instruments issued of RMB4,799 million and non-controlling interests of RMB693 million, respectively.

(g) Beneficiary certificates

The beneficiary certificates are issued by CITIC Securities. As at 30 June 2023, the balance of the outstanding beneficiary certificates issued by CITIC Securities with original maturity within one year (including accrued interest) amounted to RMB10,649 million (31 December 2022: RMB6,027 million), with coupon rates ranging from 1.75% to 4.0% per annum (31 December 2022: 1.6% to 4.0%), and the balance of the outstanding beneficiary certificates issued by CITIC Securities with original maturity greater than one year (including accrued interest) amounted to RMB1,014 million (31 December 2022: RMB28 million), with coupon rates ranging from 2.5% to 2.8% per annum (31 December 2022: 2.0% to 3.4%).

31 Share capital and capital management

(a) Share capital

As at 30 June 2023, the number of ordinary shares in issue of the Company was 29,090,262,630 (31 December 2022: 29,090,262,630).

(b) 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, with reference to such financial ratios like debt (total of debt instruments issued and bank and other loans) to total equity ratio, 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 comprehensive 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 2023 (31 December 2022: Nil).

32 Commitments and contingent liabilities

(a) Credit commitments

Credit commitments take the form of loan commitments, credit card commitments, financial guarantees, letters of credit and acceptances.

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. 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 drawn down. The amounts of guarantees, letters of credit and acceptances represent the maximum potential loss that would be recognised at the balance sheet date if counterparties failed to perform as contracted.

(Expressed in millions of Renminbi, unless otherwise stated)

32 Commitments and contingent liabilities (continued)

(a) Credit commitments (continued)

	30 June 2023	31 December 2022 (Restated)
Contractual amount		
Loan commitments		
With an original maturity of within 1 year	14,790	16,319
With an original maturity of 1 year or above	29,891	41,642
	44,681	57,961
Credit card commitments	721,119	704,268
Acceptances	770,190	795,833
Letters of credit	271,632	270,837
Guarantees	203,254	186,617
	2,010,876	2,015,516

(b) Credit commitments analysed by credit risk weighted amount

	30 June 2023	31 December 2022 (Restated)
Credit risk weighted amount on credit commitments	523,517	541,153

Notes:

(i) The above credit risk weighted amount is solely in connection with the credit commitments held by CITIC Bank under the comprehensive financial services segment of the Group.

(ii) The credit risk weighted amount refers to the amount as computed in accordance with the rules set out by the former China Banking and Insurance Regulatory Commission and depends on the status of counterparties and the maturity characteristics. The risk weighting used is ranging from 0% to 150%.

(Expressed in millions of Renminbi, unless otherwise stated)

32 Commitments and contingent liabilities (continued)

(c) Redemption commitment for treasury bonds

As an underwriting agent of PRC treasury 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 nominal value plus any interest unpaid and accrued up to the redemption date. Accrued interest payables to the treasury bond holders are calculated in accordance with relevant rules of the Ministry of Finance ("MOF") 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 nominal value of treasury bonds underwritten and sold by CITIC Bank, but not yet matured at the balance sheet date:

	30 June 2023	31 December 2022 (Restated)
Redemption commitment for treasury bonds	3,004	2,904

The original maturities of these bonds vary from 1 to 5 years. The Group believes that the amount of treasury bonds accepted in advance before the maturity date is insignificant. The MOF will not timely pay the treasury bonds which are accepted in advance, but will pay the principal and interest according to the issuance agreement when the treasury bonds mature.

(d) Guarantees provided

In addition to guarantees that have been recognised as liabilities, the guarantees issued by the Group at the balance sheet date are as follows:

	30 June 2023	31 December 2022 (Restated)
Related parties (note)	6,344	6,969
Third parties	3,348	3,200
	9,692	10,169

(Expressed in millions of Renminbi, unless otherwise stated)

32 Commitments and contingent liabilities (continued)

(d) Guarantees provided (continued)

As at balance date, the counter guarantees issued to the Group by related parties mentioned above are as follows:

	30 June 2023	31 December 2022 (Restated)
Related parties (note)	**1,000**	1,000

Note:

As at 30 June 2023, the guarantees provided to related parties by the Group include guarantees provided to former subsidiaries of the Group that were disposed to China Overseas Land & Investment Limited ("China Overseas") in 2016, amounting to RMB1,000 million (31 December 2022: RMB1,000 million). China Overseas has provided counter guarantees to the Group.

The relationship and transaction with related parties are disclosed in Note 34.

(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) There are a number of disputes with Mineralogy, and their details are disclosed in Note 3(a).

(ii) There are some issues in dispute with MCC, and their details are disclosed in Note 3(b).

(f) Capital commitments

As at the balance sheet date, the Group had the following capital commitments in these consolidated financial statements:

	30 June 2023	31 December 2022 (Restated)
Contracted for	**20,423**	22,345

33 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 management

Credit risk refers to the risk of loss caused by default of debtor or counterparty. Credit risk also occurs when the Group makes unauthorised or inappropriate loans and advances to customers, financial commitments or investments. The credit risk exposure of the Group mainly arises from the Group's loans and advances to customers, bonds, interbank business, receivables, lease receivables, other debt investments, off-balance sheet items such as credit commitments financing businesses including margin financing and securities lending, and also stock pledged repurchase.

The Group has standardised management on the entire credit business process including loan application, and its investigation approval and granting of loan, and monitoring of non-performing loans. Through strictly standardising the credit business process, strengthening the whole process management of pre-loan investigation, credit rating and credit granting, examination and approval, loan review and post-loan monitoring, improving the risk of slow-release of collateral, accelerating the liquidation and disposal of non-performing loans, and promoting the upgrading and transformation of credit management system, the credit risk management level of the Group has been comprehensively improved.

In addition to the credit risk to the Group caused by credit assets, for treasury business, the Group manages the credit risk for treasury business through prudently selecting peers and other financial institutions with comparable credit levels as counterparties, balancing credit risk with returns on investment, comprehensively considering internal and external credit rating information, granting credit hierarchy, and using credit management system to review and adjust credit commitments on a timely basis, etc. In addition, the Group provides off-balance sheet commitment and guarantee business to customers, so it is possible for the Group to make payment on behalf of the customer in case of customer's default and bear risks similar to the loan. Therefore, the Group applies similar risk control procedures and policies to such business to reduce the credit risk.

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

Credit risk management (continued)

The Group's credit risk of securities financing transactions mainly arises from the provision of false information provided by customers, failure to repay liabilities at required time limit, violation of contractual agreements on size and structure of positions, violation of regulatory requirements on transactions and involvement of legal disputes on assets provided as collateral. The Company primarily adopts the risk education, credit collection, credit granting, daily marking-to-market, customer risk alert, mandatory liquidation, judicial recourse and other methods to control those credit risks.

The Group is also confronted with credit risk resulting from receivables that arising from sales of goods and rendering of services within the non-comprehensive 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.

Measurement of expected credit losses ("ECL")

The Group adopts the ECL model on its debt instruments which are classified as financial assets measured at amortised cost and at FVOCI, credit commitments and financial guarantees in accordance with the provisions of HKFRS 9.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for account and bills receivable and contract assets, regardless of whether there is significant financing component or not. For other financial assets that are included in the measurement of ECL, the Group evaluates whether the credit risks of related financial assets have increased significantly since initial recognition. The "three-stage" impairment model is used to measure their loss allowances respectively to recognise ECL and their movements:

Stage 1: Financial instruments with no significant increase in credit risk since its initial recognition will be classified as "stage 1" and the Group continuously monitors their credit risk. The loss allowances of financial instruments in stage 1 are measured based on the ECL in the next 12 months, which represents the proportion of the ECL in the lifetime due to possible default events in the next 12 months.

Stage 2: If there is a significant increase in credit risk since initial recognition, the Group transfers the related financial instruments to stage 2, but it will not be considered as credit-impaired instruments. The ECL of financial instruments in stage 2 is measured based on the lifetime ECL.

Stage 3: If a financial asset has shown signs of credit impairment from initial recognition, it will be transferred to Stage 3. The expected credit losses of financial assets in Stage 3 are measured based on the lifetime ECL.

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

Purchased or originated credit-impaired financial assets refers to financial assets that are credit-impaired at the initial recognition. Loss allowances on these assets are the lifetime ECL.

The Group estimates the ECL in accordance with HKFRS 9, and the key judgments and assumptions adopted by the Group are as follows:

(1) Significant increase in credit risk

On each balance sheet date, the Group evaluates whether the credit risk of the relevant financial instruments has increased significantly since initial recognition. When one or more on quantitative or qualitative threshold, or upper limit are triggered, the credit risk of financial instruments would be considered as increased significantly.

By setting quantitative and qualitative threshold, and upper limit, the Group determines whether the credit risk of financial instruments has increased significantly since initial recognition. The judgment mainly includes the number of overdue days, the absolute level and relative level of the change of default probability, the change of credit risk classification and other conditions indicating significant changes in credit risk.

(2) Definition of default and credit-impaired assets

When credit impairment occurred, the Group defines that the financial asset is in default. In general, a financial asset that is overdue for more than 90 days is considered to be in default.

When one or more events that adversely affect the expected future cash flow of a financial asset occurs, the financial asset becomes a credit-impaired financial asset. Evidence of credit-impaired financial assets includes the following observable information:

– The issuer or borrower/debtor is in significant financial difficulties;

– The borrower/debtor is in breach of financial covenant(s) such as default or overdue in repayment of interests or principal etc.;

– The creditor gives the debtor concession that would not be offered otherwise, considering economic or contractual factors relating to the debtor's financial difficulties;

– It is becoming probably that the borrower/debtor will enter bankruptcy or other debt restructuring;

– An active market for that financial asset has disappeared because of financial difficulties from issuer or borrower/debtor;

– Financing financial assets are subject to mandatory liquidation measures and the collateral value is no longer sufficient for financing amounts;

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(2) Definition of default and credit-impaired assets (continued)

- Violation grade for bond issuers or bonds in the latest external rating;

- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The Group's default definition has been consistently applied to the modeling of default probability, default risk exposure and default loss rate in the Group's expected credit loss calculation process.

(3) Inputs for measurement of ECL

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred or whether an asset is considered to be credit-impaired. Related definitions are as follows:

- The probability of default ("PD") represents the likelihood of a borrower/debtor defaulting on its financial obligations, either over the next 12 months or over the remaining lifetime of the obligation.

- Loss given default ("LGD") represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim, and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default and is calculated on a 12-month or lifetime basis.

- Exposure at default ("EAD") is based on the amounts that the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime of the obligation.

The Group regularly monitors and reviews the assumptions related to the calculation of expected credit losses, including the PD and the change in the value of collateral over time.

The Group categorises exposures with similar risk characteristics and estimates the PD, LGD, EAD by the exposures, respectively. During the six months ended 30 June 2023, based on data accumulation, the Group optimised and updated relevant models and parameters. The Group has obtained sufficient information to ensure its statistical reliability. ECL of the Group is measured based on the continuous assessment and follow-up of individuals and their financial status.

During the six months ended 30 June 2023, there were no significant changes in the estimation technology or key assumptions.

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

(4) Forward-looking information

The assessment of significant increase in credit risk and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL for each asset portfolio.

These economic variables and their associated impact on the PD and LGD vary by financial instruments. Expert judgment has also been applied in this process, forecasts of these economic variables are estimated by the experts of the Group on a semi-annually basis, and the impact of these economic variables on the PD and the LGD was determined by statistical regression analysis.

In addition to the base economic scenario, the Group determines the possible scenarios and their weighting by a combination of statistical analysis and expert judgment. The Group measures ECL as either a probability weighted 12 months ECL (stage 1) or a probability weight lifetime ECL (stage 2 and stage 3). These probability-weighted ECL are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

Macroeconomic scenario and weighting information

The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL for each portfolio, which mainly include Domestic GDP, producer price index, the total retail sales of consumer goods, consumer price index, narrow money supply and per capita disposable income of urban residents, etc. Based on comprehensive considerations of internal and external data, expert forecasts, and the best estimate of future outcomes, the Group makes regular forecasts of the macro indicators in three macro-economic scenarios, i. e., the positive, neutral and negative scenarios, to determine the coefficients for forward-looking adjustments. Neutral is defined as the most likely to happen in the future, as compared to other scenarios. Positive scenario and negative scenario represent the likely scenario that is better off or worse off as compared to the neutral scenario.

(Expressed in millions of Renminbi, unless otherwise stated)

33 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 credit risk exposure of financial instruments for which allowance for impairment losses is recognised is as follows:

	30 June 2023	31 December 2022 (Restated)
Deposits with central banks, banks and non-bank financial institutions	639,360	671,374
Placements with banks and non-bank financial institutions	207,328	217,354
Trade and other receivables	257,131	191,311
Financial assets held under resale agreements	93,093	45,713
Loans and advances to customers and other parties	5,252,263	5,038,853
Refundable deposits	70,636	69,158
Margin accounts	111,104	106,976
Investments in financial assets		
– At amortised cost	1,154,867	1,124,596
– Debt investments at FVOCI	755,005	873,367
Cash held on behalf of customers	264,550	245,723
Contract assets	19,320	19,506
Other financial assets	6,332	4,531
	8,830,989	8,608,462
Credit commitments and guarantees provided	2,020,568	2,025,685
Maximum credit risk exposure	10,851,557	10,634,147

The maximum credit risk exposure for debt instruments measured at FVPL at the balance sheet date without taking into consideration of any collateral held or other credit enhancement is as follows:

	30 June 2023	31 December 2022 (Restated)
Derivative financial instruments	107,982	80,867
Loans and advances to customers and other parties at FVPL	5,383	3,881
Investments in financial assets		
– Financial assets at FVPL (debt instruments)	923,140	804,510
Maximum credit risk exposure	1,036,505	889,258

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(ii) Expected credit losses

The following table explains the changes in the gross carrying amount for loans and advances to customers and other parties for the period:

	Six months ended 30 June 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2023	**5,003,058**	**92,278**	**81,012**	**5,176,348**
Movements:				
Net transfers out from stage 1	**(65,847)**	**–**	**–**	**(65,847)**
Net transfers into stage 2	**–**	**5,256**	**–**	**5,256**
Net transfers into stage 3	**–**	**–**	**60,591**	**60,591**
Net increase/(decrease) (note (i))	**261,791**	**(4,060)**	**(33,293)**	**223,815**
Write-offs	**–**	**–**	**(31,936)**	**(31,313)**
Others (note (ii))	**21,501**	**(1,476)**	**561**	**20,586**
Balance at 30 June 2023	**5,220,503**	**91,998**	**76,935**	**5,389,436**

	Six months ended 30 June 2022			
	Stage 1 (Restated)	Stage 2 (Restated)	Stage 3 (Restated)	Total (Restated)
Balance at 1 January 2022	4,710,367	89,678	75,766	4,875,811
Movements:				
Net transfers out from stage 1	(80,537)	–	–	(80,537)
Net transfers into stage 2	–	27,030	–	27,030
Net transfers into stage 3	–	–	53,507	53,507
Net increase/(decrease) (note (i))	201,712	(15,560)	(21,591)	164,561
Write-offs	–	–	(30,333)	(30,333)
Others (note (ii))	14,826	(2,882)	3,457	15,401
Balance at 30 June 2022	4,846,368	98,266	80,806	5,025,440

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(ii) Expected credit losses (continued)

The following table explains the changes in the gross carrying amount for investments in financial assets for the period:

	Six months ended 30 June 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2023	**1,965,750**	**5,433**	**58,350**	**2,029,533**
Movements:				
Net transfers out from stage 1	**(2,606)**	**–**	**–**	**(2,606)**
Net transfers into stage 2	**–**	**1,581**	**–**	**1,581**
Net transfers into stage 3	**–**	**–**	**1,024**	**1,024**
Net increase/(decrease) (note (i))	**(49,550)**	**58**	**(1,682)**	**(51,174)**
Write-offs	**(35,542)**	**–**	**–**	**(35,542)**
Others (note (ii))	**104**	**–**	**9**	**113**
Balance at 30 June 2023	**1,878,156**	**7,072**	**57,701**	**1,942,929**

	Six months ended 30 June 2022			
	Stage 1 (Restated)	Stage 2 (Restated)	Stage 3 (Restated)	Total (Restated)
Balance at 1 January 2022	1,781,965	18,796	51,729	1,852,490
Movements:				
Business combinations	62,713	1,578	–	64,291
Net transfers out from stage 1	(4,982)	–	–	(4,982)
Net transfers out from stage 2	–	(11,957)	–	(11,957)
Net transfers into stage 3	–	–	16,939	16,939
Net decrease (note (i))	(29,568)	(3,301)	(3,917)	(36,786)
Write-offs	(4,315)	–	(45)	(4,360)
Others (note (ii))	4,536	(1,619)	406	3,323
Balance at 30 June 2022	1,810,349	3,497	65,112	1,878,958

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(ii) Expected credit losses (continued)

The following table explains the changes in the gross carrying amount for margin accounts for the period:

	Six months ended 30 June 2023			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	106,068	540	368	106,976
Movements:				
Net transfers out from stage 1	–	–	–	–
Net transfers into stage 2	–	–	–	–
Net transfers into stage 3	–	–	–	–
Net increase/(decrease) (note (i))	4,259	(31)	(198)	4,030
Write-offs	–	–	–	–
Others (note (ii))	183	–	2	185
Balance at 30 June 2023	110,510	509	172	111,191

	Six months ended 30 June 2022			
	Stage 1 (Restated)	Stage 2 (Restated)	Stage 3 (Restated)	Total (Restated)
Balance at 1 January 2022	–	–	–	–
Movements:				
Business combinations	111,935	852	449	113,236
Net transfers out from stage 1	(1,091)	–	–	(1,091)
Net transfers into stage 2	–	1,091	–	1,091
Net transfers into stage 3	–	–	–	–
Net decrease (note (i))	(5,893)	(834)	(12)	(6,739)
Others (note (ii))	4,963	48	24	5,035
Balance at 30 June 2022	109,914	1,157	461	111,532

Notes:

(i) Net increase/(decrease) mainly includes changes in carrying amount due to newly purchased or originated credit-impaired financial assets or de-recognition excluding write-offs.

(ii) Others includes changes in interest accrual and exchange adjustment.

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(ii) Expected credit losses (continued)

Movements of the loss allowances for loans and advances to customers and other parties for the period is as follows:

	Six months ended 30 June 2023			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	62,125	22,675	53,324	138,124
Movements (note (iii)):				
Net transfers out from stage 1	(2,517)	–	–	(2,517)
Net transfers into stage 2	–	2,620	–	2,620
Net transfers into stage 3	–	–	18,901	18,901
Net increase/(decrease) (note (iv))	5,015	(289)	2,250	6,976
Write-offs	–	–	(31,969)	(31,969)
Parameters change (note (v))	(1,107)	688	(1,764)	(2,183)
Others (note (vi))	98	(177)	7,684	7,605
Balance at 30 June 2023	63,614	25,517	48,426	137,557

	Six months ended 30 June 2022			
	Stage 1 (Restated)	Stage 2 (Restated)	Stage 3 (Restated)	Total (Restated)
Balance at 1 January 2022	51,807	25,895	49,177	126,879
Movements (note (iii)):				
Net transfers out from stage 1	(2,296)	–	–	(2,296)
Net transfers into stage 2	–	1,747	–	1,747
Net transfers into stage 3	–	–	23,618	23,618
Net increase/(decrease) (note (iv))	6,097	(6,542)	(7,881)	(8,326)
Write-offs	–	–	(30,333)	(30,333)
Parameters change (note (v))	317	1,860	11,621	13,798
Others (note (vi))	26	16	9,516	9,558
Balance at 30 June 2022	55,951	22,976	55,718	134,645

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(ii) Expected credit losses (continued)

Movements of the loss allowances for investments in financial assets for the period is as follows:

	Six months ended 30 June 2023			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	5,072	1,532	28,035	34,639
Movements (note (iii)):				
Net transfers out from stage 1	(180)	–	–	(180)
Net transfers into stage 2	–	213	–	213
Net transfers into stage 3	–	–	624	624
Net increase (note (iv))	1,040	218	2,219	3,477
Write-offs	–	–	(616)	(616)
Parameters change (note (v))	–	–	116	116
Others (note (vi))	85	(191)	(597)	(703)
Balance at 30 June 2023	6,017	1,772	29,781	37,570

	Six months ended 30 June 2022			
	Stage 1 (Restated)	Stage 2 (Restated)	Stage 3 (Restated)	Total (Restated)
Balance at 1 January 2022	7,030	5,725	19,683	32,438
Movements (note (iii)):				
Net transfers out from stage 1	(244)	–	–	(244)
Net transfers out from stage 2	–	(3,571)	–	(3,571)
Net transfers into stage 3	–	–	6,875	6,875
Net decrease (note (iv))	(1,701)	(508)	(532)	(2,741)
Write-offs	(55)	–	(45)	(100)
Parameters change (note (v))	(86)	351	2,676	2,941
Others (note (vi))	1,797	49	–	1,846
Balance at 30 June 2022	6,741	2,046	28,657	37,444

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(ii) Expected credit losses (continued)

Movements of the loss allowances for margin accounts for the period is as follows:

	Six months ended 30 June 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2023	–	–	–	–
Movements (note (iii)):				
Net transfers out from stage 1	–	–	–	–
Net transfers out from stage 2	–	–	–	–
Net transfers into stage 3	–	–	–	–
Net increase (note (iv))	87	–	–	87
Write-offs	–	–	–	–
Parameters change (note (v))	–	–	–	–
Others (note (vi))	–	–	–	–
Balance at 30 June 2023	87	–	–	87

	Six months ended 30 June 2022			
	Stage 1 (Restated)	Stage 2 (Restated)	Stage 3 (Restated)	Total (Restated)
Balance at 1 January 2022	–	–	–	–
Movements (note (iii)):				
Net transfers out from stage 1	–	–	–	–
Net transfers out from stage 2	–	–	–	–
Net transfers into stage 3	–	–	–	–
Net increase/(decrease) (note (iv))	(46)	163	1	118
Write-offs	–	–	–	–
Parameters change (note (v))	–	–	–	–
Others (note (vi))	(2)	5	2	5
Balance at 30 June 2022	(48)	168	3	123

Notes:

(iii) Movements mainly include the impacts on ECL due to changes in stages.

(iv) Net increase/(decrease) mainly includes changes in allowance for impairment due to newly purchased or originated credit-impaired financial assets or de-recognition excluding write-offs.

(v) Parameters change mainly includes changes in risk exposures and the impacts on ECLs due to changes in PDs or LGDs following regular updates on modelling parameters rather than stages movements.

(vi) Others include recoveries of amounts previously written off, changes in interest accrual and exchange adjustment.

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

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

	30 June 2023			31 December 2022		
	Gross balance	%	Loans and advances secured by collateral	Gross balance (Restated)	%	Loans and advances secured by collateral (Restated)
Corporate loans						
– Real estate	283,926	5%	183,147	280,771	5%	231,897
– Rental and business services	536,570	9%	162,179	495,897	9%	193,562
– Manufacturing	458,809	8%	165,341	407,586	8%	171,457
– Watering, environment and public utility management	440,005	8%	112,859	413,399	8%	129,983
– Wholesale and retail	206,685	4%	96,675	177,917	3%	95,000
– Transportation, storage and postal services	148,739	3%	76,678	149,892	3%	79,475
– Construction	117,735	2%	50,030	103,600	2%	54,690
– Production and supply of electric power, gas and water	95,567	2%	40,546	89,708	2%	41,650
– Public management and social organisations	7,227	1%	680	8,674	1%	1,930
– Others	429,679	8%	115,861	396,931	8%	117,282
	2,724,942	50%	1,003,996	2,524,375	49%	1,116,926
Personal loans	2,222,155	41%	1,476,712	2,126,533	41%	1,423,097
Discounted bills	428,673	8%	–	511,936	9%	–
	5,375,770	99%	2,480,708	5,162,844	99%	2,540,023
Accrued interest	19,049	1%	–	17,385	1%	–
	5,394,819	100%	2,480,708	5,180,229	100%	2,540,023

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

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

	30 June 2023			31 December 2022		
	Gross balance	%	Loans and advances secured by collateral	Gross balance (Restated)	%	Loans and advances secured by collateral (Restated)
China's Mainland	5,142,394	95%	2,379,116	4,936,284	95%	2,442,852
Excluding China's Mainland	233,376	4%	101,592	226,560	4%	97,171
	5,375,770	99%	2,480,708	5,162,844	99%	2,540,023
Accrued interest	19,049	1%	–	17,385	1%	–
	5,394,819	100%	2,480,708	5,180,229	100%	2,540,023

(v) Loans and advances to customers and other parties analysed by type of security

	30 June 2023	31 December 2022 (Restated)
Unsecured loans	1,502,904	1,381,719
Guaranteed loans	963,485	729,166
Secured loans		
– Loans secured by collateral	2,014,499	2,021,158
– Pledged loans	466,209	518,865
	4,947,097	4,650,908
Discounted bills	428,673	511,936
	5,375,770	5,162,844
Accrued interest	19,049	17,385
Gross loans and advances	5,394,819	5,180,229

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(vi) 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/debtor, or of the inability of the borrower/debtor to meet the original repayment schedule and for which the revised repayment terms are a concession that the Group would not otherwise consider.

	30 June 2023		31 December 2022	
	Gross balance	% of total loans and advances	Gross balance (Restated)	% of total loans and advances
Rescheduled loans and advances	12,254	0.23%	14,415	0.28%
– Rescheduled loans and advances overdue more than 3 months	5,102	0.09%	6,370	0.12%

(vii) 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.

As at 30 June 2023, the Group did not enter into significant enforceable master netting arrangements with counterparties and therefore there were no significant offsetting of any financial assets and financial liabilities in the consolidated balance sheet (31 December 2022: Nil).

(b) Liquidity risk

Liquidity risk arises when there is mismatch between amounts and 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.

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(b) Liquidity risk (continued)

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

	As at 30 June 2023					
	Repayable on demand	Within 1 year	Between 1 and 5 years	More than 5 years	Undated (note)	Total
Total financial assets	717,718	3,505,146	2,509,924	2,263,893	1,221,163	10,217,844
Total financial liabilities	(3,933,163)	(3,893,466)	(1,508,385)	(187,231)	(20,989)	(9,543,234)
Financial asset-liability (gap)/ surplus	(3,215,445)	(388,320)	1,001,539	2,076,662	1,200,174	674,610

	As at 31 December 2022					
	Repayable on demand (Restated)	Within 1 year (Restated)	Between 1 and 5 years (Restated)	More than 5 years (Restated)	Undated (Restated) (note)	Total (Restated)
Total financial assets	669,075	3,460,477	2,286,896	2,185,269	1,222,824	9,824,541
Total financial liabilities	(3,570,496)	(4,230,139)	(1,159,124)	(159,660)	(21,336)	(9,140,755)
Financial asset-liability (gap)/ surplus	(2,901,421)	(769,662)	1,127,772	2,025,609	1,201,488	683,786

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(b) Liquidity risk (continued)

The table below presents the undiscounted cash flows of the Group's financial assets and liabilities according to the remaining period from the balance sheet date to the contract expiration date:

	As at 30 June 2023					
	Repayable on demand	Within 1 year	Between 1 and 5 years	More than 5 years	Undated (note)	Total
Total financial assets	717,718	4,060,069	2,989,519	2,831,130	1,234,507	11,832,943
Total financial liabilities	(3,933,163)	(4,218,631)	(1,830,892)	(205,849)	(24,474)	(10,213,009)
Financial asset-liability (gap)/ surplus	(3,215,445)	(158,562)	1,158,627	2,625,281	1,210,033	1,619,934

	As at 31 December 2022					
	Repayable on demand (Restated)	Within 1 year (Restated)	Between 1 and 5 years (Restated)	More than 5 years (Restated)	Undated (Restated) (note)	Total (Restated)
Total financial assets	669,075	3,706,180	2,753,176	2,717,020	1,230,583	11,076,034
Total financial liabilities	(3,570,496)	(4,342,112)	(1,273,146)	(174,281)	(21,336)	(9,381,371)
Financial asset-liability (gap)/ surplus	(2,901,421)	(635,932)	1,480,030	2,542,739	1,209,247	1,694,663

Note:

For cash and balances with central banks, the undated period amount represented statutory deposit reserve funds and fiscal deposits maintained with the People's Bank of China. For placements with banks and non-bank financial institutions, loans and advances to customers and other parties, and financial investments, the undated period amount represented the balances being impaired or overdue for more than one month. Equity investments were also reported under undated period.

Credit Commitments include bank acceptances, credit card commitments, letters of guarantee issued, loan commitments and letters of credit issued. The tables below summarise the amounts of credit commitments by remaining contractual maturity.

	As at 30 June 2023			
	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Loan commitments	15,403	13,776	15,501	44,680
Guarantees	130,984	71,744	526	203,254
Letters of credit	270,908	724	–	271,632
Acceptances	770,190	–	–	770,190
Credit card commitments	721,119	–	–	721,119
Total	1,908,604	86,244	16,027	2,010,875

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(b) Liquidity risk (continued)

	As at 31 December 2022			
	Within 1 year (Restated)	Between 1 and 5 years (Restated)	More than 5 years (Restated)	Total (Restated)
Loan commitments	16,728	18,427	22,805	57,960
Guarantees	119,250	65,802	1,566	186,618
Letters of credit	269,893	944	–	270,837
Acceptances	795,833	–	–	795,833
Credit card commitments	704,268	–	–	704,268
Total	1,905,972	85,173	24,371	2,015,516

(c) Interest rate risk

Each of the Group's operating entities 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-liability 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 2023				
	Non-interest bearing	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Total financial assets	1,135,673	6,828,808	1,407,654	845,709	10,217,844
Total financial liabilities	(533,830)	(7,371,199)	(1,453,145)	(185,060)	(9,543,234)
Financial asset-liability surplus/(gap)	601,843	(542,391)	(45,491)	660,649	674,610

	As at 31 December 2022				
	Non-interest bearing (Restated)	Within 1 year (Restated)	Between 1 and 5 years (Restated)	More than 5 years (Restated)	Total (Restated)
Total financial assets	1,307,306	6,139,735	1,887,433	490,067	9,824,541
Total financial liabilities	(787,136)	(7,071,454)	(1,108,855)	(173,310)	(9,140,755)
Financial asset-liability surplus/(gap)	520,170	(931,719)	778,578	316,757	683,786

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(c) Interest rate risk (continued)

(ii) Effective interest rate

	30 June 2023		31 December 2022	
	Effective interest rate	RMB million	Effective interest rate	RMB million (Restated)
Assets				
Cash and deposits	1.59%-2.08%	643,485	1.50%-1.75%	676,978
Placements with banks and non-bank financial institutions	3.02%	207,328	2.49%	217,354
Financial assets held under resale agreements	1.51%	93,093	1.45%	45,713
Loans and advances to customers and other parties	4.66%	5,257,646	4.81%	5,042,734
Investments in financial assets	2.66%-3.29%	3,198,559	2.66%-3.55%	3,143,196
Others		1,576,194		1,409,430
		10,976,305		10,535,405
Liabilities				
Borrowing from central banks	2.65%	155,251	2.94%	119,421
Deposits from banks and non-bank financial institutions	2.08%	981,540	2.09%	1,103,099
Placements from banks and non-bank financial institutions	3.08%	102,785	2.41%	108,736
Financial assets sold under repurchase agreements	2.20%	376,014	2.00%	470,477
Deposits from customers	2.14%	5,574,033	2.06%	5,150,772
Bank and other loans	2.00%-7.84%	195,028	1.28%-7.25%	154,114
Debt instruments issued	0.88%-6.10%	1,209,702	2.45%-6.80%	1,182,140
Lease liabilities	2.00%-6.00%	17,870	3.00%-5.15%	19,528
Others		1,087,908		994,344
		9,700,131		9,302,631

33 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 profit or loss. As at 30 June 2023, 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 profit before taxation would decrease or increase by RMB6,908 million (31 December 2022: decrease or increase by RMB10,038 million).

This sensitivity analysis is based on a static interest rate risk profile of the Group's financial assets and financial 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 financial assets and financial 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 is 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 uses 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$) are hedging against its US$ loans.

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(d) Currency risk (continued)

The exposure to currency risk arising from the financial assets and financial liabilities at the balance sheet dates is as follows (expressed in equivalent amount of RMB million):

	As at 30 June 2023				
	RMB	**US$**	**HK$**	**Others**	**Total**
Total financial assets	**9,333,944**	**642,356**	**148,099**	**93,445**	**10,217,844**
Total financial liabilities	**(8,561,697)**	**(639,748)**	**(261,184)**	**(80,605)**	**(9,543,234)**
Financial asset-liability surplus/(gap)	**772,247**	**2,608**	**(113,085)**	**12,840**	**674,610**

	As at 31 December 2022				
	HK$	US$	RMB	Others	Total
Total financial assets	9,009,556	525,864	214,928	74,193	9,824,541
Total financial liabilities	(8,254,109)	(580,184)	(261,822)	(44,640)	(9,140,755)
Financial asset-liability surplus/(gap)	755,447	(54,320)	(46,894)	29,553	683,786

The Group uses sensitivity analysis to measure the potential effect of changes in foreign currency exchange rates on the Group's comprehensive income.

Assuming all other risk variables remained constant, 100 basis points strengthening or weakening of RMB against US$, HK$ and other currencies as at 30 June 2023 would decrease or increase the Group's total comprehensive income by RMB316 million (31 December 2022: increase or decrease by RMB717 million).

This sensitivity analysis is based on a static foreign exchange exposure profile of financial assets and financial liabilities and certain simplified assumptions. The analysis is based on the following assumptions: (i) the foreign exchange sensitivity is the comprehensive income changes recognised as a result of 100 basis points fluctuation in the absolute value of the closing (middle) of each foreign currency against RMB; (ii) the exchange rates against RMB for all foreign currencies change in the same direction simultaneously and do not take into account the correlation effect of changes in different foreign currencies; and (iii) the foreign exchange exposures calculated include both spot foreign exchange exposures, forward foreign exchange exposures and options, and 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 comprehensive income resulting from increases or decreases in foreign exchange rates may differ from the results of this sensitivity analysis.

33 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: 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: fair values measured using valuation techniques in which any significant input is not based on observable market data.

The fair value of the Group's financial assets and financial liabilities are determined as follows:

– If traded in active markets, fair values of financial assets and financial liabilities with standard terms and conditions are determined with reference to quoted market bid prices and ask prices, respectively;

– If not traded in active markets, fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models or discounted cash flow analysis using prices from observable current market transactions for similar instruments. If there were no available observable current market transactions prices for similar instruments, quoted prices from counterparty is used for the valuation, and management performs analysis on these prices. Discounted cash flow analysis using the applicable yield curve for the duration of the instruments is used for derivatives other than options, and option pricing models are used for option derivatives.

(Expressed in millions of Renminbi, unless otherwise stated)

33 Financial risk management and fair values (continued)

(e) Fair values (continued)

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

	As at 30 June 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Bills receivables at FVOCI	–	7,685	–	7,685
Loans and advances to customers and other parties at FVOCI	–	486,642	–	486,642
Loans and advances to customers and other parties at FVPL	–	–	5,383	5,383
Derivative financial assets	927	99,958	7,097	107,982
Investments in financial assets	570,445	1,335,994	137,253	2,043,692
	571,372	1,930,279	149,733	2,651,384
Liabilities				
Financial liabilities at FVPL	(9,769)	(61,715)	(27,654)	(99,138)
Derivative financial liabilities	(1,147)	(100,740)	(7,102)	(108,989)
	(10,916)	(162,455)	(34,756)	(208,127)

	As at 31 December 2022			
	Level 1 (Restated)	Level 2 (Restated)	Level 3 (Restated)	Total (Restated)
Assets				
Bills receivables at FVOCI	–	4,807	–	4,807
Loans and advances to customers and other parties at FVOCI	–	563,083	–	563,083
Loans and advances to customers and other parties at FVPL	–	–	3,881	3,881
Derivative financial assets	526	73,800	6,541	80,867
Investments in financial assets	598,342	1,281,235	139,023	2,018,600
	598,868	1,922,925	149,445	2,671,238
Liabilities				
Financial liabilities at FVPL	(17,880)	(45,490)	(31,475)	(94,845)
Derivative financial liabilities	(1,154)	(66,825)	(4,414)	(72,393)
	(19,034)	(112,315)	(35,889)	(167,238)

For the six months ended 30 June 2023, there were no significant transfers between instruments in different levels (six months ended 30 June 2022: Nil) and no significant changes in valuation techniques for determining the fair values of the instruments (six months ended 30 June 2022: Nil).

(Expressed in millions of Renminbi, unless otherwise stated)

33 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 2023						
	Assets				Liabilities		
	Loans and advances to customers and other parties at FVPL	Derivatives financial assets	Investments in financial assets	Total	Financial liabilities at fair value through profit or loss	Derivatives financial liabilities	Total
At 1 January 2023	3,881	6,541	139,023	149,445	(31,475)	(4,414)	(35,889)
Total gain/(loss):	–	2,219	(1,282)	937	1,214	(5,329)	(4,115)
– in profit or loss	–	2,219	(1,197)	1,022	1,214	(5,329)	(4,115)
– in other comprehensive loss	–	–	(85)	(85)	–	–	–
Net settlements	1,502	(1,663)	(488)	(649)	2,607	2,641	5,248
At 30 June 2023	5,383	7,097	137,253	149,733	(27,654)	(7,102)	(34,756)

	Six months ended 30 June 2022						
	Assets				Liabilities		
	Loans and advances to customers and other parties at FVPL (Restated)	Derivatives financial assets (Restated)	Investments in financial assets (Restated)	Total (Restated)	Financial liabilities at fair value through profit or loss (Restated)	Derivatives financial liabilities (Restated)	Total (Restated)
At 1 January 2022	–	–	32,447	32,447	(212)	–	(212)
Total gain/(loss):	–	(175)	(719)	(894)	2,194	1,655	3,849
– in profit or loss	–	(178)	(67)	(245)	2,158	1,655	3,813
– in other comprehensive income/(loss)	–	3	(652)	(649)	36	–	36
Net settlements	–	(488)	(13,531)	(14,019)	(6,996)	(2,988)	(9,984)
Business combinations	–	4,908	104,857	109,765	(33,334)	(4,361)	(37,695)
At 30 June 2022	–	4,245	123,054	127,299	(38,348)	(5,694)	(44,042)

(Expressed in millions of Renminbi, unless otherwise stated)

33 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 2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Investments in financial assets					
– Financial assets at amortised cost	1,154,867	1,157,130	14,652	909,203	233,275
Financial liabilities					
Debt instruments issued					
– Corporate bonds issued	239,049	240,323	197,779	42,544	–
– Notes issued	142,458	138,780	13,853	122,757	2,170
– Subordinated bonds issued	100,442	101,553	6,728	94,312	513
– Certificates of deposit issued (non-trading)	1,700	1,700	157	359	1,184
– Certificates of interbank deposit issued	696,188	675,078	–	675,078	–
– Convertible corporate bonds issued	18,203	24,216	–	–	24,216
– Beneficiary Certificates	11,662	11,662	–	–	11,662
	1,209,702	1,193,312	218,517	935,050	39,745

	As at 31 December 2022				
	Carrying amount (Restated)	Fair value (Restated)	Level 1 (Restated)	Level 2 (Restated)	Level 3 (Restated)
Financial assets					
Investments in financial assets					
– Financial assets at amortised cost	1,124,596	1,130,152	7,747	886,459	235,946
Financial liabilities					
Debt instruments issued					
– Corporate bonds issued	205,424	206,516	171,756	34,760	–
– Notes issued	130,663	140,736	11,163	129,573	–
– Subordinated bonds issued	100,374	101,501	3,462	98,039	–
– Certificates of deposit issued (non-trading)	1,047	1,047	–	–	1,047
– Certificates of interbank deposit issued	720,096	703,847	–	703,847	–
– Convertible corporate bonds issued	18,481	22,426	–	–	22,426
– Beneficiary Certificates	6,055	6,055	–	–	6,055
	1,182,140	1,182,128	186,381	966,219	29,528

33 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.

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

Derivatives
The fair values of foreign currency and interest rate contracts are either based on their listed market prices or by discount 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.

34 Material related parties

(a) Relationship of related parties

(i) In addition to subsidiaries, related parties include parent company, ultimate controlling shareholder's fellow entities, associates and joint ventures of the Group.

(ii) CITIC Group, the parent and ultimate controlling shareholder of the Group, is a state-owned company established in Beijing in 1979.

(Expressed in millions of Renminbi, unless otherwise stated)

34 Material related parties (continued)

(b) Related party transactions

(i) Transaction with related parties

	Six months ended 30 June 2023			
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	Total
Sales of goods	–	75	935	1,010
Purchase of goods	–	588	10,223	10,811
Interest income (note (2))	–	58	1,377	1,435
Interest expenses	55	902	286	1,243
Fee and commission income	38	–	8	46
Fee and commission expenses	–	–	6	6
Income from other services	18	70	3,182	3,270
Expenses for other services	–	44	6	50
Interest income from deposits and receivables	–	–	221	221
Other operating expenses	–	26	876	902

	Six months ended 30 June 2022			
	Parent company (Restated)	Ultimate controlling shareholder's fellow entities (Restated)	Associates and joint ventures (Restated)	Total (Restated)
Sales of goods	–	37	630	667
Purchase of goods	–	728	7,398	8,126
Interest income (note (2))	16	80	1,342	1,438
Interest expenses	30	199	425	654
Fee and commission income	26	1	86	113
Fee and commission expenses	–	–	7	7
Income from other services	1	51	2,512	2,564
Expenses for other services	–	55	517	572
Interest income from deposits and receivables	–	–	232	232
Other operating expenses	2	17	268	287

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 among the Group and the corresponding related parties on a case by case basis.

(3) During the relevant years, CITIC Bank, a subsidiary of the Group, entered into transactions with related parties in the ordinary course of its banking businesses including lending, assets transfer (i.e. issuance of asset-backed securities in the form of private placement), wealth management, investment, deposit, settlement and clearing, off-balance sheet transactions, and purchase, sale and leases of property. These banking transactions were conducted under normal commercial terms and conditions and priced at the relevant market rates prevailing at the time of each transaction.

(Expressed in millions of Renminbi, unless otherwise stated)

34 Material related parties (continued)

(b) Related party transactions (continued)

(ii) Outstanding balances with related parties

	As at 30 June 2023			
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	Total
Trade and other receivables	62	993	5,944	6,999
Loans and advances to customers and other parties (note (2))	–	4,313	10,458	14,771
Cash and deposits	–	–	61,225	61,225
Derivative financial instruments and other assets	–	1	7,551	7,552
Placements with banks and non-bank financial institutions	–	–	25,422	25,422
Investments in financial assets				
– Financial assets at FVPL	–	–	8,947	8,947
– Financial assets at amortised cost	–	–	276	276
Contract assets	–	2	1,776	1,778
Financial assets held under resale agreements	–	–	1,156	1,156
Trade and other payables	180	7,454	7,639	15,273
Deposits from customers	3,285	4,749	23,122	31,156
Deposits from bank and non-bank financial institutions	–	–	36,422	36,422
Contract liabilities	16	20	1,965	2,001
Lease liabilities	–	204	–	204
Derivative financial instruments and other liabilities	32	10,787	89	10,908
Bank and other loans	1,238	28,540	–	29,778
Off-balance sheet items				
Guarantees provided (note (3))	–	–	5,992	5,992

(Expressed in millions of Renminbi, unless otherwise stated)

34 Material related parties (continued)

(b) Related party transactions (continued)

(ii) Outstanding balances with related parties (continued)

	As at 31 December 2022			
	Parent company (Restated)	Ultimate controlling shareholder's fellow entities (Restated)	Associates and joint ventures (Restated)	Total (Restated)
Trade and other receivables	63	1,045	3,844	4,952
Loans and advances to customers and other parties (note (2))	3,917	5,071	15,539	24,527
Placements with banks and non-bank financial institutions	–	–	24,005	24,005
Cash and deposits	–	–	34,126	34,126
Derivative financial instruments and other assets	–	1	3,961	3,962
Investments in financial assets				
– Financial assets at FVPL	–	–	4,817	4,817
– Debt instruments at FVOCI	2,600	–	–	2,600
– Financial assets at amortised cost	–	–	920	920
Contract assets	–	2	247	249
Financial assets held under resale agreements	–	–	1,182	1,182
Trade and other payables	172	10,799	4,097	15,068
Deposits from customers	9,686	6,225	13,137	29,048
Deposits from bank and non-bank financial institutions	–	–	13,193	13,193
Contract liabilities	–	34	759	793
Lease liabilities	–	206	–	206
Derivative financial instruments and other liabilities	–	–	219	219
Bank and other loans	1,488	27,393	–	28,881
Off-balance sheet items				
Guarantees provided (note (3))	–	–	6,969	6,969

Notes:

(1) The above transactions with related party transactions 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.

(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.

34 Material related parties (continued)

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

In addition to these related party transactions disclosed in Note 34 (b), transactions with other state-owned entities include but are not limited to the following:

- sales and purchases of goods and provision of services;
- purchase, sale and leases of property and other assets;
- lending and deposit taking;
- taking and placing of interbank balances;
- derivative transactions;
- entrusted lending and other custody services;
- insurance and securities agency, and other intermediary services;
- sale, purchase, underwriting and redemption of bonds issued by other state-owned entities; and
- rendering and receiving of utilities and other services.

(Expressed in millions of Renminbi, unless otherwise stated)

35 Interests in structured entities

(a) Structured entities in which the Group holds an interest

The Group holds an interest in some structured entities through investments in debt securities issued by these structured entities. Such structured entities include wealth management products, investment management products, trust investment plans, asset-backed securities 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, as well as an analysis of the line items in the balance sheet in which the relevant assets are recognised:

	As at 30 June 2023					
	Investments in financial assets					
Gross amount	Financial assets at amortised cost	Financial assets at FVPL	Debt investments at FVOCI	Equity investments at FVOCI	Total	Maximum loss exposure
Wealth management products	–	4,541	–	–	4,541	4,541
Investment management products managed by non-bank financial institutions	36,109	20,893	–	–	57,002	57,002
Trust investment plans	203,450	8,494	–	–	211,944	211,944
Asset-backed securities	215,643	12,073	34,773	–	262,489	262,489
Investment funds	–	579,365	–	50	579,415	579,415
Total	455,202	625,366	34,773	50	1,115,391	1,115,391

	As at 31 December 2022					
	Investments in financial assets					
Gross amount	Financial assets at amortised cost (Restated)	Financial assets at FVPL (Restated)	Debt investments at FVOCI (Restated)	Equity investments at FVOCI (Restated)	Total (Restated)	Maximum loss exposure (Restated)
Wealth management products	–	1,553	–	–	1,553	1,553
Investment management products managed by non-bank financial institutions	39,628	10,712	–	–	50,340	50,340
Trust investment plans	226,257	5,346	–	–	231,603	231,603
Asset-backed securities	252,525	1,435	44,697	–	298,657	298,657
Investment funds	–	462,298	–	48	462,346	462,346
Total	518,410	481,344	44,697	48	1,044,499	1,044,499

35 Interests in 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, trust investment plans, investment funds and investment management products without principal 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, trust plans, investment funds and investment management products

As at 30 June 2023, the aggregate amount of assets held by the unconsolidated non-principal-guaranteed wealth management products, trust plans, investment funds and investment management products which are sponsored by the Group was RMB6,621,915 million (31 December 2022: RMB6,397,450 million).

During the six months ended 30 June 2023, the amount of fee and commission income and interest income recognised from the above-mentioned structured entities sponsored by the Group was RMB8,539 million (six months ended 30 June 2022: RMB5,834 million) and RMB25 million (six months ended 30 June 2022: RMB22 million). There was no interest expense recognised (six months ended 30 June 2022: Nil).

As at 30 June 2023, there was no balance of placements and financial assets held under resale agreements from the Group with these wealth management sponsored by the Group (31 December 2022: Nil). During the six months ended 30 June 2023, there was no placements and financial assets held under resale agreements from the Group with these wealth management products sponsored by the Group (six months ended 30 June 2022: Nil).

In order to achieve a smooth transition and steady development of the wealth management business, during the six months ended 30 June 2023, in accordance with the requirements of the "Guiding Opinions on Regulating the Asset Management Business of Financial Institutions", the Group continues to promote net-value-based reporting of its asset management products and dispose of existing portfolios.

35 Interests in structured entities (continued)

(c) Transfers of financial assets

The Group entered into transactions which involved securitisation transactions and transfers of non-performing financial assets.

These transactions were conducted by the Group, by which recognised financial assets were transferred to third parties or structured entities. Transfers of assets may give rise to full or partial derecognition of the financial assets concerned. On the other hand, where transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

Details of securitisation transactions and non-performing financial assets transfer transactions conducted by the Group for the six months ended 30 June 2023 totalled RMB18,987 million (six months ended 30 June 2022: RMB11,663 million) are set forth below.

Securitisation transactions

During the six months ended 30 June 2023, the Group, through securitisation, transferred financial assets at the original cost of RMB7,548 million (six months ended 30 June 2022: RMB6,684 million), which qualified for full de-recognition (six months ended 30 June 2022: qualified for full de-recognition).

Transfer of loans and other financial assets

During the six months ended 30 June 2023, the Group transferred loans and other financial assets by other means with the original book value of RMB11,439 million (six months ended 30 June 2022: RMB4,979 million), including RMB7,991 million of non-performing loans (six months ended 30 June 2022: RMB4,472 million), RMB2,810 million of non-performing structured investments (six months ended 30 June 2022: RMB507 million) and RMB638 million of other financial assets (six months ended 30 June 2022: Nil). The Group carried out assessment based on the transfer of risks and rewards of ownership and concluded that the above financial assets meet the conditions for complete derecognition.

(Expressed in millions of Renminbi, unless otherwise stated)

36 Major business combinations

Acquisition of Shanghai Electric Steel

The Group held 40% shareholding interest of Shanghai Electric Steel, which was originally an associate of the Group. On 6 February 2023, the terms of the transaction of acquiring 60% shareholding of Shanghai Electric Steel (the "Acquisition") through Jiangyin Xingcheng Special Steel Works Co., Ltd. (an indirect non-wholly owned subsidiary of the Company) at a total consideration of RMB1,908 million have been achieved. The consideration for the Acquisition was settled by cash. Upon completion of the Acquisition, Shanghai Electric Steel became wholly owned by the Company.

The consideration paid for the Acquisition and the fair value of identifiable assets, liabilities and non-controlling interests acquired at the acquisition date are summarised as follows:

Consideration:

	RMB million
Fair value of investment in Shanghai Electric Steel held by the Group at the acquisition date	1,276
Cash	1,908
	3,184
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and deposits	692
Trade and other receivables	6,634
Contract assets	3
Inventory	4,804
Investment properties	86
Fixed assets	10,972
Right-of-use assets	7
Intangible assets	2,844
Deferred tax assets	587
Others	206
Total identifiable assets acquired	26,835

(Expressed in millions of Renminbi, unless otherwise stated)

36 Major business combinations (continued)

Acquisition of Shanghai Electric Steel (continued)

Recognised amounts of identifiable assets acquired and liabilities assumed (continued)

	RMB million
Bank and other loans	9,916
Trade and other payables	9,126
Contract liabilities	508
Employee benefits payables	121
Tax payables	51
Deferred tax liabilities	572
Lease liabilities	4
Others	155
Total identifiable liabilities assumed	20,453
Total identifiable net assets of Shanghai Electric Steel	6,382
Non-controlling interests	(3,191)
Total net assets acquired	3,191

Net cash paid for acquisition:

	RMB million
Total consideration paid in cash	1,908
Cash and cash equivalents acquired	(692)
	1,216

The Group's revenue and net profit attributable to ordinary shareholders of the Company during the period from the acquisition date to 30 June 2023 contributed by Shanghai Electric Steel were RMB8,251 million and RMB158 million, respectively.

37 Post balance sheet events

The Group does not have any significant events after the balance sheet date that need to be disclosed.

38 Comparative figures

Restatements have been made on comparative amounts to ensure the comparability with current period's financial statements.

Report on Review of Interim Financial Information

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 financial information set out on pages 33 to 132, which comprises the consolidated balance sheet of CITIC Limited (the "Company") and its subsidiaries (collectively the "Group") as of 30 June 2023 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the six-month period then ended, and 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 the interim financial information in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial information 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 enquiries, 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 of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, Interim Financial Reporting.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 August 2023

Statutory Disclosure

Interim Dividend and Closure of Register of Members

The board of directors of the Company has resolved to declare an interim dividend ("2023 Interim Dividend") of RMB0.18 per share (equivalent to HK$0.1964844 per share (2022: HK$0.20 per share) at the exchange rate of RMB1.0:HK$1.09158, being the average benchmark exchange rate of RMB to HK$ as published by the People's Bank of China during the five business days immediately before 31 August 2023) for the year ending 31 December 2023, payable on Thursday, 16 November 2023 to shareholders whose names appear on CITIC Limited's register of members on Friday, 29 September 2023. The register of members of CITIC Limited will be closed from Tuesday, 26 September 2023 to Friday, 29 September 2023, both days inclusive, during which period no transfer of shares will be effected. To qualify for the 2023 Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with CITIC Limited's Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 25 September 2023.

The 2023 Interim Dividend will be payable in cash to each shareholder in HK Dollars ("HK$") unless an election is made to receive the same in Renminbi ("RMB").

Shareholders will be given the option to elect to receive all (but not part) of the 2023 Interim Dividend in RMB, such dividend will be paid at RMB0.18 per share. To make such election, shareholders should complete the Dividend Currency Election Form, which is expected to be despatched to shareholders in early October 2023 as soon as practicable after the record date of 29 September 2023 to determine shareholders' entitlement to the 2023 Interim Dividend, and return it to CITIC Limited's Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 19 October 2023.

Shareholders who are minded to elect to receive all (but not part) of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honoured for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant shareholders by ordinary post on Thursday, 16 November 2023 at the shareholders' own risk.

If no election is made by a shareholder or no duly completed Dividend Currency Election Form in respect of that shareholder is received by CITIC Limited's Share Registrar, Tricor Tengis Limited, by 4:30 p.m. on Thursday, 19 October 2023, such shareholder will automatically receive the 2023 Interim Dividend in HK$. All dividend payments in HK$ will be made in the usual way on Thursday, 16 November 2023.

If shareholders wish to receive the 2023 Interim Dividend in HK$ in the usual way, no additional action is required.

Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the dividend payment.

Share Option Plan Adopted by Subsidiaries of CITIC Limited

CITIC Telecom International Holdings Limited ("CITIC Telecom")

CITIC Telecom adopted a share option plan ("CITIC Telecom Share Option Plan") on 17 May 2007, which was valid and effective till 16 May 2017. 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.

Particulars of the outstanding share options granted under the CITIC Telecom Share Option Plan and their movements during the six months ended 30 June 2023 are as follows:

Date of grant	Number of share options	Exercise price per share *HK$*	Exercise period
24.03.2017	45,339,500	2.45	24.03.2018 – 23.03.2023
24.03.2017	45,339,500	2.45	24.03.2019 – 23.03.2024

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 CITIC Limited.

The first 50% of the share options granted on 24 March 2017 have expired at the close of business on 23 March 2023. The above outstanding 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. No options were granted nor cancelled during the six months ended 30 June 2023.

As at 1 January 2023, options for 18,938,500 CITIC Telecom Shares were outstanding under the CITIC Telecom Share Option Plan. During the six months ended 30 June 2023, options for 11,113,500 CITIC Telecom Shares were exercised, options for 3,364,500 CITIC Telecom Shares have lapsed but no option has been cancelled. As at 30 June 2023, options for 4,460,500 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 2023 is as follows:

Employees of CITIC Limited/CITIC Telecom under continuous contracts (as defined in the Employment Ordinance)

			Number of share options		
Date of grant	**Exercise period**	**Balance as at 01.01.2023**	**Exercised during the six months ended 30.06.2023 (Note 1)**	**Lapsed during the six months ended 30.06.2023 (Note 2)**	**Balance as at 30.06.2023**
24.03.2017	24.03.2018 – 23.03.2023	7,533,500	4,215,000	3,318,500	–
24.03.2017	24.03.2019 – 23.03.2024	11,405,000	6,898,500	46,000	4,460,500

Notes:

1. The weighted average closing price of CITIC Telecom Shares immediately before the dates on which the options were exercised was HK$2.97.

2. These are in respect of options i) granted to some employees under continuous contracts who have subsequently resigned; or ii) lapsed upon the expiry of the relevant share options.

CITIC Resources Holdings Limited ("CITIC Resources")

The share option scheme adopted by CITIC Resources on 30 June 2004 (the "Old Scheme") for a term of 10 years expired on 29 June 2014. The share options granted under the Old Scheme have lapsed.

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"). The total number of shares of CITIC Resources which may be issued upon the exercise of all options granted under the New Scheme and any other share schemes of CITIC Resources remains the same, i.e. not exceeding 786,852,714 shares of CITIC Resources (representing 10% of the total number of shares of CITIC Resources in issue as at the date of adoption of the New Scheme). During the six months ended 30 June 2023, no share options were granted under the New Scheme.

Directors' Interests in Securities

Interests of Directors of CITIC Limited

As at 30 June 2023, the interests and short positions of the directors of CITIC Limited in the shares, underlying shares and debentures of CITIC Limited or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to CITIC Limited and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept by CITIC Limited pursuant to section 352 of the SFO, or as otherwise notified to CITIC Limited and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") were as follows:

Interest in Associated Corporation

Name	Name of associated corporation	Capacity/nature of interest	Number of shares held	Approximate percentage of shareholding in the issued shares of the associated corporation
Yue Xuekun	CITIC Securities Company Limited	Beneficial owner/ Interest of spouse	181,435 A Shares	0.0015%

Save as disclosed above, none of the directors of CITIC Limited had nor were they taken or deemed to have, under Part XV of the SFO, any interests or short positions in the shares, underlying shares and debentures of CITIC Limited 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 CITIC Limited pursuant to section 352 of the SFO or as otherwise notified to CITIC Limited and the Hong Kong Stock Exchange pursuant to the Model Code as set out in the Listing Rules.

Interests of Substantial Shareholders

As at 30 June 2023, substantial shareholders of CITIC Limited (other than directors of CITIC Limited) who had interests or short positions in the shares or underlying shares of CITIC Limited which would fall to be disclosed to CITIC Limited 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 CITIC Limited under section 336 of the SFO, or which were notified to CITIC Limited and the Hong Kong Stock Exchange, were as follows:

Name	Nature of interest/capacity	Number of ordinary shares held	Approximate percentage to the total 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	22,728,222,755 (Long position)	78.13% (Long position)
CITIC Glory Limited (“CITIC Glory”) (Note 2)	Beneficial owner	7,446,906,755 (Long position)	25.60% (Long position)
CITIC Polaris Limited (“CITIC Polaris”) (Note 3)	Beneficial owner and interests in a section 317 concert party agreement	22,728,222,755 (Long position)	78.13% (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) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (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) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (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) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (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) 5,818,053,363 (Short position)	78.13% (Long position) 20.00% (Short position)

Notes:

(1) CITIC Group is deemed to be interested in 22,728,222,755 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 Preferred Shares 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 Preferred Shares Subscription Agreement. For clarity, CITIC Group's interest in CITIC Limited did not increase, decrease, or otherwise change in the past year. The discrepancy between CITIC Group's interest disclosed in this report (22,728,222,755 shares) and its interest disclosed in the 2019 annual report (26,055,943,755 shares) was caused by a revision of calculation methodology adopted by CITIC Group for the purpose of aligning CITIC Group's disclosure of interest with the disclosures of the other parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement. The revised calculation methodology has been agreed among the parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement.

(2) CITIC Glory is beneficially interested in 7,446,906,755 shares of CITIC Limited.

(3) CITIC Polaris is deemed to be interested in 22,728,222,755 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 Preferred Shares 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 Preferred Shares Subscription Agreement. For clarity, CITIC Polaris' interest in CITIC Limited did not increase, decrease, or otherwise change in the past year. The discrepancy between CITIC Polaris' interest disclosed in this report (22,728,222,755 shares) and its interest disclosed in the 2019 annual report (18,609,037,000 shares) was caused by a revision of calculation methodology adopted by CITIC Polaris for the purpose of aligning CITIC Polaris' disclosure of interest with the disclosures of the other parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement. The revised calculation methodology has been agreed among the parties to the Share Purchase Agreement and the Preferred Shares Subscription Agreement.

(4) CT Bright is deemed to be interested in 22,728,222,755 shares: (i) by including 5,818,053,363 shares it holds as beneficial owner; and (ii) because CT Bright is a party to the Share Purchase Agreement and the Preferred Shares 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 Preferred Shares 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.

(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 50% equity interest in CT Bright.

(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 50% equity interest in CT Bright through CT Brilliant, its wholly-owned subsidiary.

(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 50% equity interest in CT Bright.

Purchase, Sale or Redemption of Listed Securities

On 17 January 2023, CITIC Limited fully redeemed the USD1,400 million 6.8% notes under the Medium Term Note Programme upon maturity. These notes were issued in three tranches, namely, (i) USD750 million issued on 17 October 2012, (ii) USD250 million issued on 11 December 2012 and (iii) USD400 million issued on 18 July 2014. The notes issued as mentioned above were listed on the Hong Kong Stock Exchange.

Save as disclosed above, 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 2023.

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 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 CITIC Limited's corporate governance practices can be found in CITIC Limited's Annual Report 2022 and on CITIC Limited's website at www.citic.com.

Board Composition and Changes

On 9 January 2023, Mr Yue Xuekun was appointed as a non-executive director of CITIC Limited.

On 15 March 2023, Mr Liu Zhengjun and Mr Wang Guoquan were appointed as executive directors of CITIC Limited.

On 26 March 2023, Mr Tang Jiang, a non-executive director of CITIC Limited, passed away.

Board Committees

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

- Audit and Risk Management Committee oversees the relationship with the external auditor, and reviews CITIC Limited's financial reporting, annual audit and half-year 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, and environmental, social, and governance practices, reviews and monitors the effectiveness of the internal audit function, and reviews CITIC Limited's policies and practices on corporate governance. The committee consists of three independent non-executive directors, Mr Francis Siu Wai Keung (who serves as the chairman of the committee), Dr Xu Jinwu and Mr Anthony Francis Neoh, and a non-executive director, Mr Yang Xiaoping.

- Nomination Committee reviews the structure, size, composition and diversity of the board at least annually and makes recommendations on any proposed changes to the board; identifies and nominates qualified candidates to become board members and/or fills casual vacancies for the approval of the board; assesses the independence of independent non-executive directors; makes recommendations to the board on the appointment or re-appointment of directors and succession planning for directors; and reviews the board diversity policy and the director nomination policy on an annual basis, and makes recommendation on any required changes to the board. The committee is chaired by Mr Zhu Hexin, the chairman of the board, and other members include an executive director, Mr Xi Guohua (being vice chairman and president of CITIC Limited), a non-executive director, Ms Yu Yang, and four independent non-executive directors, Mr Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh and Mr Gregory Lynn Curl.

- Remuneration Committee determines the remuneration packages of individual executive directors and senior management including salaries, bonuses, benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of office or appointment). The committee consists of three independent non-executive directors, Mr Anthony Francis Neoh (who serves as the chairman of the committee), Mr Francis Siu Wai Keung, Dr Xu Jinwu, and a non-executive director, Mr Zhang Lin.

- Strategic Committee accommodates the strategic development of CITIC Limited and enhances its core competitiveness, makes and implements the development plan of CITIC Limited, improves the investment-related decision making procedures and procures well-advised and efficient decision making. The committee is chaired by Mr Zhu Hexin, the chairman of the board, and other members include an executive director, Mr Xi Guohua (being vice chairman and president of CITIC Limited), three non-executive directors, Ms Yu Yang, Ms Li Yi and Mr Yang Xiaoping, and two independent non-executive directors, Mr Anthony Francis Neoh and Mr Toshikazu Tagawa. Mr Li Rucheng (being a former non-executive director of CITIC Limited) serves as the consultant to the committee.

Management Committees

- Executive Committee is the highest authority of the management of CITIC Limited accountable to the board. The functions and powers of the executive committee are:

  – to formulate CITIC Limited's material strategic plans;

  – to formulate CITIC Limited's annual material investment and financing plans (including reviewing material investment plans, feasibility studies, proposed disposals/divestments, mergers and acquisitions and other significant transactions of CITIC Limited);

  – to review CITIC Limited's annual business plan and finance plans;

  – to review monthly reports of CITIC Limited, and to submit to the board before each month-end the monthly report for the previous month;

  – to manage and monitor CITIC Limited's core activities;

  – to appoint and remove mid-level and above key personnel (other than personnel above the rank of assistant to general manager, and those appointed and removed by the board);

  – to approve internal rules on day-to-day operations of CITIC Limited;

  – to review and approve proposals to establish and adjust CITIC Limited's management and organisational structure; and

  – to discharge other powers and functions conferred on it by the board.

  The first three items and other matters within the authority of the board should be submitted for approval by the board, and thereafter implemented by the executive committee. The committee is chaired by Mr Zhu Hexin, the chairman of the board, and other members are Mr Xi Guohua (being executive director, vice chairman and president of CITIC Limited, and also serves as vice chairman of the committee), Mr Liu Zhengjun (being executive director and vice president of CITIC Limited), Mr Wang Guoquan (being executive director and vice president of CITIC Limited), Mr Cui Jun, Mr Xu Zuo (being vice president of CITIC Limited) and Mr Fang Heying (being vice president of CITIC Limited).

- Strategy and Investment Management Committee has been established as a sub-committee under the executive committee to enhance strategy management, to prevent investment risks and to promote high quality development. The principal responsibilities of the strategy and investment management committee are to

  - study and draw up CITIC Limited's integral development, medium and long-term development plan and industries investment guideline, approve development strategies and plans of subsidiaries;
  - establish a mechanism of empowered operation and management, organise and implement it; and
  - organise and implement full life-circle management of investment activities within the group.

  The committee is led by the chairman of the committee, Mr Xi Guohua (being executive director, vice chairman and president of CITIC Limited), vice chairmen of the committee, Mr Liu Zhengjun (being executive director and vice president of CITIC Limited) and Mr Xu Zuo (being vice president of CITIC Limited), and other members of the committee include Mr Liang Huijiang (being Chief Investment Officer of CITIC Limited), responsible persons of the strategic development department, financial control department, legal and compliance functions and treasury department.

- Asset and Liability Management Committee (the "ALCO") has been established as a sub-committee under the executive committee to be in charge of monitoring and controlling the financial risks of CITIC Limited. The principal responsibilities of the ALCO are to

  - monitor and control the asset and liability financial position of CITIC Limited on a regular basis;
  - monitor and control the asset and liability structure, counterparties, currencies, interest rates, commodities, and commitments and contingent liabilities of CITIC Limited;
  - review financing plans and manage the cash flow of CITIC Limited on the basis of the annual budget; and
  - establish hedging policies and approve the use of new financial instruments for hedging.

  The acting chairman of the committee is Mr Cao Guoqiang, and other members of the ALCO include responsible persons of the financial control department, treasury department, strategic development department, the office of the board of directors and legal and compliance functions.

Compliance with Corporate Governance Code

CITIC Limited has applied the principles of the Corporate Governance Code ("CG Code") and complied with all code provisions set out in the CG Code during the six months ended 30 June 2023.

Review of Half-Year Report

The audit and risk management committee of the board reviewed the Half-Year Report in conjunction with the management and CITIC Limited's external 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 CITIC Limited's independent auditor, KPMG, 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

CITIC Limited has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "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 2023.

Corporate Information

Registered Office

32nd Floor, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong
Telephone: +852 2820 2111
Fax: +852 2877 2771

Beijing Office

CITIC Tower, No. 10 Guanghualu
Chaoyang District
Beijing 100020, China

Website

www.citic.com contains a description of CITIC Limited's business, copies of half-year and annual reports to shareholders, announcements, press releases and other information.

Stock Codes

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

Share Registrar

Shareholders should contact CITIC Limited's Share Registrar, Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, 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 CITIC Limited 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:	26 September 2023 to 29 September 2023 (both days inclusive)
Interim Dividend payable:	16 November 2023

Half-Year Report 2023

The Half-Year Report is printed in English and Chinese and is also available on CITIC Limited's 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 of the language or means of receipt of the Half-Year Report by notice in writing to CITIC Limited's Share Registrar.

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

Non-registered shareholders who wish to receive a printed copy of the Half-Year Report 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

Registered Office

32nd Floor, CITIC Tower,
1 Tim Mei Avenue,
Central, Hong Kong

Tel +852 2820 2111
Fax +852 2877 2771

www.citic.com

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC™ C008061