中信股份
CITIC Limited

CITIC LIMITED

Stock code: 00267

Annual Report 2024

Our Company

CITIC Limited (00267.HK) is one of China's largest conglomerates and a constituent of the Hang Seng Index. The company is focused on five business segments: comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation.

The predecessor of CITIC Limited, China International Trust and Investment Corporation, was established by Mr Rong Yiren with the support of Mr Deng Xiaoping. It played a crucial role as a pilot for national economic reform and an important window on China's opening to the outside world. CITIC successfully blazed a new trail of development for China's reform and opening up and modernisation by raising foreign capital, introducing advanced technologies and adopting advanced international practice in operation and management.

After years of development, relying on its strengths in marketisation and internationalisation, CITIC has developed into a multinational conglomerate with synergies between industrial and financial sectors, diverse businesses and operations in around 160 countries and regions. In August 2014, CITIC became a listed company in Hong Kong, further accelerating its internationalisation.

In recent years, with a vision of "building an outstanding conglomerate with a lasting reputation", CITIC has comprehensively deepened reforms, promoted high-quality development and continuously enhanced its value creation capability and shareholder returns. In the financial sector, the company has taken the lead in establishing a financial holding company in China, launched the "Financial Core" initiative and promoted the development of the financial sector. In the industrial businesses, CITIC has been striving to promote high-end, green and intelligent capabilities to help strengthen the resilience of industrial supply chains and to promote coordinated regional development. The "Industrial Starlink" initiative has been launched to facilitate a smooth transition between old and new growth drivers.

Our Businesses

Comprehensive Financial Services

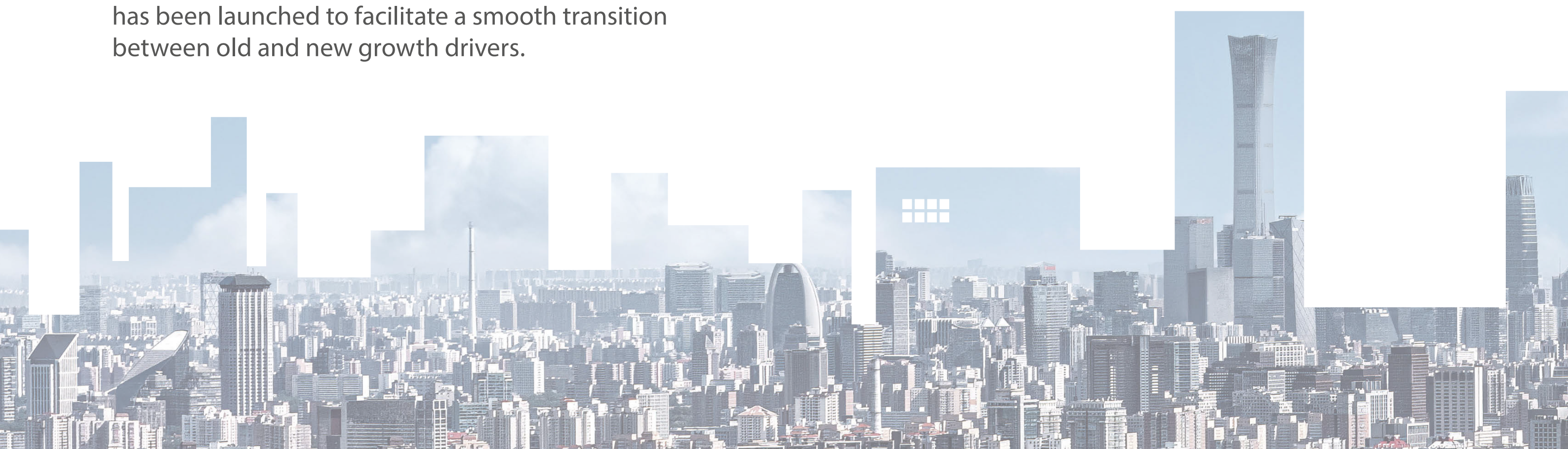
CITIC Financial Holdings	(100%)
CITIC Bank *(601998.SH) (00998.HK)*	(67.30%)
CITIC Securities *(600030.SH) (06030.HK)*	(19.84%)
CSC Financial[Note] *(601066.SH) (06066.HK)*	(4.53%)
CITIC Trust	(100%)
CITIC-Prudential Life	(50%)

Advanced Intelligent Manufacturing

CITIC Heavy Industries *(601608.SH)*	(64.38%)
CITIC Dicastal	(42.11%)

Advanced Materials

CITIC Pacific Special Steel *(000708.SZ)*	(83.85%)
Nanjing Steel *(600282.SH)*	(62.76%)
CITIC Metal *(601061.SH)*	(89.77%)
CITIC Resources *(01205.HK)*	(59.50%)
CITIC Pacific Energy	(100%)
CITIC Mining International	(100%)



New Consumption

CITIC Telecom International *(01883.HK)*	(57.54%)
CITIC Press *(300788.SZ)*	(73.50%)
CITIC Agriculture	(100%)

New-type Urbanisation

CITIC Construction	(100%)
CITIC Offshore Helicopter *(000099.SZ)*	(38.63%)
CITIC Environment	(100%)
CITIC Pacific Properties	(100%)

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

As at 31 December 2024

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Financial Highlights

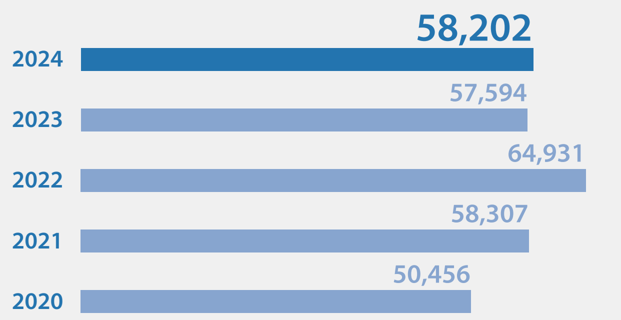
Five Year Review

RMB million	2020	2021	2022	2023	**2024**
Revenue	492,678	588,651	663,438	680,832	**752,870**
Profit before taxation	87,067	100,587	127,292	123,287	**132,657**
Net profit	72,107	83,264	105,823	105,274	**107,755**
Profit attributable to ordinary shareholders	50,456	58,307	64,931	57,594	**58,202**
Basic earnings per share (RMB)	1.73	2.00	2.23	1.98	**2.00**
Diluted earnings per share (RMB)	1.73	2.00	2.23	1.98	**1.97**
Dividend per share (HK$)	0.488	0.606	0.651	N/A	**N/A**
Dividend per share (RMB)	N/A	N/A	N/A	0.515	**0.55**
Return on total assets (%)	1.2%	1.3%	1.4%	1.2%	**1.2%**
Return on net assets (%)	9.2%	9.9%	10.2%	8.4%	**8.0%**
Dividend payout ratio (%)	25%	25%	25%	26%	**27.5%**
Capital expenditure	26,388	35,069	30,336	40,000	**26,677**

RMB million	As at 31 December 2020	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	**As at 31 December 2024**
Total assets	8,198,270	8,736,482	10,542,043	11,330,920	**12,075,425**
Total liabilities	7,349,357	7,783,496	9,307,366	9,994,138	**10,652,411**
Total ordinary shareholder funds	567,498	614,350	660,109	703,178	**757,487**
Ordinary shareholders' funds per share (RMB)	19.51	21.12	22.69	24.17	**26.04**
Credit Ratings					
– Standard & Poor's	BBB+/Stable	BBB+/Positive	BBB+/Stable	BBB+/Positive	**A-/Stable**
– Moody's	A3/Stable	A3/Stable	A3/Stable	A3/Stable	**A3/Stable**
Staff employed	135,304	136,637	161,408	188,862	**190,763**

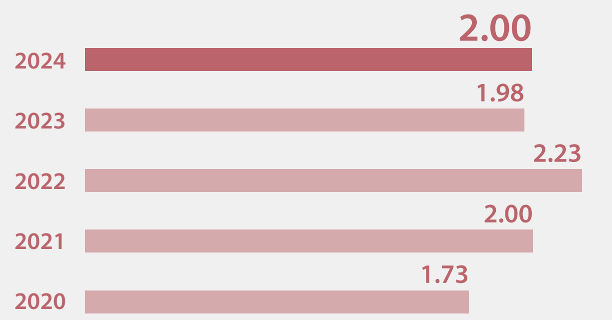
Profit attributable to ordinary shareholders

RMB million



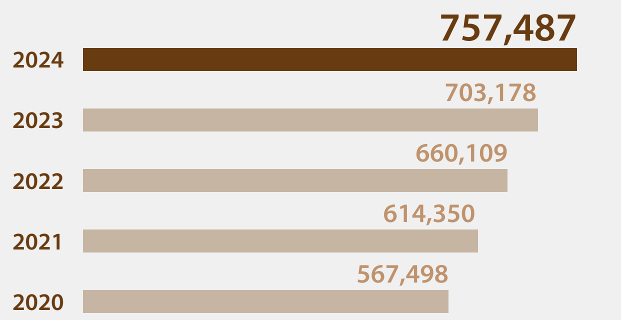
Earnings per share

RMB



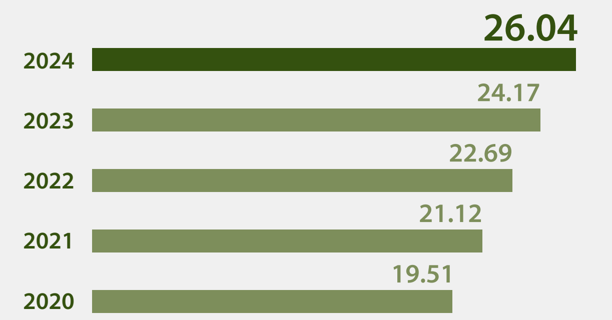
Total ordinary shareholders' funds

RMB million



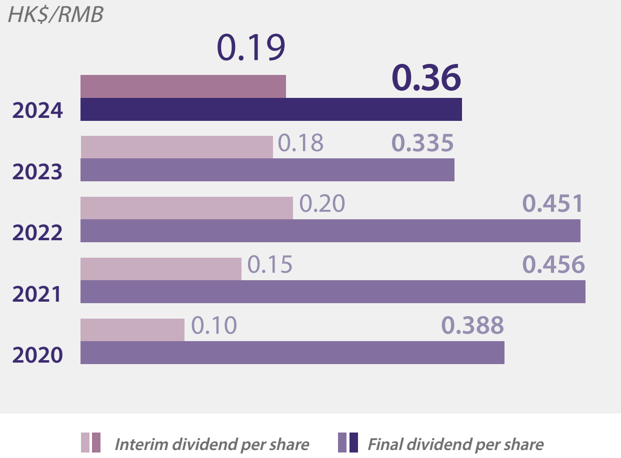
Ordinary shareholders' funds per share

RMB



Dividend per share

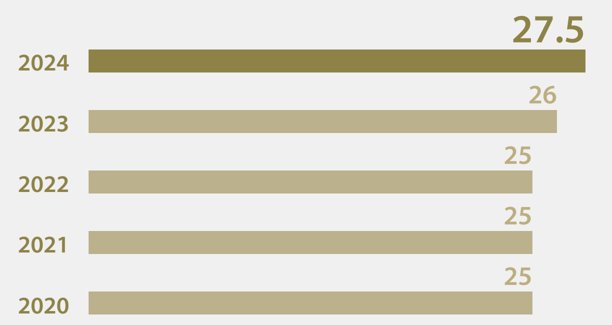
HK$/RMB



Note: The currency of dividend per share for 2023-2024 is RMB and for 2020-2022 is HKD.

Dividend payout ratio

%



By Segment

Revenue

RMB million	Year ended 31 December 2024	2023	Increase/(Decrease) Amount	%
Comprehensive Financial Services	279,469	268,048	11,421	4.3%
Advanced Intelligent Manufacturing	50,793	50,434	359	0.7%
Advanced Materials	325,615	267,513	58,102	21.7%
New Consumption	49,872	51,422	(1,550)	(3.0%)
New-type Urbanisation	46,987	43,367	3,620	8.3%

Profit attributable to ordinary shareholders

RMB million	Year ended 31 December 2024	2023	Increase/(Decrease) Amount	%
Comprehensive Financial Services	52,649	50,496	2,153	4.3%
Advanced Intelligent Manufacturing	865	827	38	4.6%
Advanced Materials	10,310	12,731	(2,421)	(19.0%)
New Consumption	42	1,032	(990)	(95.9%)
New-type Urbanisation	5,135	2,163	2,972	137.4%

Total assets

	As at 31 December 2024	As at 31 December 2023	Increase/(Decrease) Amount	%
Comprehensive Financial Services	11,369,787	10,609,132	760,655	7.2%
Advanced Intelligent Manufacturing	63,576	60,415	3,161	5.2%
Advanced Materials	357,614	363,781	(6,167)	(1.7%)
New Consumption	56,193	56,858	(665)	(1.2%)
New-type Urbanisation	343,031	338,424	4,607	1.4%

Capital expenditure

RMB million	Year ended 31 December 2024	2023	Increase/(Decrease) Amount	%
Comprehensive Financial Services	9,017	9,889	(872)	(8.8%)
Advanced Intelligent Manufacturing	1,109	2,032	(923)	(45.4%)
Advanced Materials	11,828	20,123	(8,295)	(41.2%)
New Consumption	1,198	4,345	(3,147)	(72.4%)
New-type Urbanisation	3,525	3,611	(86)	(2.4%)

Chairman's Letter to Shareholders

Dear shareholders,

The year 2024 was marked by notable and inspiring achievements. The third plenary session of the 20th Central Committee of the Communist Party of China was successfully convened, outlining the blueprint for deepening comprehensive reform and advancing Chinese modernisation. It was a year that witnessed both a continuation of the past and the beginning of a new chapter. 2024 was also the 45th anniversary of CITIC's founding, a testament to the unremitting efforts of generations of CITIC employees who have served the company in alignment with China's development and an evolving global landscape.

Throughout CITIC's 45-year journey, our employees have demonstrated a steadfast commitment to our founding mission, a determination to tackle challenges through reform and a drive to enhance quality and efficiency through innovation. CITIC has grown in scale, quality and efficiency. Since the introduction of the 14th Five-Year Plan, the company's annual revenue growth rate has consistently been in double digits, accompanied by a steady increase in profit attributable to ordinary shareholders. In 2024, CITIC Limited's revenue reached RMB752.87 billion, marking a 10.6% year-on-year increase. Profit attributable to ordinary shareholders was up 1.1% year on year to RMB58.202 billion. As a visible indicator of our success, CITIC Limited's market capitalisation rose by 27.5% during the year, outperforming the Hang Seng Index (17.7%) and the Hang Seng Composite Industry Index – Conglomerates (5.52%). Over the past four years, CITIC's market capitalisation has cumulatively increased by over HK$100 billion, reflecting strong market recognition and shareholder confidence. Creating greater value for our investors remains one of our top priorities, as we recognise that the company's steady growth hinges on your unwavering trust and support. **The Board recommends a final dividend of RMB0.36 per share, bringing the total for 2024 to RMB0.55 per share with a payout ratio of 27.5%, up 1.5 percentage points from 2023.**

These achievements are the result of a series of long-term strategic planning, the advancement of reform efforts and innovation.

In 2024, we advanced our "Financial Core" strategy to enhance CITIC's stability and robustness. Our financial business accounts for over 90% of CITIC's assets and contributes 80% of its profits. Strengthening this business aligns with our duty to serve China's real economy and commitment to support its ambition to become a country with great financial strength. It is also a strategic imperative to create greater value and deliver stronger returns to shareholders. Our "Financial Core" initiative focuses on banking, securities, trust, insurance and financial leasing, strengthening our core capabilities and competitiveness to better serve national development, benefit society and drive corporate performance. Leveraging our full suite of financial licences, we have effectively facilitated the "Five Major Tasks" in finance and established a support ecosystem primarily focused on equity investment, integrating multiple tools including equity, loans, bonds and insurance. This allowed us to achieve a 96% coverage rate in serving the first five batches of national-level specialised and sophisticated SMEs. We also expanded integrated financial solutions to unlock the full potential of our financial businesses. The financial segment delivered a strong performance, enhancing its quality and efficiency. Profit attributable to ordinary shareholders reached RMB52.649 billion, reflecting a year-on-year increase of 4.3%. CITIC Bank recorded positive growth in revenue, profit and its provision coverage ratio. Meanwhile, CITIC Securities retained its industry leadership in key financial metrics and business scale, further strengthening its role as a bedrock of stability.

In 2024, we launched the "Industrial Starlink" initiative to reinforce CITIC's resilience. In an era of accelerating global transformation, where geopolitical and economic uncertainties have become the norm, our diversified industrial portfolio serves as a solid foundation for weathering economic cycles and sustaining resilient growth. Our "Industrial Starlink" initiative aims to revitalise traditional industries with established "stars", foster new growth with emerging "stars" and explore future frontiers with tomorrow's "stars". These efforts will facilitate a seamless transition to new growth engines, elevating value chain industries and accelerating the development of a "second growth curve". Our industrial subsidiaries drove continuous improvements in the sector through integration, capital optimisation and technological empowerment, collectively enhancing industrial resilience. Profit attributable to ordinary shareholders was RMB16.352 billion. CITIC Agriculture strengthened its competitive advantages with a private placement for Longping High-Tech. CITIC Pacific Special Steel and Nanjing Steel contributed to major national projects such as the Shenzhen-Zhongshan Link and the Changtai Yangtze River Bridge. CITIC Dicastal achieved breakthroughs in integrated die-casting technology and successfully launched Africa's first Global Lighthouse, showcasing CITIC's ability to deliver high-end, green and intelligent manufacturing. Leveraging our two securities firms and strategic investment platforms, we proactively identified high-potential opportunities, extended our footprint through direct investment funds and strengthened collaborations with universities and tech enterprises to build a pipeline of future-ready industrial projects.

In 2024, we strengthened technological innovation to unleash CITIC's full potential. High-quality development hinges on new quality productive forces, with technological innovation serving as the fundamental driver. In response to the current wave of technological revolution and industrial transformation, we have increased our investments in innovation, enhanced our sci-tech innovation ecosystem and launched "Operation Rock" to advance our "2+4+N" innovation platform. This platform cluster supports two key national laboratories focused on intelligent mining and digital steel and four technology centres specialising in fintech, seed breeding, advanced metal materials and lightweight solutions. We also strengthened our own R&D capabilities, achieving breakthroughs in advanced intelligent manufacturing, advanced materials, biotechnology breeding and intelligent robotics. Leveraging diverse application scenarios and extensive data resources, we have aggressively advanced our "AI+" action plan, developing a variety of general-purpose and specialised large language models and innovative use cases in areas of industrial vision, intelligent publishing and low-carbon solutions. We aim to accelerate the transition of scientific achievements from lab to market into widely used products.

In 2024, we solidified our international advantages to amplify CITIC's openness and global reach. Internationalisation is not about one or a group of companies simply going abroad; it is about fostering a two-way exchange between China and the world and creating a win-win dynamic among domestic and international stakeholders. As one of China's earliest enterprises to invest and operate overseas after the reform and opening up of the country, CITIC's global footprint now spans approximately 160 countries and regions. In 2024, the value of CITIC Construction's newly signed overseas contracts and newly effective contracts increased by 3.2 times and 1.8 times, respectively. CITIC Heavy Industries reported an over 80% year-on-year increase in newly effective overseas orders, reflecting the "hard power" of our international growth. We are also committed to building "soft power" to connect with the world, serving as a bridge for economic cooperation and cultural exchange between China and other countries. We successfully hosted the 2024 ESG Global Leaders Summit, launching the service brand, "CITIC, Your Trusted Partner for Going Global and Coming to China". We also organised events such as the "German Manufacturing Enterprises Chongqing Tour" and "CITIC Limited's Strategic Shareholder Changsha Tour". These initiatives empowered Chinese individuals and businesses to integrate into the global community while inviting international partners to explore and invest in China. Together with our partners from around the world, we are embracing opportunities, pursuing mutual success and striving towards a promising future.

In 2024, we strengthened our market value management to build a more valuable CITIC. The company prioritises investor returns and market value management, incorporating them into our long-term strategic framework to ensure corporate value and market value grow in tandem. In 2024, we launched the self-funded purchase of CITIC Limited shares by middle and senior management, released a three-year shareholder return plan, introduced market value KPIs for all our listed subsidiaries and actively explored reform pathways for market value management in central and state-owned enterprises. We are confident that as China's economy advances and Chinese enterprises continue to enhance their global competitiveness, the valuation discount on large Chinese SOEs like CITIC may narrow significantly, allowing us to deliver greater returns and value to investors.

In 2024, we intensified talent management reforms to enhance CITIC's dynamism. People are the cornerstone of any enterprise. The success of upholding organisational traditions or driving innovation equally rely on talent. Establishing CITIC as a century-old national brand will require generations of fresh-thinking, responsible, capable and driven individuals to carry the torch forward. With this in mind, we have refined our talent recruitment and development systems to strengthen our core engine for growth. We launched "Operation Galaxy" for scientific talent, aimed at selecting and nurturing chief scientists, senior experts and young innovation leaders, as well as recruiting top global talent in cutting-edge fields like artificial intelligence and new materials. We identified high-potential young leaders with the courage to innovate and the ability to drive reform through open selection, encouraging pioneering organisational dynamics. At the same time, we advanced our "Talent Ladder Programme", "Leadership Talent Programme" and "Global Talent Programme", aiming to build a talent pipeline tailored to CITIC that focuses on talent selection, development, management and placement. This holistic approach will lay the groundwork for CITIC's enduring success.

Reflecting on both the past and the present, the passion of our employees stands out as a key driver of our long-term success. We continually ask ourselves: How can CITIC stay ahead of the times? How can we sustain our momentum and pace of development? How can we harness this wave of technological revolution and industrial transformation? Reform is the path forward; innovation is the breakthrough; security is the foundation. After 45 years, we must look beyond our immediate performance and focus on the journey ahead. In today's world, unprecedented changes are accelerating and significantly reshaping the international landscape, global governance system and competition among nations. In today's China, the dual missions of building a strong nation and achieving national rejuvenation hold both promise and responsibility. China's pursuit of high-quality development and its strategic consideration of a new development paradigm mandate that we further align with the needs of the nation and fine-tune our developmental direction. In this pivotal moment at the conclusion of the 14th Five-Year Plan, amid the rise of artificial intelligence, we must confront the challenges of deepening reforms while navigating a complex landscape, overcoming the growing pains of innovative breakthroughs and transformation catalysed by technological advancement. In 2025, we will demonstrate the courage, confidence and commitment to deepen reforms, foster innovation and optimise our structure. While ensuring both development and security, we strive to achieve high-quality development with a pioneering mindset.

We will rise to challenge of reform to enhance our value creation capabilities. Achieving high-quality development requires comprehensive reforms to break new ground and build momentum. We will focus on streamlining and strengthening our core businesses, optimising resource allocation and creating room for growth. By launching the “Financial Core” and “Industrial Starlink” initiatives, we aim to strengthen our competitive edge in comprehensive financial services and shape a vibrant industrial ecosystem where individual “stars” shine and converge into cohesive constellations. We will also accelerate the implementation of our business strategies for Hong Kong, Macau and overseas with greater openness. The ultimate goal of our reforms is to drive value growth – delivering superior products and services, outstanding performance and meaningful returns to our investors, while giving back to employees and the wider public.

We will sustain our focus on innovation to fuel growth. Recent years have witnessed extraordinary progress in breakthrough technologies, with DeepSeek’s debut earlier this year showcasing China’s rising leadership in this technological era. We will prioritise developing new quality productive forces and driving innovation as a core strategic focus. This means consistently improving our approach to innovation, cultivating an ecosystem that encourages exploration, responsibility and creativity, while championing a pioneering spirit that pushes boundaries and explores replicable and scalable innovative models. Initiatives like “Operation Rock” and “Operation Galaxy” will fuel our progress by reinforcing systemic reforms to support technological innovation. We aim to position CITIC at the forefront of the modern age, with endurance and perseverance driving continuous advancement.

We will manage risks to solidify the foundation for sustainable development. Recognising the growing complexities, challenges and uncertainties of our times, we understand that vigilance, bottom-line thinking and a long-term perspective are essential for steady and enduring progress. We will reinforce our commitment to sustainable development by focusing on preparedness, prevention and control to enhance the foresight, accuracy, strength and effectiveness of risk management. These efforts will help identify and mitigate major risks, ensuring compliance and avoiding systemic risks. With robust security measures supporting high-quality development, we aim to build a stable, successful company that can endure beyond 100 years.

CITIC has achieved remarkable accomplishments over the past 45 years. As we look towards a bright future, we are confident that CITIC will reach new heights within the next five years, fuelled by the momentum of Chinese modernisation, supported by our shareholders and society, and propelled by the unwavering commitment of our 190,000 dedicated staff. We are committed to creating greater value and returns for our customers, shareholders and communities, and to making a more significant contribution in the effort to build a great country and advance national rejuvenation!

Xi Guohua
Chairman
28 March 2025

Financial and Business Review

Group Financial Results

Performance and Operational Highlights

Steady growth in business performance:

In 2024, CITIC Limited recorded steady growth, achieving revenue of RMB752.87 billion and profit attributable to ordinary shareholders of RMB58.202 billion, representing year-on-year increases of 10.6% and 1.1%, respectively. By the end of the year, total assets exceeded RMB12 trillion, a 6.6% increase compared to 31 December 2023.

Synergistic growth in financial services segment's revenues and profits:

In 2024, CITIC Limited's financial segment saw revenue and profit attributable to ordinary shareholders both increase by 4.3%, respectively. Bank, securities, and trust businesses reported increases in both revenue and profit. Asset quality improved steadily, with CITIC Bank's non-performing loan ratio decreasing by 0.02 percentage points to 1.16%.

Resilience in the non-financial segments' performance:

In 2024, CITIC Limited's non-financial segments recorded a 14.7% year-on-year increase in revenue, and profit attributable to ordinary shareholders experienced a slight decline of 2.4%. Businesses such as steel and property demonstrated good profitability despite industry headwinds, significantly outperforming peers.

Increasing Dividend Payout Ratio:

The company plans to distribute a final dividend of RMB0.36 per share, resulting in a total annual dividend of RMB0.55 per share, which represents a year-on-year increase of 6.8%. The dividend payout ratio for the year is 27.5%, doubling from 13.4% at the time of its listing in 2014.

Growth in technological investment:

CITIC Limited focused on advancing new quality productive forces capabilities through technological innovation. In 2024, total investment in technology reached RMB25.2 billion, reflecting an 11% increase year-on-year. The intensity of this investment reached 3.34%.

Rapid development of overseas business:

CITIC Limited committed to a strategy focusing on high-level "going global" and "bringing in", while intensifying efforts to cooperate with overseas partners. In 2024, the share of overseas revenue increased by 1.4 percentage points to 15.1%, and the proportion of overseas assets rose by 0.6 percentage points to 9.6% by year-end.

Strategic unlocking of investment value:

CITIC Limited successfully disposed of its remaining shares in McDonald's China. CITIC Metal reduced its stake in Ivanhoe Mines and facilitated the conversion of all convertible bonds. CITIC Resources completed the share exchange transaction with AWC and Alcoa. All these transactions secured favourable gains.

Improved credit rating:

In April 2024, S&P upgraded CITIC Limited's issuer credit rating from BBB+ (positive) to A- (stable), marking the company's highest level since 2016.

Group Financial Results

Revenue by nature

In 2024, the Group's total revenue amounted to RMB752,870 million, an increase of RMB72,038 million year-on-year, representing an increase of 10.6%. Among this, sales revenue increased by RMB61,636 million year-on-year, up 14.8%, primarily due to the consolidation of Nanjing Steel's financial statements for 11 months compared to last year. Other income grew by 24.5% year-on-year, mainly driven by increased income from other non-interest income by CITIC Bank and CITIC Securities' proprietary business.

	Year ended 31 December		Increase/(decrease)	
RMB million	**2024**	2023	Amount	%
Net interest income	**148,373**	148,519	(146)	(0.1%)
Net fee and commission income	**59,093**	61,590	(2,497)	(4.1%)
Sales of goods and services	**479,216**	417,580	61,636	14.8%
– Sales of goods	**433,301**	372,072	61,229	16.5%
– Revenue from construction contracts	**15,918**	16,356	(438)	(2.7%)
– Revenue from other services	**29,997**	29,152	845	2.9%
Other revenue	**66,188**	53,143	13,045	24.5%

Other operating expenses

In 2024, the Group's other operating expenses were RMB136,292 million, an increase of RMB9,866 million year-on-year, up 7.8%. This rise was primarily due to the consolidation of Nanjing Steel, increased investments in science and technology as well as increased IT expenses.

Expected credit losses and other impairment losses

In 2024, the Group recorded credit losses and asset impairment losses of RMB61,410 million, a decrease of RMB8,800 million, or 12.5% year-on-year. CITIC Bank provided a provision of RMB61,113 million, mainly from expected credit losses on its loans and advances to customers.

Net finance charges

In 2024, the finance costs of the Group amounted to RMB13,341 million, a year-on-year increase of RMB1,169 million, or 9.6%, mainly due to higher borrowing interest expenses. The finance income of the Group amounted to RMB2,235 million, a year-on-year increase of RMB403 million, or 22.0%, mainly due to the increase in interest income from bank deposits.

Income tax

In 2024, income tax of the Group was RMB24,902 million, an increase of RMB6,889 million, or 38.2%, as compared with last year. This rise was attributed not only to the growth in profit before tax, but also to an increase in non-deductible write-off losses for CITIC Bank.

Note: CITIC Limited and its subsidiaries are collectively referred to as "the Group"

Financial Position

As at 31 December 2024, the Group's total assets amounted to RMB12,075,425 million, representing an increase of RMB744,505 million, or 6.6%, as compared to the end of the previous year, mainly due to the increase in loans and advances and financial asset investments. The Group's total liabilities amounted to RMB10,652,411 million, representing an increase of RMB658,273 million or 6.6% from the end of last year, mainly due to the increase in deposits and issued debt instruments. Ordinary shareholders' equity amounted to RMB757,487 million, representing an increase of RMB54,309 million or 7.7% from the end of last year, mainly due to the retention of profit of the current year.

RMB million	As at 31 December 2024	As at 31 December 2023	Increase/(Decrease) Amount	%
Total assets	**12,075,425**	11,330,920	744,505	6.6%
Loans and advances to customers and other parties	**5,601,071**	5,380,140	220,931	4.1%
Investments in financial assets	**3,538,851**	3,356,367	182,484	5.4%
Cash and deposits	**608,487**	625,135	(16,648)	(2.7%)
Trade and other receivables	**266,387**	254,452	11,935	4.7%
Fixed assets	**218,052**	210,719	7,333	3.5%
Placement with banks and non-bank financial institutions	**404,801**	237,742	167,059	70.3%
Total liabilities	**10,652,411**	9,994,138	658,273	6.6%
Deposits from customers	**5,847,939**	5,459,993	387,946	7.1%
Deposits from banks and non-bank financial institutions	**935,159**	893,565	41,594	4.7%
Debt instruments issued	**1,497,138**	1,221,107	276,031	22.6%
Borrowing from central banks	**124,151**	273,226	(149,075)	(54.6%)
Trade and other payables	**385,896**	391,948	(6,052)	(1.5%)
Bank and other loans	**245,566**	235,770	9,796	4.2%
Total ordinary shareholders' funds	**757,487**	703,178	54,309	7.7%

Loans and advances to customers and other parties

As at 31 December 2024, the loans and advances to customers and other parties of the Group was RMB5,601,071 million, an increase of RMB220,931 million, or 4.1%, compared to 31 December 2023. The proportion of loans and advances to customers and other parties to total assets was 46.4%, a decrease of 1.1 percentage points compared to 31 December 2023.

RMB million	As at 31 December 2024	As at 31 December 2023	Increase/(Decrease) Amount	%
Loans and advances to customers and other parties at amortised cost				
Corporate loans	2,816,000	2,625,019	190,981	7.3%
Discounted bills	2,182	1,784	398	22.3%
Personal loans	2,372,428	2,294,540	77,888	3.4%
Accrued interest	21,889	20,188	1,701	8.4%
Total loans and advances to customers and other parties at amortised cost	5,212,499	4,941,531	270,968	5.5%
Impairment allowances	(146,013)	(139,679)	(6,334)	(4.5%)
Carrying amount of loans and advances to customers and other parties at amortised cost	5,066,486	4,801,852	264,634	5.5%
Loans and advances to customers and other parties at fair value through profit or loss				
Corporate loans	11,243	5,558	5,685	102.3%
Personal loans	369	-	369	100.0%
Carrying amount of loans and advances to customers and other parties at fair value through profit or loss	11,612	5,558	6,054	108.9%
Loans and advances to customers and other parties at fair value through other comprehensive income				
Corporate loans	76,022	58,064	17,958	30.9%
Discounted bills	446,951	514,666	(67,715)	(13.2%)
Carrying amount of loans and advances to customers and other parties at fair value through other comprehensive income	522,973	572,730	(49,757)	(8.7%)
Carrying amount of loans and advances to customers and other parties	5,601,071	5,380,140	220,931	4.1%

Investments in financial assets

As at 31 December 2024, the investments in financial assets of the Group were RMB3,538,851 million, an increase of RMB182,484 million, or 5.4% compared with 31 December 2023. The proportion of investments in financial assets to total assets was 29.3%, a decrease of 0.3 percentage point compared with 31 December 2023.

(a) Analysed by type

RMB million	**As at 31 December 2024**	As at 31 December 2023	**Increase/(Decrease)** Amount	%
Debt securities	2,302,824	2,116,909	185,915	8.8%
Investment management products	31,577	35,614	(4,037)	(11.3%)
Investment funds	519,063	553,540	(34,477)	(6.2%)
Trust investment plans	186,883	205,542	(18,659)	(9.1%)
Certificates of deposit and certificates of interbank deposit	106,556	126,908	(20,352)	(16.0%)
Equity investment	339,948	278,588	61,360	22.0%
Wealth management products	9,114	6,161	2,953	47.9%
Investments in creditor's rights on assets	1,900	1,900	-	-
Others	47,992	39,966	8,026	20.1%
Subtotal	3,545,857	3,365,128	180,729	5.4%
Accrued interest	20,722	19,861	861	4.3%
Less: allowance for impairment losses	(27,728)	(28,622)	894	3.1%
Total	3,538,851	3,356,367	182,484	5.4%

(b) Analysed by measurement attribution

RMB million	**As at 31 December 2024**	As at 31 December 2023	**Increase/(Decrease)** Amount	%
Financial assets at amortised cost	1,108,159	1,076,039	32,120	3.0%
Financial assets at FVPL	1,401,113	1,292,115	108,998	8.4%
Debt investments at FVOCI	926,931	967,803	(40,872)	(4.2%)
Equity investments at FVOCI	102,648	20,410	82,238	402.9%
Total	3,538,851	3,356,367	182,484	5.4%

Deposits from customers

As at 31 December 2024, deposits from customers of the Group were RMB5,847,939 million, an increase of RMB387,946 million or 7.1% compared to 31 December 2023. The proportion of deposits from customers to total liabilities was 54.9%, an increase of 0.3 percentage point compared to 31 December 2023.

RMB million	As at 31 December 2024	As at 31 December 2023	Increase/(Decrease) Amount	%
Corporate deposits				
Time deposits	2,066,876	1,755,882	310,994	17.7%
Demand deposits	1,965,191	2,149,823	(184,632)	(8.6%)
Subtotal	4,032,067	3,905,705	126,362	3.2%
Personal deposits				
Time deposits	1,221,680	1,125,384	96,296	8.6%
Demand deposits	439,965	340,432	99,533	29.2%
Subtotal	1,661,645	1,465,816	195,829	13.4%
Outward remittance and remittance payables	68,167	19,022	49,145	258.4%
Accrued interest	86,060	69,450	16,610	23.9%
Total	5,847,939	5,459,993	387,946	7.1%

Bank and other loans and debt instruments issued

As at 31 December 2024, bank and other loans was RMB245,566 million, an increase of RMB9,796 million or 4.2% compared to 31 December 2023. Debt instruments issued was RMB1,497,138 million, an increase of RMB276,031 million or 22.6% compared to 31 December 2023, which is mainly due to CITIC Bank's strengthening of active liability management and increase in certificates of interbank deposit.

(a) Bank and other loans

RMB million	As at 31 December 2024	As at 31 December 2023	Increase/(Decrease) Amount	%
Comprehensive financial services	15,277	10,344	4,933	47.7%
Advanced intelligent manufacturing	7,462	6,018	1,444	24.0%
Advanced materials	90,619	90,205	414	0.5%
New consumption	7,740	6,608	1,132	17.1%
New-type urbanisation	56,669	54,245	2,424	4.5%
Operation management	125,572	125,712	(140)	(0.1%)
Elimination	(58,484)	(58,000)	(484)	(0.8%)
Subtotal	244,855	235,132	9,723	4.1%
Accrued interest	711	638	73	11.4%
Total	245,566	235,770	9,796	4.2%

(b) Debt instruments issued

RMB million	As at 31 December 2024	As at 31 December 2023	Increase/(Decrease) Amount	%
Comprehensive financial services	1,403,167	1,133,946	269,221	23.7%
Advanced intelligent manufacturing	-	-	-	-
Advanced materials	4,887	5,259	(372)	(7.1%)
New consumption	3,234	3,184	50	1.6%
New-type urbanisation	1,000	-	1,000	100.0%
Operation management	82,621	74,009	8,612	11.6%
Elimination	(4,807)	(2,818)	(1,989)	(70.6%)
Subtotal	1,490,102	1,213,580	276,522	22.8%
Accrued interest	7,036	7,527	(491)	(6.5%)
Total	1,497,138	1,221,107	276,031	22.6%

Total ordinary shareholders' funds

As at 31 December 2024, total ordinary shareholders' funds of the Group were RMB757,487 million, an increase of RMB54,309 million compared to 31 December 2023.

Capital commitments

As at 31 December 2024, the capital commitments authorised and contracted for of the Group was RMB15,110 million. Details of the capital commitments are included in Note 49(f) of the financial statements.

Segment Review—Comprehensive Financial Services

REVENUE *RMB million*

+4.3%

PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS *RMB million*

+4.3%

TOTAL ASSETS *RMB million*

+7.2%

CAPITAL EXPENDITURE *RMB million*

-8.8%

In 2024, the **comprehensive financial services segment** established a coordinated and differentiated business system, advancing the “Financial Core” initiative and creating a CITIC model of “five major tasks” in finance. The segment achieved revenue of RMB279.469 billion and profit attributable to ordinary shareholders of RMB52.649 billion, both up by 4.3% year-on-year. **CITIC Bank** increased its high-quality lending, outperforming the market in its management of the narrowing net interest margin, and capitalised on bond market opportunities to drive rapid growth in investment income. The bank’s revenue reached RMB213.223 billion, with profit attributable to shareholders of RMB68.576 billion, up by 3.7% and 2.3% year-on-year, respectively. **CITIC Securities** maintained a leading position in key areas such as brokerage, investment banking, asset management and proprietary trading. The proprietary trading business continued to optimise its asset allocation, while asset management saw significant growth in managed assets and custodial assets of new brokerage accounts. CITIC Securities reported RMB63.789 billion[1] in revenue and profit attributable to the parent company of RMB21.704 billion, up 6.2% and 10.1% year-on-year, respectively. **CITIC Trust** achieved 27% growth in trust assets. Coupled with increased bond income and profit contribution by strategic investments, CITIC Trust reported revenue of RMB5.379 billion and profit attributable to the parent company of RMB2.653 billion, an increase of 8.1% and 0.9% year-on-year, respectively. **CITIC-Prudential Life**[2] strengthened its channel development and focused on value-driven business transformation, achieving new business value of RMB2.82 billion and a new business value rate of 42%, marking year-on-year increases of 16% and a rise of 10 percentage points, respectively.

[1] CITIC Limited consolidates the operating revenue of CITIC Securities using the net revenue approach. [2] CITIC-Prudential Life is a joint venture of CITIC Limited, in which CITIC Limited holds a 50% stake.

CITIC Financial Holdings is the first financial holding company licensed by the People's Bank of China. It holds a full suite of financial industry licences and operates as a comprehensive financial services provider with a wide range of business operations. CITIC Financial Holdings plays a vital role in charting the development path of a financial holding company with Chinese characteristics.

In 2024, CITIC Financial Holdings innovated its comprehensive financial service model, strengthened its overall risk management and capital management capabilities and laid a solid foundation for high-quality development.

Metrics	As at 31 December 2024 (RMB trillion)	Change compared to 2023
Scale of wealth management[1]	26.3	14.1%
Scale of asset management[2]	9.2	22.4%
Total integrated financing scale[3]	14.9	7.4%

Focusing on "Five Major Tasks" to support the real economy

CITIC Financial Holdings developed an implementation plan to facilitate "Five Major Tasks" in finance to maximise the advantages of its comprehensive, full-cycle and diversified services. Its service models and exemplary cases were recognised by the People's Daily as "2024 Cases of High-Quality Financial Development".

Technology finance: CITIC Financial Holdings established an interconnected service system integrating equity, loans, bonds and insurance, and launched the CITIC equity investment alliance ecosystem. These initiatives expanded the company's service to over 11,000 national-level specialised and sophisticated enterprises, achieving a coverage rate of 96%. The service offerings—including settlement, credit, IPOs, trusts, insurance and credit cards became increasingly diversified. The equity investment alliance has registered a new fund totalling RMB26.2 billion with AUM exceeding RMB300 billion. It has directly invested in and incubated over 1,000 technology innovation enterprises. The financing scale for specialised and sophisticated public listings, strategic emerging equity financing and technology innovation bond underwriting is the largest in the market.

Green finance: CITIC Financial Holdings developed a comprehensive "five-in-one" green finance service system that integrates green financing, investment, consulting, living and carbon management. This initiative supported the "2024 ESG Global Leaders Conference" in achieving "zero-carbon" status. The balance of corporate green loans has surpassed RMB600 billion, reflecting 31% growth, while the number and size of green bond underwriting continued to lead the market.

Inclusive finance: CITIC Financial Holdings has established an interconnected "five-dimensional" service system that focuses on inclusive microfinance, rural revitalisation, inclusive consumer finance, inclusive wealth management and convenient services. The balance of inclusive loans for small and micro-sized enterprises has reached nearly RMB600 billion, a 10% year-on-year increase. The charitable initiative "CITIC Creation" issued fixed income products totalling RMB11.4 billion, innovating a market-based donation model to revitalise children's education in rural areas.

[1] Scale of wealth management: Refers to the total assets held in clients' (both individuals and institutions) financial accounts, including deposits, wealth management products, trusts, private equity investments, insurance, precious metals, and the market value of both trading and non-trading securities. [2] Scale of asset management: Refers to the total assets initiated and managed by financial institutions, including bank wealth management subsidiaries, brokerage firms, insurance asset management subsidiaries, as well as trusts, funds and futures management institutions. [3] Total integrated financing scale: Refers to the size of loans, investments, bond underwriting, IPO financing, refinancing, interbank assets and other services provided to corporate clients through the credit, bond and equity markets.

Pension finance: CITIC Financial Holdings developed a comprehensive pension finance ecosystem under the unified brand "Trust the Future, Trust Pension". The company increased its annuity AUM to RMB1.2 trillion, reflecting a 12% increase. Additionally, the number of users for pension accounts reached 5.0355 million, a 63% increase.

Digital finance: CITIC Bank is advancing its digital transformation with a focus on "Technology Empowering Action", successfully implementing over 80 high-value applications on its proprietary "Cangjie Large Language Model" platform. CITIC Securities is enhancing its intelligent business platform by launching "Bond Copilot", an AI-powered bond assistant that improves risk identification and control while boosting trading efficiency. CITIC-Prudential Life is developing a data-driven marketing system and introducing the "E-partner" digital assistant for 15,000 insurance agents. CITIC Financial Holdings is working with its subsidiaries to strengthen the comprehensive service capabilities of the online platform "CITIC Wealth Plaza", serving over 27 million customers and achieving 2.2 million monthly active users.

Focusing on risk mitigation and value creation to strengthen risk management

CITIC Financial Holdings is establishing a cross-entity risk management system tailored to its financial holding characteristics, fostering an efficient and collaborative framework that continually enhances risk management quality and effectiveness.

Optimising risk management mechanisms: CITIC Financial Holdings enhances its risk warning systems by reinforcing the role of risk appetite and having each subsidiary establish customised key monitoring indicators. The company is developing a concentration threshold management plan for the comprehensive financial services segment, refining the risk limit calculation model for large clients and improving the monitoring and early warning systems for limit compliance.

Effective risk control in key areas: CITIC Financial Holdings is capitalising on favourable real estate policies to expedite the resolution of key risk projects. By seizing opportunities presented by the hidden debt replacement policy, the company is intensifying its efforts to tackle existing risks.

Strengthening capital and financial management

By leveraging its integrated, efficient and specialised capital management system, CITIC Financial Holdings strengthens the application of management accounting to enhance management practices. This assists its subsidiaries in optimising capital allocation, implementing targeted marketing strategies and increasing revenue while controlling costs.

Intensifying key initiatives to enhance the effectiveness and efficiency of capital: By utilising management accounting tools, CITIC Financial Holdings focuses on both inputs and outputs, accurately assessing the capital consumption of businesses and diligently calculating value creation. It focuses on ensuring a rational alignment between capital input and output. The company implements targeted strategies through asset recovery and disposal, business structure adjustments, key indicators control, funds transfer pricing, process optimisation and other strategic initiatives to help subsidiaries unlock their existing capital potential, effectively supporting the development of new business initiatives and further enhancing internal capacity for sustainable growth.

Enhancing capital replenishment and optimising resource allocation: By leveraging its financial holdings platform's coordinating role, CITIC Financial Holdings has developed a multi-dimensional capital analysis and evaluation system across various sectors, optimising the overall capital allocation of the financial holdings group.

CITIC Financial Holdings is advancing a plan to increase capital to raise the registered capital to RMB42 billion. It completed the conversion of CITIC Bank's convertible bonds with a nominal value of RMB26.4 billion, encouraging other bondholders to proceed with conversion. It increased the registered capital of CITIC-Prudential Life in two batches totalling RMB2.5 billion and injected RMB210 million into CITIC Consumer Finance, thereby supporting the quality development of both subsidiaries through capital replenishment.

Enhancing multi-dimensional profit analysis and expanding the application of management accounting: CITIC Financial Holdings focuses on key areas to conduct comprehensive multi-dimensional analyses and maximise system utilisation, fostering a positive cycle between management accounting and capital management that reduces costs and increases efficiency. It supports subsidiaries in improving the accuracy of value measurement and effectively applying analytical results. The company employed management accounting tools to achieve a revenue increase and cost savings exceeding 25% compared to the previous year.

Focusing on value creation and enhancing the wealth management framework

Guided by the principles of "platform development, mechanism establishment, rule formulation, coordination enhancement and risk management", CITIC Financial Holdings promotes the advancement of a comprehensive wealth management system and develops integrated financial service business cases.

Capitalising on the supportive role of the wealth committee framework: CITIC Financial Holdings has facilitated its subsidiaries in maintaining market leadership in areas such as equity financing, bond underwriting and public REITs. It integrated four key areas across "Wealth Plaza", consumer finance, team integration and channel consolidation. Additionally, it implemented the "Partner Programme" for talent development, established a practical CITIC "think tank" and upgraded the CITIC "Interbank+" platform 2.0, achieving a trading volume exceeding RMB2 trillion.

Enhancing integrated service capabilities across multiple aspects: CITIC Financial Holdings focuses on enhancing its unique service model for strategic clients. This involves implementing the "one customer, one strategy" and "one customer, one team" mechanisms to provide customised dedicated service plans for each client. As a result, the company has successfully launched several "first orders" and "largest orders" projects. It has refined the "People-Family-Enterprise-Society" service system in its Entrepreneur Office and established 18 regional centres. The cumulative issuance of "CITIC Excellent Products" reached RMB220.6 billion, with an annual increase of RMB124.9 billion or 87%, creating a differentiated competitive advantage. Furthermore, CITIC Financial Holdings participated in the 2024 World Artificial Intelligence Conference, ESG Global Leaders Conference and the second Chain Expo, further enhancing the CITIC Wealth brand's influence.

Comprehensively expanding integrated service offerings: CITIC Financial Holdings coordinated the development of CITIC's global comprehensive financial service plans — "CITIC, Your Trusted Partner for Going Global and Coming to China". Its cross-border investment banking business surpassed US$5 billion, creating a comprehensive financial solution for the automotive industry's global expansion, thereby supporting Chinese automotive companies. The company launched the first comprehensive solution for revitalising existing assets, supporting Chongqing City's "three breakthroughs and one revitalisation" reform, with project funding amounting to RMB19 billion. CITIC Financial Holdings serves over 30 provinces and cities, including Shanghai, Guangdong and Fujian, providing comprehensive financing exceeding RMB400 billion, with three projects recognised as best practises by the National Development and Reform Commission.

CITIC Bank is one of the earliest commercial banks established during China's reform and opening up period. It was among the first commercial banks to engage in financing within both domestic and international financial markets. Today, CITIC Bank has grown into a financial group with total assets exceeding RMB9.5 trillion and over 65,000 employees, demonstrating overall strength and brand competitiveness.

The year 2024 marked the launch of CITIC Bank's "2024–2026 Development Plan", aligning with the bank's vision of becoming a global first-class bank with "Four Features"[1]. CITIC Bank upholds honesty and trustworthiness, pursues benefits through righteous means, maintains steadiness, prudence, integrity and innovation and sustains legal compliance. Being customer-centric, CITIC Bank has worked to create a distinctive and differentiated financial service model by implementing the "Five Leading"[2] strategy. Through this model, the bank offers a diverse range of financial products and services to corporate, retail and interbank clients, fully addressing their comprehensive financial needs. In 2024, CITIC Bank ranked 19th in the "Banking 500" list published by Brand Finance in the UK, and its Tier One capital ranked 18th in "Top 1000 World Banks" by The Banker magazine in the UK.

Indicator	As at 31 December 2024	As at 31 December 2023
Core tier-one capital adequacy ratio	9.72%	8.99%
Tier-one capital adequacy ratio	11.26%	10.75%
Capital adequacy ratio	13.36%	12.93%
NPL ratio	1.16%	1.18%
Provision coverage ratio	209.43%	207.59%

Accelerating the implementation of the "Five Leading" strategy

CITIC Bank aims to comprehensively strengthen the framework of "five leading" banks, and to continuously enhance core competitiveness and differentiated advantages, solidifying the foundation for operational development to achieve strong business results.

As a leading wealth management bank, CITIC Bank upholds a customer-oriented and value-driven philosophy. It is committed to enhancing its professional service capabilities and value creation, providing clients with comprehensive financial solutions for their entire life cycle. Key initiatives include upgrading operational system with a unified management platform for retail business, optimising institutional mechanisms to promote centralised operations in private banking, and implementing direct management models for major clients at Head Office. CITIC Bank also consolidates its core businesses, highlighting its strengths in asset management, private banking and consumer finance, while enhancing services for elderly care and outbound clients. By the end of 2024, the balance of retail-managed assets reached RMB4.69 trillion, marking a 10.62% increase compared to 31 December 2023.

As a leading comprehensive financing bank, CITIC Bank strives to accelerate the development of an ecosystem that integrates "commercial banking+investment banking+collaboration+matchmaking", offering clients comprehensive financing services that encompass both "financing and intelligence". The "comprehensive commercial bank" ecosystem focuses on implementing the "five major tasks" in finance, prioritising special areas such as government finance, industrial chain finance and cross-border finance, while continuously enhancing ability to support the real economy. The "comprehensive investment bank" ecosystem concentrates on two key areas in debt and equity capital markets, consistently cultivating distinct competitive advantages. The "broad

[1] A bank with "Four Features" refers to a responsible, unique, valuable and caring provider of the best comprehensive financial services. [2] "Five Leading" refers to a leading wealth management bank, a leading comprehensive financing bank, a leading transaction settlement bank, a leading foreign exchange service bank and a leading digital bank.

collaboration" ecosystem explores and expands financing opportunities in inter-financial collaboration and industry-finance integration, creating a distinctive collaborative service framework. The "extensive matchmaking" ecosystem actively engages in four primary areas across: offshore bonds, leasing, insurance and asset management companies (AMC). By the end of 2024, the comprehensive financing balance reached RMB14.29 trillion, an increase of 8.66% compared to 31 December 2023.

As a leading transaction settlement bank, CITIC Bank is reshaping its approach to settlement and prioritising continuous settlement enhancement in three key areas across: infrastructure, products and business case. In terms of infrastructure, CITIC Bank developed a multi-tiered transaction settlement platform that encompasses a matrix of services, including "Tianyuan Treasury" for large and medium-sized clients, "Easy Salary" for small and medium-sized clients, and corporate online banking for a broader customer base. In terms of products, CITIC Bank overhauled its transaction settlement product system to create three main product lines focused on client treasury management, procurement management and sales management. In terms of business case, CITIC Bank built on its strengths in the automotive finance sector, expanding to offer comprehensive settlement solutions across ten key industries, including food and beverage and consumer electronics, thereby enhancing competitive edge in transaction settlement.

As a leading foreign exchange service bank, CITIC Bank aligns closely with the national strategy for high-level openness to the global market. CITIC Bank leverages its unique advantages in foreign exchange operations to develop a comprehensive cross-border financial service system. It strengthened its leading position in financial services for emerging foreign trade sectors, such as cross-border e-commerce platforms. In 2024, the transaction for cross-border e-commerce platforms reached USD29.604 billion, serving 115,300 clients. CITIC Bank was among the first to implement multi-functional free trade account services in Hainan and Hengqin. By the end of 2024, the total balance of non-resident accounts and free trade account loans reached RMB61.19 billion, reflecting a year-on-year increase of 34.23%. Additionally, CITIC Bank continually enhanced its online foreign exchange trading platform, "Foreign Exchange Trading Pass", which facilitated a cumulative trading volume of US$117.502 billion, significantly boosting cross-border transaction service capabilities.

As a leading digital bank, CITIC Bank is committed to advancing its technology-driven strategy by prioritising innovation and fostering the deep integration of business and technology. It continuously enhanced its digital capabilities and technological infrastructure. By the end of 2024, CITIC Bank had 5,832 technology personnel, representing 8.91% of its workforce. Its investment in information technology reached RMB10.945 billion, accounting for 5.12% of its operating revenue. CITIC Bank is accelerating the conversion of innovative outcomes into productive capabilities. It launched several key products, including the "Smart Online Banking 5.0" platform, "Tianyuan Treasury Standard Edition 2.0" and the new version of "Easy Salary". In retail banking, CITIC Bank developed a retail expense management platform and a unified operational strategy known as the "one horizontal" platform. Additionally, its financial market division created a quantitative trading platform and enhanced digital strategy capabilities, with proprietary automated trading comprising nearly 70% of transactions and a year-on-year trading volume increasing over 40%.

Balanced development across "Three Major Segments"

In 2024, CITIC Bank continued to advance the development of its three major segments in: corporate banking, retail banking and financial markets, establishing a distinctive and well-balanced business model.

In corporate banking, CITIC Bank strictly implemented national policies and guidelines, prioritising high-quality development while increasing support for the real economy. The bank actively promoted business transformation, with overall operations showing steady progress. CITIC Bank established a comprehensive system for inclusive finance that encompasses organisational structure, products, marketing, risk control and services, ensuring a steady increase in both the volume and quality of micro and small loans. The bank also enhanced its organisational efforts in green finance and strengthened its capacity for comprehensive green financial services, with the balance of green credit surpassing RMB600 billion. It underwrote 2,223 debt financing instruments, with a total underwriting value of RMB960 billion, leading the market in both quantity and value of underwritings[3]. The bank also actively embraced the national high-level opening up strategy, leveraging non-resident accounts and free trade accounts to provide high-quality cross-border investment and financing services for "going global" enterprises. CITIC Bank continued to enhance product and service model innovation, increasing financing support for small and medium-sized enterprises in key industries through supply chain financing. The company provided RMB1.6635 trillion in supply chain financing to 48,467 enterprises, representing year-on-year increases of 9% and 24%, respectively. Focusing on the asset management industry, the bank intensified efforts to promote custody services for public funds, pension funds and cross-border custody. By the end of 2024, total assets under custody surpassed RMB16 trillion. In terms of client-based development, CITIC Bank strengthened its corporate client base by improving its tiered and categorised management system. By the end of 2024, the total number of corporate clients reached 1.2666 million, an increase of 9% from the end of the previous year.

In retail banking, CITIC Bank actively aligned with market development trends while adhering to a strategic approach in retail banking operations. By expanding its customer base, strengthening product offerings, optimising channel capabilities and enhancing service experiences, the bank provided comprehensive services that combined "financial and non-financial" solutions. In wealth management, CITIC Bank emphasised investment research-driven strategies, continuously improving the wealth product system based on customer needs and market analysis. This approach ensured foresight and effectiveness in supply management, thereby enhancing customers' profitability experiences. The bank's retail credit business maintained strong growth momentum, with balanced development across its three main products of personal housing loans, personal business loans and personal consumption loans. By the end of 2024, personal mortgage loans reached RMB1.0326 trillion and personal inclusive loans totalled RMB411.7 billion, representing increases of RMB61.4 billion and RMB31.2 billion, respectively, compared to the end of the previous year. In the credit card business, CITIC Bank continued to accelerate the development of its ecosystem scenario while enhancing the management of interest-earning assets, with a total of 123 million credit cards issued, reflecting a 7% increase from the end of the previous year. The bank has upgraded its "Happiness+" pension financial service system and accelerated the development of the pension financial ecosystem. The bank upgraded the pension planning tool to Pension Account Book 3.0, recording more than 5 million users. CITIC Bank systemically enhanced customer segmentation and improved its capabilities to deliver tailored services. It targeted key demographics such as seniors, expatriates and Generation Z to strengthen the bank's distinctive advantages. By the end of 2024, the number of individual customers reached 145 million, a 6% increase from the previous year.

In the financial market business, CITIC Bank aimed for "refined management and innovative development," continuously improving its comprehensive operational management system based on "sales and services, investment and trading, as well as research and risk control". This approach enabled in-depth integrated management of interbank client operations and established a leading product market-making model. By 2024, the bank's bill business provided bill discounting services totalling RMB1.578 trillion to 19,526 enterprises, of which 14,385 were small and micro-sized enterprises, accounting for 74% of the total clients. The bank continued to offer pricing and trading services in the interbank foreign exchange market, with foreign exchange market-making trading volume increasing 28% year on year to US$3.35 trillion. CITIC Bank fulfilled its responsibilities as a national debt underwriter and interbank bond market maker, successfully executing the market's first "Northbound Swap Connect" IMM contract and the first batch of interest rate swap contracts. In the asset management business, CITIC Bank leveraged synergistic advantages within the group to establish a comprehensive product system that covers the entire market, as well as all asset classes, time zones and multiple channels. As of the end of 2024, the scale of wealth management products reached RMB1.99 trillion, reflecting a 15% increase from the previous year.

[3] According to the rankings from Wind Information

CITIC Securities is a leading securities company in China, with businesses covering investment banking, wealth management, financial markets, asset management and equity investment. With branches in 13 countries, the company covers over 95% of the global stock market capitalisation in major markets and serves more than 2,000 large institutional investors worldwide. It has the largest number of local branches, research coverage, sales networks and settlement infrastructure among Chinese securities companies in the Belt and Road regions. Leveraging its industry leadership and unique resources, CITIC Securities facilitates Chinese clients in "going global" while assisting foreign clients in "coming to China".

CITIC Securities hosts the 2024 Capital Markets Forum

In 2024, CITIC Securities continued to enhance the quality and effectiveness of its services to the real economy, accelerating the establishment of a first-class investment bank and investment institution. It provided high-quality support for new quality productive forces and individual wealth management, ensuring steady development across all business areas.

First in the underwriting amount of A-share IPO and refinancing transactions

First in the underwriting amount of onshore FI bonds, corporate bonds, enterprise bonds, NAFMII products, and asset-backed securities

Second in transaction volume of global mergers and acquisition for Chinese companies

First in the number of A-share asset restructuring transactions

First in the underwriting amount of offshore bond projects for Chinese companies

Second in the underwriting volume of equity financing in the Hong Kong market

Investment banking

Maintaining its leading position in the domestic market. In 2024, CITIC Securities completed a total of 55 A-share lead underwriting transactions, with an aggregate value of RMB70.36 billion (including cash and asset private placements), representing a market share of 21.87%. It ranked first in both IPO and refinancing underwriting transactions. The company completed underwriting for 5,088 domestic debentures, with an underwriting amount of RMB2,091.24 billion, representing a year-on-year increase of 9.49%. This accounted for 7.07% of the total market underwriting and 15.02% of the total underwriting by securities companies. CITIC Securities also ranked first in the industry for FI bonds, corporate bonds, enterprise bonds, NAFMII products and asset-backed securities underwriting. The company completed five substantial asset restructuring transactions for A-shares, totalling RMB19.90 billion, with a market share of 23.03%. It ranked first in the number of transactions and second in transaction volume. As a nominated advisor and broker of the New OTC Market, CITIC Securities completed 12 listing projects, helping listed companies raise RMB446 million through targeted issuance.

Achieving significant results in expanding its overseas markets. In 2024, CITIC Securities completed 47 offshore equity projects with an underwriting volume of USD3.58 billion, ranking second in the Hong Kong market for equity financing. It completed 381 offshore bond projects for Chinese companies with an underwriting volume of USD5.05 billion, capturing a market share of 4.23% and ranking first in the market. The company also completed 72 global mergers and acquisitions involving Chinese enterprises, with transactions totalling USD30.02 billion, ranking second in the market.

Wealth management

Comprehensive domestic wealth management service capabilities continuously improved. By the end of 2024, CITIC Securities had over 15.8 million domestic wealth management clients, a 12% increase from the previous year, and client assets under custody surpassed RMB12 trillion, representing a year-on-year increase of 18%. CITIC placed a strong focus on customising client management and upgrading its talent development strategy for investment advisors and establishing an agile customer service and business development system to offer clients comprehensive financial solutions covering the entire lifecycle of "People-Family-Enterprise-Society". The company continued to optimise its financial product system across multiple markets, assets and strategies to support both single product and portfolio allocation needs of investors. It built an intelligent client management closed loop to enhance operational efficiency through unified planning, deployment, investment and management.

Consistent progress in its globalisation initiatives. In 2024, the company's sales and revenue from overseas wealth management products doubled. With Hong Kong and Singapore serving as dual bookkeeping centres, CITIC Securities focused on the core financial markets of major global economies, constructing a wealth management and comprehensive service platform that spans regions, markets and asset classes. This platform aims to provide global high-net-worth clients and institutional investors with more diversified, personalised and global asset allocation solutions. The company actively participated in the "Cross-boundary Wealth Management Connect" initiative, leveraging its status as one of the first pilot businesses in the industry to promote connectivity in the capital markets within the Guangdong-Hong Kong-Macao Greater Bay Area.

Financial markets

Enhancing its equity derivatives service system. With a focus on supporting the real economy, the company continued to innovate its products, enhance its business structure and expand its offerings. It maintained a strong presence with a broad client base, diverse product offerings, excellent trading capabilities and relatively stable returns. The company aims to enrich its product structure and strategy framework, attracting medium- to long-term funds into the market while expanding the coverage and types of structured products to improve its wealth management offerings. Its market-making business consistently ranked among the industry leaders, providing high-quality liquidity, while the overseas equity derivatives business continued to expand its international market reach, offering clients comprehensive investment trading services that span multiple time zones and markets.

Actively expanding its international fixed income business. Leveraging its advantages in client resources, the company has been broadening its coverage and service network for both domestic and international clients, catering to the overseas needs of Chinese clients while establishing a robust business platform that connects clients with the market. The company focused on strategy development and diversified its profit models to strengthen its overseas fixed income and derivatives market-making operations, thereby improving its overall capabilities in product design and trading services across domestic and international markets. CITIC Securities' sales of interest rate products have ranked first in the industry for several consecutive years.

Achieving significant progress in transforming its proprietary trading business model. Focusing on reducing portfolio volatility and enhancing resilience against external macroeconomic shocks, the company increased its allocation to various non-directional investments. This approach established a diversified business framework with distinct strategies to weather both strong and weak market conditions, enabling a shift towards an absolute return model.

Continually enhancing its service capabilities in the securities financing business. CITIC Securities strengthened its customer stickiness by offering efficient and professional solutions. It focused on detailed management of credit, interest rates and risks maintaining industry leadership in margin financing and stock pledge services while improving the quality of credit assets. In its international business, the company accelerated efforts in areas including product development, client acquisition and the establishment of business platforms. This approach enhanced collaboration and client outreach, resulting in steady growth in business volume and a diversified client base.

Asset management

CITIC Securities and CITIC Securities Asset Management Co., Ltd. actively pursued the transformation and establishment of a professional, systematic and customised framework for proactive management. By the end of 2024, the company's AUM amounted to RMB1,542.45 billion, with the collective asset management plans, single asset management plans and special asset management plans amounting to RMB343.24 billion, RMB908.98 billion and RMB290.22 billion, respectively. The company's private equity management business (excluding pension funds, public offering products and asset-backed specific plans) attained a market share of 13.43%, ranking first in the industry. The AUM of CITIC Securities' wholly-owned subsidiary, China Asset Management Company Limited (ChinaAMC), reached RMB2,464.53 billion, of which mutual funds accounted for RMB1,790.72 billion and institutional and overseas business accounted for RMB673.81 billion.

Equity investment

As the alternative investment arm of CITIC Securities, CITIC Securities Investment Co., Ltd. continued to focus on new quality productive forces, systematically positioning itself around strategic emerging investments. It pursued investment opportunities in areas including advanced manufacturing, new energy and equipment, information technology, new materials and biotechnology. The company optimised its investment structure, continually strengthening post-investment management, expanding diversified exit channels, enhancing asset turnover and capital efficiency and improving overall risk resilience.

As the private equity platform to raise and manage funds for CITIC Securities, CITIC Goldstone Investment Co., Ltd. capitalises on its fundraising advantages. In 2024, it successfully registered a new fund, raising a total of RMB9.88 billion. The company supported the national science and technology innovation strategy and real economies through equity investments. It focused on investment in high-tech enterprises that participated in major national projects, played an important role in breakthroughs of key technological barriers, ensured the stability of the industrial supply chain and implemented the "dual carbon" strategy. CITIC Goldstone Investment Co., Ltd. made equity investments in a portfolio of enterprises excelling in key sectors including new materials, new energy, next-generation information technology, high-end manufacturing, healthcare and modern services.

CSC Financial is a large national comprehensive securities company. It primarily engages in investment banking, wealth management, trading and institutional client services and asset management. The company has developed its own unique features and core competitive advantages in areas including corporate financing, mergers and acquisitions, securities brokerage, securities finance, fixed income, asset management and trading of stocks and derivatives. It has also established a professional and efficient business support system in research consulting, information technology, operational management, risk management and compliance management.

In 2024, CSC Financial navigated market fluctuations, tackled challenges and sustained high-quality development. The company further strengthened its competitive edge in investment banking, wealth management, trading and institutional client services and asset management.

Investment banking

Onshore business continues to lead the market. In 2024, CSC Financial completed 27 equity financing projects in the A-share market, with a total underwriting amount of RMB15.1 billion, ranking second in the number of projects and third in total underwriting amount within the industry. Among these, the company acted as the lead underwriter for 12 IPOs, totalling RMB6.2 billion, which secured first place in the number of IPOs underwriting and third place in total underwriting amount within the industry. Committing to implementing national strategies and supporting the development of new quality productive forces, CSC Financial sponsored four IPO projects on the Beijing Stock Exchange, ranking first in the industry. Additionally, the company sponsored 11 IPOs in strategic emerging industries and nine IPOs for national-level specialised and sophisticated "little giant" enterprises, leading the industry in both categories. CSC Financial completed 4,021 bond underwriting projects, with a total underwriting volume of RMB1.6472 trillion, ranking second in the industry. Among these, the company underwrote 1,130 corporate bonds, with an underwriting volume of RMB448.1 billion, ranking second in the industry. Furthermore, it underwrote 107 green bonds totalling RMB57.3 billion in underwriting amount. In the financial advisory business, CSC Financial completed four projects involving A-share issuance for asset acquisitions and major asset restructuring, ranking second in the industry. The total transaction amount reached RMB23.8 billion, securing first place in the industry.

Overseas markets continue to expand. Its subsidiary China Securities (International) Finance Holding Company Limited participated in and completed three IPO sponsorship in Hong Kong, raising HK$7.4 billion. Among them, the company served as the sole sponsor for the IPO of Laopu Gold, China's leading brand in traditional handcrafted gold jewellery, and as a joint sponsor for Horizon Robotics, a leading company in the intelligent driving industry. In the offshore market, the company participated in and completed 215 bond underwriting projects, with a total underwriting volume of HK$408.5 billion.

Wealth management

In 2024, CSC Financial's securities brokerage and wealth management businesses achieved significant results in online customer acquisition through multiple channels and models. The number of new customers increased by 63% year on year and the number of high-net-worth clients reached a five-year high. The company operates 319 securities brokerage branch offices, laying a solid foundation for the sustainable growth of its wealth management business.

Its subsidiary China Futures Co., Ltd. recorded agency transactions of RMB26 trillion, a year-on-year increase of 25%; the number of new clients grew by 22% year on year; and the end-of-period client equity scale increased by 3% year on year.

Trading and institutional client services

In 2024, CSC Financial continued to promote the application of several strategic indices, including the "CSC Chinese Assets Risk Parity Index 2.0 (CARP2.WI)" in wealth management and asset allocation. The company also launched the cross-border wealth management programme "US Bond Connect" trading and the H-share "full circulation" client foreign exchange settlement and sales business. CSC Financial ranked among the top five in the industry for government bond futures and market-making for credit bonds on the Shanghai Stock Exchange. The company was also recognised as a "Top Northbound Market Maker" by Bond Connect Company Limited for three consecutive years. A total of 5,966 research reports were published, among which 706 research reports were distributed in the Hong Kong market. By the end of 2024, CSC Financial had 18,665 active clients using its prime brokerage services, up by 16% year on year. The company also ranked second in the industry in the number of public funds under custody.

Its subsidiary China Securities Investment Co., Ltd strengthened its commitment to strategic emerging industries and future industries, completing 19 investments totalling RMB600 million.

Asset management

As of the end of 2024, CSC Financial had RMB494.9 billion in total assets under custody. This included RMB112.1 billion in collective asset management, RMB179.6 billion in single asset management, and RMB203.2 billion in specialised asset management, with a total of 666 products under management.

As of the end of 2024, its subsidiary China Fund Management Co., Ltd. managed a total of RMB142.2 billion in assets, reflecting a year-on-year growth of 52%. Among this, the scale of public fund management was RMB94.2 billion, up 38% year-on-year. The company managed a total of 59 public funds, with 22 funds ranking in the top 30% in terms of returns across the market, 19 funds in the top 20% and six funds in the top 10% of the market.

Its subsidiary China Capital Management Co., Ltd strengthened its investments in future industries, focusing on technological innovation. During the reporting period, the company completed investments totalling over RMB2.2 billion and registered new funds totalling RMB12.5 billion.

CITIC Trust is a leading trust company in China with comprehensive capabilities. The company offers a wide range of integrated financial products and services, including asset service trusts, asset management trusts and charitable trusts.

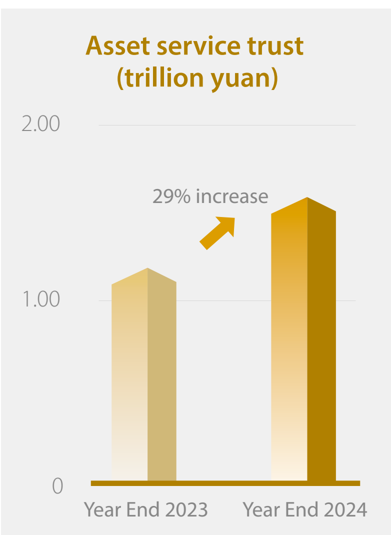
In 2024, CITIC Trust focused on both business transformation and risk mitigation to ensure strong progress on both fronts, maintained its top market position and achieved significant progress in risk management. The company received several prestigious awards, including the "Annual Excellence Trust Company Award" from the Shanghai Securities Journal, the "2024 China Excellent Trust Company Award" from Securities Times and the "Golden Bull Award" from China Securities Journal.

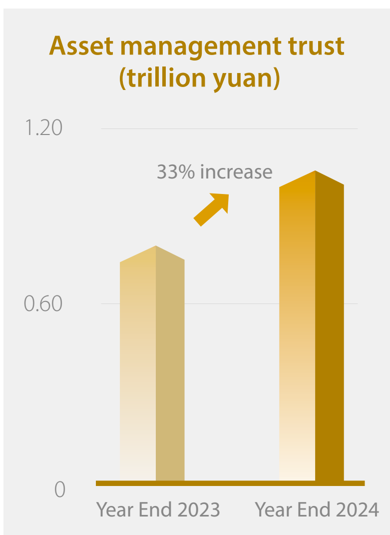
Business highlights

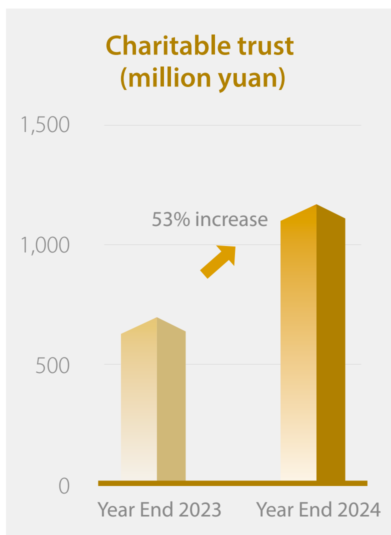
Developing core trustee capabilities to strengthen the real economy. CITIC Trust remains committed to serving as a solutions provider for large financial institutions, strengthening due diligence in institutional business and steadily enhancing the scale and market influence of its asset management trust services. The company continued to be a comprehensive financial solutions provider for real-economy enterprises, with an additional trust business of RMB573.6 billion serving the real economy in 2024. Continuing to be a comprehensive trust partner for local governments, the company sustained growth in its occupational annuity business, remaining the sole representative in the trust industry for pension trusteeship. CITIC Trust also maintained its role as a distinctive wealth management trustee, achieving 12% growth in wealth management assets. Additionally, charitable trusts achieved nearly RMB600 million in new registrations for the year, with the scale of existing assets ranking first in the industry.

Aligning with the direction of transformation and development to create a healthier business structure. CITIC Trust implemented the new "three-category" regulations for trusts, with the proportion of asset service trusts encouraged by regulators increasing to 58%. The unit capital consumption by trust assets decreased by 17% year on year, breaking the inertia of high-risk and high-capital consumption in trust operations. As a result, new contract revenue saw 13% year-on-year growth.

Trust asset structure – categorised by new classifications of trust business







Risk management

Enhancing the comprehensive risk management system. Adhering to the philosophy of "using risk management to support business development and promote value enhancement", CITIC Trust conducted special inspections on the management of seven key business processes. The company also shifted compliance management from post-event reporting to proactive prevention, early warning and mitigation. It actively reduced the scale of stakeholder-related real estate and urban investment trust businesses, while prudently managing risky projects. CITIC Trust leveraged synergy between the finance and real estate sectors by establishing property rights trust plans to achieve equity control, capital investment and risk isolation, thereby driving significant results in major risk mitigation in real estate.

Advancing refined capital management. CITIC Trust maintained a prudent and stable operating approach while steadily promoting the development of a refined capital management system. While increasing the scale of trust assets, the company optimised its asset structure to achieve efficient capital utilisation. By the end of 2024, CITIC Trust's net capital coverage ratio reached 203%, with a net capital balance of RMB28.9 billion.

Indicator	Year end 2024 *(RMB billion)*	Year end 2023 *(RMB billion)*	Change	Regulatory requirement
Net capital	**28.9**	27.9	4%	≥RMB200 million
Total risk capital	**14.2**	13.5	6%	Not applicable
Net capital coverage ratio	**203%**	207%	-4pp	≥100%
Net capital/net assets	**82%**	80%	2pp	≥40%

CITIC-Prudential Life is a joint venture established by CITIC and Prudential Corporation Holdings, offering life, health and accident insurance services.

"AI + Elderly Care": CITIC-Prudential Life partners to create an "Artificial Intelligence Health and Wellness Lab"

In 2024, operating under capital constraints and guided by risk preferences, CITIC-Prudential Life focused on optimising its business structure. Centred around customers' healthcare, retirement and personal wealth management needs, the company developed diversified products offering comprising health insurance, life insurance, pension insurance and annuities. By continuing to optimise its business structure and balancing profit sources, the company achieved qualitative and quantitative growth in company value.

Business highlights

Strengthening channel development and focusing on value to drive business transformation. CITIC-Prudential Life maintained industry-leading quality in its marketing channel operations, launching key projects such as the "Cross-Border Leadership" recruitment brand and breakthroughs in the Yangtze River Delta, continuously fuelling business growth. The product structure of the bancassurance channel was optimised and the 2023 regulatory guidance on expense control was implemented. The company strengthened cooperation with key channels, collaborating with CITIC Bank to promote the establishment of "bancassurance synergy demonstration branches". The group insurance channel fully exceeded its annual targets, leveraging the "hundred-group battle"[1] initiative to drive the "B+C" business model, achieving growth in both scale and value. The company focused on longer premium payment-term and higher margin products, achieving double-digit year-on-year growth in new business value on a comparable basis. It realised gross premium income of nearly RMB30 billion, of which RMB23.426 billion was achieved from life insurance products and RMB6.540 billion was from health and accident insurance products. By distribution channel, premium income of RMB13.482 billion was from agency, while RMB14.564 billion was from bancassurance and RMB1.920 billion was from others. It focused on providing the comprehensive pension solutions for elderly customers.

Enhancing digital intelligence initiatives and achieving new breakthroughs in digital marketing. CITIC-Prudential Life launched the "E-Partner" agent application, which introduces multiple technological innovations aimed at improving user experience, research and development efficiency and system design. This initiative comprehensively empowered business expansion, customer retention and team management. Additionally, the company introduced an AI customer service assistant that reduced the average response time for professional enquiries to under five seconds. Its AI underwriting assistant considerably improved the efficiency of customer consultations for non-health insurance policies, reducing response time from within hours to seconds. Furthermore, the company implemented the Intelligent Dual-Recording System, increasing operational efficiency by over 50%.

Strengthening brand and marketing activities to promote efficient business development. CITIC-Prudential Life actively pursued cross-industry collaborations, partnering with the app "Dedao" to promote the insurance

[1] "Hundred-group battle" is an important strategy of CITIC-Prudential Life to develop new clients on corporate side, set up marketing opportunities, and drive up the business value of retail side. "Hundred-group" refers to the completion of the first phase of integrated B+C business landing for 100 new corporate clients.

company's brand awareness, talent recruitment programme and lifelong learning-based eldercare services. The company co-hosted the "Trust the Future, Trust Pension" conference with People's Daily and released a comprehensive eldercare financial service plan. The company collaborated with partners such as Huawei to establish an "AI Health and Wellness Laboratory". The company also worked with domestic and international non-profit organisations like Roots & Shoots to fulfil its corporate social responsibility and support the development of green finance.

Investment of insurance funds

CITIC-Prudential Life focuses on mitigating interest rate risk on the liability side while optimising asset allocation on the asset side. It adjusted its strategic asset allocation plan, extended asset duration and effectively improved asset-liability matching. As a result, the company's scale of asset management continued to grow and investment returns significantly increased. It implemented an industry-leading asset-liability management system to enhance governance structure and standardise management practices. By the end of 2024, assets managed by CITIC-Prudential Asset Management Company Limited, wholly owned by CITIC-Prudential Life, exceeded RMB300 billion, with a non-linked comprehensive investment return rate of 7.74%, an increase of 5.04 percentage points year on year.

Capital management

On 2 February 2024, the National Financial Regulatory Administration approved CITIC and Prudential plc to increase their capital contributions in CITIC-Prudential Life by RMB1.25 billion each. The company's registered capital increased from RMB2.36 billion to RMB4.86 billion, further strengthening its capital position. By the end of 2024, the comprehensive solvency adequacy ratio of CITIC-Prudential Life was 245.64%, with a core solvency adequacy ratio of 144.81%.

Segment Review—Advanced Intelligent Manufacturing

REVENUE *RMB million*

+0.7%

PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS *RMB million*

+4.6%

TOTAL ASSETS *RMB million*

+5.2%

CAPITAL EXPENDITURE *RMB million*

-45.4%

In 2024, the **advanced intelligent manufacturing segment** intensified its efforts in key technology development while continuing to explore overseas markets. The segment achieved revenue of RMB50.793 billion and profit attributable to ordinary shareholders of RMB865 million, representing year-on-year growth of 0.7% and 4.6%, respectively. **CITIC Heavy Industries** adhered to a marketing strategy focused on "high-end and internationalisation", securing new effective orders totalling more than RMB15 billion, a year-on-year increase of 28.7%, achieving a record high. The company also prioritised research and development and maintained R&D spending above 7% of total revenue. However, due to intense competition in the wind power equipment and coal equipment markets, its revenue declined to RMB8.034 billion, with profit attributable to shareholders of the listed company of RMB374 million, representing year-on-year decreases of 15.9% and 2.4%, respectively. **CITIC Dicastal** capitalised on the recovery of the global automotive market, with sales of aluminium wheels increasing both domestically and internationally, further enhancing its market share. The "integrated die-casting" project of the aluminium casting business made significant market breakthroughs and the improved supply chain management led to a gross profit margin increase of 0.5 percentage point to 11.7%, boosting company profits.

Delivery of the 5600mm wide heavy plate rolling mill

CITIC Heavy Industries is a globally competitive manufacturer and service provider of mining and cement equipment. It is one of the largest heavy equipment manufacturing companies in China and a leader in the domestic specialised robotics industry.

In 2024, CITIC Heavy Industries adhered to the business model of "platform-based development and ecosystem-driven growth". Following the operational strategy of "refining production and operations management, strengthening overseas market expansion, deepening green electricity platform development and optimising joint venture governance", the company focused on its core business while continuously expanding its industry boundaries. Operational efficiency steadily improved, overall capabilities in scientific research were further enhanced, marketing orders reached new heights and the proportion of orders from overseas markets continued to increase.

Business highlights

Solidifying competitive advantages in the mining and heavy equipment business. CITIC Heavy Industries is fully committed to promoting the industrialisation of its "Top Ten Core Equipment", delivering a series of first-of-their-kind products, including the largest domestically produced oxygen-enriched rotary kiln, the world's largest rotary kiln for large-scale coal chemical applications, and the world's largest dynamic classifier for iron concentrate. The company's "Mine Hoist" product was awarded the national manufacturing championship in a single category for its comprehensive technological advantages in mechanical, electrical (including frequency conversion) and hydraulic systems.

Maintaining market leadership in the robotics and intelligent equipment business. Focusing on smart mining, the company signed contracts for intelligent projects in Sichuan, Gansu and other regions. It also focused on the specialised robots business and secured bids for firefighting robot projects with fire brigade headquarters in Xinjiang, Heilongjiang, Guizhou and other areas. The company continued to advance the industrialisation of explosive gas detection robots and emergency inspection robots for civil defence, addressing challenges in fire emergency response for high-rise buildings over 100 metres and unmanned operations in coal mines. The "Mobile Heavy-Duty Intelligent Aerial Work Robot System" project received approval from the Ministry of Industry and Information Technology, and the "Intelligent Explosion-Proof Robot" was recognised as a national manufacturing champion in a single category.

Continuous expansion of the new energy equipment business. With a focus on the wind power market, CITIC Heavy Industries delivered the world's largest floating wind power platform with a capacity of 16.6MW and signed a general contract for a 50MW distributed wind power project in Shanxi Province. In the low-wind power sector, the company deployed the first 50kW vertical-axis wind turbine at the Shandong Expressway Penglai toll station. In energy storage, the company successfully registered two "source-grid-load-storage" projects and won bids for several energy storage contracts, including one in Qinhuangdao. Leveraging the regional advantages of Zhangzhou, the company expanded its non-wind power steel structure and port service businesses, signing a one-off contract for 12 gantry cranes.

Significant breakthroughs in the special materials sector. By focusing on high-end castings and forgings, CITIC Heavy Industries successfully supported the Shenzhou spacecraft series. The company also utilised vacuum hydraulic bulging technology to develop a million-level nuclear power containment ring for the first time in China. Additionally, CITIC Heavy Industries manufactured the world-renowned "King of Rolling Mills", a 5,600mm wide heavy plate mill, marking a new breakthrough in equipment manufacturing within China's steel industry.

International layout

CITIC Heavy Industries achieved new overseas effective orders with a year-on-year growth rate exceeding 80%. The company leverages its production base in Spain and several overseas offices in Brazil, Australia, Peru, Europe, Malaysia, Vietnam and other regions to drive its international business expansion into Europe, Oceania, Africa, South America, North America, Central Asia and Southeast Asia. Its products and services now reach 68 countries and regions. CITIC Heavy Industries secured bids for several major engineering and equipment projects, including an Engineering, Procurement and Construction (EPC) project for clinker cement in Cambodia, a pellet project for Sinosteel, a gold and silver mining project in Canada, a gold mining project in Bulgaria and a mining equipment project for Zijin Mining in Serbia. These achievements represent significant progress in the company's internationalisation efforts.

Technological innovation

CITIC Heavy Industries strengthened its efforts in making key core technology breakthroughs. In collaboration with CITIC Dicastal, the companies jointly developed a 7,500-tonne two-plate die-casting machine, contributing to the transformation of the traditional manufacturing process of automobiles. This achievement signifies that CITIC systematically possessed full-chain production capabilities in the field of "integrated die-casting" for automobiles, encompassing materials, products, processes, moulds, and equipment. The company's Φ12.2m autogenous mill was recognised as "the world's largest autogenous mill by internal diameter" and its Φ6.96m×52m pellet rotary kiln was labelled as the largest of its kind globally, both by the China Heavy Machinery Industry Association. The company also commenced operation of the world's largest Φ7.2m×138.5m rotary kiln.

CITIC Heavy Industries deepened its digital and intelligent development by integrating digital technologies with mining equipment research and development. The company enhanced the collaborative sharing capabilities of the industrial chain, improving production efficiency by over 20%, shortening research and development cycles by over 15% and reducing process deviation rates by 17%.

CITIC Heavy Industries strengthened its reserve of innovative technologies, having recently acquired one new high-tech enterprise, bringing the total to eight. The company holds 1,176 effective patents, including 489 invention patents, and has led and participated in the formulation of 117 national standards and 138 industry standards.

CITIC Dicastal is the world's leading producer of automotive aluminium wheels, producing wheels and lightweight castings for powertrains, chassis and body systems for the automotive industry. The company operates 30 major manufacturing facilities across China, the Americas, Europe and Africa. CITIC Dicastal has a total annual production capacity of approximately 95 million wheels and over 210,000 tonnes of castings. The company serves major automakers both in China and overseas.

CITIC Dicastal factory in Morocco

In 2024, CITIC Dicastal focused on delivering customer value by enhancing its global market presence with high-quality products and services, as well as deepening its expertise in lightweight technologies, solidifying its leadership position in the industry.

Business highlights

Maintaining a strong competitive edge in traditional business. In the aluminium wheel sector business, CITIC Dicastal established strategic agreements with several domestic and overseas automakers, deepening strategic collaboration with customers. The company achieved further significant breakthroughs in the aluminium wheel business in both domestic and overseas markets. In the aluminium castings business, the company expanded into new markets for steering knuckle products and entered the hollow control arm segment.

Accelerating the implementation of new business initiatives. The company signed strategic cooperation agreements on "integrated die-casting" with several automakers to jointly drive industry transformation and upgrading. The company made breakthroughs in new market expansion, including developing subframes and anti-collision beams. The company successfully delivered samples of carbon fibre subframe products for FAW Hongqi which were installed on client vehicles. It also achieved significant progress in the magnesium alloy wheel business.

International layout

Establishing Africa's first Global Lighthouse. CITIC Dicastal's Morocco factory was recognised as a Factory Lighthouse, becoming the first of its kind in Africa, showing the leading capability of digitalisation in the manufacturing sector as well as upgrading the local industries. It boasts a production capacity of six million aluminium wheels and five million aluminium castings. The factory introduced over 40 digital use cases, resulting in high precision, flexible production and efficient material utilisation.

Commencing operations at the aluminium casting production base in Mexico. Phase I of CITIC Dicastal's aluminium casting production facility was designed with an initial design capacity of five million aluminium castings. Construction of the project began in October 2023 and the first mass-produced product received customer approval and was successfully delivered by December 2024.

Technological innovation

Launch of self-developed "integrated die-casting" comprehensive solution. CITIC Dicastal unveiled its "integrated die-casting" technology featuring a highly integrated design comprising nearly 100 components. This innovation produced the world's first heavy-duty integrated castings for the automotive manufacturing industry.

Developing the lightest cast wheels in the industry. By leveraging a lightweight R&D system based on the concept of "structure-process-materials", CITIC Dicastal developed a series of lightweight products with generational advancements. Additionally, the company successfully developed ultra-light carbon fibre wheels, completed the full-process verification and iteration of mass production technology for carbon wheels, achieving a product weight reduction of over 20% and an increase in driving range of more than 2% while enhancing technical reserves for new material applications. This accelerated the shift toward lightweight solutions.

Advancing lean research and development and manufacturing initiatives. CITIC Dicastal innovated prototyping technologies to enable zero changeover time and flexible processing. The company established a universal, end-to-end lean management system on utilisation volume, price spreads and just-in-time inventory of metals for its closed-loop manufacturing.

Green development

CITIC Dicastal successfully established a corporate carbon emissions management system, developed a product lifecycle platform and created an energy consumption database. The company is developing the framework for a green supply chain, earning a place on the list of green supply chain management enterprises.

Segment Review—Advanced Materials

REVENUE *RMB million*

+21.7%

PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS *RMB million*

-19.0%

TOTAL ASSETS *RMB million*

-1.7%

CAPITAL EXPENDITURE *RMB million*

-41.2%

In 2024, the **advanced materials segment** enhanced business integration, achieving revenue of RMB325.615 billion, a year-on-year increase of 21.7%. Despite challenges from commodity price fluctuations and reduced iron ore production, the segment maintained profit attributable to ordinary shareholders exceeding RMB10 billion. The special steel business advanced collaboration in procurement, production, sales and management among two steel companies, with total production surpassing 30 million tonnes, securing the leading position in the special steel industry. **CITIC Pacific Special Steel** reported profit attributable to the listed company's shareholders of RMB5.126 billion, declining by 10.4%; and **Nanjing Steel** saw its profit attributable to the listed company's shareholders rise by 6.4% to RMB2.261 billion, both significantly outperforming their peers. **CITIC Metal** carefully studied the market situation, adjusted its business plan, actively expanded the non-ferrous metals business and seized the opportunity to realise value of 1% Ivanhoe Mines shares at favourable prices, resulting in revenue of RMB130.190 billion and profit attributable to the listed company's shareholders of RMB2.238 billion, an increase of 4.2% and 8.8%, respectively. **CITIC Resources** steadily developed its oil and gas trading business, with revenue surging 148.3% to HK$9.498 billion, and converted the entire AWC equity interest to Alcoa shares, resulting in profit attributable to the parent company of HK$570 million, a year-on-year increase of 3.8%. **CITIC Pacific Energy**'s new energy business achieved a significant 374% year-on-year increase in power generation, with profits growing by 9.3% to RMB1.147 billion.

CITIC Pacific Special Steel is a global leader that specialises in the manufacture of specialty steel, with an annual production capacity of approximately 20 million tonnes. The company's six major products[1] are widely used in automotive components, energy, machinery manufacturing, oil and petrochemicals, transportation, shipbuilding and other industrial sectors. The company has five specialised production bases for premium special steel materials[2], two raw material processing facilities[3] and two professional mills[4], forming a strategic network along the Yangtze River and Yellow Sea.

CITIC Pacific Special Steel Technology Building and Xingcheng Special Steel Plant

In 2024, facing a challenging external environment in the steel industry, CITIC Pacific Special Steel coordinated efforts to achieve "maximum optimisation of cost and operational efficiency". Leveraging technological innovation, the company accelerated its transformation towards high-end, intelligent and green production, fostering productivity while maintaining industry-leading profitability. In the 2024 China Steel Enterprise Competitiveness (and Development Quality) Rating, CITIC Pacific Special Steel once again received an A+ (Very Strong) rating. Additionally, in the 2024 China Steel Enterprise ESG Rating, the company secured an AAA rating once again.

Business highlights

Demonstrating stronger resilience throughout industry cycles. CITIC Pacific Special Steel consistently enhanced its market-oriented approach and user application technology research, deepening its presence in niche markets while actively fostering coordination between management and materials. The company achieved sales of 18.89 million tonnes over the year, including 2.202 million tonnes in foreign trade exports. Capitalising on market opportunities in industries such as bearings and new energy vehicles, the company strategically adjusted its product mix. Sales of bearing steel, P-series energy steel products and domestically produced automotive steel increased by 6%, 49.5% and 38% year on year, respectively. Additionally, sales of high-efficiency wire products such as bridge cables, spring wire and steel fasteners increased by 30%, 23% and 20% year on year, respectively. The 81 "little giant" projects collectively recorded annual sales of 7.38 million tonnes, marking 10% year-on-year growth. Sales of "Two Highs and One Special"[5] products also increased by 23% year on year. The company strived to strengthen cooperation with Nanjing Steel in procurement, production, sales and management, complementing each other's customer bases. Together, the two companies established a strong network in differentiated special steel product segments, thereby enhancing their brand influence.

Achieving significant results in key national projects. CITIC Pacific Special Steel continued to carry out reforms in its scientific and technological system, focusing on fundamental and cutting-edge research while accelerating breakthroughs in key material technologies. In March, the Tiefu-1 well in the Tarim Basin of Xinjiang exceeded a drilling depth of 10,000 metres, with all casing used for the first and second drilling phases supplied by Tianjin Pipe. In June, the Shenzhen-Zhongshan Link, a major project in the Guangdong-Hong Kong-Macao Greater Bay Area, officially opened to traffic. Steel wire rod produced by the company's subsidiary, Xingcheng Special Steel, was used for the bridge's main cables, while anchorage steel produced by Daye Special Steel was used for the underwater anchors of the Shenzhen-Zhongshan Link.

International layout

CITIC Pacific Special Steel actively planned its overseas development and launched project "Sail" to accelerate internationalisation and the development of a compatible talent pool. In 2024, the company conducted in-depth

[1] Six major products: alloy steel bars, special medium and thick plates, special seamless steel tubes, forged steel, alloy steel wires and casting billets. [2] Five specialised production bases for premium specialty steel materials: Jiangyin Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, Tianjin Pipe and Jingjiang Special Steel. [3] Two raw material processing facilities: Tongling Special Materials and Yangzhou Special Materials. [4] Two professional mills: Pacific Special Steel Suspension (Jinan) and Zhejiang Pacific Seamless Steel Tube. [5] "Two Highs and One Special" products: high-temperature alloy steel, ultra-high-strength steel and stainless specialty steel.

assessments of over 20 steelmaking facilities in Southeast Asia, the Middle East, North America and Europe, as well as resource suppliers in South America and Australia. This effort led to the establishment of an international strategic value chain based on a "Resources+Core Business+Distribution" model. The implementation prioritised mergers and acquisitions of tertiary stage operations, starting small and gradually scaling up with upstream processes, with key initiatives achieving notable progress.

Technological innovation

Substantial results in technological research and development. CITIC Pacific Special Steel developed the world's largest continuous casting round billet with a diameter of 1320mm, breaking the world record five consecutive times. The company also launched the world's first 120mm-thick high-resilience steel used for petroleum refining. The 100mm-thick 9Ni steel once again surpassed thickness limits for nickel-based low-temperature steel used for pressure-bearing equipment. The company also developed the first batch of 1000mm-diameter special P92 continuous casting round billets, filling a gap in both domestic and overseas markets. Additionally, the company successfully developed low-manganese, niobium-free DH36 ship plate steel, which obtained the marine steel certifications of nine leading classification societies. The company's high-speed rail bearing steel passed the acceptance inspection by the Ministry of Science and Technology of China. The company also successfully developed key core steel components for domestically produced large aircraft, such as pipeline parts and fasteners, filling a technological gap in the country. CITIC Pacific Special Steel's subsidiary Qingdao Special Steel was certified as a national high-tech enterprise and a national enterprise technology centre, while Zhejiang Seamless Steel Tube was recognised as a national specialised and sophisticated "little giant".

Expanding applications of artificial intelligence across business operations. The company independently developed over ten artificial intelligence (AI) model projects, including intelligent control of sintering water and multi-scenario modelling, effectively integrating these into businesses to enhance AI capabilities in the special steel industry. Xingcheng Special Steel became the first enterprise in the special steel industry to achieve Level 4 in an intelligent manufacturing maturity assessment. The company was also recognised as one of the "First Batch of Pioneering Enterprises in China's Industrial Data Governance" and an "Excellent Case of Quality Improvement" by the Ministry of Industry and Information Technology. Daye Special Steel was named a "Digital Leading Enterprise" in 2024 by the Ministry of Industry and Information Technology. Qingdao Special Steel was acknowledged as one of the first excellence-level smart factories in the country. Additionally, two cases from Qingdao Special Steel and Yangzhou Pacific Special Materials were selected as "Typical Cases of Digital Transformation in Key Use Case of the Steel Industry" by the Ministry of Industry and Information Technology.

Building core technological capabilities. In 2024, CITIC Pacific Special Steel's R&D investment accounted for 4.21% of total expenditure, an increase of 0.31 percentage points year on year. The company received 15 provincial and ministerial-level awards in science and technology, including the second prize of the National Scientific and Technological Progress Award for Tianjin Pipe, and the title of "Single Champion in Manufacturing" from the Ministry of Industry and Information Technology for Tianjin Pipe's seamless steel pipes used in oil casing. A total of 476 patents were granted, including 162 invention patents and 20 international invention patents. The company participated in the formulation and revision of 28 domestic and international standards, including one standard from the American Society for Testing and Materials. It undertook 40 projects on a provincial or ministerial level and completed six key material R&D projects within the year.

Green development

In 2024, CITIC Pacific Special Steel was included in the MSCI China Index, fully integrating ESG concepts into the company's strategic planning and management processes, significantly improving its ESG performance. The company secured leading ESG scores among Chinese steelmakers: 42 from S&P Global ESG, 2.9 from FTSE Russell, 78 from Refinitiv ESG and an A rating from Wind ESG, meanwhile achieving the highest AAA rating from the Metallurgical Industry Planning and Research Institute for ESG. CITIC Pacific Special Steel also independently developed China's first "One Headquarters, Multiple Bases Dual-Carbon Information Platform", which received compliance certifications for both the CBAM[6] and PCF[7].

[6] Carbon Border Adjustment Mechanism: The European Union has legislated that local importers in the EU must provide CBAM carbon emissions of products in accordance with the requirements of CBAM accounting standards when importing products from seven major industries such as steel and aluminium. [7] Product Carbon Footprint: An internationally renowned product life cycle assessment method.

Nanjing Steel is an industry-leading, highly efficient and fully integrated steel complex with an annual production capacity of over 10 million tonnes. The company is a global leader in the production of medium and heavy steel plates and a competitive producer of long steel products in China. Focusing on the opportunities presented by the upgrade of Chinese manufacturing and import substitution, Nanjing Steel primarily produces specialised plates and long steel products. The company emphasises research and development to promote steel materials that exhibit high strength, high toughness, high fatigue resistance, high wear resistance, corrosion resistance and excellent weldability. These materials are widely used in various industries, including oil and gas equipment, renewable energy, shipbuilding and marine engineering, automotive bearings and springs, construction machinery and rail transport, as well as high-rise bridge structures. Nanjing Steel provides solutions for key national projects and the upgrading of high-end manufacturing industries.

Nanjing Steel Intelligent Operations Centre

In 2024, the steel industry continued to face downward pressure. Guided by the principles of “excellence” and “distinction” and tasked with economic efficiency, Nanjing Steel focused on building an industrial chain ecosystem that facilitates mutual growth between its core steel business and emerging strategic ventures. The company optimised its product structure, enhancing lean production practices, developing an agile management system and identifying cost reduction and efficiency improvement opportunities. The company is also advancing ecological development in its industrial chains, intelligent manufacturing services and green low-carbon initiatives. As a result, Nanjing Steel’s business performance maintained its leading position among the listed companies in the steel industry throughout the year.

Business highlights

Stable business growth. Nanjing Steel established a unique competitive edge in high-efficiency production and low-cost intelligent manufacturing. Leveraging its industry-leading intelligent manufacturing and premium steel research and development systems, the company continuously enhances production efficiency and product competitiveness. The company managed to achieve stable business growth for three consecutive years against industry downturns, recording positive key financial metrics such as return on equity, earnings per share and gearing ratio. Nanjing Steel accelerated its integration into CITIC and achieved prominent synergy. The company has joined efforts with CITIC Pacific Special Steel to launch a 100-day action plan that aims to boost efficiency.

Leading position remains solid in advantageous sectors. Nanjing Steel continued to strengthen its presence in key sectors, including oil and gas equipment, energy pipelines and marine engineering. Following its exclusive supply for the first domestically produced luxury cruise ship, Adora Magic City, the company became the sole supplier for the second domestically produced luxury cruise ship, Adora Flora City. Nanjing Steel also provided materials for the world’s most environmentally friendly Aurora-class transport vessel, which commenced trial operation. After successfully certifying its acid-resistant pipelines, Nanjing Steel once again received certification from Saudi Aramco for its acid-resistant container steel. Meanwhile, sales of its core advanced steel materials continued to grow, reaching 2.6149 million tonnes in 2024, accounting for 28.03% of total steel product sales. The gross profit margin was 17.17%, a year-on-year increase of 1.14 percentage points.

International layout

Nanjing Steel is actively accelerating its international business development and globalisation efforts, with the successful installation of 10 coking coal ovens for its first overseas industrial project, boasting an annual production capacity of 6.5 million tonnes of coking coal. Additionally, the company’s annual export volume surpassed 1.5 million tonnes.

Technological innovation

Promoting high-end technological research. Nanjing Steel focused on high-end product development, promoting product innovation and technological breakthroughs. The company’s ultra-low-temperature steel and ultra-high-strength wear-resistant steel were recognised as national "champion products" in manufacturing. As a key player in the southern Jiangsu specialty steel material group, Nanjing Steel became a part of the national advanced manufacturing industry cluster, contributing to the resilient development of the industry.

Strengthening critical technology reserves. The project “Nanjing Steel Comprehensive Digital Production Operations and Key Technology Innovations in Intelligent Manufacturing” received the Special Prize at the Metallurgical Science and Technology Awards. Furthermore, Nanjing Steel participated in two initiatives—"Green and Clean Steelmaking Technology and Application based on Carbon Dioxide Utilisation” and “Functional and Green Design and Preparation of Refractory Materials Supporting Green Steel Manufacturing”, winning the Second Prize of the National Science and Technology Progress Awards. Nanjing Steel also filed and obtained recognition for over 1,000 patents and proprietary technologies, increasing the share of invention patents from 63% to 70%. The company also participated for the first time in the formulation and revision of two international standards, marking a significant achievement. In the past year, the company completed 22 evaluations of new products and technologies, all fulfilling or exceeding international advanced standards.

Reinforcing strategies in digitalisation. The company continued to advance the Smart Nanjing Steel strategy to digitalise all business operations and operationalise all digital systems. By emphasising “AI+” and “Data Element×” strategies, the company fostered new quality productive forces. The company initiated a dedicated action plan with a focus on versatile AI applications, deepening synergies between IT and business development whilst integrating AI into steel industry applications. This effort positioned Nanjing Steel as one of the first public companies in the country to formally recognise digital assets on its balance sheet. The company also won second place in the national finals of the “Data Element×” competition and was selected as one of the first excellence-level intelligent factories in the country.

Green development

Nanjing Steel is devoted to acting on ESG principles, implementing ultra-low emission transformation throughout the production process targeting organised and fugitive emissions and adopting clean logistics. The company received again the A-level environmental performance rating for its long-process steelmaking operations in Jiangsu Province and was among the first provincial pilot enterprises for carbon peak and carbon neutrality initiatives. The company made it debut on the Fortune China ESG Influence List and received the Golden Responsibility Award in the 2024 Sina Finance Annual Sustainability Awards. It was also recognised by the Chinese Association for Public Companies for two consecutive years as having the Best Practices in Sustainable Development. The company has also been rated by Wind ESG as one of the Top 100 Listed Companies with ESG Best Practices in China for three consecutive years.

CITIC Metal is primarily engaged in bulk commodity trading and mining investments. Trading and resource investment are the two key pillars of the company's development strategy, driving its ambition of becoming a top-tier trader and investor in the field. CITIC Metal specialises in trading a wide range of products, including non-ferrous metals such as niobium, copper and aluminium, as well as ferrous metals including iron ore and steel. The company's investment portfolio includes Brazilian niobium mining company Companhia Brasileira de Metalurgia e Mineração (CBMM), copper, zinc and platinum mining company Ivanhoe Mines Ltd (IVN.TO), Las Bambas Copper Mine in Peru, Western Superconducting Technologies (688122.SH), China Platinum Company and others.

CITIC Metal's investment in Ivanhoe Mines has officially commenced production at its zinc mine

In 2024, CITIC Metal highly focused on the development of its core commodity trading business and pursued steady progress. Through proactive marketing, the company achieved record-high operating performance.

Business highlights

Maintaining industry leadership in metal trading. By adopting a "technology-driven sales" approach, CITIC Metal expanded niobium applications in China's steel industry and new materials sector, maintaining a market share of over 80% and setting a record for niobium consumption in the country. In the copper business, the company captured market opportunities and enhanced its upstream and downstream channels, overcoming logistical challenges in Africa. This strategy brought significant growth across various subcategories of the copper industry, achieving record-high levels of scale and profitability, placing CITIC Metal among industry leaders. Meanwhile, the aluminium business focused on trade across the entire industrial chain, continuously developing and expanding its upstream and downstream channels to ensure stable performance.

Securing resource supply through global mining investments. In Democratic Republic of the Congo (DRC), the Kamoa-Kakula (KK) Copper Complex owned by associate Ivanhoe, commenced operations ahead of schedule in its Phase III processing plant. The mine achieved a record-breaking annual copper output of 437,000 tonnes, potentially positioning it as the third-largest copper mine in the world. The Kipushi Zinc-Copper Mine also located in DRC, launched commercial production with an annual zinc output of 50,000 tonnes and an expected five-year average production of 278,000 tonnes per year, making it a strong contender for the world's fourth-largest zinc mine. In Peru, the second mining site at Las Bambas Copper Mine, Chalcobamba, commenced production and maintained stable operations. The Ferrobamba deep ore bodies added 2.5 million tonnes of copper and 130,000 tonnes of molybdenum to CITIC Metal's reserves, continuously enhancing the company's strategic resource supply. Brazilian niobium mining company CBMM maintained stable production and operations, with a global market share consistently exceeding 70%.

Technological innovation and green development

CITIC Metal is committed to enhancing its technological innovation system, deepening its understanding of new quality productivity, and increasing its investment in research and development. Keeping pace with sustainable development trends, the company researches low-carbon recycled automotive parts, high-strength steel for vehicles, as well as advanced batteries and nanocrystalline magnetic materials for new energy vehicles. In partnership with the laboratory of Songshan Lake Materials and Brazilian niobium mining company CBMM, CITIC Metal established a "Joint Laboratory for Advanced Niobium-based Battery Materials" focusing on the research and development of niobium applications in new energy batteries. The company continued to research niobium-containing materials for carbon reduction while expanding the trade of green low-carbon commodities, including recycled copper and nickel. Over the past year, CITIC Metal published 29 invention patents, obtained four intellectual property rights, one utility model patent, two software copyrights and participated in the formulation and revision of six standards.

CITIC Resources is primarily engaged in the exploration, development and production of oil. The company also invests in coal mining, the import and export of commodities, electrolytic aluminium, bauxite mining and alumina smelting. With investment and trading as the dual driving forces for business development, the company operates in multiple nations including China, Australia, the Republic of Kazakhstan and Indonesia, running three upstream oil and gas operations and related trading businesses.

In 2024, CITIC Resources focused on its core mission of "improving quality and efficiency" to unleash the potential of oilfield extraction. The company conducted in-depth research to formulate drilling plans and carried out oil testing and trial extraction operations to steadily improve production levels.

Business highlights

In 2024, CITIC Resources achieved a total of approximately 17.65 million barrels of crude oil from its three oilfields—KBM, Yuedong and Seram Block—representing an increase of approximately 3.2% over 2023. KBM Oilfield continued to explore its potential for sustainable development by actively promoting exploration work to boost oil reserves. Meanwhile, enhanced production management coupled with maximising the potential of old wells resulted in the lowest natural decline rate of old wells in history. The production capacity expansion project for an asphalt plant of KBM, CASPI BITUM, commenced smoothly. Yuedong Oilfield achieved significant exploration and evaluation results in the Hainan-20 well block, leading to an upgrade of reserves in this area, which further enhanced asset value. Seram Block made significant progress in effectively reducing overall costs through rigorous management. By applying new technologies and processes, the oilfield was able to successfully mitigate the impact of its gradual depletion and extended its economic production lifespan.

Oilfields	CITIC Resources' interest	Daily oil production in 2024 (share of output, barrels)	Change compared to 2023 (barrels)	Proven oil reserve estimates as of the end of 2024 (share of output, million barrels)
KBM (Kazakhstan)	50%	19,700	900	60.7
Yuedong (China)	90%	5,948	66	21.5
Seram Block (Indonesia)	41%	320	-89	1.0

Regarding the non-oil-and-gas business, CITIC Resources sold approximately 63,000 tonnes of electrolytic aluminium ingots and approximately 599,000 tonnes of coal in 2024. Meanwhile, CITIC Resources ventured into new product lines, establishing a trading and marketing team focused on crude oil trading in 2024. With the efforts of the team, the company generated trading revenue of approximately HK$5.93 billion. Additionally, the company generated profit after tax of about HK$110 million by converting its entire equity interest in Alumina Limited (AWC), a former associate of the Group, to Alcoa (AA) shares.

CITIC Pacific Energy invests in, operates and manages multiple power plants in China with supporting businesses that extend across the industrial supply chain, from coal mining and shipping, to power sales and heat supply. The company also actively invests in green energy businesses, including solar and wind power generation.

In 2024, CITIC Pacific Energy continued its market expansion through strategic investments and technological innovations. By actively promoting green development, the company achieved significant progress in business expansion, energy structure optimisation and operational efficiency improvement.

Business highlights

As of the end of 2024, CITIC Pacific Energy achieved a total installed power generation capacity in operation of approximately 9,601MW, with renewable energy accounting for 1,501MW, or 15.6% of the total. In 2024, the company's total amount of power generated reached 45.2 billion kWh, with renewable energy accounting for approximately 4.2% at 1.9 billion kWh. The fifth phase of the Ligang Power Plant (Ligang V) expansion, which includes two 1,000MW clean and efficient coal-fired units, is under construction. Additionally, the company has an energy storage capacity of 150MW/300MWh.

Green development

CITIC Pacific Energy actively developed renewable energy projects to accelerate its transformation into a greener and low-carbon business. In a joint venture, the company completed and fully connected its 1,000MW centralised wind power project in Xilingol League, Inner Mongolia, to the grid. The project boasts a cumulative power generation capacity of 1.37 billion kWh, with over 400 million kWh generated for green electricity. CITIC Pacific Energy also invested in numerous projects in coal mining and coal chemical industries, clean energy and soil improvement, as well as the German offshore wind power project, the Shandong Xinjulong coal mine project, the Xinjiang coal chemical and waste gas power generation project and the woody peat arable farmland resource utilisation project. Meanwhile, the company strengthened its environmental protection management to ensure indicator compliance with environmental protection standards, thereby reducing pollutant emissions. Ligang V expansion deepened its efforts in energy conservation, carbon reduction and the clean use of energy by upgrading its existing coal power units. These enhancements aim to boost its carbon reduction capabilities, operational flexibility and heat generation efficiency. Ligang V employs the latest ultra-supercritical power generation technology and world-leading emission reduction technology. These technologies allow it to generate sufficient power, while reaching the lowest emission levels among similar power units, reducing energy-related carbon emissions by 18.4% and air pollutants by 20%.

Sino Iron, developed and operated by CITIC Pacific Mining – a subsidiary of CITIC Mining International (CMI), is Australia's largest magnetite concentrate producer and a major supplier of ironmaking feedstock to Chinese and other Asian steel mills.

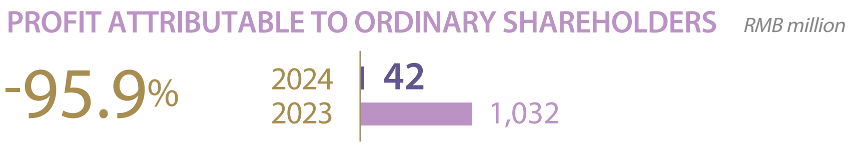
Located on the coast of Western Australia's Pilbara region, the fully integrated mining, processing and export operation produces a premium, low impurity 65% Fe concentrate. Independent life cycle analysis (commissioned by CMI) demonstrates a lower carbon emissions across the steel cycle (mine pit to ironmaking) which contributes to lower emission steelmaking.

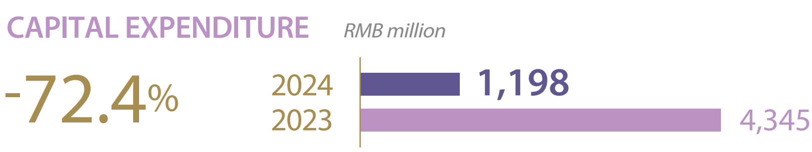
During the year, Sino Iron achieved exports of approximately 14.9 million wet metric tonnes of concentrate to CITIC's special steel plants and other steel mills. In late 2024 the project reached a major milestone, with the shipment of the 170 millionth tonne of concentrate since operations commenced more than a decade earlier.

Sino Iron continues to apply new technologies to drive greater operating efficiencies. In 2024, CMI deployed five new remotely-controlled autonomous drills. This breakthrough improves safety and eliminates potential human-related equipment damage.

While commodity prices remain volatile and the Australian mining industry continues to experience cost pressures, local labour shortages have started to ease in the past year. Total employee turnover at Sino Iron almost halved compared to 2023 and now sits below the industry average.

Segment Review—New Consumption





In 2024, the **new consumption segment** tackled the impact of weak domestic consumer demand, reporting RMB49.872 billion in revenue, a year-on-year decline of 3.0%. The segment's profit attributable to shareholders dropped 95.9% to RMB42 million, which was affected by a sluggish Brazilian seed market leading to reduced profits from CITIC Agriculture's investments in Longping High-tech and Longping Agriscience. **CITIC Telecom International** saw a significant year-on-year increase in 5G user numbers in Macau and continued to gain market share in postpaid customers. The company recorded revenue of HK$9.573 billion and profit attributable to the parent company of HK$910 million. **CITIC Press** recorded a 1.7% year-on-year decline in revenue, reaching RMB1.687 billion due to a downturn of the industry and the impact of price controls on books. However, by enhancing its digital publishing system and strengthening procurement and sales discount management, the company increased its gross profit margin by 4.09 percentage points. Consequently, profit attributable to the listed company's shareholders rose by 2.0% to RMB119 million.

CITIC Telecom International (CITIC Telecom) is a comprehensive telecommunications enterprise offering mobile sales and services, internet services, international telecommunications services, enterprise solutions and fixed-line services. CITIC Telecom holds a 99% equity interest in Companhia de Telecomunicações de Macau, S.A.R.L. (CTM). With branches in 22 countries and regions, CITIC Telecom has a workforce of over 2,500 employees. The company operates nearly 170 points of presence (PoPs) globally. CITIC Telecom's business covers 160 countries and regions, connecting to over 600 telecom operators globally and serving over 3,000 multinational companies and 40,000 local enterprises.

In 2024, CITIC Telecom remained committed to implementing five key strategies: "increasing revenue, innovation, transformation, cost reduction and security". CITIC Telecom concentrated on driving "transformation, development, reform and innovation" while actively addressing challenges in the international operating environment.

Business highlights

Strengthening leadership in Macau's telecommunications market. As of the end of 2024, CITIC Telecom's mobile service users in Macau reached 772,000, capturing a market share of 53.3%, with the 5G market penetration rate reaching 98.4%. The broadband business achieved a market share of 96.8%.

Seizing new opportunities for technological development and strengthening service capabilities in the global market. CTM expanded its network infrastructure by launching 5.5G services in Macau, positioning the city as one of the global pioneers to offer commercial 5.5G services. The company also deployed new access technologies in Macau, including WIFI 7, 50G-PON (50-Gigabit-Capable Passive Optical Networks), and "Fibre 360°" FTTR (Fibre-to-the-Room), keeping the city's internet speed among the world's top three. These deployments also drove Macau's transition into a "10Giga" smart city. CTM collaborated with the Macao Government Tourism Office to promote the application of the AI Macau Smart Tourism Service and launched the smart healthcare platform "Dr.Easy". CITIC Telecom continued to expand its network presence along the Belt and Road and its extended regions, with PoPs deployed in Dubai, Hanoi and other cities such as Amsterdam. The company's deployments include a total of 170 PoPs, over 60 SD-WAN gateways, and 20 cloud computing centres, providing services across mainland China, Hong Kong, Macau, Southeast Asia, Europe, South Africa and other regions. The company signed up to the Open Gateway initiative proposed by the Global System for Mobile Communications Association (GSMA) and won first prize at the GSMA-hosted Open Gateway competition. CITIC Telecom further expanded into the Southeast Asian market, entering into cooperation with renowned international hardware suppliers to provide server deployment for local customers in Singapore, successfully obtaining internet service licences in the Philippines.

Steadily strengthening brand influence. CTM took the lead in a number of major projects, including ensuring communication security during the celebration of the 25th Anniversary of the Establishment of the Macao SAR. CTM was awarded the "Distinguished Contribution Award" at the World Internet Conference, while CITIC Telecom received the "2024 STAR Award – Best Cybersecurity Solution" from the Communications Association of Hong Kong.

CITIC Press is a major provider of integrated cultural content and associated services in mainland China. The company is mainly engaged in book publication and distribution, digital and intelligent services and operation of urban cultural spaces.

In 2024, CITIC Press maintained its position as the leading publisher in China's retail market for general books, dominating the business management, self-help psychology, and biography genres. In the "Most Academically Influential Publishers (2014–2023)" list by China National Knowledge Infrastructure (CNKI), CITIC Press ranked first in economics and fifth in history, achieving a breakthrough in academic influence.

Mass publishing	▶ Production efficiency of finance and social science publications increased by 25% and 17% respectively. ▶ Newly developed animation production grew by more than 25%.
Cultural spaces	▶ CITIC Books grew 7% in sales per unit square at its stores. ▶ The gross merchandise volume of digital commerce recorded grew 30%.

Business highlights

Advancing with a strategic focus on animation and comic creative industries. CITIC Press secured book publishing collaborations with blockbusters "Black Myth: Wukong" and "Ne Zha 2", both set for release in 2025. Additionally, the company launched the new ACG brand GOOOODS, focusing on both anime game adaptations and themed experiences.

Building a children's reading service system. Hinged on the publications of CITIC Children's Books, CITIC Press is developing a multidimensional reading service system, which offers a series of levelled readers across three age groups and six themes. Over the year, the company organised more than 30,000 "Illuminating Book Clubs".

Leveraging AI to empower smart publishing. CITIC Press hosted the "CITIC Publishing Digital Intelligence Strategy Launch Conference" and launched the Digital Intelligence Publishing Industry Ecosystem Alliance. The digital intelligence publishing platform seeks to transform the entire publishing process through artificial intelligence, targeting 17 different book publishing scenarios and developing 122 AI assistant applications. The company achieved significant progress in areas such as AI one-click image generation, AI digital humans and voice cloning and AI-generated marketing copy, improving efficiency by over 50%.

Enhancing CITIC Books' operational capabilities. CITIC Books further enhanced its capabilities in content planning, product selection and supply chain management. It also established a new media matrix, accumulating over 100 million views. Additionally, the company successfully curated the exhibition "To Curiosity: DK's 50th Anniversary Natural History Encyclopedia Exhibition", marking the company's global debut.

Strengthening brand influence. CITIC Press won a total of 497 book awards throughout the year and achieved 392 copyrights. The company has co-hosted the ESG Global Leaders Conference for four consecutive years since 2020 and successfully organised the 2024 Land-Sea Economic Forum.

CITIC Agriculture specialises in crop breeding, large-scale propagation and commercialisation of improved varieties. Striving to be globally competitive in agricultural technology, CITIC Agriculture operates over 50 breeding stations in more than 10 countries and regions, over 900,000mu of high-standard seed production bases, a research and development team of more than 700 specialists, five national and provincial science and technology innovation platforms and a leading seed biotechnology laboratory in South America. CITIC Agriculture's independently cultivated varieties cover a global area of over 200 million mu each year.

In 2024, CITIC Agriculture prioritised seed industry advancement to strengthen its leading position in the sector. The company worked to systematically enhance and standardise its internal control management framework, attaining new heights in technological innovation. With a focus on effective integration and collaboration, the company implemented penetrating oversight throughout the business to drive high-quality development in its subsidiary companies.

Business highlights

Yuan Longping High-Tech Agriculture Co., Ltd (Longping High-Tech; 000998.SZ), a subsidiary of CITIC Agriculture, further solidified its domestic development foundation. Ensuring stable income from the three major staple crops (rice, corn and wheat), the company actively expanded market opportunities for specialised, innovative and high-value varieties. Meanwhile, its demonstration and promotion of industrialised bio-breeding ranked high in China. In Brazil, the company navigated the corn seed industry downturn, securing its position as one of the top three companies in terms of sales volume, with over 21% market share in the country's corn seed market.

Technological innovation

Longping High-Tech and its subsidiaries' 78 proprietary or co-developed new varieties, including rice and corn, were approved by national standards, further optimising its investment strategies in green, high-quality, and high-yield varieties. The company's independently developed regenerative rice, Juliangyou 8612, set a new record for annual yield. Meanwhile, a new breakthrough in the cultivation of ultra-high-yield hybrid rice contributed to the national initiative of enhancing grain production capacity by over 50 million tonnes.

In addition to receiving the China Quality Award, Longping High-Tech was also honoured with multiple recognitions from China Association of Public Companies including the "Best Practices for Sustainable Development of Public Companies" and "Most Socially Responsible Public Company" awards, further expanding its prominence in the sector.

Financial and Business Review

Segment Review—New-Type Urbanisation

REVENUE *RMB million*

+8.3%

PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS *RMB million*

+137.4%

TOTAL ASSETS *RMB million*

+1.4%

CAPITAL EXPENDITURE *RMB million*

-2.4%

In 2024, the **new-type urbanisation segment** generated revenue of RMB46.987 billion and profit attributable to ordinary shareholders of RMB5.135 billion, representing year-on-year increases of 8.3% and 137.4%, respectively. The **property development, operation and management business** faced ongoing industry pressures but actively promoted sales settlements and worked to maintain stable occupancy rates. This segment achieved a 40.4% year-on-year increase in revenue, reaching RMB14.709 billion, with profit attributable to the parent company rising by 28.7% to RMB3.1 billion, largely due to a low base from the previous year's provisions. The **construction and urban operations business** seized opportunities along Belt and Road markets, resulting in a significant increase in new effective contracts. While revenue remained stable at RMB34.114 billion, substantial progress was made in receivables settlement, leading to a turnaround from loss to profitability.

CITIC Construction is an international integrated engineering service provider. The company engages in the construction of housing, infrastructure and industrial facilities and proactively seeks further development in areas including agriculture, resources and energy. Its overseas markets cover more than 20 countries and regions, while its domestic segment is mainly concentrated in key regions such as the Beijing-Tianjin-Hebei Region, the Yangtze Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area and the Hainan Free Trade Zone. In recent years, CITIC Construction completed a number of large-scale urban-industry integrated projects.


Eastern Section of the 84km East-West Highway in Algeria

In 2024, CITIC Construction secured approximately RMB9.0 billion in new overseas contracts, representing a year-on-year increase of 182%. Meanwhile, new domestic contracts amounted to approximately RMB4.9 billion, a year-on-year increase of 66%. CITIC Construction actively acts on the Belt and Road Initiative to develop in key overseas markets and integrates into the major national and regional development strategies. As a result, it made progress in market development and project implementation and was awarded the title of Top 100 Enterprises in the International Contracting Industry and recognised as an A-level enterprise.

Business highlights

Capitalising on international capabilities to achieve breakthroughs in overseas markets. The TKU expressway renovation project in Kazakhstan is now fully operational; interchanges six, seven, and eight of the 84-kilometre eastern section of the East-West Highway in Algeria were put into operation; and SOHO tower at the Sunsuria Headquarters in Malaysia was completed and officially delivered.


Sunsuria Headquarters, Malaysia

CITIC Construction signed contracts for several projects, including the 75-kilometre road renovation project in the Pungan–Namangan section of Uzbekistan, the asphalt plant renovation project in Kazakhstan, the second phase of the Bangsar Hill Park apartment in Malaysia, the Riyadh and Jeddah medical city projects in Saudi Arabia, the Bin Umar natural gas processing plant in Iraq and the Fudong Valley community project in Angola.

Aligning with regional development strategies to achieve new milestones in the domestic market. The full structure of Building C of the Advanced Research Institute of Multidisciplinary Sciences at the Beijing Institute of Technology was fully topped out; the first phase of the Nanjing Science and Innovation Base project passed the preliminary acceptance inspection; the main tower structure of the Shenzhen CITIC Financial Center was topped out; the tunnel project on Chenjiaji Avenue of Changjiang New Town in Wuhan was fully connected; and the C5 project in Yancheng High-Speed Rail New City was completed and delivered.

Driven by technological innovation to empower the development of core business. CITIC Construction passed the re-evaluation for the high-tech enterprise qualification, obtained 44 authorised patents, co-authored and received approval for the release of three national standards; the three sub-projects of the Nanjing Science and Innovation Base project won the 2024 Nanjing Quality Structural Engineering Award; the Zhumadian Agricultural Products Park project received the Quality Engineering Award from the Henan Civil Engineering and Architectural Science and Technology Association; and the Jinan Ecological Port project received the Shandong Province Civil Engineering and Architectural Science and Technology Award.

CITIC Offshore Helicopter (COHC)

is a leading Chinese company in the aviation industry, possessing full qualifications and providing comprehensive general aviation services in various fields including offshore oil air services, emergency air rescue, aircraft maintenance, port navigation support, offshore wind power, overland and drone operations. The company is the first and only mainboard-listed company in the general aviation industry in China.

China's 40th Antarctic Expedition

In 2024, COHC made steady progress across its various business operations, achieving continued improvement in operating performance and actively expanding in the emerging low-altitude economy. The company operated a total of 84 helicopters and 11 drones, accumulating over 50,000 flight hours. Furthermore, COHC proactively led efforts to provide aviation services for China National Offshore Oil Corporation's deep-sea strategy. The company implemented a comprehensive safety management system, ensuring smooth and orderly operations, with both the annual general aviation incident rate per 10,000 flights and the unsafe event rate per 10,000 flights recorded at zero.

Business highlights

Opening of new routes. COHC launched a regular Shenzhen-Zhuhai helicopter route and completed test flights from Shenzhen to Hong Kong, successfully inaugurating the first direct cross-border flight to Hong Kong.

Exploring new businesses. COHC served a Hong Kong power supplier for the first time to transport power transmission line equipment of CLP Power from Daya Bay in Shenzhen to Tai Po in Hong Kong. The company also collaborated with China Railway Signal & Communication Corporation to explore new opportunities in low-altitude cross-sea railway transportation. In the newly launched charter flight project in Altay, the company offered flight services for skiing activities and snow equipment transportation.

Developing new models. COHC participated in the building of the national aviation emergency rescue system, achieving new breakthroughs with its integrated "helicopter+drone" operation model. COHC also won the bid for the Hubei Province aviation emergency capability enhancement project, which stimulated the development of its long endurance unmanned aerial vehicle service network for emergency and rescue missions. Additionally, COHC collaborated with Shenzhen University to apply for the "Guangdong Provincial Manufacturing Innovation Center" project.

Social responsibility

COHC provided aerial filming support for a special broadcast celebrating the 75th anniversary of the founding of the People's Republic of China. The company also provided support in multiple expedition missions, including flight services for China's 40th Antarctic scientific expedition, fuel support for the 41st Antarctic scientific expedition, and helicopter services for the 14th Arctic Ocean scientific expedition. Additionally, the company joined flood prevention and control efforts in Anhui, Hunan and Sichuan, as well as firefighting operations for forest fires.

CITIC Environment is one of the most comprehensive and capable enterprises in the environmental protection industry, spanning the entire supply chain. The company is engaged in investment, design consulting, manufacturing, engineering contracting and project operations in areas such as ecological protection, urban and rural construction membrane manufacturing, smart construction and clean energy. The company ranks first in the country in industrial wastewater treatment capacity with the largest domestic design capacity in water environmental protection, ranks second in municipal engineering design in the industry with top tier architectural design and is a global leader in the high-end membrane market. The company achieved notable progress in business model transformation and digitalisation. Its international operations achieved new breakthroughs, while the construction of major projects advanced smoothly.

Business highlights

Key projects made smooth progress. CITIC Environment continues to lead the industry with several environmental benchmark projects in the Yangtze, Yellow and Pearl River basins. Over the year, the company processed 704 million tonnes of wastewater, supplied 57.78 million tonnes of water and managed 65,200 tonnes of hazardous waste. The Wuhan Jiangxia Wastewater Treatment Plant was recognised as one of the first national green and low-carbon benchmark wastewater treatment plants. The construction of a new sludge dewatering facility and a deep excavation for the second phase of the Shenzhen Futian Water Purification Plant, Asia's largest semi-underground water treatment facility, were finished. Additionally, the largest fully underground membrane bioreactor (MBR) wastewater treatment plant in Northwest China, the Lanzhou Qilihe Anning Wastewater Treatment Plant expansion and renovation project, entered commercial operation. Meanwhile, the main structures of Buildings One to Three of the iconic cultural landmark project, the Hubei Wuhan Optics Valley Cultural Center, were completed.

Business development made steady progression. CITIC Environment secured several major projects, including the comprehensive development of the northern area of the Guanggu South Health Industry Park in Jiangxia District, Wuhan, and the Phase I concession project for the construction of a wastewater treatment plant in Daban Mountain Industrial Park (printing and dyeing) of Tumushuke Economic and Technological Development Zone, Xinjiang. Additionally, the company won the bid for the largest wastewater treatment and reuse project in the domestic petrochemical industry—the North Environmental Protection Huajin Project in Panjin, Liaoning.

International layout

The world's largest oilfield produced water treatment and reuse project, the Kazakhstan KBM Oilfield Produced Water Reuse Project, officially commenced operations. Additionally, CITIC Environment successfully executed several key projects, including the closure of Asia's largest landfill site—the restoration of the Mesaieed and Umm al-Hayman landfills in Qatar, the energy-saving renovation project of PetroChina (Kazakhstan)'s Aktau Power Plant in Kazakhstan and the upgrade and maintenance of a sewage treatment plant in Coloane, Macau.

Technological innovation

CITIC Environment is committed to advancing its technological innovation system, establishing an innovation research institute and applying for two scientific research platforms from the Ministry of Housing and Urban-Rural Development. The company secured the nation's first city-level project digital management platform for engineering project lifecycles—the Hubei Chibi Municipal Engineering Management Platform. The company also undertook two national-level research projects and obtained over 160 authorised patents and software copyrights. Additionally, CITIC Environment received the highest honour in China for collaboration between industries, universities and research institutes—the 2023 China Industry-University-Research Collaborative Innovation Award.

CITIC Pacific Properties is a developer and manager of premium properties, focusing on mixed-use, commercial and residential projects. The company's operations cover the entire real estate lifecycle, including investment, project development, marketing and property management. It currently owns and manages properties in regions including the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze Economic Belt and the Bohai Rim Economic Circle.

In 2024, CITIC Pacific Properties achieved over RMB10 billion in total annual contract value despite downward pressure from the market. As of the end of 2024, CITIC Pacific Properties had a land reserve of approximately 4.71 million square metres in mainland China, of which the area of its equity interest amounted to 3.43 million square metres. The company held approximately 1.12 million square metres of operational properties, with over 80% located in Shanghai. During this period, the company generated rental income of about RMB815 million, a 4% increase from 2023. According to the "TOP100" real estate sales rankings released by China Real Estate Information Corporation (CRIC), the company climbed from 90th place in 2023 to 78th in 2024.

Business highlights

High-quality delivery of mainland projects. Actively seizing policy opportunities, the company secured a bulk government repurchase of 596 residential units in the Qingdao Langyajun project for affordable housing. CITIC Pacific Properties also successfully delivered approximately 3,600 high-quality residential units across eight mainland projects. Key projects including Maison De Verre Yangzhou, The Light of the Century Yangzhou, Gorgeous Palace Yangzhou and Jade Mansion Suzhou achieved a first-visit centralised delivery rate exceeding 90%.

Steady progress in Hong Kong. The superstructure of high-end residential development "JARDINI", located on Tai Hang Road in Jardine's Lookout, was topped out in July 2024, with a total gross floor area (GFA) of about 12,000 square metres. The foundation work for the Lai Kong Street project in Kwai Chung is currently underway, encompassing a total GFA of about 23,000 square metres including a public transport terminus and community facilities. The project is set to be developed into a premium residential property. Additionally, the foundation work for the commercial redevelopment of Skyway House is in progress. The project is adjacent to the MTR Olympic Station and is planned to be redeveloped into a 21-storey commercial and comprehensive servicing building with a total GFA of approximately 32,000 square metres.

Unleashing the potential of existing high-quality assets. CITIC Pacific Properties innovated its financing model and launched its first real estate investment trusts (REITs), namely "CITIC Square REITs" and "Shangchuan CMBS Phase II", with issuance sizes of RMB4.5 billion and RMB1.8 billion, respectively. Both projects received enthusiastic subscriptions and widespread recognition from market investors.

Green development

Committed to green building and sustainable development strategy. The company achieved a Leadership in Energy and Environmental Design (LEED) Gold certification or its Nanjing T Center project, while the Shanghai Ruiming Tower and the Shanghai T Center T1 and T2 office towers were awarded LEED Operations and Maintenance (O+M) Platinum certifications. Furthermore, the Shanghai Ruiming Tower was among the first in the nation to receive the "Low Carbon Commercial Building" Gold certification. On the other hand, Hong Kong CITIC Tower received three Platinum ratings from Building Environmental Assessment Method (BEAM) Plus, LEED and digital connectivity certifier WiredScore.

“Financial Core” Initiative

To enhance the comprehensive financial services segment and improve the operational efficiency of its subsidiaries, CITIC Limited is focused on empowering its subsidiaries by leveraging the collective strengths of the entire group to strengthen one-stop comprehensive financial services and drive the implementation of “Financial Core” initiative.

Objectives of the “Financial Core” Initiative

CITIC Limited utilises the full range of its financial licences to establish a competitive edge over industry peers by providing integrated financial services. CITIC Limited capitalises on the synergy between industrial and financial segments, utilising the value of the financial control platform to empower subsidiaries, build aggregated strengths and enhance core competitiveness.

Optimising various business sectors

By leveraging its unique synergies between industrial and financial businesses, along with the value of its financial control platform, CITIC Limited enhances support for its financial subsidiaries, focuses on their core businesses, and drives improvements across key sectors, including banking, securities, trusts, insurance, and financial leasing.

CITIC Limited directs its financial subsidiaries to closely monitor macroeconomic trends, industry developments and their own strengths and weaknesses. Each subsidiary should have a clear understanding of its development goals, transformation strategies and focal areas. By enhancing internal capabilities, expanding external resources and promoting collaborative integration, the subsidiaries aim to achieve benchmarks aligned with leading global or domestic standards. This approach strengthens competitive advantages in core business areas and improves overall operational efficiency.

Strengthening the one-stop comprehensive financial service system

Leveraging the advantages of a full financial licence, CITIC Limited aims to develop a comprehensive financial service model that synergises equity, loan, debt and insurance, supplemented by trust services, financial rescue, leasing solutions and other offerings. This model provides clients with one-stop comprehensive financial solutions that span the entire lifecycle, both domestically and internationally, thereby enhancing the differentiated competitive advantages of its subsidiaries and strengthening their support for the real economy.

By maximising the value of its financial holding platform, CITIC Limited focuses on enhancing five core competencies “capital management empowerment, comprehensive financial services, risk prevention and resolution, financial technology integration, and efficiency of capital market management”. This holistic approach will provide robust support for the operational management of its subsidiaries.

Adopting a client-centric strategy, CITIC Limited is integrating and developing six key ecosystems “technology-driven enterprises, major clients, government-enterprise collaboration, cross-border expansion, wealth management centres and collaborative risk management.” This initiative will expedite the implementation of comprehensive financial services.

"Industrial Starlink" Initiative

In 2024, CITIC Limited actively advances the "Industrial Starlink" initiative within its non-financial business segment, focusing on developing new quality productivity. Through three key actions—"Star Renewal," "Star Creation," and "Star Exploration"—the company aims to upgrade traditional industries, strengthen strategic emerging sectors, and nurture future industries, ultimately establishing more industry-leading enterprises. This initiative will drive non-financial businesses toward high-end, intelligent, and green transformations. Additionally, it will promote the seamless integration of innovation, industrial, capital, and talent chains, steadily advancing towards the mid-to-high end of the value chain.

"Star Renewal" Initiative

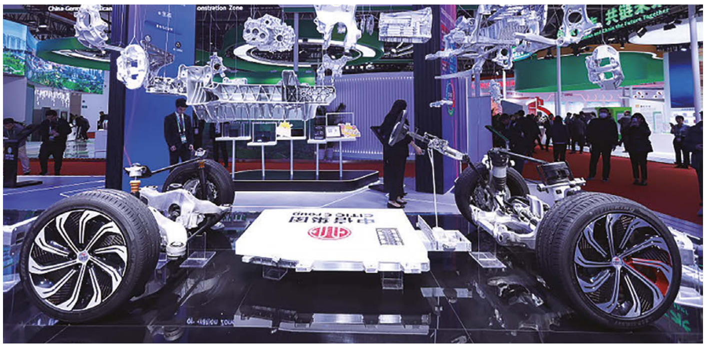
CITIC Limited aims to cultivate champion businesses and develop specialised operations, establishing a number of first-class and leading enterprises and benchmark projects, so that more subsidiaries become "shining stars" in their industries. The company is committed to optimising resource allocation, focusing on key business areas, and reinforcing the leading position of its core operations. It further promotes the integration of technological and new industrial innovations, enhance overall technological innovation effectiveness, and expedite the creation of high-performance innovation platforms while nurturing a team of exceptional talent in technology. Additionally, CITIC Limited continues to adjust its business structure, concentrate on core responsibilities and main operations, streamline its processes, and exit businesses that lack competitive advantages and growth potential. The freed-up resources are redirected to areas that create greater value, possess stronger core competitiveness, and offer better development prospects.

"Star Creation" and "Star Exploration" Initiatives

CITIC Limited focuses on the development trends of cutting-edge technologies, key common technologies, and disruptive innovations. The company actively promotes the "Star Creation" and "Star Exploration" initiatives to enhance the scale of strategic emerging businesses and increase their technological capabilities. The "Star Creation" initiative focuses on identifying high-quality enterprises characterised by advanced technologies, strong growth potential, and significant barriers to entry, thereby reinforcing the supply chain and incubating "growth stars." Meanwhile, the "Star Exploration" initiative aims to bolster forward-looking research, aligning with future industry trends and evolving business models to cultivate "future stars." In terms of industry focus, CITIC Limited prioritises investment opportunities in areas including next-generation information technology, renewable energy, artificial intelligence, embodied intelligence, future equipment, advanced materials and future energy. Throughout the implementation process, CITIC Limited leverages its integrated financial and non-financial operational strengths, optimising mechanisms to create synergy across industry research, target selection, execution, and post-investment management.

Technological Innovation

In 2024, artificial intelligence (AI) technologies and applications experienced rapid development, emerging as a pivotal driving force in the new wave of scientific and industrial transformation. CITIC Limited is committed to leading the development of new quality productive forces through technological innovation, closely following the forefront of technological advancements. The company is accelerating the establishment of a strategic sci-tech innovation ecosystem with distinctive CITIC characteristics, yielding technological breakthroughs that demonstrate concurrent quantitative expansion and qualitative enhancement.



CITIC Dicastal's solution for
integrated lightweight aluminium automotive parts

Accelerating the enhancement of the technological innovation system

CITIC Limited is enhancing the coordination of its technological innovation efforts by establishing institutions such as the Technology Innovation Committee, Association for science and technology, and the Digitalisation Committee. The company is strengthening platform capabilities and solidifying the foundation for digital transformation, while advancing the construction of group-level data centres, security operation center, and High Performance Computing Center. It is also focusing on the establishment of two State Key Laboratories. Furthermore, CITIC Limited is fostering collaboration between industries, universities, and research institutes to leverage ecosystem strengths and accelerate the development and transformation of technological achievements.

Enhancing the support and service capabilities for technological innovation

In 2024, CITIC Limited has sustained diversified growth in R&D input, with annual technology expenditure reaching RMB 25.2 billion yuan and R&D intensity hitting 3.34%. Special research funding kept on supporting Major program, alongside the implementation of rewards for technological achievements. For two consecutive years, the "Blooming Cup" competition has been held to inspire innovation and set a benchmark for the transformation of traditional industries.

Promoting the "Artificial Intelligence Plus" Initiative

For three consecutive years, CITIC Limited has collaborated with subsidiaries to participate in the World Artificial Intelligence Conference (WAIC), showcasing the achievements of digital transformation. Leveraging its unique advantages of diverse business models and scenarios, and data abundance, CITIC has been actively advancing the "Artificial Intelligence Plus" initiative. This includes promoting the implementation of intelligent applications in various areas such as investment research, risk control, industrial vision, publishing and marketing, and agricultural breeding.

In 2024, CITIC Limited Won 44 national, provincial, and industry-level technology awards, with three factories selected as part of the first batch of national-level outstanding smart factories.

★★★ Achievements of Technological Innovation ★★★

2 State Technology Invention Award

2 State Key Laboratories

9 National Enterprise Technology Center

29 State Council Special Allowance Recipients

9,050 Valid Patents Held

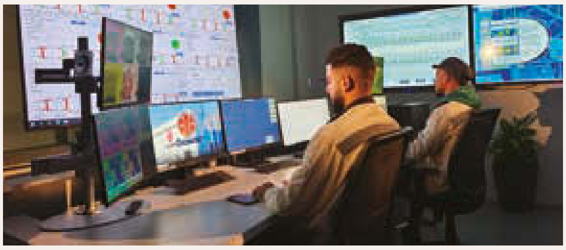
Chasing "intelligence" and pursuing "green": CITIC unveiling 3 "Global Lighthouses"

The selection of "Global Lighthouse" was jointly initiated by the World Economic Forum and McKinsey & Company in 2018. Selected companies are recognised as models of global digital advanced manufacturing, distinguished by their exceptional productivity, efficiency, and sustainability. Out of 189 "Lighthouses" worldwide, 79 are located in China.

CITIC Limited places significant emphasis on the new opportunities arising from the latest technological revolution and industrial transformation. It closely monitors emerging technologies and trends, including artificial intelligence and green low-carbon initiatives, while systematically advancing technological innovation and digital transformation. Over the past five years, CITIC has established 3 "Global Lighthouses", each being the first of its kind in its respective industry or region, significantly promoting the high-end, intelligent and environmentally friendly development of the manufacturing sector.

CITIC Dicastal's Morocco factory: Africa's first "Global Lighthouse"

At the factory, AI technology and big data are seamlessly integrated throughout the entire production chain, effectively tackling industry-level challenges such as control in the casting process, product weight management, detection of internal and external defects, intelligent mould maintenance and energy resource management. As a result, the overall equipment efficiency has increased by 17%, while the product defect rate has decreased by 31.1%.



CITIC Dicastal's Morocco factory

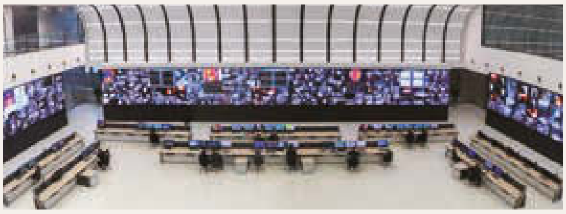
CITIC Dicastal's aluminum wheel factory No.6: The world's first "Lighthouse" in the aluminium wheel industry

This factory employs advanced technologies such as AI, 5G, and big data to establish a digital lean management platform. Key processes across the production line utilise intelligent adjustment systems, replacing manual maintenance and allowing for real-time, precise detection and self-learning. The system continuously optimises knowledge graphs, consolidating process expertise and reducing reliance on manual skills. As a result, overall equipment efficiency has improved by 21.4%, while the product defect rate has decreased by 20.9%.

CITIC Dicastal's aluminum wheel factory No.6

CITIC Pacific Special Steel: The world's first "Lighthouse" in the special steel industry

This factory has deployed advanced initiatives, including big data analytics for customised manufacturing processes, multimodal simulation achieving blast furnace "black-box transparency", intelligent closed-loop control to continuously improve steel product quality, AI-powered efficient manufacturing in rolling processes, and energy optimisation driven by advanced analytics. Together, these efforts have established a new manufacturing model characterised by efficient collaboration, intelligent integration, and low-carbon synergy. As a result, the factory has experienced a 35.3% increase in customised orders, a 47.3% reduction in product defect rates, and a 10.5% decrease in energy consumption per tonne of steel, achieving a seamless integration of high customisation, quality, efficiency and sustainability.



CITIC Pacific Special Steel digital intelligence centre

Looking ahead, CITIC Limited plans to replicate and promote the "lighthouse experience" across various domestic and international business sectors, aiming to illuminate more "lighthouses". The goal is to create a leading technology-driven group, meanwhile significantly contributes to building China into a manufacturer of quality.

Talent Development

In 2024, CITIC Limited implemented human resources work focused on market approach, specialisation, differentiation, and digitalisation. A comprehensive set of initiatives aimed at talent development were executed, such as open selection within the group, launching the "Talent Ladder Programme", promoting the development of international talent, and initiating rotation training for outstanding young employees. The goal is to continuously optimise the entire talent management process—encompassing selection, training, management, and utilisation—while consistently advancing the strategy of "building a strong enterprise through talent".

Strengthening the talent pipeline and focusing on nurturing future leaders

The open selection process marked the start of human resources reform aimed at systematically strengthening CITIC's talent pipeline. With a long-term vision and a forward-thinking approach, CITIC implemented the "Talent Ladder Programme" and the "Leadership Talent Programme", establishing a talent reserve. Through the "Three-Tier Talent Ladder" initiative, CITIC has developed a significant pool of outstanding individuals, gradually creating a pyramid-shaped talent structure: 500 management trainees and exceptional employees at the base, 300 outstanding middle managers as core talents, and 50 exceptional managers as leaders. This framework lays a solid foundation for the company's sustained, high-quality development.

Focusing on the development of international talent to enhance international business growth

CITIC places a strong emphasis on building a high-quality international talent team. Through research and analysis, CITIC reviewed the framework for developing its international talent team and implemented "Ten-Hundred-Thousand" initiative along with the creation of a tiered, categorised international talent pool. Its goal is to cultivate 10 leading international talents, 100 core talents, and 1,000 foundational talents. Through the execution of "International Management Talent Development Programme" and "Overseas Key Position Selection Recommendation Programme", CITIC can leverage its strengths in international business, personalise training programs and adopt a comprehensive, multi-role, and full-chain training model, to provide a broad stage for the growth of international talent. By focusing on attracting "cutting-edge and scarce" international professionals, the company enhanced its recruitment efforts for overseas talent.

Foreign employees recognised as "Top 100 CITIC Employees" during the 45th anniversary celebration of CITIC

Promoting the reform of the incentive system to inspire enthusiasm for innovation and entrepreneurship

CITIC continuously improves the incentive mechanism. The company reinforces the philosophy of "strong performance leads to increased pay and rapid promotions", balancing incentives with accountability. It also reinforces the incentive principle of increasing wages as efficiency increases, and reducing wages as efficiency decreases, and provide special wage support for transformation and upgrading, risk resolution, scientific and technological innovation, international talents, etc., to fully stimulate the motivation and vitality of the employees.

Focusing on employee training to enhance team competence

CITIC actively empowers employee development through talent training and continuously improving its training system. Based on the "Leadership Class, Excellence Class, and Talent Class", the company implemented rotation training for management trainee, new employee training and professional skills upgrading so as to provide a targeted, tiered, and categorised training for all employees. By utilising a variety of training methods—including executive coaching, intensive lectures, on-site teaching, forum communications, and project research—CITIC aims to enhance individual capabilities and the company's management level in areas such as strategic planning, capability enhancement and international operations.

Promoting talent exchange and job rotation to utilise company talent resources

CITIC continuously advances the institutionalisation of talent exchange and appointment, fully leveraging comprehensive advantages and synergistic benefits. The company enhanced the exchange of personnel between the company headquarters and its subsidiaries, among companies in different industries, with strategic partners, and between domestic and overseas entities. It arranged for exchanged personnel to fully engage in key projects, focusing on improving overall calibre and capabilities through practical experience.

International Development

Internationalisation is a distinctive advantage of CITIC Limited and also a long-term strategic direction of the company. CITIC is committed to promoting high-level openness and establishing a new development framework. The company focuses on its core responsibilities and areas of expertise, adheres to market-oriented and commercial principles, serves as a bridge and a link to the international market and continuously enhances the quality and effectiveness of its international development by optimising resource allocation.

Zhang Wenwu, President of CITIC Limited, presented the company's approach to internationalisation at the 2024 ESG Global Leaders Conference

Development focus

CITIC Limited's overseas business development focuses on strengthening the competitiveness of its "going global" initiatives and enhancing the appeal of its "bringing in" strategy. To achieve higher quality in "going global", the company is intensifying its efforts in areas including comprehensive finance, engineering contracting, and digital communications, aiming to promote the entire value chain of its products, services, and technologies in international markets. Simultaneously, to elevate its "bringing in" strategy, CITIC Limited is increasing its focus business plan on strategic mineral resources, high-quality genetic resources and advanced technology.

Business strategy

CITIC Limited is strategically focused on the Hong Kong and Macau regions, adhering to the principle of "rooting in, investing in, and serving Hong Kong and Macau". This area serves as a key hub for CITIC's internationalisation efforts. The company aims to enhance its financial competitiveness, support the development of the Northern Metropolis, and boost investments in technological innovation. Furthermore, CITIC is committed to expanding its reach in neighboring regions and along the Belt and Road, guided by eight collaborative actions aimed at solidifying partnerships for high quality development. The company focuses on emerging economies and developing countries, governed by the principle of coordination and risk management, reinforcing its business foundations in key markets. CITIC plans to steadily expand into the markets of developed economies, with a focus on compliance, cultural integration, and risk mitigation to ensure sustainable growth and improved operational efficiency, while deepening relationships with strategic partners like Charoen Pokphand Group and Itochu Corporation.

Business direction

The comprehensive financial services segment plans to concentrate on the "Financial Core" initiative, delivering higher quality and more efficient cross-border financial solutions. The advanced intelligent manufacturing segment needs to actively integrate into the global manufacturing industry, especially the high-end manufacturing supply chain, accelerating the establishment of international competitive advantages in product supply, market services, and innovative development. The advanced materials segment shall focus on key products such as copper, iron, niobium, and lithium, striving to promote the improvement of quality and efficiency in resource development. The new consumption segment needs to identify growth opportunities in areas like digital communication and agriculture, strengthening the capabilities in digital solutions and accelerating the industrialisation of biological breeding. The new-type urbanisation segment aims to pursue practical cooperation with countries along the Belt and Road, promoting landmark projects and "small but beautiful" community initiatives.

Launching "CITIC, Your Trusted Partner for Going Global and Coming to China" service brands

CITIC Limited leverages its comprehensive advantage in combining both finance and industries and the strength in connecting domestic and international markets, creating global full-service solutions to deepen international cooperation, promote mutual benefit and facilitate high-standard opening-up.

Visit of German advanced manufacturing companies to Chongqing: CITIC, in collaboration with the Chongqing Municipal Government, organised the "Visit of German Advanced Manufacturing Companies to Chongqing". A total of 116 advanced manufacturing and high-performance companies from Germany participated in the trade partnership forum. This event resulted in 12 projects being signed on-site and six entities officially registered.

Launch of "CITIC, Your Trusted Partner for Going Global and Coming to China"

International strategic shareholder activities in Changsha: For the first time, CITIC facilitated the signing of cooperation agreements between Charoen Pokphand Group, Itochu Corporation, Mizuho Bank, and local governments to expand business operations in Hunan. CITIC invited Itochu Corporation, Mizuho Bank, and Tokyo Marine, among others, to the Dongguan Global Investment Promotion Conference. The goal was to help attract distinguished international participants, explore new business development opportunities in China and collaborate with strategic shareholders to share development prospects.

Business Collaboration

Collaboration is a distinctive advantage of CITIC. In 2024, CITIC Limited aimed to foster high-quality development through enhanced collaboration, guided by the principle of "One CITIC, One Customer". The company leveraged its comprehensive financial licenses and diversified industries to create a unique collaborative framework that addresses the varied needs of its customers.

Collaborative ecosystem development

Relying on the strategic partnership with local governments, corporate groups, financial institutions, universities, etc., CITIC Limited actively promotes the implementation of practical cooperation across various sectors, so as to build a high-quality development ecosystem of "working hand in hand to achieve long-term development and create value" with its strategic customers.

Expanding development opportunities through collaboration with local governments. Strengthening cooperation with local governments. In line with national strategies, CITIC serves the needs of local areas with what it can offer, and thus seizes development opportunities for CITIC. Leveraging the advantages of a full range of business licenses, financial subsidiaries of CITIC obtain empowerment from the government and receive support in aspects such as the opening of government-related accounts, while actively serving local development. Besides, industrial subsidiaries of CITIC give full play to the advantage of wide industrial coverage to facilitate the development of new productive forces in local areas.

Achieving mutual benefits through collaboration with corporate clients. In 2024, CITIC Limited focused on fostering mutually beneficial partnerships with key strategic clients. Collaborating with major banks such as the Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, and China Export-Import Bank, CITIC launched over 330 initiatives in areas including financial services, fintech, support for the real economy, rural revitalisation, cross-border services, green initiatives, and risk management. CITIC's non-financial subsidiaries such as CITIC Heavy Industries, CITIC Dicastal and CITIC Pacific Special Steel increased their collaboration with key clients, securing 19 new projects with a total cooperation value of RMB16.5 billion.

Realising collaborative value

CITIC Financial Holdings leverages the strengths of its financial institutions to create an integrated wealth management system. The collaborative value in customer service, product innovation, platform development, and advisory support is increasingly evident.

Developing an integrated support system for "equity, loan, debt and insurance" services. CITIC Financial Holdings provides diverse and progressive financial services tailored to the evolving needs of enterprises. In the equity sector, it leads in IPO projects on STAR Market, ChiNext, and Beijing Stock Exchange, capturing over 30% market share. For loans, it redefines traditional credit practises by creating a "fourth financial statement" that evaluates a company's technology and potential, thereby establishing a robust lending mechanism. In bonds, CITIC maintains a market-leading position in underwriting technology innovation bonds. For insurance, it constructs a guarantee and risk-sharing system, exploring a cost-effective and commercially sustainable guarantee mechanism that effectively enhances loan accessibility for businesses.

Introducing the CITIC Entrepreneurs Office. CITIC addresses the comprehensive needs of enterprises and entrepreneurs with an integrated solution that encompasses "People-Family-Enterprise-Society" through a "Three Dimensions, Four Aspects" approach. The comprehensive financial services include "commercial banking+investment banking+private banking+investment+advisory support", along with a comprehensive solution to support specialised and sophisticated enterprises.

Sharing channels and customer resources. As of the end of 2024, CITIC's financial subsidiaries had over 1.35 million corporate clients and nearly 200 million individual clients. By unifying channel and customer resources, CITIC Financial Holdings achieved a cumulative issuance of "CITIC Premium Products" of RMB220.6 billion, an increase of 87% from the previous year. All fixed-income products met performance benchmarks, exceeding them by an average of 71 basis points, while equity premium products ranked in the top 32% since inception. "CITIC Innovation Products" reached a cumulative issuance of RMB17.5 billion, with an annual increase of RMB14.6 billion.

Industry and finance collaborative risk mitigation

In recent years, CITIC Limited has utilised its comprehensive advantages and the leading role of its financial holding platform to establish a "joint fleet" for collaborative risk mitigation. Key initiatives include enhancing the coordination and optimisation of resources, strengthening strategic partnerships with local governments, improving information exchange and professional development and exploring and nurturing a robust ecosystem for collaborative risk mitigation. These efforts have successfully mitigated risks for several significant projects, leading to the gradual establishment of a risk mitigation model unique to CITIC.

CITIC's distinctive "Dual-Drive and Integrated Four-Ends" collaborative risk mitigation model On-site sales for the Donjiadu Project

The Dongjiadu project in Shanghai achieved "three launches and three sellouts" in 2024, generating RMB21.5 billion in sales and becoming a benchmark case for collaborative risk mitigation model of CITIC's financial and non-financial industries. The project initially faced challenges due to liquidity issues among the involved real estate companies, which led to a lack of new funding and halted operations. CITIC's collaborative approach provided a tailored solution for the project: CITIC Financial Asset Management offered incremental funds for liquidity relief to revitalise the assets. CITIC Trust established a dual-layer trust structure to effectively isolate risks. Subsidiaries like CITIC Consulting and CITIC Engineering were involved in project management, facilitating the resumption of construction and injecting new life into the project.

In the Shenzhen Kaisa project, five real estate developments were forced to halt operations, resulting in multiple lawsuits from upstream and downstream suppliers. CITIC Limited implemented a range of measures, including acquiring certain assets, restructuring trust plans, injecting additional funds, exercising substantial control, and advancing construction projects. These actions effectively revitalised the assets and successfully facilitated the resumption of operations for the at-risk projects, achieving a balanced distribution of risks and a win-win outcome for local governments, project owners, existing creditors, and distressed companies.

These cases have demonstrated significant effectiveness of the company's collaborative risk mitigation approach. This strategy has successfully achieved risk isolation, promising asset revitalisation, guaranteed value restoration, and demonstrated the impact of brand export, leading to substantial economic and social benefits. In 2024, CITIC Limited facilitated the restructuring and revitalisation of risk projects totalling RMB23.9 billion, recovering RMB12.9 billion in cash.

Since 2022, the company has completed collaborative risk mitigation activities totalling nearly RMB82 billion, revitalising over 70 real estate risk projects and delivering more than 66,000 housing units. This initiative has significantly supported efforts to "ensure housing delivery, safeguard livelihoods and maintain stability". The company has also assisted multiple creditor financial institutions in addressing existing risks and preserving a stable financial credit environment. Additionally, CITIC has actively engaged in local urban renewal projects, contributing to the development of new landmarks and playing an important role in preventing and mitigating risks in key sectors.

Market Value Management

The current reform direction of China's capital market emphasises enhancing market value performance and creating greater value for shareholders. As a conglomerate listed in Hong Kong and a key component of the Hang Seng Index, CITIC Limited plays a vital role in the Hong Kong capital market. The company's board of directors and management place significant importance on investor returns and market value management. They integrate market value management into their long-term strategic framework, striving to achieve simultaneous growth in both company value and market value.

CITIC Limited has steadily implemented a series of market value management reforms in recent years: in terms of value creation, the company has strengthened its operational fundamentals by leveraging its strengths, establishing a strong foundation for long-term market value growth. With regard to value-driven operation, the company has developed a comprehensive top-level design and implementation mechanism for market value management that aligns with its specific circumstances, exploring the application of market value management tools. With a focus on value communication and realisation, the company actively participates in market communication activities including domestic and international roadshows, reverse roadshows and investment forums, providing targeted responses to investors' core concerns. It emphasises the importance of channeling investors' constructive suggestions internally, ensuring that the company's reforms and growth align with capital market expectations.

In 2024, the company intensified its market value management efforts, achieving breakthroughs in several key reforms. Its market value has achieved positive growth for four consecutive years.

Implemented a self-funded stock purchase programme for mid-to senior-level management

By the end of September 2024, total purchases had surpassed HKD100 million, reflecting the management's strong confidence in the company's strategic direction.

Introduced a shareholder return plan

In November 2024, CITIC Limited unveiled its first shareholder return plan, stating that, while considering future capital needs and financing costs, dividends as a percentage of the net profit attributable to ordinary shareholders for the year of 2024 shall not be less than 27%, shall not be less than 28% for the year of 2025, and shall strive to reach 30% for the year of 2026.

Formally began to implement market value management assessments

Following preliminary simulated assessments, all listed subsidiaries are included in the assessment framework in 2024, with results linked to their annual performance evaluations. Additionally, assessments are also conducted for headquarters departments, further reinforcing the company's commitment to market value management and fostering a collaborative approach in this area.

In the future, CITIC Limited will enhance its market value management initiatives and further develop its management system. It will integrate the capital market's valuation logic and value creation principles into its strategic framework. By converting investors' expectations and requests into a catalyst for reform, the company aims to consistently elevate investment value, increase market recognition, and improve returns for its investors.

ESG Management

CITIC Limited is committed to pursuing sustainable development, integrating ESG (Environmental, Social, and Governance) principles into its corporate decision-making and strategic development. The company enhances corporate governance in accordance with the law, promotes compliant and stable operations, advances green and low-carbon initiatives, and contributes to the creation of vibrant communities. It actively fulfils corporate social responsibilities and safeguards the wellbeing of the communities. Furthermore, CITIC emphasises technological innovation and promotes high-quality development. It is committed to maximising the comprehensive value of the enterprise, while supporting the modernisation of China.

CITIC and Sina are co-hosting the 2024 ESG Global Leaders Conference

Governance chapter

The company is dedicated to enhancing corporate governance in accordance with the law, recognising a robust governance system as the core driver of high-quality development. In the reporting year, the Strategic Committee of the Board has been officially renamed the Strategic and Sustainable Development Committee, tasked with coordinating and guiding the sustainable development initiatives and further strengthening the company's ESG governance framework. The company upholds the principle of board diversity, promoting the internationalisation, diversification, and professional development of its members. It focuses on enhancing professional training for directors, safeguarding their rights to information and oversight, continually improving the effectiveness of their contributions. Efforts are underway to advance the integrity and compliance framework, with a focus on reinforcing audit supervision, risk management, and compliant operations, while intensifying anti-corruption measures. Additionally, the company is enhancing its intellectual property management.

Environmental chapter

The company is focused on advancing the concept of green development by strengthening environmental governance and protection. It focuses on transforming its industries towards high-end, intelligent, and sustainable practises, continuously aiming to reduce energy consumption and carbon emissions while enhancing the green content and economic value of its operations. The company has set "dual carbon" goals and implementation plans, guiding its subsidiaries to increase investments in clean technologies and to bolster innovation and R&D in this field. It fosters the growth of green finance by developing a comprehensive service system that integrates green financing, green investment, green consulting, sustainable living, and carbon management. Green lending has increased annually, with leading market size in green equity financing services and green bond underwriting. Additionally, the company has completed the largest carbon asset repurchase transaction in the national carbon market and launched the world's first blue exchangeable bond. The company actively identifies key climate risks and has integrated climate risk management into its overall risk management framework, enhancing its capacity to address global climate change effectively.

Social chapter

CITIC actively fulfils corporate social responsibility by serving and giving back to society through tangible actions that enhance public well-being. It has invested in and attracted funds to designated assistance areas, cultivated distinctive industries, promoted ecological sustainability, and provided educational and medical support to actively contribute to rural revitalisation. The company develops a new model of risk mitigation that features the collaboration between finance and industry to support the initiative of "ensuring the completion and delivery of overdue housing projects, people's basic living needs and stability". The company offers inclusive financial services and establishes a comprehensive system supporting small and micro enterprises, rural revitalisation, consumer finance, wealth management, and convenient services. The company strengthens human resource management by providing a competitive salary and benefits structure, equitable promotion opportunities, and comprehensive training programs, while ensuring the protection of women's rights. CITIC enhances service quality and protects customer interests, meanwhile increases shareholder returns and share the benefits of corporate growth with stakeholders. The company engages in community development, supports elderly care initiatives, actively assists disadvantaged groups, and enriches the cultural lives of the public.

Risk Management

CITIC Limited is committed to enhancing the integrity, foresight, execution, and coordination of its comprehensive risk management system. By aligning business development with control models, the company establishes a tiered and categorised risk management policy framework guided by risk preference, implements targeted improvements to various risk management mechanisms, and strengthens the risk and compliance culture, effectively creating a robust “protective net” and solid “firewall” to safeguard the company’s high-quality development.

Risk strategy and preference

CITIC Limited established a five-year risk strategy in 2021, systematically planning the development of a comprehensive risk management system in three phases. In 2024, the company fully implemented its risk strategy under the “Consolidation and Enhancement Year” work plan, focusing on reinforcing and improving existing mechanisms, enhancing management capabilities in key areas and addressing weaknesses, driving the transmission of control requirements to grassroots units and business fronts, continuously enriching the breadth, depth, and essence of the comprehensive risk management system, thereby improving management effectiveness across multiple dimensions.

The company has created an integrated risk preference system that spans legal entities and multiple levels. This system determines the overall risk exposure, bottom line, structure, and limits through a mix of qualitative and quantitative approaches. Additionally, a comprehensive management mechanism has been established to cover the entire process of setting, transmission, execution, monitoring, and reporting.

Risk management framework

The company has established a comprehensive risk management organisational structure characterised by “Four Levels” and “Three Lines of Defence”. The board of directors holds overall responsibility for maintaining a robust and effective risk management system. The Audit and Risk Management Committee, representing the board, oversees the company’s financial reporting and risk management systems, reviews the effectiveness of the internal audit function, and evaluates the company’s corporate governance policies and practises. The Audit and Compliance Department plays a leading role in risk management, while relevant functional departments act as specialised units for managing various types of risks. Each member unit identifies and effectively manages its risk status within the framework of the comprehensive risk management system, ensuring timely reporting.

The company is dedicated to continuously enhancing its comprehensive risk management system across all levels. It focuses on strengthening risk identification, assessment, and monitoring. By employing off-site monitoring and on-site inspections, the company thoroughly evaluates the business conditions, financial status, and major business activities of its subsidiaries to identify potential risks. Timely reports are generated on weaknesses and risk vulnerabilities, which prompt the implementation of control measures, thereby improving the overall effectiveness of the risk management system.

The company utilises CITIC Financial Holdings to strengthen the specialised management of financial risks. Subsidiaries in banking, securities, trust, and insurance have established risk management committees, which are led by the risk management department to implement comprehensive practises. Other subsidiaries form dedicated departments or assign specific personnel to handle risk management activities based on their business nature and organisational capacity.

Risk and compliance culture development

The company promotes the principle that “effective risk management creates value” and actively leverages the guiding role of risk and compliance culture. In 2024, it initiated a new round of campaign focused on “mastering risks and adhering to compliance”. This campaign aims to seamlessly integrate risk and compliance culture into the entire process of business management, including management mechanisms, policies, business rules, and codes of conduct. The objective is to transform the concept of risk management into voluntary actions embraced by all employees.

Major risk analysis

CITIC Limited faces various risks, including but not limited to financial risk, credit risk, strategic risk, investment risk, legal compliance and anti-money laundering risk, reputation risk, work safety risk, and information technology risk. The company has established a comprehensive risk management and internal control system that spans all its business segments to identify, assess, and manage the various risks associated with its operations.

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 financial and treasury risk management policies.

1. 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.

1.1 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.

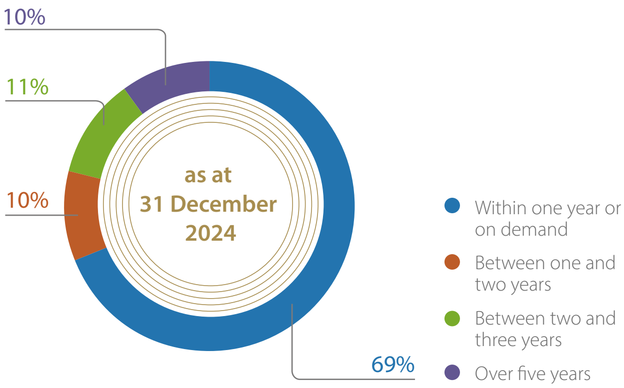
As at 31 December 2024, consolidated debt of CITIC Limited(1) was RMB1,734,957 million, including loans of RMB244,855 million and debt instruments issued(2) of RMB1,490,102 million. Debt of CITIC Bank(3) accounted for RMB1,220,522 million. CITIC Limited attaches importance to cash flow management, the head office of CITIC Limited had cash and deposits of RMB1,435 million and available committed facilities of RMB59,265 million.

The details of debt are as follows:

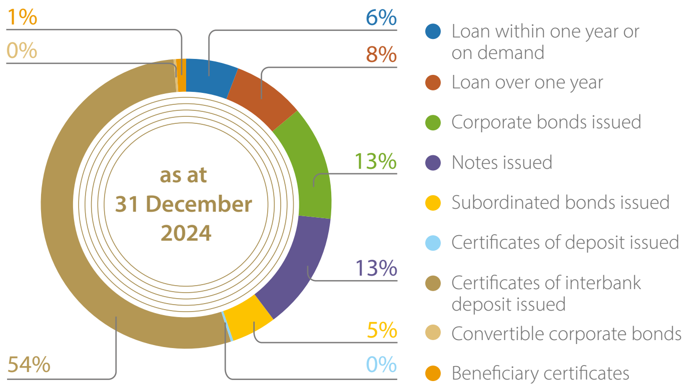
As at 31 December 2024	*RMB million*
Consolidated debt of CITIC Limited	1,734,957
Among which: Debt of CITIC Bank	1,220,522

Note:
(1) Consolidated debt of CITIC Limited is the sum of "bank and other loans" and "debt instruments issued" in the Consolidated Statement of Financial Position 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.

Consolidated debt by maturity as at 31 December 2024



Consolidated debt by type as at 31 December 2024



The debt to equity ratio of CITIC Limited as at 31 December 2024 is as follows:

RMB million	Consolidated
Debt	1,734,957
Total equity[4]	1,423,014
Debt to equity ratio	122%

Note:
(4) Total consolidated equity is based on the "total equity" in the Consolidated Statement of Financial Position

1.2 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 50(b) to the consolidated financial statements.

1.3 Contingent liabilities and commitments

Details of contingent liabilities and commitments of CITIC Limited as at 31 December 2024 are set out in Note 49 to the consolidated financial statements.

1.4 Pledged loan

Details of cash and deposits, inventories, trade and other receivables, fixed assets, intangible assets, right-of-use assets pledged as security for CITIC Limited's loan as at 31 December 2024 are set out in Note 44(d) to the consolidated financial statements.

1.5 Credit rating

	Standard&Poor's	Moody's
31 December 2024	A-/Stable	A3/Stable

2. 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.

2.1 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 50(c) to the consolidated financial statements.

2.2 Currency risk

CITIC Limited has major operations in mainland China, Hong Kong and Australia, with Renminbi ("RMB"), Hong Kong dollar ("HKD") and United States dollar ("USD") as functional currencies respectively. The Group's member companies are exposed to currency risk from gaps between financial assets and liabilities, future commercial transactions and net investments in foreign operations that are denominated in a currency that is not the member company's functional currency. The reporting currency of the consolidated financial statements of CITIC Limited is 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 50(d) to the consolidated financial statements.

2.3 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.

2.4 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.

2.5 Market price risk

CITIC Limited holds investments in financial assets classified as Derivative financial instruments or Investments in financial assets in the Consolidated Statement of Financial Position, 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.

Credit risk

Credit risk refers to the potential loss incurred when a debtor or counterparty fails to fulfil their obligations as agreed. The company primarily faces credit risk associated with activities such as issuing loans and advances, bond investments, debt plans, investments in debt-like financial products, accounts receivable, margin financing, financial guarantees, and loan commitments.

CITIC Limited adheres strictly to regulatory guidelines on credit risk management. Under the leadership of the board and senior management, the company utilises the CITIC Financial Holding platform to conduct unified monitoring, analysis, and control of credit risk exposures related to loans, investments and other financial activities: 1. Guiding its subsidiaries in establishing and enhancing their credit risk management systems: This includes improving the tracking and assessment of credit risks, refining due diligence, review, approval, and post-lending management processes, optimising credit risk rating tools, clarifying risk asset classification standards, and prudently provisioning for credit asset losses. 2. Enhancing control of unified credit and concentration limits: A risk limit management mechanism ensures coordination between the parent company and its subsidiaries. The company adheres to the principle of "One CITIC, One Client", creating a cross-entity concentration limit management system to effectively control large risk exposures. Subsidiaries are required to establish risk limits based on industry, region, and client dimensions, ensuring proper asset portfolio management to prevent risk concentration. 3. Coordinating risk mitigation in key areas: CITIC implements central government's policy requirements by actively supporting the funding of "white list" projects in real estate and local government debt management. It establishes risk disposal strategies for real estate and local government debt businesses and formulates risk resolution plans while increasing efforts in risk management. 4. Leveraging the benefits of integrated industry and financial services to enhance collaborative risk mitigation efforts: By enhancing resource integration and innovation and establishing of the CITIC collaborative risk mitigation fleet, the company provides comprehensive risk management services for risk projects, including incremental funding, asset operation, and brand enhancement. This creates a distinctive CITIC model for collaborative risk management, working together to effectively address significant project risks.

In 2024, key credit risk indicators in the comprehensive financial services segment showed continued improvement, with asset quality steadily enhancing. CITIC Bank's year-end non-performing loan (NPL) ratio was 1.16%, down 0.02 percentage points from the start of the year, representing six consecutive years of decline. CITIC Trust's proprietary business NPL ratio decreased by 1.31 percentage points compared to the beginning of the year. CITIC Securities maintained stable asset quality and demonstrated effective risk management in critical areas. Seizing the favourable window for real estate policy, CITIC Securities expedited its efforts to address key risk projects within the sector. Additionally, the company capitalised on opportunities from the hidden debt replacement policy to accelerate the disposal of existing risks. The NPL ratios in these two key areas dropped by 0.48 and 0.11 percentage points, respectively. The risk of large clients remains contained. The implementation of the large client limit management mechanism has been successful, resulting in an improved structure among the top ten clients and a reduction in client concentration risk.

Strategic risk

Strategic risk management aims to effectively respond to changes in external policies and the macroeconomic environment, mitigate the risk of deviation from strategic objectives, and ensure the scientific implementation and dynamic optimisation of strategic planning. Based on the "Five-Five-Three" strategic framework, the company aligns its development goals with the "Ten-Hundred-Thousand-Ten thousand" targets. It seeks to deepen industry-finance collaboration, enhance core business competitiveness, and accelerate the transformation towards high-end, intelligent, and green development, thereby strengthening strategic resilience. The company conducts regular in-depth analyses of internal and external environments, paying particular attention to key variables such as domestic and international industrial policies and geopolitical shifts. This process facilitates continuous updates on the progress of annual strategic implementation and enables proactive identification of deviation risks. By integrating medium-term planning adjustments with budgeting mechanisms, the company promotes the effective decomposition and execution of strategic objectives. This approach aims to maintain controllable risks and ensure sustainable development in complex environments, ultimately creating long-term value for shareholders.

Investment risk

The investment risk management at CITIC Limited aims to ensure that investments align with national policies and adhere to the group's strategic planning and business strategy. The focus is on continuously enhancing the management of investment projects while mitigating significant investment risks. The company concentrates on national strategic priorities and industrial policies, actively engaging in sectors such as comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption, and new-type urbanisation, meanwhile accelerating the development of strategic emerging industries. The company strictly follows a primary business list and a negative list for investment projects, enhancing pre-investment approvals and refining post-investment evaluations to effectively meet investment risk control requirements.

Legal, compliance and anti-money laundering risks

CITIC Limited is committed to operating in full compliance with laws and regulations, ensuring a stable and secure business operation. The company focuses on enhancing the prevention and management of legal risks, conducting thorough legal reviews of major investment projects, and effectively addressing significant litigation and arbitration cases. Additionally, it reinforces the protection of intellectual property, including the "CITIC" trademark. The company has established and refined a comprehensive compliance management and internal control system, continuously optimising policies, processes, and systems in key business and management areas. Regular evaluations of the effectiveness of the compliance management system are conducted. CITIC Limited fosters a strong risk and compliance culture, actively supervising subsidiaries to meet their compliance obligations, improve reporting mechanisms and enhance early-warning capabilities of compliance risks. With the objectives of "risk-based, comprehensive coverage, accountability enforcement, stable operations, and value creation", CITIC Limited continually refines its anti-money laundering management framework and internal control mechanisms, as well as supervises subsidiaries to achieve effective closed-loop management of money laundering risks, implement tailored and scenario-specific risk classification and control measures, and balance money laundering risk management with the optimisation of financial services, supporting sustainable development.

Reputation risk

CITIC Limited follows the guiding principles of "source prevention, comprehensive management, tailored strategies, and systematic implementation" to effectively mitigate major reputation risk events. The company emphasises full-cycle management, focusing on preventing reputation risks at the operational management level and establishing a robust process management framework. CITIC Limited encourages participation across all entities to integrate its reputation risk management with the overall risk management and comprehensive oversight frameworks. The company promotes coordinated responses by creating a public opinion monitoring mechanism that facilitates collaboration both internally and externally. Furthermore, CITIC Limited prioritises education and training, enhancing confidentiality protocols and behavioural standards for employees and management. It intensifies professional training to raise awareness of reputation risk prevention and strictly prohibits any activities that could compromise the integrity of the CITIC brand.

Work safety risk

CITIC Limited strictly complies with work safety laws, regulations and standards, holding the notion of people-oriented, upholding the supremacy of the people and the life. The company has established and improved the work safety responsibility systems and work safety polices and rules in all personnel, implemented a double-prevention mechanism featuring graded management and control of work safety risks and the screening and treatment of potential hazards. To improve risk prevention and mitigation mechanisms, CITIC Limited continuously improves the level of standards and information technology of work safety. The company is dedicated to prevent and reduce work safety accidents, with a strong commitment to prevent major accidents. By ensuring the health and safety of employees and protecting corporate assets, CITIC Limited supports the sustainable development of its operations.

Information technology risk

CITIC Limited is committed to managing information technology risks, prioritising robust cybersecurity and data protection. The company strategically balances development and security, continuously enhancing its cybersecurity management and refining the data security ecosystem. To address vulnerabilities effectively, CITIC Limited conducts security drills and emergency exercises, ensuring business continuity and supporting high-quality development. The company consistently optimises its cybersecurity protocols and diversifies its risk assessment methods. Through conducting a series of activities including targeted risk inspections and defensive drills, CITIC Limited implements comprehensive risk governance, solidifying its security framework.

Corporate Governance Report

Corporate Governance Practices

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. We attach importance to our people, our code of conduct, and our corporate policies and standards, which together form the basis of our governance practices. We respect and are committed to comply with the laws, rules and regulations of each country and area in which we operate, and we strive to ensure for our people a healthy and safe working environment which is our paramount concern. We endeavour to contribute to the sustainable development of CITIC Limited, with particular focus on our accountability to shareholders and stakeholders. This report describes how CITIC Limited has applied its corporate governance practices to its everyday activities.

CITIC Limited has applied the principles and complied throughout the year ended 31 December 2024 with all applicable code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), other than code provision C.2.1 with respect to the separate roles of the chairman and the president, as the position of president was vacant. Effective from 28 March 2024, Mr Zhang Wenwu is the president of CITIC Limited. Since then, the chairman and the president of CITIC Limited have separate defined responsibilities and CITIC Limited is in full compliance with the code provisions of the CG Code.

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.

Corporate Strategy, Business Model and Culture

CITIC Limited is one of China's largest conglomerates and a constituent of the Hang Seng Index. CITIC has built a remarkable portfolio of businesses and our platform is unique in its diversity and scale, allowing CITIC to capture emerging opportunities in China and around the world.

To better prepare for continued change and uncertainty, China is accelerating its dual circulation economic strategy, which prioritises the development of a dominant domestic economy supplemented by international trade. In alignment with China's Plan, and to adapt to the increasingly complex operating environment, CITIC has announced an updated strategic vision to build a lasting enterprise and solidify the CITIC brand's strong market position. CITIC has also outlined an updated development strategy focused on comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation. These five segments will be matrixed with five platforms: the financial, industrial, capital investment, capital operations and strategic investment platforms. We will leverage integration, collaboration and expansion to build a lasting enterprise and solidify the CITIC brand's positioning as a leader in the fields in which we operate.

The comprehensive financial services segment will establish a financial holding company with global influence and high competitiveness to become an international leader in the integrated financial services space.

We will also strive to become a pioneer in the advanced intelligent manufacturing sector, with the aim of achieving operational breakthroughs in critical technologies and reinforcing our leading market position in China.

The goal of our advanced materials segment is to ensure supply chain stability. This segment will improve environmental protection efficiency in traditional fields, fill the gaps in emerging industries and maintain the stability of the industrial chain and supply chain to ensure national resources security.

Our new consumption segment strives to be a trendsetter in the consumer market. In response to the consumption upgrade trend, this segment leverages new technologies to promote industrial development, technological breakthroughs and efficiency improvements that contribute to China's cultural development, revitalisation of the seed industry and the creation of a "digital China".

In the new-type urbanisation segment, we have positioned ourselves as a builder of smart cities. With our people-oriented mindset, we can provide smart-city solutions with integrated capabilities in planning, design, investment and financing, construction, development and operation.

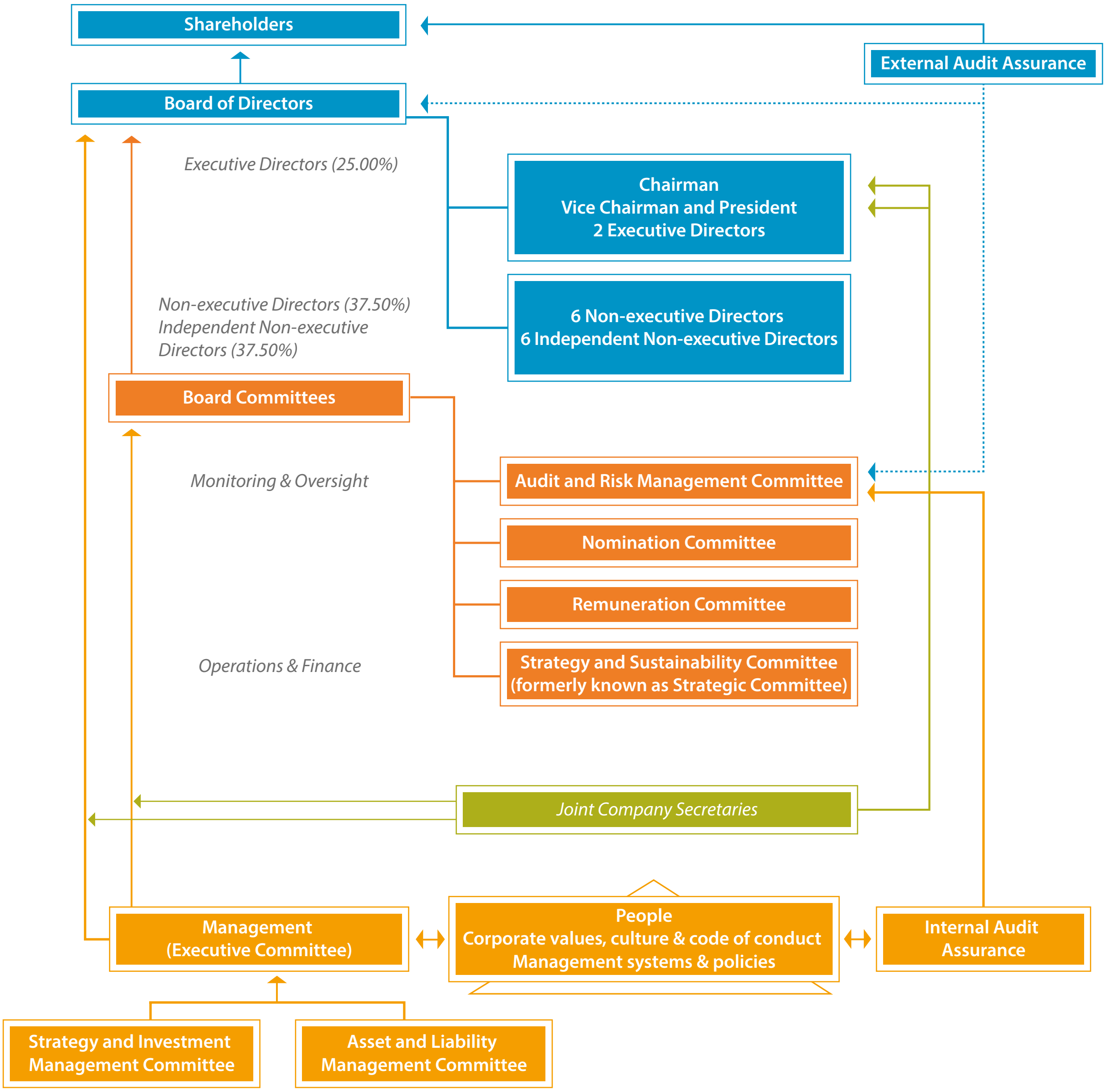
In 2024, we remain committed to the country's long-term development objectives in our quest to become a world-class enterprise. Focusing on three fundamental questions – who is the competition, on what basis should we compete and how to outcompete – we have defined goals for each stage of growth, with a long-term view and holistic perspective, in the spirit of reform. We believe this approach will enable our development to progress at a steady pace. In the years ahead, we take "honesty and trustworthiness, to seek interest without compromising moral principles, to be prudent and cautious in work, to uphold fundamental principles and break new ground, to be compliant with law and regulations" as the fundamental guidance of corporate culture construction, continue to emphasise the CITIC-Style as well as our values of Honesty, Innovation, Cohesion, Harmony, Dedication and Excellence. We look forward to an exciting chapter of high-quality development, with a focus on creating value and prosperity for society and sustainable returns for our shareholders.

Board's Role

The board plays a leading role in defining the purpose, values and strategic direction of the Group and in fostering a culture that is forward looking, change embracing and competitiveness focused. Further, the board has taken up the roles such as reviewing the progress report on business operations and key projects/developments of CITIC Limited at each regular board meeting; promoting the long-term sustainable success of CITIC Limited so as to enhance the shareholders' value; ensuring ongoing effective communication with shareholders and engagement with key shareholders for developing the purpose and value of CITIC Limited. A strategy and sustainability committee (formerly known as strategic committee) has been established to consider the strategic development of CITIC Limited. At the strategy and sustainability committee and board retreat meeting held each year, the board discussed about CITIC Limited's strategic development, business plan and corporate governance taking into account the internal and external changing environment. These discussions allow the board members to share their insights on the culture of CITIC Limited and raise awareness of shareholders perspectives which in turn support the board to create greater alignment between culture and strategy of CITIC Limited.

Taking into account the corporate culture in a range of contexts, the board considers that the culture and the purpose, value and strategy of CITIC Limited are aligned.

Corporate Governance Structure



Board of Directors

Overall accountability

The members of the board of directors are individually and collectively accountable to the shareholders for the success and sustainable development of CITIC Limited. The board provides direction and approval in relation to matters concerning CITIC Limited's business strategies, policies and plans, while the day-to-day business operations are delegated to the executive committee. In discharging their corporate accountability, directors of CITIC Limited are required to pursue excellence in the interests of the shareholders and fulfil their fiduciary duties by applying the required levels of skill, care and diligence to a standard in accordance with the statutory requirements.

During the year under review, the board performed a self-evaluation of its performance and reviewed the contribution required from a director to perform his/her responsibilities. For those board meetings Mr Gregory Curl was not available to attend, he conveyed his feedback to a Joint Company Secretary prior to the meetings, expressing his approval of the agenda items that were put to vote and confirmed that he had no comments on the various reports. The board is of the view that all directors have given sufficient time and attention to CITIC Limited's affairs and the board operates effectively as a whole. The board also noted the time involved by the directors in CITIC Limited and other public companies held by the directors.

Board composition and changes

CITIC Limited announced the following changes in board and board committees composition.

On 29 January 2024, Mr Xi Guohua was appointed as chairman of the board, chairman of nomination committee, chairman of strategic committee (renamed as strategy and sustainability committee with effect from 19 September 2024) and chairman of executive committee of CITIC Limited and ceased to be vice chairman and president of CITIC Limited.

On 28 March 2024, Mr Zhang Wenwu was appointed as executive director, vice chairman and president, a member of nomination committee, a member of strategy and sustainability committee and vice chairman of executive committee of CITIC Limited.

On 29 August 2024, Mr Chen Yuyu was appointed as an independent non-executive director and a member of strategy and sustainability committee of CITIC Limited.

On 27 December 2024, Mr Mu Guoxin resigned as a non-executive director of CITIC Limited.

The appointment of the above directors were recommended by the nomination committee.

Mr Zhang Wenwu and Mr Chen Yuyu, who were appointed to the board on 28 March 2024 and 29 August 2024 respectively, had obtained legal advice from an external law firm as required under Rule 3.09D of the Listing Rules on 25 March 2024 and 23 August 2024 respectively. Each of them has confirmed his understanding of the obligations as a director of the Company.

The board currently has 16 directors, comprising four executive directors, six non-executive directors and six independent non-executive directors. Non-executive directors (including independent non-executive directors) comprise more than two-thirds of the board, of which independent non-executive directors satisfy the Listing Rules requirement of representing at least one-third of the board. CITIC Limited believes that the board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of CITIC Limited's business.

In relation to the six non-executive directors who are not independent (as considered by The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange")), Ms Yu Yang, Mr Zhang Lin, Ms Li Yi and Mr Yue Xuekun are all non-executive directors of CITIC Group Corporation (the controlling shareholder of CITIC Limited) whilst Mr Yang Xiaoping is the senior vice chairman of CP Group and Mr Li Zimin is an executive director and president of China CITIC Financial Asset Management Co., Ltd. (a shareholder of CITIC Limited).

Pursuant to the code provision of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The requirement under this code provision is clearly stipulated in Article 104(A) of CITIC Limited's articles of association. All directors, including the non-executive directors, shall hold office for not more than three years since his/her re-election by shareholders at the general meeting. In accordance with Article 95 of CITIC Limited's articles of association, any director appointed by the board subsequent to the last annual general meeting either to fill a casual vacancy or as an additional director shall hold office only until the next following annual general meeting, or if earlier, the next following extraordinary general meeting of CITIC Limited and shall then be eligible for re-election at such meeting. With a view of enhancing a culture of good corporate governance, all directors of CITIC Limited shall retire voluntarily at each annual general meeting. All retiring directors are eligible for re-election at the annual general meeting during which they retire. Separate resolutions are proposed for the election of each director and his/her re-election is subject to a vote of shareholders. Each director has entered into an appointment letter with CITIC Limited. Induction materials are provided to the newly appointed directors upon their appointment.

CITIC Limited maintains on its website and on Hong Kong Exchanges and Clearing Limited's ("HKEX") website an updated list of directors identifying their roles and functions and whether they are independent non-executive directors. The bio data of the current directors together with, if any, information about the relationships (including financial, business, family or other material relationships) amongst the directors, are set out on pages 116 to 120 and on the website of CITIC Limited.

Board Independence

The independent non-executive directors of CITIC Limited have the required integrity and experience in bringing to the board independent advice and judgement. The majority of members of all governance related committees are independent non-executive directors.

Each independent non-executive director has given written confirmation to CITIC Limited of his independence as regards all the factors set out in Rule 3.13 of the Listing Rules. CITIC Limited considers that all independent non-executive directors are independent having regard to their annual independence confirmation.

The board, when it considers necessary, has the right to seek advice from independent professionals at CITIC Limited's expense in order to facilitate proper discharge of their duties and responsibilities. Besides, the chairman shall meet with the independent non-executive directors in a separate meeting without the presence of executive directors and non-executive directors once a year. At every board meeting, the chairman encourages all directors including the independent non-executive directors to express their views in an open and candid manner.

Any director who holds interest as a connected person or has a material interest in the connected transaction will abstain from voting on the board resolutions to approve the connected transaction, i.e. only independent directors shall give their views/opinions and approve the transactions whether they agree to the terms and conditions of the transactions. Independent non-executive directors provide to the board a wide range of skills and a balanced perspective as well as international business experience and, through their contribution to the board meetings and board committee meetings, give their opinions on the proposals, strategies and bring independent judgement on issues of business performance and risk.

At the end of every year, the board performs a self-evaluation of its performance and reviews each director's contribution and their time commitment to the board. The performance and time contribution of the independent non-executive directors are assessed annually as part of the board's performance self-evaluation. Independence of independent non-executive directors is assessed upon appointment and annually to ensure that they remain independent and are able to provide independent, balanced and impartial views to the board.

The board reviewed and considered that the features and mechanisms described above are effective in ensuring that independent views and input are provided to the board.

Board responsibilities and delegation

The board collectively determines the overall strategies of CITIC Limited, monitors performance and the related risks and controls in pursuit of the strategic objectives of CITIC Limited. Day-to-day operation and management powers are delegated to the executive committee which reports to the board. All board members have separate and independent access to the management, and are provided with full and timely information about the conduct of the business and development of CITIC Limited, including reports and recommendations on significant matters. All board members are provided with monthly management updates on the latest development of CITIC Limited's businesses. Should separate independent professional advice be considered necessary by the directors, independent professional services would be made available to the directors upon request.

The board is responsible for CITIC Limited's risk management and internal control systems and for reviewing their effectiveness. The audit and risk management committee which acts on behalf of the board conducts a review of the effectiveness of the risk management and internal control systems annually and reports to the board on such review. Details are set out in the section below headed "Overview of risk management and internal control".

The board is committed to overseeing the Environmental, Social and Governance ("ESG") matters. Details of the board's overall responsibility for ESG-related strategy, performance and reporting are set out in the standalone ESG Report which is published on the same date of this annual report and available on the websites of both HKEX and CITIC Limited.

The board has delegated certain functions to the respective committees, the details of which are set out below. Matters specifically reserved for the board include approval of financial statements, dividend policy, significant changes in accounting policies, material contracts, changes to appointments such as directors, company secretary and external auditor, remuneration policy for directors and senior management, terms of reference of board committees and shareholders' communication policy.

CITIC Limited has arranged Directors & Officers Liability and Company Reimbursement Insurance for its directors and officers.

Details of the responsibilities, membership, attendance and activities during the year under review of each board committee are set out on pages 87 to 98.

Board meetings and attendance

The board meets regularly to review the financial and operating performance of CITIC Limited and to discuss future strategy. Four regular board meetings were held in 2024. At the board meetings, the board reviewed significant matters including CITIC Limited's annual and half-year financial statements, proposals for final and interim dividends, annual report and half-year report and non-exempt continuing connected transactions. At each regular board meeting, the board received a written report from the president on CITIC Limited's major businesses, investments and projects, and corporate activities.

A schedule of board meeting dates is fixed for each year in advance. At least 14 days' formal notice of all regular board meetings is given to all directors, and all directors are given the opportunity to include matters for discussion in the agenda. The agenda and board papers for each meeting are sent to all directors at least three days in advance of every regular board meeting. All minutes of the board meetings are kept at the company secretariat office. Copies are provided to directors and the original minutes are available to all directors for inspection. During the year under review, in addition to the board meetings, the chairman also met with the independent non-executive directors without the presence of executive directors and non-executive directors.

The attendance record of each director at board meetings and general meeting in 2024 is set out below:

	Attendance	
	Board Meetings in 2024	Annual General Meeting on 25 June 2024
Total Number of Meetings	4	1
Current Directors		
Executive Directors		
Mr Xi Guohua (Chairman)	4	✓
Mr Zhang Wenwu (Vice Chairman and President)[(1)]	4	✓
Mr Liu Zhengjun	4	✓
Mr Wang Guoquan	4	✓
Non-executive Directors		
Ms Yu Yang	4	✓
Mr Zhang Lin	4	✓
Ms Li Yi	4	✓
Mr Yue Xuekun	4	✓
Mr Yang Xiaoping	4	✓
Mr Li Zimin	4	✓
Independent Non-executive Directors		
Mr Francis Siu Wai Keung	4	✓
Dr Xu Jinwu	4	✓
Mr Anthony Francis Neoh	4	✓
Mr Gregory Lynn Curl	1	
Mr Toshikazu Tagawa	4	✓
Mr Chen Yuyu[(2)]	2	N/A
Resigned Director		
Non-executive Director		
Mr Mu Guoxin[(3)]	4	✓

Notes:
(1) appointed as executive director, vice chairman and president with effect from 28 March 2024
(2) appointed as independent non-executive director with effect from 29 August 2024
(3) resigned as non-executive director with effect from 27 December 2024

Chairman and the president

Mr Xi Guohua serves as the chairman of CITIC Limited. Mr Zhang Wenwu is the president of CITIC Limited. The chairman and the president have separate defined responsibilities whereby the chairman is primarily responsible for leadership and effective functioning of the board, ensuring key issues are promptly addressed by the board, as well as providing strategic direction for CITIC Limited. The president is responsible for the day-to-day management of CITIC Limited and the effective implementation of corporate strategy and policies.

Directors' continuous professional development programme

CITIC Limited has a continuous professional development programme ("CPD Programme") for directors with an aim to improve their general understanding of CITIC Limited's businesses, to refresh their knowledge and skills as well as to receive updates on developments in corporate governance practices. Directors may also choose to attend external courses, conferences and luncheons organised by various local organisations.

In addition, each newly appointed director is provided with a package comprising comprehensive induction materials such as the duties and responsibilities of directors under the Listing Rules and the Companies Ordinance, guidelines for directors issued by the Companies Registry of Hong Kong, legal and other regulatory requirements and the governance policies of CITIC Limited to ensure that he/she has a proper understanding of his/her responsibilities under the relevant laws, rules and regulations. During the year under review and up to the date of this report, two directors were appointed. CITIC Limited has arranged for briefings/legal advice given by external legal counsel to the new directors on Hong Kong laws and the Listing Rules requirements regarding continuing obligations of a Hong Kong listed company and its directors.

Under the CPD Programme of CITIC Limited for the year 2024, directors were provided with the monthly business updates and other reading materials concerning the latest developments in corporate governance practices and relevant legal and regulatory developments. Further, under the invitation from CITIC Limited, certain directors attended a 2024 ESG Global Leaders Conference in Shanghai organised by CITIC Group and Sina Group in October 2024. One independent non-executive director gave a speech at the conference. Directors also attended the strategy and sustainability committee and board retreat meeting held in November 2024 to discuss the corporate strategy and business development of CITIC Limited. Directors also made site visits to projects and subsidiaries of CITIC Limited in Changsha, Hunan Province on 22 November 2024 arranged by CITIC Limited. Arrangements were made for some non-executive directors to make site visits to CITIC Limited's certain subsidiaries to understand their business developments.

According to the record of the directors' participation in CITIC Limited's CPD Programme kept at the company secretariat office, a summary of training received by the directors for the period from 1 January 2024 to 31 December 2024 is as follows:

	Reading Materials/ Regulatory Updates/ Monthly Management Updates	Strategy and Sustainability Committee and Board Retreat Meeting
Current Directors		
Executive Directors		
Mr Xi Guohua	✓	✓
Mr Zhang Wenwu[(1)]	✓	✓
Mr Liu Zhengjun	✓	✓
Mr Wang Guoquan	✓	✓
Non-executive Directors		
Ms Yu Yang	✓	✓
Mr Zhang Lin	✓	✓
Ms Li Yi	✓	✓
Mr Yue Xuekun	✓	✓
Mr Yang Xiaoping	✓	✓
Mr Li Zimin	✓	✓
Independent Non-executive Directors		
Mr Francis Siu Wai Keung	✓	✓
Dr Xu Jinwu	✓	✓
Mr Anthony Francis Neoh	✓	✓
Mr Gregory Lynn Curl	✓	
Mr Toshikazu Tagawa	✓	✓
Mr Chen Yuyu[(2)]	✓	✓
Resigned Director		
Non-executive Director		
Mr Mu Guoxin[(3)]	✓	✓

Notes:
(1) appointed with effect from 28 March 2024; induction materials and briefing by external legal counsel were provided in respect of his appointment
(2) appointed with effect from 29 August 2024; induction materials and briefing by external legal counsel were provided in respect of his appointment
(3) resigned with effect from 27 December 2024

Board Committees

The board has appointed a number of committees to discharge the board functions. Sufficient resources are provided to enable the board committees to undertake their specific roles. The respective roles, responsibilities and activities of each board committee are set out below:

Audit and risk management committee

The 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 currently consists of two non-executive directors and three independent non-executive directors. The chairman of the committee is Mr Francis Siu Wai Keung, an independent non-executive director. Mr Siu has the relevant professional qualification and expertise in financial reporting matters. The audit and risk management committee holds four regular meetings each year (at least two of which are with CITIC Limited's external auditor). At the invitation of the audit and risk management committee, other directors, senior management and other relevant persons, as well as experts or consultants with relevant experience or expertise may also attend the meetings.

Duties of the audit and risk management committee

The authority, role and responsibilities of the audit and risk management committee are set out in written terms of reference. The committee reviews its terms of reference at least once a year to ensure they remain in line with the requirements of the CG Code. Any amendments to the terms of reference are submitted to the board for approval. The terms of reference are available on CITIC Limited's website (https://www.citic.com/uploadfile/2022/1230/20221230438469.pdf) and HKEX's website.

Under its terms of reference, the audit and risk management committee shall

- review and monitor the integrity of CITIC Limited's financial information and provide oversight of the financial reporting system;

- monitor the effectiveness of external audit and oversee the appointment, remuneration and terms of engagement of CITIC Limited's external auditor, as well as its independence;

- oversee CITIC Limited's internal audit, risk management and internal control systems, including the resources for CITIC Limited's internal audit, risk management, accounting and financial reporting functions, staff qualifications and experience, as well as arrangements for concerns raised by staff on financial reporting, internal control and other matters ("whistle-blowing");

- undertake corporate governance functions delegated from the board, including

  (a) reviewing CITIC Limited's policies and practices on corporate governance and making recommendations to the board as well as CITIC Limited's compliance with the CG Code and disclosure in the corporate governance report;

  (b) reviewing and monitoring

    (i) the training and continuous professional development of directors and senior management;

    (ii) CITIC Limited's policies and practices on compliance with legal and regulatory requirements;

    (iii) the code of conduct and compliance manual (if any) applicable to employees and directors;

    (iv) CITIC Limited's whistle-blowing policy and guidelines on implementation; and

    (v) CITIC Limited's code of anti-corruption.

- oversee CITIC Limited's environmental, social, and governance practices; and

- undertake other authorities delegated by the board.

Committee composition and meeting attendance

The composition of the audit and risk management committee during the year under review as well as the meeting attendance of the committee members are as follows:

Membership and Attendance

The bio data of audit and risk management committee members are set out in the section "Board of Directors" on pages 116 to 120.

Members	Attendance/ Number of Meetings
Independent Non-executive Directors	
Mr Francis Siu Wai Keung (Chairman)	4/4
Dr Xu Jinwu	4/4
Mr Anthony Francis Neoh	4/4
Non-executive Directors	
Mr Yang Xiaoping	4/4
Mr Zhang Lin	4/4
Other Attendees	
Representatives of Audit and Compliance Department	4/4
Representatives of Financial Management Department	4/4
Representatives of Office of the Board of Directors	4/4
External Auditor	4/4

The joint company secretary, Mr Ricky Choy Wing Kay acts as the secretary to the committee. The committee is supported by a working group which consists of representatives from Audit and Compliance Department, Financial Management Department, Office of the Board of Directors and other departments of CITIC Limited. The working group provides services to the committee to ensure that sufficient resources are made available for the committee to perform its duties. An agenda and committee papers are sent to the committee members at least three days prior to each regular meeting. The draft and final version of minutes are circulated to all committee members for their comments and records within a reasonable time after the meeting. Full minutes of the meetings are kept by the joint company secretary.

The chairman of the committee summarises the activities of the committee and issues arising and reports to the board after each audit and risk management committee meeting.

Work done in 2024

The audit and risk management committee performed the following in 2024:

Financial reporting	Reviewed the 2023 annual financial statements, annual report and results announcement
	Reviewed the 2024 half-year financial statements, half-year report and results announcement
	Recommended to the board approval of the 2023 annual report and 2024 half-year report
	Examined checklists for compliance with statutory and Listing Rules requirements for ensuring the integrity of the financial statements
External audit and interim review	Reviewed report provided by the external auditor on their statutory audit of the 2023 annual financial statements and their independent review of the 2024 half-year financial statements
	Discussed financial reporting and control matters set out in the report submitted by the external auditor or addressed in representation letters issued by management to the external auditor, and reviewed the status of assurances provided by the business and functional management with respect to the integrity of the financial statements
	Reviewed the external auditor plans for their independent review of CITIC Limited’s 2024 half-year financial statements and their statutory audit of the 2024 annual financial statements, including the audit scope and the nature of their work
	Considered the independence of the external auditor of CITIC Limited

Internal control and internal audit	Examined management's annual self-assessments of the effectiveness of the risk management and internal control of the Group, including adequacy of the staff resources, qualifications and experience of CITIC Limited's internal audit, risk management, accounting and financial reporting functions
	Approved annual internal audit plan and reviewed the overall audit work progress in each committee meeting
	Reviewed internal audit's quarterly reports on risk management and internal control findings, recommendations, progress in rectification and other matters
	Noted any significant changes in financial or other risks faced by CITIC Limited and reviewed management's response to them
	Reviewed the effectiveness of the risk management and internal control systems including material risks relating to environmental, social, and governance
Corporate governance and code requirements	Reviewed reports submitted by the management on CITIC Limited's compliance with the code of conduct, regulatory and statutory obligations, and internal policies regarding the conduct of business and corporate governance work
	Reviewed the training and continuous professional development of directors
	Reviewed CITIC Limited's compliance with the CG Code and disclosure in the corporate governance report

At the meeting held on 25 March 2025, the audit and risk management committee reviewed and approved CITIC Limited's consolidated financial statements for the year ended 31 December 2024 and annual report and considered reports from the external auditor. The audit and risk management committee recommended to the board for approval of CITIC Limited's 2024 financial statements, annual results and report.

Nomination committee

The nomination committee was established by the board with written terms of reference in compliance with the CG Code. The terms of reference are available on CITIC Limited's website (https://www.citic.com/en/investor_relation/corporate_governance/NC_ToR_Eng.pdf) and HKEX's website.

The nomination committee reports directly to the board and its principal duties are:

- to review the structure, size, composition and diversity of the board at least annually and make recommendations on any proposed changes to the board;
- to identify and nominate qualified candidates to become board members and/or to fill casual vacancies for the approval of the board;
- to assess the independence of independent non-executive directors;
- to make recommendations to the board on the appointment or re-appointment of directors and succession planning for directors; and
- to review the board diversity policy and the director nomination policy, and make recommendation on any required changes to the board.

Director Nomination Policy

The nomination committee is authorised by the board to determine the policy for the nomination of directors. The Director Nomination Policy which was adopted in 2018 sets out the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship which shall take into consideration the principle of diversity. A summary of the Director Nomination Policy including the objectives and the selection procedures is set out below:

- The policy is for both nomination of directors and recommendation for re-election of retiring directors.
- The nomination committee shall identify individuals from a number of sources including, without limitation, through referrals and recommendations by the management of CITIC Limited, Human Resources Department and external independent professionals.

- In the identification and evaluation process, the nomination committee shall have regard to the selection criteria which include but not limited to

  (i) qualifications, skills, expertise, independence which contribute to the effective carrying out of the board responsibilities;

  (ii) commitment in respect of sufficient time and relevant interest devoted to the business and affairs of CITIC Limited; and

  (iii) board diversity including but not limited to skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of service.

- The potential candidates are requested to provide the nomination committee with biographical details.

- The nomination committee shall review the qualification, experience, skills, expertise and the factors of the above selection criteria for the nomination of directors, and shall take into account the factors and requirements as set out in the Listing Rules in the case of nominating or recommending for re-election of independent non-executive directors.

- After the assessment and evaluation, if the nomination committee considers the potential candidate is suitable to be nominated as a director, it will make recommendation for the board's consideration and approval.

- The board shall approve the nomination and appoint the proposed qualified candidate as director if it agrees with the nomination committee's recommendation.

- The ultimate responsibility for selection and appointment of directors rests with the entire board.

The nomination committee shall monitor the implementation of the policy and conduct a review on an annual basis.

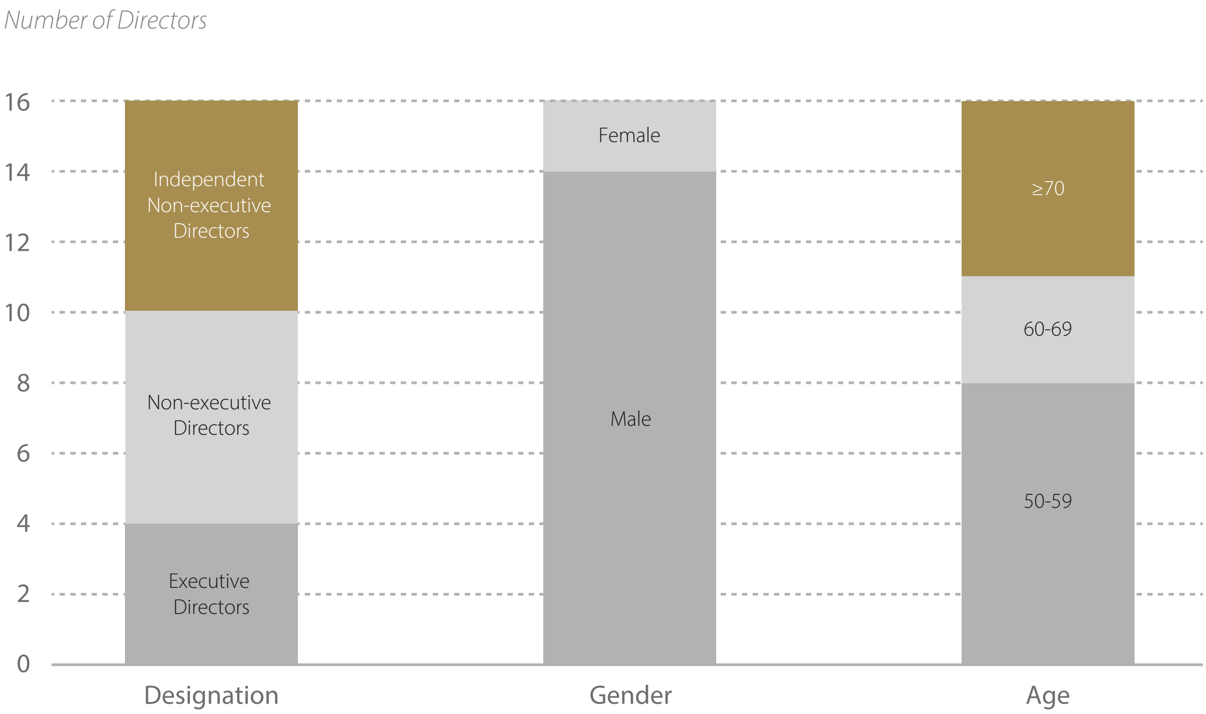
Board Diversity Policy

CITIC Limited recognises and embraces the benefits of diversity in board members. CITIC Limited sees diversity as a whole concept and believes that diversity in all aspects, including experience and expertise, provides CITIC Limited with a high level of corporate governance and penetrating insights into CITIC Limited's businesses and industry.

The Board Diversity Policy was adopted in 2013 and further updated in December 2022, adding a measurable objective of gender diversity.

The Board Diversity Policy sets out the approach to achieve diversity in the board, which includes and makes good use of the difference in skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of service and other qualities of the members of the board. These differences will be considered in determining the optimum composition of the board and all board appointments will be based on merit, having due regard to the overall effective functioning of the board as a whole. CITIC Limited believes that diversity can strengthen the performance of the board, promote effective decision-making and better corporate governance and monitoring. The nomination committee discusses and agrees annually the relevant measurable objectives that the board has set for implementing this policy and makes recommendation to the board for approval. It also monitors the implementation and effectiveness of this policy and reports to the board on the achievement of the measurable objectives for achieving diversity under this policy.

The following chart shows the diversity profile of the current board members:



The board consists of experienced senior management from diverse backgrounds, including accounting, banking, financial management, tax professionals and academia. Nationalities of the directors are diverse, spanning Chinese, American and Japanese. Such composition serves to enrich the perspective and deliberations of the board.

As at the date of this report, 2 out of 16 directors are females representing 12.5%. The nomination committee will pursue opportunities to increase the proportion of female members when selecting and making recommendations on suitable candidates for board appointments. The goal will be to maintain at least the current level of female representation or improve gender diversity as appropriate.

In considering the board's succession, the nomination committee shall regularly review the composition of the board and status of succession and, as and when appropriate, identify potential candidates in particular qualified female candidates through referrals and recommendation by management, human resources department and external independent professionals. The nomination committee acknowledges the importance of gender diversity when considering potential appointments.

The board sees the increasing importance of gender diversity across the workforce (including senior management) for contribution to the sustainable development of the Group. Currently female representation across the workforce is approximately 35.46%. There is one female representation in senior management.

The nomination committee currently comprises two executive directors, one non-executive director and four independent non-executive directors, and is chaired by Mr Xi Guohua, the chairman of the board. The committee meets at least annually and at such other times as it shall require. The joint company secretary, Mr Ricky Choy Wing Kay acts as the secretary to the committee. The committee is provided with sufficient resources enabling it to perform its duties, and it can seek independent professional advice at CITIC Limited's expense if necessary.

Committee composition and meeting attendance

The composition of the nomination committee during the year under review as well as the meeting attendance of the committee members are as follows:

Membership and Attendance

The bio data of nomination committee members are set out in the section “Board of Directors” on pages 116 to 120.

Members	Attendance/ Number of Meetings	Date of Appointment
Executive Directors		
Mr Xi Guohua (Chairman)	1/1	
Mr Zhang Wenwu	1/1	28 March 2024
Non-executive Director		
Ms Yu Yang	1/1	
Independent Non-executive Directors		
Mr Francis Siu Wai Keung	1/1	
Dr Xu Jinwu	1/1	
Mr Anthony Francis Neoh	1/1	
Mr Gregory Lynn Curl	0/1	

Work done in 2024

The nomination committee completed the following work in 2024:

- recommended the appointment of one executive director and one independent non-executive director to the board for approval;
- made recommendations to the board on re-election of the directors retiring at the annual general meeting of CITIC Limited held on 25 June 2024;
- reviewed the structure, size, composition and diversity of the board;
- reviewed the board diversity policy and discussed the measurable objectives; and
- reviewed the director nomination policy.

During the year under review, one nomination committee meeting was held and three sets of written resolutions were passed by all the committee members. The joint company secretary prepared full minutes of the nomination committee meeting and the draft minutes were circulated to all committee members within a reasonable time after the meeting.

Remuneration committee

The principal role of the remuneration committee is to determine 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 remuneration committee reviews and approves the management's remuneration proposals with reference to the board's corporate goals and objectives, salaries paid by comparable companies, regulations promulgated by national regulatory authorities on the remuneration of directors and senior management, time commitment and responsibilities and employment conditions elsewhere in the Group, so as to align management incentives with shareholder interests.

Remuneration Policy for Directors

The remuneration committee, with delegated responsibility from the board, is to determine the remuneration policy for the directors of CITIC Limited. The Remuneration Policy is a formal and transparent policy and was adopted in December 2022. A summary of the Remuneration Policy is set out below. The remuneration committee shall review the Remuneration Policy from time to time to ensure its effectiveness.

Remuneration of executive directors

- Principle: salary verification is linked to performance appraisal; the interests of shareholders, CITIC Limited and the directors are consistent; and the salary standard is open, fair and transparent.

- Remuneration composition: consists of three parts, i.e. basic annual salary, performance annual salary and tenure incentive income. Basic annual salary is determined according to a certain multiple of the average salary of the on-the-job employees of the central enterprises. The annual performance salary is based on the basic annual salary and is linked to the performance evaluation score of CITIC Limited. The tenure incentive income is based on a certain proportion of the total annual salary within three years of the term, and is linked to the term assessment and evaluation.

Directors' fee and additional remuneration of non-executive directors (including independent non-executive directors)

- In view of high complexity of CITIC Limited's business in terms of scope, diversity and geographic spread, the accountability of the role of non-executive directors (including independent non-executive directors) has been expanded substantially. CITIC Limited shall make payment of directors' fees to non-executive directors (including independent non-executive directors) to attract and retain top-notch talent.

- Directors' fees of non-executive directors (including independent non-executive directors) are determined according to their responsibilities and by reference to market comparables. Such directors' fees and any adjustment thereto are subject to the approval of the shareholders. Non-executive directors (including independent non-executive directors) who serve on the relevant committees of CITIC Limited are entitled to receive additional remuneration.

The committee currently comprises three independent non-executive directors and a non-executive director. The chairman of the committee is Mr Anthony Francis Neoh, an independent non-executive director.
The committee meets at least once a year. A joint company secretary serves as the secretary of the committee.
The terms of reference are available on CITIC Limited's website
(https://www.citic.com/en/investor_relation/corporate_governance/RC_ToR_Eng.pdf) and HKEX's website.

Committee composition and meeting attendance

The composition of the remuneration committee during the year under review as well as the meeting attendance of the committee members are as follows:

Membership and Attendance

The bio data of remuneration committee members are set out in the section “Board of Directors” on pages 116 to 120.

Members	Attendance/ Number of Meetings
Independent Non-executive Directors	
Mr Anthony Francis Neoh (Chairman)	1/1
Mr Francis Siu Wai Keung	1/1
Dr Xu Jinwu	1/1
Non-executive Director	
Mr Zhang Lin	1/1

Work done in 2024

The remuneration committee completed the following work in 2024:

– reviewed the proposal for 2023 remuneration for executives in charge (including executive directors and senior management) of CITIC Limited.

During the year under review, one remuneration committee meeting was held. A joint company secretary prepared full minutes of the remuneration committee meeting and the draft minutes were circulated to all committee members within a reasonable time after the meeting.

In January 2025, one set of written resolutions was passed by all the committee members to approve the proposal for 2023 remuneration for executives in charge of CITIC Limited.

The remuneration paid to the directors, by name, for the year ended 31 December 2024 is set out in Note 13 to the consolidated financial statements.

The remuneration of senior management, by band, for the year ended 31 December 2024 is set out below:

Remuneration of senior management other than directors for the full year 2024

Total Remuneration Bands	Number of Executives
Below HK$500,000	0
HK$500,001 – HK$1,000,000	3
	3

Note:
Although the discretionary bonuses have yet to be confirmed by the relevant regulatory authority, it is expected that the unsealed remuneration will have no material impact on the consolidated financial statements of CITIC Limited for 2024.

Strategy and sustainability committee

The strategic committee was renamed as the strategy and sustainability committee and accordingly the terms of reference were revised to incorporate ESG-related responsibilities, all of which were effective from 19 September 2024. The committee has been established to accommodate the strategic development of CITIC Limited and enhance its core competitiveness, make and implement the development plan of CITIC Limited, improve the investment-related decision making procedures and procure well-advised and efficient decision making.

The strategy and sustainability committee shall be accountable to and report to the board and its powers and functions are:

- considering the major strategic directions of CITIC Limited and making proposals to the board, and promoting the integration of sustainability concepts into the CITIC Limited's management system and business operations;
- considering the mid-to-long term development plan of CITIC Limited and making proposals to the board;
- considering the impact of the macro economic conditions on the development of various business sectors of CITIC Limited and making proposals to the board;
- coordinating and directing sustainability matters, researching and proposing major plans and schemes in ESG, and making proposals to the board;
- directing the management in coordinating and optimizing ESG matters, including but not limited to ESG management processes, ESG metrics, ESG ratings, and annual ESG report preparation;
- assisting the audit and risk management committee in identifying and assessing major ESG risks and their impacts;
- paying attention to important information on sustainability matters relevant to CITIC Limited, reviewing CITIC Limited's annual ESG reports, supervising and evaluating the implementation of sustainable development plans, and making proposals to the board; and
- other matters in connection with strategy planning and ESG pursuant to authorisation of the board.

The committee is chaired by Mr Xi Guohua, the chairman of the board and other members include an executive director, Mr Zhang Wenwu (being vice chairman and president of CITIC Limited), three non-executive directors, Ms Yu Yang, Ms Li Yi and Mr Yang Xiaoping, and three independent non-executive directors, Mr Anthony Francis Neoh, Mr Toshikazu Tagawa and Mr Chen Yuyu. Mr Li Rucheng (being a former non-executive director of CITIC Limited) serves as a consultant to the committee. During the year under review, one strategy and sustainability committee meeting was held. The strategy and investment management department and office of the board of directors are responsible to prepare full minutes of the strategy and sustainability committee meeting and the draft minutes were circulated to all the committee members within a reasonable time after the meeting. A joint company secretary is responsible for keeping all the minutes of the meetings.

Management Committees

Executive committee

The 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 Xi Guohua, the chairman of the board, and other members are Mr Zhang Wenwu (being executive director, vice chairman and president of CITIC Limited, and serves as vice chairman of the committee), Mr Liu Zhengjun (being executive director, vice president of CITIC Limited), Mr Wang Guoquan (being executive director, vice president of CITIC Limited), Mr Zhang Shixin, Mr Cui Jun, Mr Fang Heying (being vice president of CITIC Limited) and Ms Zeng Qi (being vice president of CITIC Limited).

Strategy and Investment Management Committee

CITIC Limited has established the strategy and investment management committee 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

- improve and perfect the investment management system, responsible for the establishment and implementation of investment authorisation management system;
- based on the approved subsidiary development strategy, main business list, and negative list of investment by the CITIC group, review the investment and matters reported by the subsidiary, and provide decision-making recommendations to the CITIC group's general office, party committee, and board of directors;
- review other major matters.

The committee is led by the chairman of the committee, Mr Liang Huijiang (being Chief Investment Officer of CITIC Limited), and other members of the committee include the main responsible persons of the strategy and investment management department, financial management department, risk and compliance functions and relevant experts.

Asset and Liability Management Committee

CITIC Limited has established the asset and liability management committee (the "ALCO") 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 following issues of CITIC Limited
  - asset and liability structure
  - counterparties
  - currencies
  - interest rates
  - commodities
  - commitments and contingent liabilities
- 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 chairman of the committee is Mr Zhang Wenwu and other members of the ALCO include the relevant responsible persons of the financial management department, strategy and investment management department, the office of the board of directors and risk and compliance functions.

Accountability and Audit

Financial reporting

The board recognises the importance of the integrity of its financial information and acknowledges its responsibility for preparing financial statements that give a true and fair view of the Group's affairs, its results and cash flows in accordance with the Hong Kong Financial Reporting Standards and the Hong Kong Companies Ordinance. The board endeavours to present to shareholders a balanced and understandable assessment of CITIC Limited's performance, position and prospects. Accordingly, appropriate accounting policies are selected and applied consistently, and judgments and estimates made by the management for financial reporting purposes are prudent and reasonable.

New or revised accounting standards became effective during the year under review, and those most significant and relevant to the Group are disclosed in Note 2 to the consolidated financial statements on page 147.

The responsibilities of the external auditors with respect to the accounts for the year ended 31 December 2024 are set out in the Independent Auditor's Report on pages 304 to 314.

External auditors and their remuneration

The external auditors perform independent reviews or audits of the financial statements prepared by the management. PricewaterhouseCoopers ("PwC") was engaged as CITIC Limited's external auditor since 1989 and retired at the close of annual general meeting held on 16 May 2013. KPMG was engaged in place of PwC as CITIC Limited's external auditor and subsequently retired at the close of the annual general meeting held on 2 June 2015 ("2015 AGM"). PwC was appointed as CITIC Limited's external auditor in place of KPMG with effect from the close of the 2015 AGM as its largest listed subsidiary, China CITIC Bank Corporation Limited, was required to change its external auditor. Since then, PwC has been the auditor of CITIC Limited until it retired at the close of annual general meeting held on 21 June 2023 ("2023 AGM") due to restrictions in respect of the years of continuous appointment by a state-owned financial enterprise of an accounting firm. KPMG was appointed as CITIC Limited's external auditor in place of PwC with effect from the close of 2023 AGM.

For 2024, KPMG's fees were approximately as follows:

Statutory audit fee: RMB129 million (2023: RMB105 million).

Fees for other services, including special audits, advisory services relating to systems and tax services: RMB7 million (2023: RMB12 million).

Other audit firms provided statutory audit services at a fee of approximately RMB83 million (2023: RMB80 million) as well as other services for fees of RMB63 million (2023: RMB46 million).

Overview of risk management and internal control

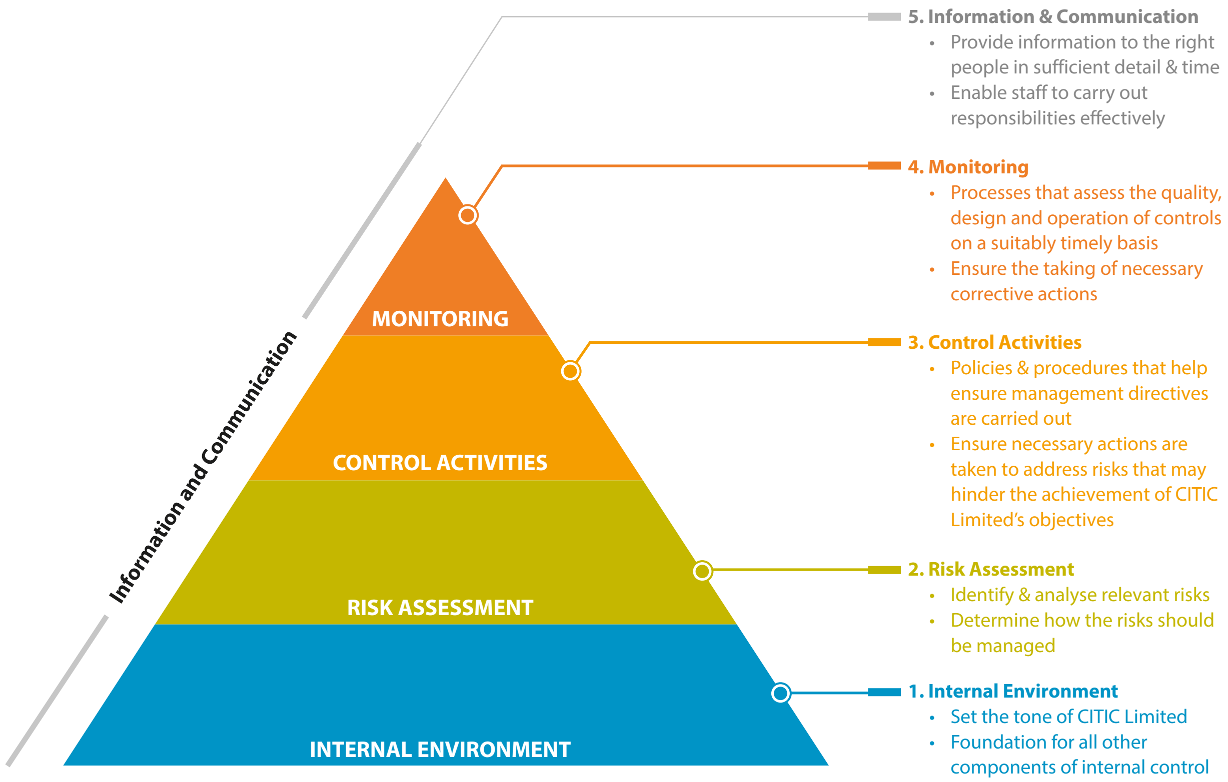
The Group's risk management and internal control systems are designed to reduce or manage risk to an acceptable level for the Group. They do not eliminate the risk of failure to achieve business objectives, however, can only provide reasonable assurance that the business objectives of CITIC Limited in the following areas are achieved:

- effectiveness and efficiency of operations, including the achievement of performance and operating targets and the safeguarding of assets;
- reliability of financial and operating information provided by the management, including management accounts and statutory and financial reports available to public; and
- compliance with applicable laws and regulations by business units and functions.

Overview of risk management and internal control

The risk management and internal control system of CITIC Limited is established along the core concepts of risk management and internal control released by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), and the Basic Standard for Enterprise Internal Control, as well as relevant guidelines and governmental policies.

The framework of risk management and internal control adopted by CITIC Limited is illustrated below:



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

The board has overall responsibility for maintaining a sound and effective risk management and internal control system. The audit and risk management committee acts on behalf of the board in providing oversight of the Group’s financial reporting system, risk management and internal control systems, reviewing and monitoring the effectiveness of the internal audit function, and reviewing the Group’s policies and practices on corporate governance.

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 financial and treasury risk management policies. Based on the annual budget, ALCO reviews CITIC Limited’s financing plan and instruments, oversees fund management and cash flow positions, and manages risks relating to counterparties, interest rates, currencies, commodities, commitments and contingent liabilities. It is also responsible for formulating hedging policy and approving the use of new risk management tools.

Relevant departments of CITIC Limited are responsible for communicating and implementing the decisions, monitoring the adherence of the management policies and preparing relevant reports. All units have the responsibility for identifying, effectively managing and reporting risks on a timely basis, in accordance with the overall risk framework under the management policies and within the scope of authorisation.

CITIC Limited is committed to constantly improving its risk management and internal control framework at all levels; strengthening the risk assessment and monitoring of major projects and key businesses; staying fully informed of the operations, financial condition and major business progress of its subsidiaries through off-site monitoring, on-site inspections and other means to assess the risks that may arise; reporting on a timely basis any weaknesses and potential risks; supervising and implementing management and control measures; and improving the completeness and effectiveness of its risk management and internal control practices across the Group.

Key control policies and measures

The Group's risk management and internal control are primarily the collective responsibilities of management and the employee. For consistent compliance by every person in the Group, the following key control policies and measures have been implemented:

Key control policies and measures	
Internal environment	• The Group has corporate governance policy, human resources policy and code of conduct for its business operation and governance, as well as periodic reviews and refresher training sessions on important ethical practices. • A whistle-blowing policy has been implemented for facilitating internal reporting of suspected malpractice. • An inside information and price sensitive disclosure policy is in place covering the reporting and dissemination of price-sensitive information.
Risk assessment	• The executive committee of CITIC Limited constantly monitors the business, operational and other risks of the business units. • The risk management function identifies and assesses the risks that CITIC Limited is facing through conducting regular risk assessments. It also controls the risks of subsidiaries through regular risk management reporting and risk assessment as well as the monitoring of major projects and businesses. • Risk management reports are collated, prepared and submitted to the board/the audit and risk management committee for deliberation, and corresponding risk management measures will be adopted immediately. • In addition to the departments with risk management function, relevant functions of CITIC Limited will also identify and assess financial and other risks in terms of investment review, strategic planning, financial management and compliance with laws. The long-term objective is to further promote and monitor formal business-wide risk management processes. Further information in this regard is set out in the Risk Management section of this annual report.
Control activities	• Major control systems and processes include budgetary and cost controls, relevant reporting systems and processes for management reporting, corporate policies and procedures for approval, review and segregation of duties across the Group.

Key control policies and measures	
Monitoring	• Constant monitoring of compliance and review of risk management and internal control are conducted under the supervision of the audit and risk management committee. (Please refer to the section "Monitoring of risk management and internal control effectiveness"). • The joint company secretaries of CITIC Limited and related functions are responsible for the overall assessment and monitoring of established procedures to ensure compliance with the Listing Rules and supervision of compliance matters related to applicable laws and other major requirements. • The internal audit function reports directly to the audit and risk management committee, and is responsible for examination of risk management and internal control.
Information and communication	• Implementation, maintenance and constant development of business and management information systems support CITIC Limited's businesses and operations, including finance, information disclosure and collaborative supervision. • Corporate information is disseminated in a timely manner through the intranet, collaborative office system and corporate email system of CITIC Limited. • A corporate website and shareholders communication policy ensure that shareholders receive complete and clear information about CITIC Limited and are encouraged to participate in general meetings of CITIC Limited.

Monitoring of risk management and internal control effectiveness

During the year, the audit and risk management committee assessed the effectiveness of the risk management and internal control systems on behalf of the board. The reviews covered material controls, including financial, operational and compliance controls, the adequacy of the resources, qualifications and experience of employees in the internal audit, risk management, accounting and financial reporting functions, as well as the sufficiency of training sessions and related budgets.

The main risk management and internal control reviews during the year were as follows:

Monitoring of risk management and internal control	Particulars of major tasks completed	Observations
Internal audit	• Reviewed the internal audit report. • Reviewed the progress and outcomes of internal audit in accordance with the approved annual internal audit plan.	• Internal audit findings and recommendations, and management's remedial actions taken were considered at each audit and risk management committee meeting. • Reported to the board on such reviews when necessary.
Compliance assessment	• Reviewed the establishment of compliance management system, compliance risk control and management of key compliance projects made by CITIC Limited and its business units; reported on an annual basis any matters subject to criminal convictions, administrative punishments and other punitive measures as a result of non-compliance with laws and regulations, listing rules, provisions under industry regulation; rectified non-compliance and ongoing supervision to ensure completion of such rectification.	• No major non-compliance cases were noted during the year, the construction of compliance system still needs to be constantly improved.

Monitoring of risk management and internal control	Particulars of major tasks completed	Observations
Review of risk management and internal control system	• Reviewed the business operation and risk management, the changes of risks, and ability to respond in several meetings during the year. • Reviewed and confirmed the results of self-assessment on risk management and internal control effectiveness, and the written statements issued by senior management. • Reviewed the results of the comprehensive assessment of the major control and risk management activities undertaken by business units and head office functions. Ensured that the supporting documents of the self-assessments on risk management and internal control by the management were reviewed by the internal audit function or risk management function. • Reviewed the written statements issued by senior management of business units to confirm that their self-assessments remained correct and that their accounts were prepared in accordance with the financial reporting policies of the corporation.	• No material issues were identified during the year, but business units and the Group's head office functions indicated certain areas of risk management and internal control meriting improvement. • Management issued a positive confirmation.
Review of the internal audit, risk management, accounting and financial functions	• Reviewed the self-assessments made by business units and the finance, audit and compliance functions on the adequacy of the resources, qualifications and experience of employees in the internal audit, risk management, accounting and financial reporting functions, as well as the sufficiency of training sessions and budget.	• Resources in the internal audit, risk management, accounting and finance functions were adequate. • On the whole, the qualifications and experience of the staff of the internal audit, risk management, accounting and finance functions were satisfactory. • Training activities and budgets were given constant attention and remained satisfactory during the year.

The board and the management will establish sufficient and effective supervision, management and controls through the risk management and internal control framework of CITIC Limited, which will ensure compliance with the Listing Rules and other legal or regulatory requirements of the jurisdictions in which the Group operates, in order to constantly improve the risk management and internal control system.

Internal Audit

CITIC Limited regards internal audit as an important part of the supervisory function of the board and the audit and risk management committee. The primary objective of internal audit, which is set out in the internal audit charter, is to provide independent and objective internal assurance and consulting services, evaluate and improve the effectiveness of risk management and internal control processes for the Company so as to add value and improve the Company's operations and accomplish its objectives.

Authority

Under the internal audit charter of CITIC Limited, the internal audit department can obtain and access all records, personnel and physical properties relevant to internal audit. The head of the internal audit department has unrestricted access to the board and senior management.

Responsibility

The responsibilities of the internal audit are set out in the internal audit charter, which stipulates that (a) examination and assessment are conducted in respect of risk management and internal control to evaluate whether risks related to the following are effectively controlled: achievement of strategic objectives, reliability and integrity of financial and operational information, efficiency and effectiveness of operations, safeguarding of assets, and compliance with the laws, regulations and policies of the Company; (b) track and examine corrective actions in respect of audit findings; (c) special audits are conducted when required by the board and senior management.

Internal audit staffing and tasks completed in 2024

At 31 December 2024, CITIC Limited had approximately 700 internal audit staff members in the internal audit departments of the head office and major subsidiaries, providing audit services to various business units and functions of the Company.

During the year, the internal audit department prepared an annual internal audit plan in accordance with risk-based principles. Pursuant to the approved annual plan, detailed audit planning for each audit was devised, followed by field audits and discussions with management. Audit reports addressed to the management were prepared by the internal audit department after completion of the audits. Work reports were also tabled for review at each meeting of the audit and risk management committee, which included audit findings and follow-up results, work progress and staffing of internal audit. The internal audit department issued audit reports on various business segments and subsidiaries of the Company.

Other tasks performed by the internal audit department during the year included the following:

- Implementation of internal audit assessment to evaluate the quality of the audit work of major subsidiaries in terms of management, quality, performance and coordination, in order to facilitate the effective execution of internal audit.

- Professional training and sharing sessions for internal audit staff to enhance their audit skills and knowledge.

Business Ethics

Code of Conduct

We are committed to upholding "The CITIC-Style 中信風格" which is the fundamental code of the Company for guiding the business practice and conduct of our people:

Compliance	遵紀守法
Integrity	作風正派
Veracity	實事求是
Innovation	開拓創新
Modesty	謙虛謹慎
Cooperation	團結互助
Diligence	勤勉奮發
Efficiency	雷厲風行

We think highly of employees' integrity, morality and professional integrity. The company's Code of Conducts requires employees to strictly obey the laws, regulations and disciplines in their operational activities. It is a code that the employees must abide by and a standard for assessing professional conducts of employees. In 2024, we organised trainings in terms of professional integrity, anti-fraud and anti-corruption based on the types of industries and levels of posts. Various publicizing platforms including the internal network, official accounts of Wechat and APP were utilised to educate and guide employees to establish and maintain their excellent conducts and behaviors. The heads of every branches were required to conduct education, supervision and assessment regarding employees' conducts. The company developed the system of regular self-criticism to detect the risks to honesty and justice, to investigate and punish all sorts of illegal behaviors, to analyse and evaluate the effective implementation of this system, to propose advices for further improvement and correction, and to stably improve the levels of internal control management.

Code of Anti-Corruption

CITIC Limited upgraded the code of anti-corruption ("Anti-corruption Code") in December 2022. CITIC Limited believes that honesty, integrity and fair play are important assets. CITIC Limited will respect and adhere to the laws of the countries in which it operates and all directors and employees of the Group must ensure that the Group's reputation is not tarnished by dishonesty, lack of integrity or corruption. The Group fully supports the global campaign against corruption and has zero tolerance for corruption and any fraudulent practices. The Anti-corruption Code and the code of conduct for employees of CITIC Limited stipulate the Company's policy on matters of personal conduct of all employees (including directors, employees and anyone working on the business or affairs of the Company). The Anti-corruption Code applies to the Company and to its subsidiaries and all businesses the Company manages or controls wherever they are located.

The audit and risk management committee, with delegated authority from the board, shall review the Anti-corruption Code from time to time, recommend changes and evaluate its effectiveness.

Whistle-blowing policy

CITIC Limited is committed to achieving and maintaining high standards of integrity and ethical business practices. The whistle-blowing mechanism is an important part of the Company's internal control and risk management system, and an effective way to detect misconducts or significant risks within the Company.

The whistle-blowing policy aims to safeguard the interests and reputation of the Company, to strengthen the corporate governance and internal control, and to prevent acts that harm the interests of the Company and its shareholders. The whistle-blowing policy was updated in December 2022.

The internal whistle-blowing mechanism sets out a series of principles and procedures to (i) encourage the reporting of actual or suspected inappropriate behavior, misconducts or violations occurring within the Company or involving the Company itself or its employees; (ii) guide the Company's senior management and employees in handling reports in a fair and appropriate manner; and (iii) prevent malicious allegations and protect whistleblowers from retaliation.

The audit and risk management committee, with delegated authority from the board, shall review the whistle-blowing mechanism periodically to improve its effectiveness.

Inside information/price sensitive information disclosure policy

CITIC Limited has adopted an inside information/price sensitive information disclosure policy setting out the practices and procedures for monitoring business and corporate developments and events so that any potential inside information/price sensitive information is promptly identified and relayed to the board to enable it to make timely decisions on disclosure, if necessary, and for taking appropriate measures to preserve confidentiality of inside information/price sensitive information until proper dissemination of the inside information/price sensitive information via the electronic publication system operated by the Hong Kong Stock Exchange.

Good employment practices

In Hong Kong, CITIC Limited has followed the guide to good employment practices issued by the Employers' Federation of Hong Kong to ensure legally compliant, non-discriminatory and professional employment practices are implemented.

Directors' and relevant employees' securities transactions

CITIC Limited has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules as the code for dealing in securities of CITIC Limited by the directors ("Model Code"). Having made specific enquiry by CITIC Limited, all directors and senior management confirmed that they complied with the required standard set out in the Model Code throughout the year ended 31 December 2024. The interests of directors in the securities of CITIC Limited as at 31 December 2024 are set out in the Report of the Directors on pages 132 to 133 of this annual report.

In addition to the requirements set out in CITIC Limited's code of conduct, the joint company secretaries regularly write to executive management and other relevant employees who are privy to unpublished inside information/ price sensitive information, as reminders of their responsibility to comply with the provisions of the Model Code and keep the matter confidential until announced. They are also specifically reminded not to engage in any insider dealings as stipulated under Section 270 of the Securities and Futures Ordinance.

Joint Company Secretaries

Mr Zhang Yunting and Mr Ricky Choy Wing Kay (being a qualified solicitor in Hong Kong) are the joint company secretaries of CITIC Limited during the year under review. All directors have access to the advice and services of the joint company secretaries on board procedures and corporate governance matters as and when required. The joint company secretaries report to the chairman and/or vice chairman/president of CITIC Limited. Mr Zhang and Mr Choy took no less than 15 hours of relevant professional training respectively during the year under review.

Investor Relations

CITIC Limited aims to generate sustainable shareholder value. We recognise that effective management of stakeholder relationships, including those with investors, is key to realising that value. We believe that our objectives and shareholder objectives should be aligned for long-term value creation and hope that our shareholders agree with our conviction that sustainable long-term growth is more important than short-term gains.

CITIC Limited acknowledges its responsibility to engage with shareholders and respond respectfully to their questions. We aspire to transparent and open communications and are committed to timely disclosure of relevant and material information. We meet with investors regularly to update them on our business progress and strategy. In addition, we respond promptly to questions received from the media and individual shareholders. We endeavour to share financial and non-financial information that is relevant and material, and clearly communicate our business strategy through biannual and other timely communications. In all cases, great care is taken to ensure that price sensitive information is not disclosed selectively. When announcements are made through the Hong Kong Stock Exchange, the same information will be made available on CITIC Limited's website.

Shareholders' Communication Policy

CITIC Limited considers effective communication with shareholders essential to enable them to have a clear assessment of the enterprise performance as well as to ensure the board of directors is accountable. The Shareholders' Communication Policy of CITIC Limited was updated in 2022 to emphasise our commitment to enhancing communication with shareholders (both individual and institutional) and the investment community and to require the policy to be reviewed annually to ensure its continued effectiveness.

The full text of the Shareholders' Communication Policy of CITIC Limited is available on the Company's website. The major means of communication with shareholders of CITIC Limited are set out below:

- **Contact details provided to shareholders**
  Shareholders and the investment community shall be provided with contact details of CITIC Limited such as mailing address, email address and telephone number in order to enable them to make any query in respect of CITIC Limited. The Company supports the use of electronic and other means of communicating with shareholders and investors.

- **Information disclosure at corporate website**
  CITIC Limited endeavours to disclose all material information about the Group to all interested parties as widely and in as timely a manner as possible. CITIC Limited maintains a corporate website at https://www.citic.com/en/, where important information about CITIC Limited's activities and corporate matters such as annual reports and half-year reports to shareholders, announcements, business development and operations, corporate governance practices and other information are available for review by shareholders and other stakeholders.

  When announcements are made through the Hong Kong Stock Exchange, the same information will be made available on CITIC Limited's website.

  During the year under review, CITIC Limited has issued announcements in respect of notifiable transactions, connected transactions, continuing connected transactions and overseas regulatory announcements, which can be viewed on CITIC Limited's website (https://www.citic.com/en/investor_relation/announcements_circulars/).

- **General meetings with shareholders**
  CITIC Limited's annual general meeting provides a useful platform for direct communication between the board and shareholders. Separate resolutions are proposed on each substantial separate issue at the general meetings. The annual general meetings and other general meetings will be conducted with instant translation to encourage shareholders' participation.

- **Communication with investors**
  CITIC Limited's policy is to proactively meet with investors and analysts and participate in investor road shows. Upon the release of financial results, CITIC Limited holds investor or analyst briefings and publishes presentations on CITIC Limited's website in a timely manner.

The board has reviewed the Shareholders' Communication Policy. Having considered the above measures in place for shareholders to communicate their views, the board was satisfied that the Shareholders' Communication Policy was appropriate and effective, and had been properly implemented during the year under review.

Constitutional Documents

There were no changes in the articles of association of CITIC Limited during the year under review. The latest version of the articles of association is available on the websites of HKEX and CITIC Limited.

Dividend policy

In compliance with the requirement for a policy on payment of dividends under the code provision of the CG Code, CITIC Limited has adopted a dividend policy (the "Dividend Policy") in 2018 to enhance its transparency and to facilitate shareholders and investors to make their investment decisions.

CITIC Limited attaches importance to providing reasonable returns for investors. The Dividend Policy of CITIC Limited maintains continuity and stability and takes into consideration the long-term interests of CITIC Limited, overall interests of all shareholders and the sustainable development of CITIC Limited. In order to further enhance shareholder returns and create more value for investors, in accordance with the articles of association of CITIC Limited (the "Articles of Association") and the Dividend Policy, CITIC Limited has adopted a shareholder return plan (the "Shareholder Return Plan"). Accordingly, CITIC Limited will in principle pay cash dividends twice a year. The cash dividend distribution plan shall fully consider the future capital needs of daily operating activities and investment activities as well as future financing costs and efficiency, to ensure that the cash dividend distribution plan will not affect the sustainable operation and development of CITIC Limited. If CITIC Limited has distributable profits in one year and there are no major investment plans or major cash expenditures in the next 12 months, dividends will be distributed in cash. The amount of the cash dividend as a percentage of the net profit attributable to ordinary shareholders for the year of 2024 shall not be less than 27%, shall not be less than 28% for the year of 2025, and shall strive to reach 30% for the year of 2026. The Shareholder Return Plan is an improvement and refinement of the Dividend Policy, and is intended to provide investors with clearer guidance on the level of future dividends to be distributed by CITIC Limited. The implementation of the Shareholder Return Plan is still subject to restrictions under Hong Kong legislation and the Articles of Association.

The payment of dividend is also subject to any restrictions under Hong Kong legislation and the Articles of Association. According to the Articles of Association, CITIC Limited in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the board of directors. No dividend shall be payable except out of the profits of CITIC Limited.

Voting by poll

Resolutions put to vote at the general meetings of CITIC Limited (other than on procedural matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the shareholders at the commencement of each general meeting, and questions from shareholders regarding the voting procedures are answered. The poll results are posted on the websites of HKEX and CITIC Limited respectively on the same day as the poll.

Shareholders' rights

Set out below is a summary of certain rights of the shareholders of CITIC Limited as required to be disclosed pursuant to the mandatory disclosure requirement under the CG code:

Convening of extraordinary general meeting on requisition by shareholders

In accordance with Section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), shareholder(s) of CITIC Limited representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of CITIC Limited are entitled to send a request to CITIC Limited to convene an extraordinary general meeting ("EGM"). The written requisition must state the general nature of the business to be dealt with at the EGM and may include the text of a resolution that may properly be moved and is intended to be moved at the EGM. The request must be authenticated by the shareholder(s) making it and deposited at the registered office of CITIC Limited at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong for the attention of the joint company secretaries in hard copy form or sent to CITIC Limited in electronic form. The requisition may consist of several documents in like form, each signed by one or more of the shareholder(s) concerned.

Pursuant to Section 567 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the directors of CITIC Limited must within 21 days after the date on which the written requisition is received by CITIC Limited proceed to duly convene an EGM for a day not more than 28 days after the date on which the notice convening the EGM is given. If the directors do not do so, the shareholder(s) who requested for the EGM, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM pursuant to Section 568 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), provided that the EGM so convened shall not be held after the expiration of 3 months from the date of the original requisition.

The EGM convened by shareholders shall be convened in the same manner, as nearly as possible, as that in which general meetings are to be convened by the directors of CITIC Limited.

Procedures for directing shareholders' enquiries to the board

Shareholders may at any time send their enquiries and concerns to the board of directors of CITIC Limited in writing to CITIC Limited of which contact details are set out in the section headed "Shareholders' Enquiries" of CITIC Limited's Shareholders' Communication Policy or through writing to the joint company secretaries whose contact details are as follows:

The Joint Company Secretaries
CITIC Limited
32nd Floor, CITIC Tower,
1 Tim Mei Avenue, Central, Hong Kong
Email: contact@citic.com
Tel No.: +852 2820 2184
Fax No.: +852 2918 4838

The joint company secretaries will forward the shareholders' enquiries and concerns to the board of directors and/or relevant board committees of CITIC Limited, where appropriate, to answer the shareholders' questions.

Procedures for putting forward proposals at general meetings by shareholders

Shareholders are requested to follow Sections 615 and 616 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for including a resolution at the annual general meeting of CITIC Limited ("AGM"). The requirements and procedures are set out below:

(i) Any number of shareholders representing at least 2.5% of the total voting rights of all shareholders having a right to vote on the resolution at the AGM to which the requisition relates, or at least 50 shareholders having a right to vote on the resolution at the AGM to which the requisition relates, may submit a requisition in writing to put forward a resolution which may properly be moved at the AGM.

(ii) CITIC Limited shall not be bound by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) to give notice of the proposed resolution or to circulate a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution to shareholders of CITIC Limited entitled to receive notice of the AGM unless a copy of the requisition specifying the resolution of which notice is to be given and signed by the shareholders concerned (or 2 or more copies which between them contain the signatures of all the shareholders concerned) is deposited at the registered office of CITIC Limited at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong for the attention of the joint company secretaries in hard copy form or is sent to CITIC Limited in electronic form not later than (i) 6 weeks before the AGM to which the requisition relates; or (ii) if later, the time at which notice is given of the AGM.

The procedures for shareholders to propose a person for election as a director of CITIC Limited is available on CITIC Limited's website.

Board of Directors

XI Guohua *(Executive Director and Chairman)*
Age 61: an executive director of the Company since 2020, and chairman of the board, chairman of nomination committee, chairman of strategy and sustainability committee and chairman of executive committee of the Company since 2024. He is currently the chairman of CITIC Group Corporation, CITIC Corporation Limited and CITIC Financial Holdings Co., Ltd.. He formerly served as director of CRRC Zhuzhou Institute Co., Ltd., vice president of China Northern Locomotive & Rolling Stock Industry (Group) Corporation, executive director and CEO of China CNR Corporation Limited, executive director, vice chairman and CEO of CRRC Corporation Limited, vice chairman and president of CRRC Group Co., Ltd., chairman of Xinxing Cathay International Group Co., Ltd., director and president of China FAW Group Corporation Limited, vice chairman and president of CITIC Group Corporation, CITIC Limited and CITIC Corporation Limited. He is also a member of the 13th National Committee of China People's Political Consultative Conference. Mr Xi obtained a Master's degree, a Doctorate in engineering and is a professorate senior engineer.

ZHANG Wenwu *(Executive Director, Vice Chairman and President)*
Age 52: an executive director, vice chairman and president, a member of the nomination committee, a member of the strategy and sustainability committee and vice chairman of the executive committee of the Company since 2024. Mr Zhang is currently the vice chairman and president of CITIC Group Corporation and CITIC Corporation Limited. Mr Zhang previously served as deputy general manager of the finance & accounting department of the head office of Industrial and Commercial Bank of China Limited ("ICBC"), deputy head of Liaoning Branch, executive director and chief financial officer of ICBC-AXA Assurance Co., Ltd., director of the office of the supervisory board of the head office, general manager of the finance & accounting department of the head office, senior executive vice president of ICBC. Mr Zhang obtained a Master's degree and Doctorate in management. He is a senior accountant and one of the first batch of national grand management accountants.

LIU Zhengjun *(Executive Director)*
Age 59: an executive director of the Company since 2023. Mr Liu has been the vice president of the Company and a member of the executive committee since 2018. Currently he is an executive director and vice president of CITIC Group Corporation and CITIC Corporation Limited. Mr Liu formerly served as deputy director, director of Jinan Regional Office of National Audit Office of the People's Republic of China ("CNAO"), director general of Department of Public Finance Audit of CNAO, director general of Changchun Regional Office of CNAO, director general of Department of Non-profit Government Agencies Audit of CNAO, director general of Law Department of CNAO. Mr Liu is currently the chairman of China CITIC Financial Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Co., Ltd.). He previously served as the chairman of CITIC Trust Co., Ltd. and chairman of CITIC Construction Company Limited. He obtained a Master's degree and Doctorate in economics. He is a senior economist and a senior auditor.

WANG Guoquan *(Executive Director)*
Age 52: an executive director of the Company since 2023 and the vice president of the Company and a member of the executive committee since 2020. Currently he is an executive director and vice president of CITIC Group Corporation and CITIC Corporation Limited. Mr Wang previously served as deputy general manager and general manager of Hebei Branch of China Telecom, general manager of marketing department and deputy general manager of China Telecom Group Co., Ltd.. Mr Wang obtained a Bachelor's degree and an Executive Master of Business Administration.

YU Yang *(Non-executive Director)*
Age 60: a non-executive director, a member of the nomination committee and the strategy and sustainability committee of the Company since 2020. Ms Yu is currently a non-executive director of CITIC Group Corporation and CITIC Corporation Limited, and a director of CITIC Financial Holdings Co., Ltd.. She worked with several posts in Ministry of Finance as assistant engineer of Computing Center, engineer of Xingcai Company, deputy general manager and general manager of Zhongcaixin company, deputy director of Comprehensive Department, director of office, director of secretariat of Network Information Center Office, and chief engineer of Network Information Center (deputy director general level). Ms Yu obtained a Bachelor degree in engineering. She is a senior engineer.

ZHANG Lin *(Non-executive Director)*
Age 59: a non-executive director and a member of the remuneration committee of the Company since 2022, and a member of the audit and risk management committee of the Company since December 2023. Mr Zhang is currently a non-executive director of CITIC Group Corporation, CITIC Corporation Limited and CITIC Securities Company Limited, and a director of CITIC Financial Holdings Co., Ltd.. He worked with several posts in Ministry of Finance as senior staff member at China Enterprise Division of Finance Department of Gansu Province, senior staff member, principal staff member, deputy director of the Executive Office of Gansu Supervision & Inspection Office, assistant inspector of Gansu Supervision & Inspection Office, deputy inspector, leader of Discipline Inspection and Supervision Group of Ningxia Supervision & Inspection Office, chief inspector of Shaanxi Supervision & Inspection Office, director of Shaanxi Supervision Bureau. Mr Zhang obtained a Bachelor’s degree. He has the qualification of Chinese certified public accountant.

LI Yi (formerly known as LI Ruyi) *(Non-executive Director)*
Age 55: a non-executive director and a member of the strategy and sustainability committee of the Company since 2022. Ms Li is currently a non-executive director of CITIC Group Corporation and CITIC Corporation Limited, and a director of CITIC Financial Holdings Co., Ltd.. She worked as reporter of Anyang Daily, cadre of the publicity and education department of Anyang Municipal Commission for Discipline Inspection, deputy director of *Bronze Mirror* Editorial Office, deputy director (at section chief level) of the publicity and education department of Anyang Municipal Commission for Discipline Inspection, chief officer, deputy division chief and division chief of the educational affairs department of Beidaihe campus of China Academy of Discipline Inspection and Supervision of the CCDI and the NCS, division chief and division chief of the second division of the inspection leading group office of the Ministry of Finance, deputy inspector and secondary inspector of the Party committee of the Ministry of Finance, secondary inspector and deputy director of the cadre education center of the Ministry of Finance. Ms Li obtained a Bachelor degree in literature editing.

YUE Xuekun *(Non-executive Director)*
Age 58: a non-executive director of the Company since 2023. Mr Yue is currently a non-executive director of CITIC Group Corporation, CITIC Corporation Limited and CITIC Trust Co., Ltd., and a director of CITIC Financial Holdings Co., Ltd.. He has successively served as the manager in charge of Beijing Tianyuanzhuang Hotel, senior staff member and principal staff member of the Property Right Registration Office of the General Department of National Administrative Bureau of the State Owned Property of the People’s Republic of China, the deputy director of the Youth Work Department of the Party Committee and the secretary of the Youth League Committee (deputy director level) of National Administrative Bureau of the State Owned Property, the assistant investigator, deputy director and director of the General Department of the Party Committee of the Ministry of Finance of the People’s Republic of China, the chairman (deputy director general level) of the labour union of the Ministry of Finance, and the director general of the Bureau of Retired Cadres of the Ministry of Finance. Mr Yue obtained a Bachelor’s degree and a Master degree in public management.

YANG Xiaoping *(Non-executive Director)*
Age 61: a non-executive director of the Company since 2015. Mr Yang has rich management experiences of conglomerates. He is a member of the audit and risk management committee and the strategy and sustainability committee. He is currently the senior vice chairman of CP Group, the vice chairman and CEO of CPG China, executive director and the vice chairman of C.P. Lotus Corporation, CEO of CT Bright Holdings Limited, non-executive director of Ping An Insurance (Group) Company of China, Ltd. and Honma Golf, and an independent director of Jingdong Technology Holding Co., Ltd. (formerly known as "Jingdong Digits Technology Holding Co., Ltd"). Mr Yang was a non-executive director of Chery Holding Group Co., Ltd., non-executive director and vice chairman of the board of China Minsheng Investment (Group) Corp., Ltd. and non-executive director and vice chairman of True Corporation Public Company Limited. Mr Yang is also a member of the 12th National Committee of Chinese People's Political Consultative Conference, vice president of China Rural Research Institute of Tsinghua University, deputy director of Management Committee, Institute for Global Development of Tsinghua University and president of Beijing Association of Foreign Investment Enterprises. Mr Yang Xiaoping graduated from the School of Economics and Management of Tsinghua University with doctoral degree and has both studying and working experiences in Japan.

LI Zimin *(Non-executive Director)*
Age 53: a non-executive director of the Company since 2023. Mr Li is currently an executive director and president of China CITIC Financial Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Co., Ltd.) (the "China CITIC Financial AMC"). He has been appointed as a non-executive director of Bank of China Limited with effect from 11 March 2025. He served as the head of the corporate integrated financial services team, the general manager of the investment banking department I and the business director, deputy general manager, general manager of CITIC Trust. He has served as president of China CITIC Financial AMC since 31 October 2022 and an executive director of China CITIC Financial AMC since 19 January 2023.

Francis SIU Wai Keung *(Independent Non-executive Director)*
Age 70: an independent non-executive director of the Company since 2011. Mr Siu has the relevant professional qualification and expertise in financial reporting matters. He is the chairman of the audit and risk management committee and a member of the remuneration committee and the nomination committee. He is an independent non-executive director of China Communications Services Corporation Limited and Morgan Stanley Securities (China) Co., Ltd.. He has served as a non-executive director of the Accounting and Financial Reporting Council since 1 October 2019 with a term up to 30 September 2025. Mr Siu has retired as the chairman and an independent non-executive director of BHG Retail Trust Management Pte. Ltd. with effect from 11 November 2024. Mr Siu joined KPMG Manchester, UK in 1979 and returned to Hong Kong in 1986 and became a partner of KPMG Hong Kong in 1993. From 2000 to 2002, he was a senior partner of KPMG Shanghai Office. From 2002 to March 2010, he was a senior partner of KPMG Beijing Office, and a senior partner of Northern Region, KPMG China.

XU Jinwu *Dr-Ing. (Independent Non-executive Director)*
Age 75: an independent non-executive director of the Company since 2012. Dr Xu is a member of the audit and risk management committee, the remuneration committee and the nomination committee. He is the executive director of The Chinese Society for Metals (中國金屬學會) and the former chairman of the Metallurgical Equipment Committee of The Chinese Society for Metals (中國金屬學會冶金設備分會). He was appointed as the president of University of Science and Technology Beijing in 2004 and retired in 2013. He served as an independent director of Ningbo Donly Transmission Equipment Co., Ltd. from January 2006 to January 2012 and Xinyu Iron & Steel Co., Ltd. from April 2006 to April 2009.

Anthony Francis NEOH *(Independent Non-executive Director)*
Age 78: an independent non-executive director of the Company since 2014. Mr Neoh is the chairman of the remuneration committee, and a member of the audit and risk management committee, the nomination committee and the strategy and sustainability committee. He has until October 2016, been a member of the International Advisory Council of the China Securities Regulatory Commission ("CSRC"). He also previously served as chief advisor to the CSRC, a member of the Hong Kong Special Administrative Region Basic Law Committee under the Standing Committee of the National People's Congress, chairman of the Hong Kong Securities and Futures Commission, a member of the Hong Kong Stock Exchange Council and its Listing Committee, and chaired its Disciplinary Committee and Debt Securities Group, and Deputy Judge of the Hong Kong High Court. From 1996 to 1998, he was chairman of the Technical Committee of the International Organisation of Securities Commissions. He was appointed as Queen's Counsel (now retitled as Senior Counsel) in Hong Kong in 1990. Mr Neoh graduated from the University of London with a degree in Law in 1976. He is a barrister of England and Wales and admitted to the State Bar of California. In 2003, he was conferred the Degree of Doctor of Laws, *honoris causa*, by the Chinese University of Hong Kong. He was formerly elected Honorary Fellow of the Hong Kong Securities Institute and Academician of the International Euro-Asian Academy of Sciences in 2009. In 2013, he was awarded the Degree of Doctor of Social Science, *honoris causa*, by the Open University of Hong Kong. In 2016, he was also awarded the Degree of Doctor of Social Science, *honoris causa*, by Lingnan University. In 2024, he was conferred the Degree of Doctor of Law, *honoris causa*, by the University of London. He was formerly the chairman of the Independent Police Complaints Council and his term of appointment ended on 31 May 2021. He was formerly a non-executive director of Global Digital Creations Holdings Limited. He also previously served as an independent non-executive director of Link Asset Management Limited (manager of Link Real Estate Investment Trust), China Shenhua Energy Company Limited, Bank of China Limited, China Life Insurance Company Limited, New China Life Insurance Company Ltd. and Industrial and Commercial Bank of China Limited.

Gregory Lynn CURL *(Independent Non-executive Director)*
Age 76: an independent non-executive director and a member of the nomination committee of the Company since 2019. Mr Curl is currently Advisory Senior Director of Temasek Advisors Pte Ltd. He was Vice Chairman – Asia of Temasek International Pte. Ltd. from 1 January 2023 to 31 March 2024. Mr Curl joined Temasek International as president on 1 September 2010 following his retirement from Bank of America ("BAC") in March 2010. He brings with him a banking career of over 30 years. During his time with BAC, Mr Curl served in a number of senior executive capacities including vice chairman of corporate development, and last held the position of chief risk officer. He was a member of the International Advisory Council of National Financial Regulatory Administration (formerly China Banking and Insurance Regulatory Commission). Mr Curl was appointed as an independent non-executive director of the Company in May 2011 and was re-designated as a non-executive director in August 2014 by reason of a shareholding interest held by Temasek group in a subsidiary of CITIC Pacific Limited (further details of which are set out in the Company's announcement dated 25 August 2014). Such shareholding interest has since been disposed. Mr Curl held such position until September 2014. He was also a director of the University of Virginia's Jefferson Scholars Foundation, The Enstar Group, Inc., Grupo Financiero Santander Serfin, and a non-executive director of China Construction Bank Corporation. He is a director of Post Holdings, Inc. (listed on the New York Stock Exchange), chairman and director of Rivulis Irrigation Ltd (Israeli company) and Rivulis Pte Ltd (Singapore private company). Mr Curl received a Bachelor degree in Political Science from Southwest Missouri State University and a Master degree in Government from the University of Virginia. He was named a Woodrow Wilson Fellow in 1970 and was a Philip Dupont Scholar and a McIntire Fellow at the University of Virginia.

Toshikazu TAGAWA *(Independent Non-executive Director)*
Age 71: an independent non-executive director and a member of the strategy and sustainability committee of the Company since 2021. Mr Tagawa joined Audit Firm Asahi & Co. (now known as KPMG AZSA LLC) in November 1979, where he performed audit engagements. From November 1984 to June 2008, he worked as a tax professional at Ernst & Young ("EY") New York office for 18 years, EY San Francisco office for 4 years and Arthur Andersen New York office for 2 years, and became an EY US tax partner in 1996. From July 2008 to June 2010, he was stationed as a tax partner at EY Tax Co. in Japan. From July 2010 to June 2012, Mr Tagawa was stationed as a tax partner at Shanghai office of EY China, managing tax engagements of the Japanese Business Services in China. Mr Tagawa retired from EY US in June 2012. From July 2012 to April 2015, he assumed the position of Managing Director of the Financial Services Department of Ernst & Young ShinNihon LLC. From May 2015 to December 2020, he was appointed as a director and CFO of "Japan SR Association" which managed Super Rugby Japan team. He was appointed as CEO of Ranzan USA Corp. as of September 2018. Mr Tagawa is appointed as a member of the Audit & Supervisory Board of Sumitomo Rubber Industries, Ltd. from 28 March 2024. He resigned as a member of the Audit & Supervisory Board of Sumitomo Mitsui DS Asset Management Co., Ltd. with effect from 26 June 2024. Mr Tagawa graduated from Kobe University of Commerce (now known as University of Hyogo) with a Bachelor degree in Business Administration in March 1977. From September 2016 to March 2019, he was a visiting professor in the Faculty of Economics at Musashi University. Mr Tagawa is a licensed Certified Public Accountant.

CHEN Yuyu *(Independent Non-executive Director)*
Age 54: an independent non-executive director and a member of the strategy and sustainability committee of the Company with effect from 29 August 2024. Mr Chen is currently an independent non-executive director of Onewo Inc. and an independent director of Taikang Funds. Mr Chen joined the Department of Applied Economics, Guanghua School of Management, Peking University in September 2003 and has successively served as a lecturer, an associate professor, and a professor since then. Mr Chen currently serves as the director of the Institute of Economic Policy at Peking University. Mr Chen served as an independent director of Guangdong Xinhui Meida Nylon Co., Ltd. from June 2017 to January 2024; an independent director of Zhanjiang Guolian Aquatic Products Co., Ltd. from November 2019 to January 2021; an independent director of Meizhou Hakka Bank Co., Ltd. since August 2017 and retired in September 2023; and an external director of Haode Technology Co., Ltd. since February 2016 and resigned in June 2024. Mr Chen's research interests are mainly in the areas of economic development and productivity, human capital and growth, health and pollution, behavioural economics and labour markets, income distribution and regional disparities. His research has been published in the "Proceedings of the National Academy of Sciences" (PNAS), "Journal of Political Economy", "American Economic Review", "Review of Economics and Statistics", "Journal of Human Resources" (JHR), "Journal of Economic Policy" (JEP), "Journal of Health Economics", "Journal of Environmental Economics and Management", "Exploration in Economic History", "Population Studies" and other international academic journals. Mr Chen obtained a Bachelor's degree in Economics from Peking University in July 1994. He then obtained a Doctorate degree in Economics from the Australian National University in September 2003. Mr Chen was granted The National Science Fund for Distinguished Young Scholars in 2014, and he was recognised as the Fellow of Chang Jiang Scholars Program in April 2017. Mr Chen is listed in the list of highly cited scholars in China of Elsevier, a leading global publishing group. He has won the second and third prizes of the Ministry of Education's Colleges and Universities Outstanding Achievement Award in Social Sciences, and Li Yining Research Award.

Senior Management

ZHANG Shixin
Age 53: a member of the executive committee of the Company since 2025. Mr Zhang is deputy secretary of the Party Committee of CITIC Group Corporation since January 2025. He formerly served as director general of the General Office, director general of the Department of Personnel and deputy secretary general of the National Development and Reform Commission. Mr Zhang obtained a Master degree in Arts.

CUI Jun
Age 60: a member of the executive committee of the Company since 2018. Mr Cui currently serves as leader of Discipline Inspection and Supervision Group of CITIC Group Corporation for The Central Commission for Discipline Inspection of the CPC and The National Supervisory Commission. He formerly served as presiding judge of the second economic tribunal, presiding judge of the second civil tribunal, vice president and member of CPC Party Committee of High People's Court of Heilongjiang Province, executive deputy chief of CPC Party Discipline Inspection Commission, director general of Supervision Department, deputy director general of Supervision Commission of Heilongjiang Province, and chief of the CPC Party Discipline Inspection Commission of CITIC Group Corporation. Mr Cui obtained a Master's degree and Doctorate in Law.

FANG Heying
Age 58: vice president of the Company and a member of the executive committee since 2020. Currently Mr Fang is vice president of CITIC Group Corporation and CITIC Corporation Limited. Mr Fang has been appointed as the chairman of China CITIC Bank Corporation ("China CITIC Bank") with effect from 3 August 2023. He successively served as vice president of Hangzhou Branch, president of Suzhou Branch, head of financial market business of head office, vice president, chief financial officer and president of China CITIC Bank, etc. Mr Fang obtained a Bachelor's degree and an Executive Master of Business Administration. He is a senior economist.

ZENG Qi
Age 54: vice president of the Company and a member of the executive committee since 2024. Ms Zeng is vice president of CITIC Group Corporation and CITIC Corporation Limited. She formerly served as deputy general manager of the Operation and Management Department, deputy general manager of the Settlement and Cash Management Department, vice president of Hebei Branch, general manager of the Settlement and Cash Management Department and general manager of the Personal Financial Business Department of the Industrial and Commercial Bank of China. Ms Zeng obtained a Master's degree and Doctorate in Law. She is a senior accountant.

Report of the Directors

The directors have pleasure in presenting to shareholders their report for the year ended 31 December 2024.

Principal Activities

CITIC Limited is one of China's largest conglomerates and its subsidiaries are engaged in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation.

Subsidiary Companies

The name of the principal subsidiaries, their countries of incorporation, principal activities and shares issued are set out in note 61 to the consolidated financial statements.

Business Review

A fair review, discussion and analysis of the Group's business as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including the material factors underlying its results and financial position are set out in the sections headed "Chairman's Letter to Shareholders", "Financial and Business Review" and "Strategic Management" on pages 5 to 66 of this annual report. A description of the principal risks and uncertainties facing the Group is set out in the "Risk Management" section on pages 67 to 75 of this annual report. Particulars of important events affecting CITIC Limited that have occurred since the end of the financial year 2024 (if any) and the likely future development in CITIC Limited's business can also be found in this annual report. The above discussions form an integral part of the Report of the Directors.

In addition, an account of CITIC Limited's performance by reference to environmental and social-related key performance indicators and policies is provided in the standalone Environmental, Social and Governance Report 2024, which is published on the same date of this annual report and available on the websites of both Hong Kong Exchanges and Clearing Limited ("HKEX") and CITIC Limited.

Dividends

On 30 August 2024, the board of directors of CITIC Limited has resolved to declare an interim dividend of RMB0.19 per share (equivalent to HK$0.2079455 per share)(2023: RMB0.18 per share equivalent to HK$0.1964844 per share) for the year ended 31 December 2024 which was paid on 15 November 2024. At the board meeting held on 28 March 2025, the directors recommended a final dividend ("2024 Final Dividend") of RMB0.36 per share (2023: RMB0.335 per share) in respect of the year ended 31 December 2024. Subject to approval of the shareholders at the forthcoming annual general meeting of CITIC Limited to be held on 19 June 2025 (the "2025 AGM"), the proposed 2024 Final Dividend will be paid on Friday, 15 August 2025 to shareholders on CITIC Limited's register of members at the close of business on Friday, 27 June 2025, being the record date for determining the entitlement of shareholders to the proposed 2024 Final Dividend. This represents a total distribution for the year of RMB16,000 million.

The proposed 2024 Final Dividend will be payable in cash to each shareholder in HK Dollars ("HK$") (at the average benchmark exchange rate of RMB to HK$ as published by the People's Bank of China during the five business days ending on 19 June 2025 (inclusive), being the date of the 2025 AGM) 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 2024 Final Dividend in RMB, such dividend will be paid at RMB0.36 per share. To make such election, shareholders should complete the Dividend Currency Election Form, which is expected to be despatched to shareholders in early July 2025 as soon as practicable after the record date of 27 June 2025 to determine shareholders' entitlement to the proposed 2024 Final 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 Monday, 21 July 2025.

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 Friday, 15 August 2025 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 Monday, 21 July 2025, such shareholder will automatically receive the 2024 Final Dividend in HK$. All dividend payments in HK$ will be made in the usual way on Friday, 15 August 2025.

If shareholders wish to receive the 2024 Final 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 proposed dividend payment.

Donations

Donations made by CITIC Limited and its subsidiary companies during the year are set out in the standalone Environmental, Social and Governance Report 2024, which is published on the same date of this annual report and available on the websites of both HKEX and CITIC Limited.

Share Capital and Reserves

Movements in the share capital and reserves of CITIC Limited and the Group during the year are set out in note 47 to the consolidated financial statements.

Fixed Assets

Movements in fixed assets during the year are set out in note 34 to the consolidated financial statements.

Major Customers and Suppliers

During the year, both the aggregate percentage of purchases from the Group's five largest suppliers and the aggregate percentage of sales to the Group's five largest customers were less than 30% of the total purchases and sales of the Group respectively.

* CITIC Limited's Share Registrar will be changed to Tricor Investor Services Limited with effect from 30 April 2025, details of which are set out in CITIC Limited's announcement dated 2 April 2025.

Borrowings and Debt Instruments Issued

Particulars of borrowings and debt instruments issued in respect of CITIC Limited and its subsidiary companies as at 31 December 2024 are set out in notes 44 and 45 to the consolidated financial statements.

Equity-linked Agreements

No equity-linked agreements that will or may result in CITIC Limited issuing shares or that require CITIC Limited to enter into any agreements that will or may result in CITIC Limited issuing shares were entered into by CITIC Limited during the year or subsisted at the end of the year.

Directors

The directors of CITIC Limited during the year and up to the date of this report are:

Executive Directors

Mr Xi Guohua *(Chairman)*	
Mr Zhang Wenwu *(Vice Chairman and President)*	*(appointed on 28 March 2024)*
Mr Liu Zhengjun	
Mr Wang Guoquan	

Non-executive Directors

Ms Yu Yang	
Mr Zhang Lin	
Ms Li Yi (formerly known as Li Ruyi)	
Mr Yue Xuekun	
Mr Yang Xiaoping	
Mr Li Zimin	
Mr Mu Guoxin	*(resigned on 27 December 2024)*

Independent Non-executive Directors

Mr Francis Siu Wai Keung	
Dr Xu Jinwu	
Mr Anthony Francis Neoh	
Mr Gregory Lynn Curl	
Mr Toshikazu Tagawa	
Mr Chen Yuyu	*(appointed on 29 August 2024)*

Mr Mu Guoxin has confirmed that he has no disagreement with the board and that he is not aware of any matters in relation to his resignation that need to be brought to the attention of the shareholders of CITIC Limited.

Mr Zhang Wenwu who was appointed by the board as director of CITIC Limited on 28 March 2024 was re-elected as director at the annual general meeting held on 25 June 2024. Pursuant to Article 95 of the articles of association of CITIC Limited, Mr Chen Yuyu will hold office until the 2025 AGM and, being eligible, will offer himself for re-election at the 2025 AGM. With a view of enhancing a culture of good corporate governance, all the remaining directors of CITIC Limited, namely, Mr Xi Guohua, Mr Zhang Wenwu, Mr Liu Zhengjun, Mr Wang Guoquan, Ms Yu Yang, Mr Zhang Lin, Ms Li Yi, Mr Yue Xuekun, Mr Yang Xiaoping, Mr Li Zimin, Mr Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh, Mr Gregory Lynn Curl and Mr Toshikazu Tagawa will also retire voluntarily at the 2025 AGM and, all being eligible, offer themselves for re-election.

The bio data of the current directors and senior management are set out in the "Board of Directors" and "Senior Management" sections on pages 116 to 121 of this annual report.

Directors of Subsidiaries

The list of directors who have served on the boards of the subsidiaries of CITIC Limited during the year and up to the date of this report is available on CITIC Limited's website at www.citic.com.

Directors' Material Interests in Transactions, Arrangements or Contracts

Save as disclosed in the sections headed "Non-Exempt Continuing Connected Transactions" below and "Material related parties" in note 51 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to CITIC Limited's business to which CITIC Limited's subsidiaries, fellow subsidiaries or its holding company was a party or were parties and in which a director of CITIC Limited or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Service Contracts

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Management Contracts

No contracts concerning the management and/or administration of the whole or any substantial part of the business of CITIC Limited were entered into during the year or existed at the end of the year.

Permitted Indemnity

Pursuant to CITIC Limited's articles of association and subject to the provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), every director or other officers of CITIC Limited shall be entitled to be indemnified out of the assets of CITIC Limited against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. CITIC Limited has arranged Directors & Officers Liability and Company Reimbursement Insurance for its directors and officers to protect them against potential costs and liabilities arising from claims brought against them.

Related Party Transactions

CITIC Limited and its subsidiaries entered into certain transactions in the ordinary course of business and on normal commercial terms which were "Material related parties", the details of which are set out in note 51 to the consolidated financial statements of CITIC Limited. Some of these transactions also constituted "Continuing Connected Transactions" under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as summarised below.

Non-Exempt Continuing Connected Transactions

During the year under review, the Group engaged in the following non-exempt continuing connected transactions with CITIC Group and/or its associates (the "Connected Persons"), particulars of which were previously disclosed in the announcements of CITIC Limited and are required under the Listing Rules to be disclosed in this annual report and the consolidated financial statements of CITIC Limited.

1. Financial Assistance Framework Agreement — financial assistance (including in the form of entrusted loans and financing guarantee) and commercial loans provided by the Group to the Connected Persons

   The Financial Assistance Framework Agreement dated 17 November 2022 ended on 30 June 2023. Considering the business development needs of the Group and CITIC Group, CITIC Limited entered into a new financial assistance framework agreement ("2023 Financial Assistance FA") with CITIC Group on 31 March 2023 under which the Group would continue to provide financial assistance (including in the form of entrusted loans and financing guarantee) and commercial loans to the Connected Persons. Details of the above were set out in CITIC Limited's announcement dated 31 March 2023.

   2023 Financial Assistance FA

   Period: commencing from 1 July 2023 and ending on 31 December 2025

	for the year ended 31/12/2024	*for the year ending 31/12/2025*
Maximum Daily Balance:	RMB16,800,000,000	RMB18,500,000,000

   The maximum daily balance of the financial assistance under the 2023 Financial Assistance FA for the year ended 31 December 2024 was approximately RMB9,344,456,049.93.

2. Aluminium Alloy Hub and Raw Materials Procurement Framework Agreement — procurement of aluminium alloy hubs and the raw materials by the Group from the Connected Persons

Both the Aluminium Alloy Hub and Raw Materials Procurement Framework Agreement dated 1 April 2021 and the supplemental agreement thereto dated 1 April 2022 ended on 31 December 2023. Considering the business development needs of the Group, CITIC Limited entered into a new aluminium alloy hub and raw materials procurement framework agreement ("New Aluminium Alloy Hub and Raw Materials Procurement FA") with CITIC Group on 20 November 2023 under which the Group would continue to procure aluminium alloy hubs and the raw materials from the Connected Persons. Details of the above were set out in CITIC Limited's announcement dated 20 November 2023.

New Aluminium Alloy Hub and Raw Materials Procurement FA

Period: commencing from 1 January 2024 and ending on 31 December 2026

Annual Caps:	*for the year ended 31/12/2024*	*for the year ending 31/12/2025*	*for the year ending 31/12/2026*
– Aluminium Alloy Hubs	RMB680,000,000	RMB680,000,000	RMB680,000,000
– Raw Materials	RMB1,200,000,000	RMB1,200,000,000	RMB1,200,000,000

The transaction amounts under the New Aluminium Alloy Hub and Raw Materials Procurement FA for the year ended 31 December 2024 were approximately RMB551,297,653.39 for Aluminium Alloy Hubs and approximately RMB68,930,755.56 for the Raw Materials.

3. Asset Transfer Framework Agreement and Financial Consulting and Asset Management Service Framework Agreement

References are made to the announcement dated 27 August 2020 and the circular dated 12 October 2020 issued by China CITIC Bank Corporation Limited ("CITIC Bank", a non-wholly-owned subsidiary of CITIC Limited), and the announcement of CITIC Limited dated 9 June 2021 with respect to, among other things, the asset transfer framework agreement and the financial consulting service and asset management service framework agreement, both entered into on 27 August 2020 between CITIC Bank and CITIC Group, which ended on 31 December 2023. CITIC Bank entered into on 8 November 2023 with CITIC Group a new asset transfer framework agreement ("New Asset Transfer FA") in relation to the transfer of loans and other related assets, and a new financial consulting and asset management service framework agreement ("New Financial Consulting and Asset Management Service FA") in relation to the entrusted disposal of overdue personal credit assets and written-off overdue corporate assets. The transactions contemplated under both New Asset Transfer FA and New Financial Consulting and Asset Management Service FA entered into between CITIC Bank and the Group are intra-group transactions not constituting continuing connected transactions of CITIC Limited, while those entered into between CITIC Bank and CITIC Group and its associates (excluding the Group) constitute continuing connected transactions of CITIC Limited. Details of the above were set out in CITIC Limited's announcement dated 20 November 2023.

New Asset Transfer FA

Period:	commencing from 1 January 2024 and ending on 31 December 2026		
	for the year ended 31/12/2024	*for the year ending 31/12/2025*	*for the year ending 31/12/2026*
Annual Cap:	RMB9,000,000,000	RMB9,000,000,000	RMB9,000,000,000

The transaction amount under the New Asset Transfer FA for the year ended 31 December 2024 was approximately RMB2,411,801,111.36.

New Financial Consulting and Asset Management Service FA

Period:	commencing from 1 January 2024 and ending on 31 December 2026		
	for the year ended 31/12/2024	*for the year ending 31/12/2025*	*for the year ending 31/12/2026*
Annual Cap: *(Service Fee)*	RMB400,000,000	RMB400,000,000	RMB400,000,000

The service fee under the New Financial Consulting and Asset Management Service FA for the year ended 31 December 2024 was approximately RMB9,459,556.76.

4. Comprehensive Information Services Framework Agreement — comprehensive information services provided by CITIC Guoan Industry Group Co., Ltd. and/or its associates to the Group

CITIC Limited entered into a comprehensive information services framework agreement ("Comprehensive Information Services FA") with CITIC Guoan Industry Group Co., Ltd. ("CITIC Guoan") on 20 November 2023 under which CITIC Guoan would continue to provide comprehensive information services to the Group. CITIC Guoan has become an associate of CITIC Group since 28 September 2023. Details of the above were set out in CITIC Limited's announcement dated 20 November 2023.

Comprehensive Information Services FA

Period:	commencing from 20 November 2023 and ending on 31 December 2025	
	for the year ended 31/12/2024	*for the year ending 31/12/2025*
Annual Cap: *(Service Fee)*	RMB4,000,000,000	RMB4,500,000,000

The service fee under the Comprehensive Information Services FA for the year ended 31 December 2024 was approximately RMB1,671,589,065.88.

The independent non-executive directors of CITIC Limited have reviewed the aforesaid continuing connected transactions for the year ended 31 December 2024 (collectively the "Transactions") and confirmed that:

a. the Transactions have been entered into in the ordinary and usual course of business of the Group;

b. the Transactions have been entered into on normal commercial terms or better; and

c. the Transactions were entered into according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of CITIC Limited as a whole.

CITIC Limited's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 (Revised), *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. The auditor issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 126 to 129 of this annual report in accordance with Rule 14A.56 of the Listing Rules.

Share Option Plan Adopted by Subsidiaries of CITIC Limited

CITIC Telecom International Holdings Limited ("CITIC Telecom")

CITIC Telecom adopted a share option plan (the "CITIC Telecom Share Option Plan") on 17 May 2007, which was valid and effective till 16 May 2017. The major terms of the CITIC Telecom Share Option Plan are as follows:

1. The purpose of the CITIC Telecom Share Option Plan is to attract and retain the best quality personnel for the development of CITIC Telecom's businesses; to provide additional incentives to CITIC Telecom Directors, Officers and Employees (as defined here below); and to promote the long term financial success of CITIC Telecom by aligning the interests of grantees to shareholders of CITIC Telecom.

2. The grantees of the CITIC Telecom Share Option Plan are any person employed by CITIC Telecom or any of its subsidiaries and any person who is an officer or director of CITIC Telecom or any of its subsidiaries (collectively the "CITIC Telecom Directors, Officers and Employees") as the board of CITIC Telecom may, in its absolute discretion, select.

3. The total number of shares of CITIC Telecom (the "CITIC Telecom Shares") issued and to be issued upon exercise of options (whether exercised or outstanding) in any 12-month period granted to each grantee must not exceed 1% of the CITIC Telecom Shares in issue. Where any further grant of options to a grantee would result in the CITIC Telecom Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the CITIC Telecom Shares in issue, such further grant shall be subject to separate approval by the shareholders of CITIC Telecom in general meeting.

4. The exercise period of any option granted under the CITIC Telecom Share Option Plan must not be more than ten years commencing on the date of grant.

5. The acceptance of an offer of the grant of the options must be made within 28 days from the date of grant with a non-refundable payment of HK$1.00 from the grantee.

6. The subscription price determined by the board of CITIC Telecom will not be less than the higher of (i) the closing price of CITIC Telecom's shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on the date of grant; and (ii) the average closing price of CITIC Telecom's shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

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 the 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 under the CITIC Telecom Share Option Plan, shall not exceed 333,505,276 CITIC Telecom Shares, being 10% of the number of the 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 year ended 31 December 2024 are as follows:

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

The grantees were CITIC Telecom Directors, Officers and Employees. None of these options were granted to the directors, chief executives or substantial shareholders of CITIC Limited.

The above share options have expired at the close of business on 23 March 2024. 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.

As at 1 January 2024, options for 3,799,500 CITIC Telecom Shares were outstanding under the CITIC Telecom Share Option Plan. During the year ended 31 December 2024, options for 856,000 CITIC Telecom Shares were exercised, options for 2,943,500 CITIC Telecom Shares have lapsed. No share options were granted nor cancelled in 2024. As at 31 December 2024, no CITIC Telecom Shares under the CITIC Telecom Share Option Plan were exercisable.

A summary of the movements of the share options during the year ended 31 December 2024 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 01.01.2024	Exercised during the year ended 31.12.2024 *(Note 1)*	Lapsed during the year ended 31.12.2024 *(Note 2)*	Balance as at 31.12.2024
24.03.2017	24.03.2019 – 23.03.2024	3,799,500	856,000	2,943,500	–

Notes:
1. The weighted average closing price of CITIC Telecom Shares immediately before the dates on which the options were exercised was HK$2.86.
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”), which was valid and effective till 26 June 2024.

Pursuant to the New Scheme, CITIC Resources may grant options to eligible persons to subscribe for shares of CITIC Resources subject to the terms and conditions stipulated therein. A summary of some of the principal terms of the New Scheme is as follows:

(a) The purposes of the New Scheme are to allow CITIC Resources (i) to be competitive and to be able to attract, retain and motivate appropriate personnel to assist the CITIC Resources group in attaining its strategic objectives by offering share options to enhance general remuneration packages; (ii) to align the interests of the directors and employees of the CITIC Resources group with the performance of CITIC Resources and the value of the shares of CITIC Resources; and (iii) to align the commercial interests of business associates, customers and suppliers of the CITIC Resources group with the interests and success of the CITIC Resources group.

(b) The eligible persons include any employee (whether full-time or part-time), director, consultant, business associate (such as, but not limited to, suppliers of goods or services to CITIC Resources group or customers of CITIC Resources group) or adviser of CITIC Resources group.

(c) 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 schemes of CITIC Resources shall not exceed 10% of the total number of shares of CITIC Resources in issue as at the date of adoption of the New Scheme.

(d) The total number of shares of CITIC Resources issued and to be issued upon the exercise of the options granted to an eligible person (including any exercised, cancelled and outstanding options) in any 12-month period up to and including the date of grant shall not exceed 1% of the total number of shares of CITIC Resources in issue.

(e) The period during which an option may be exercised is determined by the board of directors of CITIC Resources at its absolute discretion, except that no option may be exercised after 10 years from the date of grant.

(f) The minimum period for which an option must be held before it can be exercised is one year.

(g) No consideration will be payable by an eligible person upon acceptance of an option.

(h) The exercise price payable for each share of CITIC Resources under an option shall be not less than the greatest of (i) the closing price of the shares of CITIC Resources on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant (which must be a business day); (ii) the average closing price of the shares of CITIC Resources on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares of CITIC Resources.

(i) The New Scheme remains in force until 26 June 2024 unless otherwise terminated in accordance with the terms stipulated therein.

Share options do not confer rights on the holders to dividends or to vote at general meetings.

The New Scheme has expired on 26 June 2024. No share options had been granted by CITIC Resources under the New Scheme since its date of adoption and up to its expiry date.

Disclosure of Interests

Directors' interests in Shares

As at 31 December 2024, 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 were notified to CITIC Limited and 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 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 which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as adopted by CITIC Limited, to be notified to CITIC Limited and the Hong Kong Stock Exchange, were as follows:

Long positions in shares

(a) CITIC Limited

Name of Directors	Number of ordinary shares held Personal interests (held as beneficial owner)	Approximate percentage of Shareholding
Xi Guohua	130,000	0.0004%
Zhang Wenwu	112,000	0.0004%
Liu Zhengjun	29,000	0.0000%
Wang Guoquan	39,000	0.0001%

(b) Associated Corporation of CITIC Limited

Name of Director	Name of associated corporation	Number of shares held Family interests (interest of spouse)	Approximate percentage of Shareholding (A shares)
Yue Xuekun	CITIC Securities Company Limited	181,435 A Shares	0.0015%

Save as disclosed above, as at 31 December 2024, none of the directors of CITIC Limited were, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares and debentures of CITIC Limited and its associated corporations (within the meaning of Part XV of the SFO) that were required to be entered in the register kept by CITIC Limited pursuant to section 352 of the SFO, or that required to be notified to CITIC Limited and the Hong Kong Stock Exchange pursuant to the Model Code.

Arrangement to Acquire Shares or Debentures

Save for the share option plans as disclosed above, at no time during the year was CITIC Limited, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangements to enable the directors of CITIC Limited (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, CITIC Limited or any other body corporate.

Interests of Substantial Shareholders

As at 31 December 2024, 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	21,270,800,597 (Long position)	73.12% (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	21,270,800,597 (Long position)	73.12% (Long position)
Chia Tai Bright Investment Company Limited ("CT Bright") (Note 4)	Beneficial owner and interests in a section 317 concert party agreement	21,270,800,597 (Long position) 5,818,053,363 (Short position)	73.12% (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	21,270,800,597 (Long position) 5,818,053,363 (Short position)	73.12% (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	21,270,800,597 (Long position) 5,818,053,363 (Short position)	73.12% (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	21,270,800,597 (Long position) 5,818,053,363 (Short position)	73.12% (Long position) 20.00% (Short position)
China CITIC Financial AMC International Holdings Limited ("China CITIC FAMCIH") (Note 8)	Beneficial owner	1,419,532,000 (Long position)	4.88% (Long position)
China CITIC Financial Asset Management Co., Ltd. ("CITIC FAMC") (Note 9)	Beneficial owner and interests in a controlled corporation	2,876,954,158 (Long position)	9.89% (Long position)

Notes:

(1) CITIC Group is deemed to be interested in 21,270,800,597 shares: (i) by attribution of the interests of its two wholly-owned subsidiaries, CITIC Polaris (8,005,840,479 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.

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

(3) CITIC Polaris is deemed to be interested in 21,270,800,597 shares: (i) by including 8,005,840,479 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.

(4) CT Bright is deemed to be interested in 21,270,800,597 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 21,270,800,597 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 21,270,800,597 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 21,270,800,597 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.

(8) China CITIC FAMCIH, a wholly-owned subsidiary of CITIC FAMC, is beneficially interested in 1,419,532,000 shares of CITIC Limited.

(9) CITIC FAMC is deemed to be interested in 2,876,954,158 shares of CITIC Limited by including (i) 1,457,422,158 shares it holds as beneficial owner; and (ii) 1,419,532,000 shares it holds through its interest in China CITIC FAMCIH.

Shareholding Statistics

Based on the share register records of CITIC Limited, set out below is a shareholding statistics chart of the registered shareholders of CITIC Limited as at 31 December 2024:

Number of shares held	Number of shareholders	Percentage
1 to 1,000	3,804	58.9584
1,001 to 10,000	2,024	31.3701
10,001 to 100,000	565	8.7569
100,001 to 1,000,000	52	0.8059
1,000,001 to 100,000,000	0	0.000
100,000,001 to 500,000,000	1	0.0154
500,000,001 to 2,000,000,000	2	0.0309
2,000,000,001 above	4	0.0619
Total:	6,452	100

As at 31 December 2024, the total number of ordinary shares in issue of CITIC Limited was 29,090,262,630 and based on the share register records of CITIC Limited, HKSCC Nominees Limited held 8,942,870,549 ordinary shares in entities ranging from 1,000 to 1,000,000,000 ordinary shares and representing 30.74% of the total number of ordinary shares in issue of CITIC Limited.

Purchase, Sale or Redemption of Listed Securities

On 18 January 2024, CITIC Limited fully redeemed the USD200 million 4.7% notes under the Medium Term Note Programme upon maturity. These notes were issued in two tranches, namely, (i) USD110 million issued on 18 July 2014 and (ii) USD90 million issued on 29 October 2014. On 25 July 2024, CITIC Limited also fully redeemed the HKD400 million 4.35% notes issued on 25 July 2014 under the Medium Term Note Programme upon maturity. All 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 year ended 31 December 2024.

Sufficiency of Public Float

As at the date of this report, based on the information that is publicly available to CITIC Limited and within the knowledge of the directors, CITIC Limited has maintained the prescribed public float under the Listing Rules.

Corporate Governance

CITIC Limited's corporate governance principles and practices are set out in the Corporate Governance Report on pages 76 to 115.

Auditor

After CITIC Limited changed its auditor to KPMG in 2023, KPMG provides audit services to CITIC Limited for two consecutive years.

The Group's consolidated financial statements for the year have been audited by Messrs. KPMG, Certified Public Accountants, who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Messrs. KPMG as auditor of CITIC Limited is to be proposed at the 2025 AGM.

By Order of the Board,
Xi Guohua
Chairman
Hong Kong, 28 March 2025

Past Performance and Forward Looking Statements

Performance and results of the operations of CITIC Limited for previous years described within this Annual Report are historical in nature. Past performance is no guarantee of the future results of CITIC Limited. This Annual 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 Annual Report; and (b) any liability arising from any forward looking statements or opinions that do not materialise or prove to be incorrect.

Contents of Financial Statements and Notes

Consolidated Income Statement

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

		For the year ended 31 December	
	Note	**2024**	2023
Interest income		**329,864**	338,914
Interest expenses		**(181,491)**	(190,395)
Net interest income	5(a)	**148,373**	148,519
Fee and commission income		**74,421**	73,046
Fee and commission expenses		**(15,328)**	(11,456)
Net fee and commission income	5(b)	**59,093**	61,590
Sales of goods and services	5(c)	**479,216**	417,580
Other revenue	5(d)	**66,188**	53,143
		545,404	470,723
Total revenue		**752,870**	680,832
Cost of sales and services	6	**(430,488)**	(368,452)
Other net income	7	**12,618**	8,657
Expected credit losses	8	**(59,383)**	(65,615)
Impairment losses	9	**(2,027)**	(4,595)
Other operating expenses	11	**(136,292)**	(126,426)
Net valuation loss on investment properties		**(165)**	(177)
Share of profits of associates, net of tax		**4,138**	5,695
Share of profits of joint ventures, net of tax		**2,492**	3,708
Profit before net finance charges and taxation		**143,763**	133,627
Finance income		**2,235**	1,832
Finance costs		**(13,341)**	(12,172)
Net finance charges	10	**(11,106)**	(10,340)
Profit before taxation	11	**132,657**	123,287
Income tax	12	**(24,902)**	(18,013)
Profit for the year		**107,755**	105,274
Attributable to:			
– Ordinary shareholders of the Company		**58,202**	57,594
– Non-controlling interests		**49,553**	47,680
Profit for the year		**107,755**	105,274
Earnings per share for profit attributable to ordinary shareholders of the Company during the year:			
Basic earnings per share (RMB)	16	**2.00**	1.98
Diluted earnings per share (RMB)	16	**1.97**	1.98

The notes on pages 147 to 303 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

		For the year ended 31 December	
	Note	**2024**	2023
Profit for the year		**107,755**	105,274
Other comprehensive income for the year	17		
Items that may be reclassified subsequently to profit or loss:			
Fair value changes on debt instruments at fair value through other comprehensive income		**11,133**	5,143
Change of loss allowance on debt investments at fair value through other comprehensive income		**76**	(60)
Cash flow hedge: net movement in the hedging reserve		**(137)**	(211)
Share of other comprehensive loss of associates and joint ventures		**(2,572)**	(2,776)
Exchange differences on translation of financial statements and others		**1,565**	1,132
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain/(loss) on owner-occupied property reclassified as investment property		**101**	(2)
Fair value changes on equity investments designated at fair value through other comprehensive income		**123**	(138)
Share of other comprehensive income of associates and joint ventures		**59**	–
Other comprehensive income for the year		**10,348**	3,088
Total comprehensive income for the year		**118,103**	108,362
Attributable to:			
– Ordinary shareholders of the Company		**64,628**	58,388
– Non-controlling interests		**53,475**	49,974
Total comprehensive income for the year		**118,103**	108,362

The notes on pages 147 to 303 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	**31 December 2024**	31 December 2023
Assets			
Cash and deposits	19	**608,487**	625,135
Cash held on behalf of customers	20	**315,761**	239,019
Placements with banks and non-bank financial institutions	21	**404,801**	237,742
Derivative financial instruments	22	**135,218**	77,562
Trade and other receivables	23	**266,387**	254,452
Contract assets	24	**22,414**	24,312
Inventories	25	**123,637**	135,142
Financial assets held under resale agreements	26	**179,829**	164,983
Loans and advances to customers and other parties	27	**5,601,071**	5,380,140
Margin accounts	28	**138,332**	118,746
Investments in financial assets	29	**3,538,851**	3,356,367
– Financial assets at amortised cost		**1,108,159**	1,076,039
– Financial assets at fair value through profit or loss		**1,401,113**	1,292,115
– Debt investments at fair value through other comprehensive income		**926,931**	967,803
– Equity investments at fair value through other comprehensive income		**102,648**	20,410
Refundable deposits	30	**68,215**	62,182
Interests in associates	32	**107,733**	109,791
Interests in joint ventures	33	**66,955**	56,787
Fixed assets	34	**218,052**	210,719
Investment properties	34	**40,691**	38,153
Right-of-use assets		**49,285**	51,424
Intangible assets	35	**22,640**	22,537
Goodwill	35	**26,744**	26,076
Deferred tax assets	36	**84,972**	83,327
Other assets		**55,350**	56,324
Total assets		**12,075,425**	11,330,920

Consolidated Statement of Financial Position (Continued)

As at 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	31 December 2024	31 December 2023
Liabilities			
Borrowings from central banks		**124,151**	273,226
Deposits from banks and non-bank financial institutions	37	**935,159**	893,565
Placements from banks and non-bank financial institutions	38	**145,644**	150,493
Financial liabilities at fair value through profit or loss	39	**127,140**	88,552
Customer brokerage deposits	40	**361,926**	282,534
Funds payable to securities issuers		**1,063**	35
Derivative financial instruments	22	**134,331**	73,755
Trade and other payables	41	**385,896**	391,948
Contract liabilities	24	**21,099**	31,482
Financial assets sold under repurchase agreements	42	**672,087**	744,571
Deposits from customers	43	**5,847,939**	5,459,993
Employee benefits payables		**57,386**	56,933
Income tax payable	36	**12,376**	9,234
Bank and other loans	44	**245,566**	235,770
Debt instruments issued	45	**1,497,138**	1,221,107
Lease liabilities		**19,049**	20,348
Provisions	46	**13,801**	16,130
Deferred tax liabilities	36	**17,731**	16,747
Other liabilities		**32,929**	27,715
Total liabilities		**10,652,411**	9,994,138
Equity	47		
Share capital		**307,576**	307,576
Reserves		**449,911**	395,602
Total ordinary shareholders' funds		**757,487**	703,178
Non-controlling interests		**665,527**	633,604
Total equity		**1,423,014**	1,336,782
Total liabilities and equity		**12,075,425**	11,330,920

Approved and authorised for issue by the board of directors on 28 March 2025.

Director: **Xi Guohua**

Director: **Zhang Wenwu**

The notes on pages 147 to 303 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	Share capital Note 47(a)	Capital reserve Note 47(b)(i)	Hedging reserve Note 47(b)(ii)	Investment related reserves Note 47(b)(iii)	General reserve Note 47(b)(iv)	Exchange reserve Note 47(b)(v)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2024		**307,576**	**(42,395)**	**2,539**	**(8,232)**	**59,556**	**7,842**	**376,292**	**703,178**	**633,604**	**1,336,782**
Profit for the year		–	–	–	–	–	–	58,202	58,202	49,553	107,755
Other comprehensive (loss)/income for the year	17	–	–	(98)	5,190	–	1,334	–	6,426	3,922	10,348
Total comprehensive income for the year		–	–	(98)	5,190	–	1,334	58,202	64,628	53,475	118,103
Transactions with non-controlling interests	54	–	1,274	–	–	–	–	–	1,274	(289)	985
Appropriation to general reserve		–	–	–	–	5,271	–	(5,271)	–	–	–
Dividends paid to ordinary shareholders of the Company	15	–	–	–	–	–	–	(15,272)	(15,272)	–	(15,272)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(27,522)	(27,522)
Conversion of subsidiary's convertible corporate bonds		–	3,694	–	–	–	–	–	3,694	2,518	6,212
Other equity instruments issued by subsidiaries	53(c)	–	–	–	–	–	–	–	–	44,000	44,000
Other equity instruments redeemed by subsidiaries	53(c)	–	–	–	–	–	–	–	–	(39,993)	(39,993)
Disposal of equity investments at fair value through other comprehensive income		–	–	–	181	–	–	(181)	–	–	–
Share of other comprehensive income of associates and joint ventures that will not be reclassified subsequently to profit or loss		–	–	–	(410)	–	–	410	–	–	–
Others		–	(15)	–	–	–	–	–	(15)	(266)	(281)
Other changes in equity		–	4,953	–	(229)	5,271	–	(20,314)	(10,319)	(21,552)	(31,871)
Balance at 31 December 2024		307,576	(37,442)	2,441	(3,271)	64,827	9,176	414,180	757,487	665,527	1,423,014

Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	Share capital Note 47(a)	Capital reserve Note 47(b)(i)	Hedging reserve Note 47(b)(ii)	Investment related reserves Note 47(b)(iii)	General reserve Note 47(b)(iv)	Exchange reserve Note 47(b)(v)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2022 (restated)		307,576	(43,822)	2,750	(8,524)	55,773	6,838	339,518	660,109	574,568	1,234,677
Effect on accounting policy change		–	–	–	217	–	–	347	564	–	564
Balance at 1 January 2023		307,576	(43,822)	2,750	(8,307)	55,773	6,838	339,865	660,673	574,568	1,235,241
Profit for the year		–	–	–	–	–	–	57,594	57,594	47,680	105,274
Other comprehensive (loss)/income for the year	17	–	–	(211)	1	–	1,004	–	794	2,294	3,088
Total comprehensive income for the year		–	–	(211)	1	–	1,004	57,594	58,388	49,974	108,362
Transactions with non-controlling interests		–	1,456	–	–	–	–	–	1,456	429	1,885
Appropriation to general reserve		–	–	–	–	3,783	–	(3,783)	–	–	–
Dividends paid to ordinary shareholders of the Company	15	–	–	–	–	–	–	(17,224)	(17,224)	–	(17,224)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(19,838)	(19,838)
Other equity instruments issued by subsidiaries	53(c)	–	–	–	–	–	–	–	–	3,000	3,000
Other equity instruments redeemed by subsidiaries	53(c)	–	–	–	–	–	–	–	–	(3,506)	(3,506)
Acquisition of subsidiaries		–	–	–	–	–	–	–	–	28,925	28,925
Business combination under common control		–	(101)	–	–	–	–	(86)	(187)	–	(187)
Disposal of equity investments at fair value through other comprehensive income		–	–	–	74	–	–	(74)	–	–	–
Others		–	72	–	–	–	–	–	72	52	124
Other changes in equity		–	1,427	–	74	3,783	–	(21,167)	(15,883)	9,062	(6,821)
Balance at 31 December 2023		307,576	(42,395)	2,539	(8,232)	59,556	7,842	376,292	703,178	633,604	1,336,782

The notes on pages 147 to 303 form part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

		For the year ended 31 December	
	Note	**2024**	2023
Cash flows from operating activities			
Profit before taxation		**132,657**	123,287
Adjustments for:			
– Depreciation and amortisation	11(b)	**27,560**	23,059
– Expected credit losses	8	**59,383**	65,615
– Impairment losses	9	**2,027**	4,595
– Net valuation loss on investment properties		**165**	177
– Net valuation loss/(gain) on investments		**400**	(5,886)
– Share of profits of associates and joint ventures, net of tax		**(6,630)**	(9,403)
– Interest expenses on debt instruments issued	5(a)	**33,256**	29,753
– Finance income	10	**(291)**	(1,832)
– Finance costs	10	**12,902**	12,172
– Net gain on investments in financial assets		**(30,329)**	(41,387)
– Net gain on disposal/deemed disposal of subsidiaries, associates and joint ventures		**(3,793)**	(74)
Changes in working capital		**227,307**	200,076
Decrease in deposits with central banks and non-bank financial institutions		**37,317**	6,587
(Increase)/decrease in placements with banks and non-bank financial institutions		**(124,278)**	5,305
Increase in trade and other receivables		**(57,003)**	(19,315)
Decrease/(increase) in contract assets		**1,897**	(3,583)
Decrease/(increase) in inventories		**9,423**	(14,348)
Increase in financial assets held under resale agreements		**(15,187)**	(88,488)
Increase in loans and advances to customers and other parties		**(262,820)**	(376,387)
Decrease/(increase) in investments in financial assets held for trading purposes		**2,391**	(163,737)
(Increase)/decrease in cash held on behalf of customers		**(76,742)**	6,704
Increase in other operating assets		**(75,948)**	(36,212)
Increase/(decrease) in deposits from banks and non-bank financial institutions		**38,267**	(209,526)
(Decrease)/increase in placements from banks and non-bank financial institutions		**(9,228)**	43,416
Increase in financial liabilities at fair value through profit or loss		**93**	5
Decrease in trade and other payables		**(12,683)**	(25,992)
(Decrease)/increase in contract liabilities		**(10,383)**	1,886
(Decrease)/increase in financial assets sold under repurchase agreements		**(68,851)**	245,599
Increase in deposits from customers		**355,643**	286,072
(Decrease)/increase in borrowings from central banks		**(148,593)**	152,670
Increase in customer brokerage deposits		**78,428**	4,519
Increase/(decrease) in other operating liabilities		**69,220**	(8,732)
Increase in employee benefits payables		**453**	1,873
Decrease in provisions		**(2,329)**	(1,280)
Cash (used in)/generated from operating activities		**(43,606)**	7,112
Income tax paid		**(22,113)**	(29,910)
Net cash used in operating activities		**(65,719)**	(22,798)

Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	For the year ended 31 December 2024	2023
Cash flows from investing activities			
Proceeds from disposal and redemption of financial investments		**3,862,555**	2,807,715
Proceeds from disposal of fixed assets, intangible assets and other assets		**1,568**	1,627
Proceeds from disposal of associates and joint ventures		**6,417**	182
Net cash payment for disposal of subsidiaries		**–**	(1)
Dividends received from equity investments, associates and joint ventures		**5,598**	7,420
Payments for purchase of financial investments		**(3,952,815)**	(2,829,310)
Payments for additions of fixed assets, intangible assets and other assets		**(28,647)**	(24,304)
Net cash received from acquisition of subsidiaries		**–**	1,973
Cash outflow on acquisition of associates and joint ventures		**(851)**	(3,582)
Net cash used in investing activities		**(106,175)**	(38,280)
Cash flows from financing activities			
Capital injection received from non-controlling interests		**3,156**	236
Transaction with non-controlling interests		**(2,125)**	1,541
Proceeds from bank and other loans	53(b)	**309,605**	289,200
Proceeds from debt instruments issued	53(b)	**1,805,627**	1,340,976
Repayment of bank and other loans and debt instruments issued	53(b)	**(1,831,324)**	(1,553,791)
Issuance of other equity instruments by subsidiaries	53(c)	**44,000**	3,000
Principal and interest elements of lease payments	53(b)	**(6,087)**	(6,045)
Interest paid on bank and other loans and debt instruments issued	53(b)	**(49,169)**	(43,735)
Dividends paid to non-controlling interests		**(24,596)**	(21,624)
Dividends paid to ordinary shareholders of the Company	15	**(15,272)**	(17,300)
Repayment of perpetual bonds	53(c)	**(39,993)**	(3,516)
Net cash generated from/(used in) financing activities		**193,822**	(11,058)
Net increase/(decrease) in cash and cash equivalents		**21,928**	(72,136)
Cash and cash equivalents at 1 January		**359,383**	427,809
Effect of exchange changes		**4,088**	3,710
Cash and cash equivalents at 31 December	53(a)	**385,399**	359,383

The notes on pages 147 to 303 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

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 address of its registered office is 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central Hong Kong.

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, new-type urbanisation, etc.

The parent and the ultimate holding company of the Company is CITIC Group Corporation ("CITIC Group"). As at 31 December 2024, the equity interests held by CITIC Group in the Company through its overseas wholly-owned subsidiaries was 53.12% (31 December 2023: 53.12%).

2 Material accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), which in collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments or interpretations to HKFRSs. The Group has adopted those amendments or interpretations to the HKFRSs issued by the HKICPA that are first effective for the year ended 31 December 2024 (see Note 2(b)(i)).

(b) Changes in material accounting policies

(i) New and amended HKFRs

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current ("2020 amendments")* and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants ("2022 amendments") (collectively referred to as "HKAS 1 amendments")*

- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

2 Material accounting policies (Continued)

(b) Changes in material accounting policies (Continued)

(i) New and amended HKFRs (Continued)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

HKAS 1 amendments

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

The amendments do not have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application.

The amendments do not have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 7*, Statement of cash flows* and HKFRS 7*, Financial instruments: Disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The Group has provided the new disclosures in Note 53(b).

2 Material accounting policies (Continued)

(c) Functional currency and presentation currency

The functional currency of the Company is HK$. The functional currencies of subsidiaries are determined in accordance with the primary economic environment in which they operate, and are translated into RMB for the preparation of the consolidated financial statements (see Note 2(i)). The financial statements of the Group are presented in RMB and, unless otherwise stated, expressed in million of RMB.

(d) Basis of measurement

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair values as explained in the accounting policies set out below:

- investment properties (see Note 2(n));
- financial assets and liabilities at fair value through profit or loss (see Note 2(j));
- financial assets at fair value through other comprehensive income (see Note 2(j)); and
- fair value hedged items (see Note 2(k)(i)).

(e) Use of estimates and judgement

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 3.

2 Material accounting policies (Continued)

(f) Subsidiaries and non-controlling interests

(i) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total face value of shares issued) is adjusted against the capital reserve. Any cost directly attributable to the combination is recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

(ii) Business combinations not involving entities under common control

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition date fair value of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition date fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill. If (1) is less than (2), the difference is recognised in profit or loss for the current period. The costs of equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. Other acquisition-related costs are expensed when incurred. Any difference between the fair value and the carrying amount of the assets or liabilities transferred as consideration is recognised in profit or loss. The acquiree's identifiable assets, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

For a business combination not involving entities under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date. The difference between the fair value and the carrying amount is recognised in profit or loss for the current period; the amount recognised in other comprehensive income relating to the previously-held equity interest in the acquiree are transferred to profit or loss in the period in which the acquisition occurs.

2 Material accounting policies (Continued)

(f) Subsidiaries and non-controlling interests (Continued)

(iii) Consolidated financial statements

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries which includes structured entities controlled by the Group.

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

When assessing whether the Group has power, only substantive rights are considered including the substantive rights held by the Group and other parties.

An investment in a subsidiary is consolidated into the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

Where a subsidiary was acquired during the reporting period, through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements as if the combination had occurred at the date the ultimate controlling party first obtained control. Therefore, the opening balances and the comparative figures of the consolidated financial statements are restated. In the preparation of the consolidated financial statements, the subsidiary's assets, liabilities and results of operations are included in the consolidated statement of financial position and the consolidated statement of comprehensive income, respectively, based on their carrying amounts, from the date that common control was established.

Where a subsidiary was acquired during the reporting period, through a business combination involving entities not under common control, the identifiable assets, liabilities and results of operations of the subsidiaries are consolidated into the consolidated financial statements from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the ordinary shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the ordinary shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Note 2(j).

When the amount of loss for the current period attributable to the non-controlling interest of a subsidiary exceeds the non-controlling interest's portion of the opening balance of shareholders' equity of the subsidiary, the excess is allocated against the non-controlling interests.

2 Material accounting policies (Continued)

(f) Subsidiaries and non-controlling interests (Continued)

(iii) Consolidated financial statements (Continued)

When the accounting period or accounting policies of a subsidiary are different from those of the Group, the Group makes necessary adjustments to the financial statements of the subsidiary based on the Group's own accounting period or accounting policies. Intra-group balances, transactions and cash flows, and any unrealised profit or loss arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are recognised fully in profit or loss when evidence of impairment of assets being provided.

If there is a difference between the accounting entity of the Group and the accounting entity of the Company or a subsidiary on measuring the same transaction, the transaction will be adjusted from the perspective of the Group.

Where the Group acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the share of identifiable net assets of the subsidiary calculated using the additional share or the disposed share and the amount of the consideration paid or received is adjusted to the reserve (capital reserve) in the consolidated statement of financial position.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss, and the Group derecognises assets, liabilities, non-controlling interests and other related items in shareholders' equity in relation to that subsidiary. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(j)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 2(g)).

(iv) Investment in subsidiaries

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(u)).

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2 Material accounting policies (Continued)

(g) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to its net assets and obligations for its liabilities.

In the consolidated financial statements, an interest in an associate or a joint venture is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Note 2(u)). Any acquisition-date excess of the Group's share of the fair value of the investee's identifiable net assets over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition, net share of the investees' other comprehensive income is recognised in other comprehensive income of the Group. The Group's interest in associate or joint venture is included in the consolidated financial statements from the date that significant influence or joint control commences until the date that significant influence or joint control ends.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates and joint ventures. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associate and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss. If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the cost on initial recognition of a financial asset (see Note 2(j)).

In the Company's statement of financial position, an investment in an associate or joint venture is stated at cost less impairment losses (see Note 2(u)).

2 Material accounting policies (Continued)

(h) Goodwill

Goodwill represents the excess of the consideration transferred, including the amount of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and the equity securities issued by the acquirer at the date of acquisition, over the fair value of the Group's share of the identifiable net assets acquired, when the excess is positive, otherwise it's recognised directly in profit or loss.

Impairment losses on goodwill cannot be reversed in the future.

(i) Translation of foreign currencies

Foreign currency transactions of the Group are, on initial recognition, translated by applying the foreign exchange rates ruling at the transaction dates. Monetary items denominated in foreign currencies are translated at the foreign exchange rates ruling at the reporting date, the resulting exchange differences are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates ruling at the transaction dates. Non-monetary items that are measured at fair value in a foreign currency are translated using the foreign exchange rates ruling at the dates the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

The financial statements of the Group's subsidiaries with a foreign functional currency are translated into RMB for the preparation of the Group's consolidated financial statements. The assets and liabilities in these financial statements are translated into RMB at the foreign exchange rates ruling at the reporting date. The equity items, except for "retained earnings", are translated to RMB at the foreign exchange rates at the dates on which such items arose.

Income and expenses in the profit or loss are translated into RMB at the foreign exchange rates at the transaction dates or the rates approximate to. The resulting exchange differences are presented as "Reserves" (exchange reserve) in the consolidated statement of financial position within the shareholder's equity. The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency are reported in the statement of cash flows.

Upon disposal of a foreign operation, the cumulative amount of the translation differences recognised in shareholders' equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs.

2 Material accounting policies (Continued)

(j) Financial instruments

Financial instruments refer to a contract that forms one party's financial assets and another party's liabilities or equities. Financial assets and financial liabilities are recognised when the Group becomes a party of the financial instrument contracts.

(i) Financial assets

(1) Classification and Measurement

The Group classifies its financial assets into the following categories based on their business model and the contractual cash flow characteristics:

– Financial assets at amortised cost;

– Financial assets at fair value through other comprehensive income ("FVOCI");

– Financial assets at fair value through profit or loss ("FVPL").

At initial recognition, the Group measures a financial asset at its fair value. For financial assets that are at FVPL, the transaction costs are expensed in profit or loss; for financial assets with other categories, the transaction costs are recognised in the initial carrying amounts. For trade and other receivables arising from rendering of goods or services with no significant financing component, the Group measures their initial carrying amount as the cash flows that the Group is entitled and expected to receive.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, and are measured at the following three categories:

– Amortised cost:

  The business model the Group manages these financial assets is to collect the contractual cash flows where those cash flows' characteristics are consistent with those of the basic loans arrangement, i.e, the contractual cash flows of these financial assets at certain date represent solely payments of principal and interest based on the principal amount ("SPPI"), and that are not designated at FVPL. Interest income from these financial assets is recognised using the effective interest rate method.

2 Material accounting policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

(1) Classification and Measurement (Continued)

Debt instruments (Continued)

– FVOCI:

The business model the Group manages these financial assets is to collect contractual cash flows and to sell the assets, and those cash flows' characteristics are consistent with those of the basic loans arrangements, i.e, the contractual cash flows of these financial assets at certain date represent solely payments of principal and interest based on the principal amount, and that are not designated at FVPL. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, foreign exchange gains and losses and interest income on the instrument's amortised cost which are recognised in profit or loss.

– FVPL:

Assets that do not meet the criteria for amortised cost or FVOCI are at FVPL. The Group may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting the liabilities. A financial instrument is an equity instrument if, and only if, both conditions (i) and (ii) below are met: (i) The financial instrument includes no contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; (ii) If the financial instrument will or may be settled in the Group's own equity instruments, it is a non-derivative instrument that includes no contractual obligations for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

The Group subsequently measures all equity investments at FVPL, except where the Group has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. When this election is made, fair value gains and losses are recognised in other comprehensive income ("OCI") and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, are recognised in profit or loss when the Group's right to receive payments is established.

2 Material accounting policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

(2) Impairment

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its financial assets at amortised cost, debt instrument at FVOCI, lease receivables and contract assets, loan commitments and financial guarantee contracts for the issuer which are not measured at fair value through profit or loss.

When calculating the probability-weighted present value of the difference between the contractual and forecasted cash flows to be received, the Group takes reasonable and supportable information such as the past events, current conditions and forecasts of future economic conditions into consideration and uses probabilities of default as the weightings. The difference is recognised as the ECL.

At each financial position date, the Group calculates the ECL of financial instruments in different stages. Stage 1 refers to financial instruments that have not had a significant increase in credit risk since initial recognition; Stage 2 refers to financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment; Stage 3 refers to financial assets for which there are objective evidence of impairment at the reporting date since initial recognition. For these assets at Stage 1, 12-month ECL are recognised and for assets at stage 2 and 3, life-time ECL are recognised. For financial assets with low credit risks as at the financial position date, the Group recognises 12-month ECL based on the assumption that the credit risks have not significantly increased after initial recognition.

For financial assets in stage 1 and stage 2, interest income is calculated based on the gross carrying amount of the asset, that is, without deduction for credit loss, and the effective interest rates. For financial assets in stage 3, interest income is calculated on the net carry amount, that is, net of credit losses, and the effective interest rates.

The Group recognises the provision and reversal of ECL in profit or loss. For debt instrument at FVOCI, the Group makes relevant adjustments to other comprehensive income at the same time as recognising ECL in profit and loss.

For account and bills receivables and contract assets, whether there is significant financing component or not, the Group recognises life-time ECL.

2 Material accounting policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

(3) Derecognition

The Group derecognises a financial asset if one of the following conditions is met:

– The contractual rights to receive the cash flows from the financial asset expire;

– The financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of such financial asset;

– The financial asset has been transferred, the Group has not retained any control over the financial asset, even if the Group neither transfers nor retains substantially all the risks and rewards of ownerships of the financial asset.

For the Group's equity instruments not held for trading purposes and designated at FVOCI, when they are derecognised, the difference between the carrying amount and the consideration is recognised in retained earnings, also, the cumulative gains or losses previously recognised in other comprehensive income are recycled to the retained earnings; for other financial assets measured at FVOCI, the difference between the carrying amount and the consideration is recognised in profit and loss, also, the cumulative gains or losses previously recognised in other comprehensive income are recycled to profit and loss.

As part of its operations, the Group securitises financial assets, generally through the sale of these assets to structured entities which issue securities to investors. When the securitisation of financial assets qualifies for de-recognition, the relevant financial assets are de-recognised in their entirety and a new financial asset or liabilities is recognised regarding the interest in the unconsolidated securitisation vehicles that the Group acquired. When the securitisation of financial assets does not qualify for de-recognition, the relevant financial assets are not derecognised, and the consideration paid by third parties are recorded as a financial liability. When the securitisation of financial assets partially qualifies for de-recognition, where the Group has not retained control, it derecognises these financial assets. Otherwise, the Group continues to recognise these financial assets to the extent of its continuing involvement and recognises an associated liability.

The de-recognition of financial assets sold on condition of repurchase is determined by the economic substance of the transaction. If a financial asset is sold under an agreement to repurchase the same or substantially the same asset at a fixed price or at the sale price plus a reasonable return, the Group will not derecognise the asset. If a financial asset is sold together with an option to repurchase the financial asset at its fair value at the time of repurchase (in case of transferor sells such financial asset), the Group will derecognise the financial assets.

2 Material accounting policies (Continued)

(j) Financial instruments (Continued)

(i) Financial assets (Continued)

(4) Modification of investment in financial assets

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial assets and recognises the gain or loss on changes in profit or loss. The Group recognises a modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

2 Material accounting policies (Continued)

(j) Financial instruments (Continued)

(ii) Financial liabilities

The financial liabilities are classified into those measured at amortised cost and those at fair value through profit or loss at initial recognition. Financial liabilities at FVPL is applied to derivatives, financial liabilities held for trading and financial liabilities designated as such at initial recognition.

The Group's major financial liabilities are those measured at amortised cost which are measured initially at fair value less transaction costs and are measured subsequently using the effective interest method.

Financial liabilities or a portion thereof, are derecognised when their current obligation are fully or partially expired. The difference between the carrying amount of the derecognised portion and the consideration is recognised in profit or loss.

(iii) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 *Financial Instruments* ("HKFRS 9") with Note 3(b); and

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15") (if applicable).

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates and joint ventures are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2 Material accounting policies (Continued)

(j) Financial instruments (Continued)

(iv) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments, or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is based on the relevant government yield curve as at the financial position date plus an adequate constant credit spread. Where other pricing models are used, inputs are based on market data at the financial position date.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position where 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.

(vi) Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the Group assesses the entire contract as described in the financial assets section above for classification and measurement purposes. Otherwise, the embedded derivatives are treated as separate derivatives when:

- Their economic characteristics and risks are not closely related to those of the host contract;

- A separate instrument with the same terms would meet the definition of a derivative; and

- The hybrid contract is not measured at fair value through profit or loss.

2 Material accounting policies (Continued)

(j) Financial instruments (Continued)

(vi) Derivatives (Continued)

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the statement of profit or loss unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged.

(k) Hedging

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items as well as risk management goals and strategies of various hedging transactions. When a hedge no longer meets the criteria for hedge accounting or the Group's risk management goals, the Group terminates the use of hedge accounting prospectively. Situations for the Group to terminate the use of hedge accounting include hedging instrument expires, or is sold, terminated and settled.

(i) Fair value hedge

A fair value hedge refers to a hedge of the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or a component of any such item. Such changes in fair value are attributable to a particular risk and could affect profit or loss or other comprehensive income. Among them, the circumstances affecting other comprehensive income are limited to the hedge of the exposure to changes in the fair value of equity instruments designated at FVOCI not held for trading.

The gain or loss on the hedging instrument is recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges a non-trading equity instrument at FVOCI or a component thereof). The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the recognised hedged item not measured at fair value and is recognised in profit or loss. However, if the hedged item is a non-trading equity instrument at FVOCI or a component thereof, those amounts remain in other comprehensive income.

2 Material accounting policies (Continued)

(k) Hedging (Continued)

(ii) Cash flow hedge

A cash flow hedge refers to a hedge of the exposure to changes in cash flow. Such changes in cash flow are attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income as cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial item or becomes a firm commitment for which fair value hedge accounting is applied, the amount that has been accumulated in the cash flow hedge reserve is removed and included directly in the initial cost or other carrying amount of the asset or the liability. In other cases, the amount that has been accumulated in the cash flow hedge reserve is reclassified to profit or loss in the same period(s) as the hedged cash flows affect profit or loss.

If the cash flow hedge reserve recognised in other comprehensive income is a loss, and all or part of the loss is not expected to be reversed in the future. The portion that is not expected to be reversed will be transferred from other comprehensive income and recognised in profit or loss.

When an entity discontinues the use of hedge accounting for a cash flow hedge, if the hedged future cash flows are still expected to occur, the amount that has been accumulated in the cash flow hedge reserve remains there until the period that the hedged item has the impact in profit or loss; otherwise, that amount is immediately reclassified to profit or loss.

(iii) Hedge of a net investment in a foreign operation

A hedge of net investment in a foreign operation refers to hedge of the foreign exchange exposure arising from net investment in a foreign operation. The "net investment in a foreign operation" refers to an enterprise's equity proportion in the net assets in a foreign operation.

Hedge of a net investment in a foreign operation is accounted for similarly to cash flow hedges. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income; and the ineffective portion is recognised in profit or loss. The cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge is reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

2 Material accounting policies (Continued)

(k) Hedging (Continued)

(iv) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group continuously evaluate whether the hedging relationship is effective from the hedge date and after.

The hedge relationship meets hedging effectiveness requirements if the hedging meets the following conditions:

– There is an economic relationship between the hedged item and the hedging instrument;

– The effect of credit risk does not dominate the value changes that result from that economic relationship; and

– The hedge ratio of the hedging relationship is equal to the ratio between the actual number of hedged items and the actual number of hedging instruments.

(l) Financial assets held/sold under resale/repurchase agreements

Financial assets held under resale agreements are transactions that the Group acquires financial assets which will be resold at a predetermined price in the future date under resale agreements. Financial assets sold under repurchase agreements are transactions that the Group sells financial assets which will be repurchased at a predetermined price in the future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under the resale and repurchase agreements in the statement of financial position. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under repurchase agreements continue to be recognised in the statement of financial position.

The difference between the resale and repurchase consideration, and that between the purchase and sale consideration, are amortised over the period of the respective transaction using the effective interest method and are included in interest income and interest expense, respectively.

2 Material accounting policies (Continued)

(m) Margin financing and securities lending services

Margin financing and securities lending services refer to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers, for which the customers provide the Group with collateral.

The Group recognises margin accounts at initial recognition, and recognises interest income accordingly. Securities lent are not derecognised, but still accounted for as the original financial assets, and interest income is recognised accordingly.

Securities trading on behalf of margin financing or securities lending customers are accounted for as securities brokerage business.

For impairment of financial assets arising from margin financing and securities lending, refer to Note 2(j).

(n) Investment properties

Investment properties are interests in land and/or buildings which are held to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost. Land held under operating leases is classified and accounted for as investment property when the rest of the definition of investment property is met.

Subsequent expenditures related to investment properties are recognised in the cost of investment properties provided it is probable that the economic benefits will flow to the Group and the costs can be measured reliably; otherwise, subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Investment properties transfer to property, plant and equipment or intangible assets at the commencement of owner-occupation. The carrying amount of property, plant and equipment and intangible assets are based on the fair value of investment properties on the day of conversion. The difference between the fair value and the previous carrying amount is recognised in profit or loss for the current period. When owner-occupied properties transfer to investment properties that will be carried at fair value, if the fair value at the date of conversion is less than the previous carrying amount, the difference is recognised in profit or loss for the current period; If the fair value at the date of conversion is greater than the previous carrying amount, the difference is recognised directly in equity, unless there was an impairment loss recognised for the same property in prior years and a portion of the increase is recognised in profit or loss to the extent of that impairment loss.

Investment properties are stated in the statement of financial position at fair values which are reviewed annually. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss.

2 Material accounting policies (Continued)

(o) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses (Note 2(u)).

Assets in the course of construction for production, rental or administrative purposes are carried at cost, less any impairment losses. Cost includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of overheads and borrowing costs capitalised (see Note 2(cc)).

Construction-in-progress represents property, plant and equipment under construction and is transferred to fixed assets when ready for its intended use.

No depreciation is made on construction-in-progress until it is ready for its intended use. Deprecation policies are set out below.

Property, plant and equipment are depreciated at rates sufficient to write off their cost, less impairment losses, if any, to their estimated residual values, over their estimated useful lives on a straight line basis as follows:

– Plant and buildings	4 – 50 years
– Machinery and equipment	2 – 33 years
– Office and other equipment, vehicles and vessels and others	2 – 33 years

Assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2 Material accounting policies (Continued)

(p) Land use rights

Land use rights are presented under right-of-use ("ROU") assets.

Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses (if any). Land use rights are amortised on a straight-line basis over the respective periods of grant, usually within 10 to 50 years.

Impairment losses on land use rights are accounted for in accordance with the accounting policies as set out in Note 2(u).

(q) Intangible assets (other than goodwill)

Intangible assets acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and if any, impairment losses (see Note 2(u)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss over the assets' estimated useful lives. The following intangible assets are amortised from the date they are available for use as follows:

– Mining assets	Over the estimated useful lives using the unit-of-production method
– Franchise rights	Over the estimated useful lives of the franchise right
– Software and others	Over the estimated useful lives

Both the period and method of amortisation of intangible assets are reviewed annually.

An intangible asset with an indefinite useful life shall not be amortised. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2 Material accounting policies (Continued)

(r) Inventories

(i) Advanced intelligent manufacturing, advanced materials

Inventories of the advanced intelligent manufacturing and advanced materials segments are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in first-out, specific identification or weighted average cost formula as appropriate, and comprises all costs of purchase, costs of conversion (including systematically allocated production overhead based on normal capacity) and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised in profit or loss in the period in which the reversal occurs.

(ii) New-type urbanisation

Inventories in respect of property development activities under the new-type urbanisation segment are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

- **Property under development**
  The cost of properties under development, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see Note 2(cc)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

- **Completed property held for sale**
  In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

2 Material accounting policies (Continued)

(s) Leases

Leases are recognised as a ROU asset and a corresponding liability by the lessee at the commencement date.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(i) Lease liabilities

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms and collateral conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and collateral.

2 Material accounting policies (Continued)

(s) Leases (Continued)

(i) Lease liabilities (Continued)

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and the ROU asset is adjusted accordingly.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) ROU assets

ROU assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. As lessor, the Group recognises finance leases as finance lease receivables, which are measured at amortised cost. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2 Material accounting policies (Continued)

(t) Repossessed assets

In the recovery of impaired loans and advances, the Group may take possession of assets held as collateral through court proceedings or voluntary delivery of possession by the borrowers. Where it is intended to achieve an orderly realisation of the impaired assets and the Group is no longer seeking repayment from the borrower, repossessed assets are reported in “other assets”.

When the Group seizes assets to compensate for the losses of loans and advances and interest receivables, the repossessed assets are initially recognised at fair value and any taxes that are directly attributable to the assets, and other expenses incurred for collecting the repossessed assets.

When the fair value less costs to sell is lower than a repossessed asset’s carrying amount, an impairment loss is recognised in the consolidated income statement. Repossessed assets are recognised at the carrying value, net of allowance for impairment losses.

The repossessed assets are disposed after acquisition and cannot be used without authorisation. The repossessed assets that are transferred to own use are treated as newly purchased property, plant and equipment. Any gain or loss arising from the disposal of the repossessed assets is included in the consolidated income statement in the period in which the item is disposed.

(u) Impairment of non-financial assets

Internal and external sources of information are reviewed at financial position date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- ROU assets;
- investments in subsidiaries, associates and joint ventures;
- goodwill; and
- intangible assets

If any such indication exists, the asset’s recoverable amount is estimated.

In addition, for goodwill and intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2 Material accounting policies (Continued)

(u) Impairment of non-financial assets (Continued)

Calculation of recoverable amount

The recoverable amount of an asset is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

Reversals of impairment losses

If, in a subsequent period, the amount of impairment loss of the non-financial asset except for goodwill decreases and the decrease can be linked objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the profit or loss. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods.

An impairment loss in respect of goodwill is not reversable.

(v) Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for termination of employment relationship, which include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits, etc.

(i) Short-term employee benefits

During the accounting period when an employee has rendered service to the Group, the Group recognises the undiscounted amount of short-term employee benefits as a liability and as an expense, unless another HKFRS requires or permits the inclusion of the benefits in the cost of an asset. Short-term employee benefits include wages, bonuses and social security contributions such as medical insurance, work-related injury insurance and maternity insurance, housing provident funds, labour union fee and staff and workers' education fee, which are all calculated based on the regulated benchmark and ratio.

2 Material accounting policies (Continued)

(v) Employee benefits (Continued)

(ii) Defined contribution retirement schemes

Employees of the Group's subsidiaries in Hong Kong are offered the option to enroll in one of the Mandatory Provident Fund ("MPF") Master Trust Schemes under the CITIC Group MPF Scheme. The MPF Master Trust Schemes are defined contribution schemes and are administered in accordance with the terms and provisions of the respective trust deeds and are subject to the Mandatory Provident Fund Schemes Ordinance.

Employees of the Group's subsidiaries in Chinese mainland are required to participate in defined contribution retirement schemes and make contributions according to the respective regulations. Employees of the Group's subsidiaries in Chinese mainland are also eligible to participate in the enterprise annuity plan established by the Group according to the relevant requirements.

Employees of the Group's overseas subsidiaries are required to make contributions subject to the relevant regulations in the countries/jurisdiction in which the overseas subsidiaries operate.

The contributions are charged to profit and loss for the current period on an accrual basis.

(iii) Defined benefit plan obligations

The defined benefit plans of the Group are supplementary retirement benefits provided to eligible employees in Chinese mainland and Hong Kong.

(iv) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;

- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

2 Material accounting policies (Continued)

(w) Provisions and contingent liabilities

(i) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are measured at the higher of the amount initially recognised, less accumulated amount of income recognised in accordance with the Group's principles of revenue recognition where appropriate, and the amount that would be determined in accordance with Note 2(w)(ii).

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(x) Revenue recognition

The revenue of the Group mainly consists of income from customers, interest income, fee and commission income, etc.

(i) Income from customers

The Group recognises revenue when it satisfies a performance obligation by transferring a promised good to a customer, which is when the customer obtains control of a good, has the ability to direct the use of, and obtain substantially all of the remaining benefits from that good. If the control of the goods and services is transferred over a period of time, the Group recognises revenue by reference to the extent of progress toward completion in fulfilling its performance obligations during the entire contract period.

For the amounts of revenue recognised for goods transferred and services provided, the Group recognises any unconditional rights to consideration separately as a receivable and the rest as a contract asset, and recognises provisions for loss allowance of the receivable and the contract asset using ECL model; if the consideration received or receivable exceeds the obligation performed by the Group, a contract liability is recognised. The Group presents a net contract asset or a net contract liability under each contract.

2 Material accounting policies (Continued)

(x) Revenue recognition (Continued)

(i) Income from customers (Continued)

Contract costs include costs to fulfill a contract and of obtaining a contract. The cost incurred for providing services by the Group is recognised as the costs to fulfill a contract, and is amortised based on the progress towards completion of the service provided when recognising revenue. The incremental cost incurred by the Group to obtain contract is recognised as the costs of obtaining a contract. For costs of obtaining a contract that will be amortised within one year, the Group recognises it in profit and loss when incurred. For the costs of obtaining a contract that will be amortised for more than one year period, it is amortised in profit and loss based on same progress towards completion as recognising revenue. The Group recognises the excess of the carrying amounts of contract costs over the expected remaining consideration less any costs not yet recognised as an impairment loss. As at the financial position date, the Group presents the costs to fulfill and of obtaining a contract, in the net amount after deducting relevant asset impairment provisions, as inventories.

Specific accounting policies are as follows:

(a) Sales of goods

Revenue from the sale of goods is recognised when the goods are transferred to and accepted by a customer.

When volume discounts are provided to customers, the Group, based on historical experiences, estimates the volume discounts using the expected value method, and recognises revenue net of the estimated volume discounts.

When the customer has a right to return the product within a given period, the Group recognises provisions for returns using the expected value method based on historical experience, as a deduction of the revenue. The Group recognises provisions for the expected refunds to customers; meanwhile, other assets are recognised according to the carry amount of the goods expected to be returned, deducting the expected cost for taking the related goods back.

The Group offers warranties for specific products. If the duration and terms of the warranties are offered in accordance with the requirements of laws and regulations and the Group does not provide any additional services or warranties, such warranties are not recognised as separate performance obligation.

2 Material accounting policies (Continued)

(x) Revenue recognition (Continued)

(i) Income from customers (Continued)

(b) Services rendered to customers

Revenue for construction services of the Group is recognised over the period of the contract by reference to the progress towards completion. Progress towards completion is calculated based on actual costs incurred as to the end of each period as a proportion to the total forecasted costs of the contract. As at each financial position date, the Group reassesses the progress towards completion to reflect the changes in obligation performed.

Revenue for other services provided by the Group is recognised based on the pattern of performance obligation of specific services, either over the period in which the services are rendered or at the point of service completion. For revenue recognised over the period by reference to the progress towards completion, progress towards completion is calculated based on actual costs incurred as to the end of each period as a proportion to the total forecasted costs of the contract. As at each financial position date, the Group reassesses the estimate of the progress towards completion to reflect the changes in obligation performed.

(ii) Interest income

Interest income is recognised according to HKFRS 9, refer to Note 2(j) for details.

The effective interest method is a method of calculating the amortised cost of financial assets and liabilities and of allocating the interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, call and similar options, etc.) but does not consider future credit losses. The calculation includes all fees and interests paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(iii) Fee and commission income

Fee and commission income is recognised when the Group fulfills its performance obligation, either over time or at a point in time when a customer obtains control of the service according to HKFRS 15, refer to Note 2(x)(i)(b). Origination or commitment fees received by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate according to HKFRS 9, refer to Note 2(j). If the commitment expires without the Group making a loan or anticipating will not, the fee is recognised as revenue on expiry.

2 Material accounting policies (Continued)

(y) Income tax

Income tax for the year comprises current tax and deferred tax.

The balance sheet liability method is adopted whereby deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– taxable temporary differences arising on the initial recognition of goodwill;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules ("Pillar Two legislation") published by the Organisation for Economic Co-operation and Development.

Provision for withholding tax that will arise on the remittance of retained earnings is only made where there is a current intention to remit such earnings.

Deferred tax assets are recognised to the extent that their future utilisation is probable. Deferred tax arising from revaluation of investment properties is recognised on the rebuttable presumption that the recovery of the carrying amount of the properties would be through sale and calculated at the applicable tax rates.

Current tax assets and liabilities are offset, and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Material accounting policies (Continued)

(z) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

The Group includes deposit held at call with banks with contractual obligation to use for specified purposes as a component of cash and cash equivalents.

(aa) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) The entity is an associate or joint venture of the the Group (or an associate or joint venture of a member of a group of which the Group is a member);

(iii) Both the entity and the Group are joint ventures of the same third party;

(iv) The entity is a joint venture of a third entity and the Group is an associate of the third entity (the entity is an associate of a third entity and the Group is a joint venture of the third party);

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 Material accounting policies (Continued)

(bb) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that meets the following respective conditions:

- engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance; and
- for which financial information regarding financial position, results of operations and cash flows are available.

Business segments are identified based on the Group's internal management requirements as well as following aspects. Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of:

- the nature of products and services;
- the nature of production processes;
- the type or class of customers;
- the methods used to distribute the products or provide the services; and
- the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

(cc) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 Material accounting policies (Continued)

(dd) Disposal groups held for sale and discontinued operations

Disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Disposal groups (except for certain assets as explained below) are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, financial assets (other than investments in subsidiaries and associates) and investment properties, which are classified as held for sale, would continue to be measured in accordance with the policies set out else in Note 2.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the income statement comprising the total of: (1) the post-tax profit or loss of the discontinued operation and; (2) the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and associated key assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Classification of financial assets

The critical judgments the Group has in determining the classification of financial assets include analysis of business models and characteristics of contractual cash flows.

The Group determines the business model for managing financial assets at the level of financial asset portfolio. The factors considered include evaluation and reporting of financial asset performance to key management personnel, risks affecting the performance of financial assets and their management methods, and the way related business management personnel receive payments.

When assessing whether the contractual cash flow of financial assets is consistent with the basic lending arrangement, the Group has the following main judgments: whether the principal may be subject to change in the duration or amount of money due to prepayments during the duration; whether interests only include time value of money, credit risk, other basic borrowing risks, and considerations for costs and profits. For example, whether the amount paid in advance reflect only the outstanding principal and interest on the outstanding principal, as well as reasonable compensation for early termination of the contract.

3 Critical accounting estimates and judgements

(b) Measurement of ECL

Measurement of ECL for financial assets at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 50(a).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in Note 50(a).

(c) Provision for inventories

The Group reviews the carrying amounts of inventories at each financial position date to determine whether the inventories are carried at lower of cost and net realisable value. The Group estimates the net realisable value, based on the current market situation and historical experience on similar inventories. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down. The change in the write-down would affect the Group's profit or loss during the year.

(d) Impairment of non-financial assets

As described in Note 2(u), assets such as fixed assets, intangible assets, goodwill, ROU assets and interests in associates and joint ventures are reviewed at each financial position date to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised.

The recoverable amount of an asset (asset group) is the greater of its fair value less costs to sell and its present value of expected future cash flows. Since a market price of the asset (the asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably. In assessing value in use, significant judgements are exercised over the asset's production, selling price, related operating expenses and discount rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumptions.

3 Critical accounting estimates and judgements (Continued)

(e) Fair value of financial instruments

For financial instruments without active market, the Group determines fair values using valuation techniques which include discounted cash flow models, as well as other types of valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads, foreign currency exchange rates, etc. Where discounted cash flow techniques are used, estimated cash flows are based on management's best estimates and the discount rate used is a market rate at the end of each reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on observable market data at the end of each reporting period. Where market data are not available, management need to make estimates on such unobservable market inputs based on assumptions. Changes in assumptions about these factors could affect the estimated fair value of financial instruments.

(f) Depreciation

Depreciation of operating assets constitutes a substantial operating cost for the Group. The cost of fixed assets is charged as depreciation expense over the estimated useful life of the respective assets using the straight-line method. The cost of ROU assets is charged as depreciation expense generally over the shorter of the asset's useful life and the lease term on a straight-line basis.

Management periodically review changes in technology and industry conditions, asset retirement activity, residual values to determine adjustments to estimated remaining useful lives and depreciation rates. In determining the lease term of ROU assets, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(g) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets, which principally relate to tax losses and deductible temporary differences, are recognised when the future taxable profit will be available against such deferred tax assets. Hence, it requires formal assessment by management regarding the future profitability to utilise the deferred tax assets. The outcome of their actual utilisation may be different.

3 Critical accounting estimates and judgements (Continued)

(h) Assets acquired/liabilities assumed in business combination

Assets acquired/liabilities assumed in business combination are recognised at fair value in connection with the Group's acquisition of an entity. The fair values of the acquired assets/assumed liabilities are determined based on valuation methodologies and techniques that involved the use of a third-party valuation firm's expertise. The judgements and assumptions used in that valuation of assets and liabilities along with the assumptions on the useful lives of acquired assets have an effect on the consolidated financial statements.

(i) De-recognition of financial assets

In its normal course of business, the Group transfers financial assets through various types of transactions including regular way sales and transfers, securitisation, financial assets sold under repurchase agreements and etc. The Group applies significant judgement in assessing whether it has transferred these financial assets which qualify for a full or partial de-recognition.

Where the Group enters into structured transactions by which it transferred financial asset to structured entities, the Group analyses whether the substance of the relationship between the Group and these structured entities indicates that it controls these structured entities to determine whether the Group needs to consolidate these structured entities. This will determine whether the following de-recognition analysis should be conducted at the consolidated level or at the entity level from which the financial assets was transferred.

The Group analyses the contractual rights and obligations in connection with such transfers to determine whether the de-recognition criteria are met based on the following considerations:

– whether it has transferred the rights to receive contractual cash flows from the financial assets or the transfer qualified for the "pass through" of those cash flows to independent third parties;

– the extent to which the associated risks and rewards of ownership of the financial assets are transferred by using appropriate models. Significant judgement is applied in the Group's assessment with regard to the parameters and assumptions applied in the models, estimated cash flows before and after the transfers, the discount rates used based on current market interest rates, variability factors considered and the allocation of weightings in different scenarios;

– where the Group neither retained nor transferred substantially all of the risks and rewards associated with their ownership, the Group analyses whether the Group has relinquished its controls over these financial assets, and if the Group has continuing involvement in these transferred financial assets.

3 Critical accounting estimates and judgements (Continued)

(j) Control and consolidation

The Group makes significant judgement to assess whether or not to consolidate structured entities. When performing this assessment, the Group:

– assesses its contractual rights and obligations in light of the transaction structures, and evaluates the Group's power over the structured entities;

– performs independent analyses and tests on the variable returns from the structured entities, including but not limited to commission income and asset management fees earned, retention of residual income, and, if any, liquidity and other support provided to the structured entities; and

– assesses its ability to exercise its power to influence the variable returns assessed whether the Group acts as a principal or an agent through analysis of the scope of the Group's decision-making authority, remuneration entitled, other interests the Group holds, and the rights held by other parties.

The Group holds less than 50% shares and voting rights in certain subsidiaries. When assessing whether it has substantive control over these investees, the Group has taken certain factors into account including the size of the Group's shareholding relative to other shareholders, dispersion of the voting rights of the other shareholders, the Group's relationship with other investors, any history of any other shareholders collaborating to exercise their votes collectively or to out vote the Group; the group's relationship with the key management personnel of the investees, whether the Group has the right to appoint or approve the majority of the board seats and other key management personnel of the investees, whether the Group controls certain assets such as licences or trademarks that are critical to the operations of the investees, whether the Group and other shareholders' rights over the investees are substantive, and any other contractual arrangements. The Group considers factors that are applicable to a specific individual investee on an ongoing basis when determining whether it has substantive rights over the investees.

(k) Mineralogy/Mr. Palmer proceedings

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 Pty Ltd. ("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, the ultimate beneficial holder of shares in 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.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

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 Mr. Palmer loss for which he is indemnified 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 relates to losses allegedly suffered by Mr. Palmer in relation to the nickel and cobalt refinery business located at Yabulu in North Queensland ("Yabulu Refinery"), which was carried on by the Queensland Nickel group of companies controlled by Mr. Palmer.

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

On 23 April 2024, Mineralogy and Mr. Palmer filed their seventh amended statement of claim. That statement of claim alleges that as the CITIC Parties did not pay to Mineralogy royalty on products produced by Sino Iron and Korean Steel ("Royalty Component B") when it was due for payment under the MRSLAs, Mineralogy did not provide funds to the manager of the Yabulu Refinery, Queensland Nickel Pty Ltd. ("QNI"), to enable it to continue managing and operating the Yabulu Refinery, and consequently, QNI was placed into administration in January 2016 and liquidation in April 2016.

Mineralogy and Mr. Palmer allege that if the CITIC Parties had paid Royalty Component B on time, Mineralogy would have provided the funds required to meet QNI's cashflow deficits at the times necessary to enable QNI to continue to manage and operate the Yabulu Refinery.

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. Alternatively, Mineralogy and Mr. Palmer claim that Mr. Palmer lost the opportunity to sell his shareholding in QNI, QNI Metals Pty Ltd., QNI Resources Pty Ltd. and Queensland Nickel Sales Pty Ltd. for market value in early 2016, when the Yabulu Refinery was a going concern. Mineralogy and Mr. Palmer claim that the Company is liable for those losses pursuant to an indemnity provision in the FCD.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

FCD Indemnity Disputes (Continued)

(i) Queensland Nickel FCD Indemnity Claim (Continued)

On 17 May 2024, the CITIC Parties filed their amended substituted defence. It pleads a number of defences, including construction arguments, as well as arguments based on causation, mitigation, quantification of loss, Anshun estoppel and abuse of process.

Mineralogy and Mr. Palmer's amended reply, filed on 3 June 2024, 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 relying on their defences of Anshun estoppel or abuse of process ("Fulcrum Allegations").

On 12 April 2024, Mineralogy and Mr. Palmer filed an application regarding the sequencing of this and other proceedings. This application was amended on 19 July 2024 and sought orders that this proceeding:

– be heard after the final determination, including any appeals, of Proceeding CIV 2425/2023 as described below;

– alternatively, be heard concurrently with Proceeding CIV 2425/2023; or

– alternatively, be heard concurrently with Proceeding CIV 2425/2023 and Proceeding CIV 2336/2023 as described below.

The CITIC Parties opposed the amended application and the amended application was heard on 5 August 2024.

On 10 September 2024, Justice Lundberg determined that this proceeding and Proceeding CIV 2336/2023 would be actively case managed together to be ready for trial by April 2025, but otherwise adjourned the sequencing application.

On 26 September 2024, Justice Lundberg made programming orders and listed the trial of this proceeding to begin on 28 May 2025. The trial is listed for eight weeks and will deal with all issues other than those issues which overlap with Proceeding CIV 2336/2023, as described below. On 20 December 2024, Justice Lundberg made orders for a hearing to be listed for some time after 28 May 2025 for five days to deal with the "Fulcrum Allegations" raised in this proceeding and in Proceeding CIV 2336/2023, as well as the CITIC Parties' Anshun and abuse of process defences in this proceeding.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

FCD Indemnity Disputes (Continued)

(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 claimed damages in the sum of AUD2,675,400,000. That amount was alleged to represent the diminution in the value of Mineralogy's shares in Palmer Petroleum Pty Ltd. (now Aspenglow Pty Ltd.) ("Palmer Petroleum") or Blaxcell Limited stemming from the inability of those companies to develop certain petroleum prospecting licences in Papua New Guinea. Mineralogy is the holder and beneficial owner of all of the shares in both Palmer Petroleum and Blaxcell Limited.

On 19 November 2024, Proceeding CIV 1267/2018 was dismissed by consent, with no order as to costs.

Mine Continuation Proposals Disputes

(i) 2017 Mine Continuation Proposals Proceedings

The continued operation of the Sino Iron Project requires it to extend beyond the footprint it currently occupies. The 2017 mine continuation proposals address that need, and include proposals to extend the constrained mine pit, and increase the storage capacity for 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 the 2017 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.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Mine Continuation Proposals Disputes (Continued)

(i) 2017 Mine Continuation Proposals Proceedings (Continued)

The CITIC Parties commenced a new proceeding ("Proceeding CIV 2326/2021") on 8 December 2021, in which they 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 2017 MCPs Proceedings").

The primary trial in the Consolidated 2017 MCPs 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 2017 MCPs Proceedings other than the quantification of any loss or damage suffered by the CITIC Parties.

On 7 March 2023, Justice K Martin delivered his reasons in the Consolidated 2017 MCPs 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 2017 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; and

– 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.

On 9 June 2023, after two unsuccessful applications for a stay of the relevant order made by Justice K Martin, Mineralogy submitted the Programme of Works to the State. The Programme of Works was approved on 28 July 2023. That approval allows the CITIC Parties to undertake investigative works necessary for the extension of the mine pit and the establishment of a new tailings storage facility.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Mine Continuation Proposals Disputes (Continued)

(i) 2017 Mine Continuation Proposals Proceedings (Continued)

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 2017 MCPs 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 and tailings storage capacity will ultimately force the suspension of operations. In the short term, these constraints are reflected in reduced concentrate production commencing from calendar year 2024.

(ii) 2017 Mine Continuation Proposals Appeals

On 31 March 2023, the CITIC Parties appealed Justice K Martin's decision in the Consolidated 2017 MCPs Proceedings ("Proceeding CACV 35/2023"). The CITIC Parties' grounds of appeal include that Justice K Martin erred for reasons including that:

- 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 Sino Iron Project, including because Mineralogy has been paid for those areas;

- Mineralogy's failure to submit the 2017 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 2017 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)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Mine Continuation Proposals Disputes (Continued)

(ii) 2017 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 MRSLAs, 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 2017 MCPs Appeals").

The appeals were heard before the Court of Appeal from 12 to 15 August 2024 and 19 to 21 August 2024. The Court of Appeal reserved its decision.

(iii) 2023 Mine Continuation Proposals Proceedings

On 27 November 2023, the CITIC Parties commenced a proceeding in the Supreme Court of Western Australia seeking to compel Mineralogy to submit the 2023 mine continuation proposals for the Sino Iron Project to the State of Western Australia under the State Agreement ("Proceeding CIV 2336/2023"). The activities the subject of the 2023 mine continuation proposals are a subset of the activities the subject of the 2017 mine continuation proposals, and are confined to areas over which Mineralogy has already provided access and use rights to Sino Iron and Korean Steel. The proceeding alleges that Mineralogy was obliged to consider and approve the 2023 mine continuation proposals. Approval of the 2023 mine continuation proposals will support the continued operation of the Sino Iron Project for an interim period by addressing constraints to the project's mine pit and waste and tailings storage capacity.

In this proceeding, the CITIC Parties seek relief including:

- declarations that Mineralogy's failure and refusal to consider, approve and submit the 2023 mine continuation proposals is in breach of the State Agreement and certain project agreements;
- orders for specific performance or injunctions requiring Mineralogy to join them in submitting the 2023 mine continuation proposals to the State; and
- damages for breach of contract.

The State of Western Australia is a party to the proceeding because it is a party to the State Agreement, but no relief is sought against it.

(iii) 2023 Mine Continuation Proposals Proceedings (Continued)

Mineralogy's further amended defence includes a pleading that, because Mineralogy asserts the CITIC Parties have breached certain project agreements, they are not entitled to the relief claimed. The alleged breaches include that:

- the conduct of the CITIC Parties as alleged by Mineralogy in Proceeding CIV 2072/2017 (i.e. the "Fulcrum Allegations" referred to above) constituted acts or the contemplation of acts that adversely affected the interests of Mineralogy in the project area and represented a failure to act in good faith towards Mineralogy in relation to the performance of the MRSLAs;

- the CITIC Parties have not paid Mineralogy the amounts claimed in Proceeding CIV 2072/2017 (referred to above); and

- the CITIC Parties have allegedly failed to permit Mineralogy to observe all measurement, sampling and assaying procedures under the MRSLAs.

On 23 January 2024, Mineralogy applied for a stay of this proceeding pending the outcome of the Consolidated 2017 MCPs Appeals referred to above.

On 14 February 2024, the CITIC Parties applied for orders striking out certain paragraphs of Mineralogy's defence (which was then current but has since been replaced by the further amended defence) and on 15 February 2024, applied for orders expediting the hearing of this proceeding.

Mineralogy's stay application and the CITIC Parties' strike out and expedition applications were heard on 20 and 21 March 2024. On 3 July 2024, Justice Cobby delivered his decision:

- dismissing Mineralogy's stay application;

- dismissing the CITIC Parties' expedition application on the basis that it is unnecessary as the matter is already being actively managed by the Court. His Honour accepted the proceeding should be determined with reasonable urgency and accepted the CITIC Parties' evidence concerning constraints on future mining operations; and

- dismissing the CITIC Parties' strike out application.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Mine Continuation Proposals Disputes (Continued)

(iii) 2023 Mine Continuation Proposals Proceedings (Continued)

His Honour indicated the proceeding should proceed to a hearing as soon as can be accommodated by the Court and said he considered it should be heard concurrently with, or immediately after, the trials in Proceeding CIV 2072/2017 and Proceeding CIV 1267/2018 (the latter of which has since been dismissed as described above). On 13 April 2024, Mineralogy filed an application regarding the sequencing of this and other proceedings. This application was amended on 19 July 2024 and sought orders that this proceeding:

– be heard after the final determination, including any appeals, of Proceeding CIV 2425/2023 as described below, Proceeding CIV 2072/2017 and Proceeding CIV 1267/2018 (now dismissed); or

– alternatively, be heard concurrently with Proceeding CIV 2425/2023, Proceeding CIV 2072/2017 and Proceeding CIV 1267/2018 (now dismissed).

The CITIC Parties opposed the amended application and the amended application was heard on 5 August 2024. On 10 September 2024, Justice Lundberg determined that this proceeding and Proceeding CIV 2072/2017 would be actively case managed together to be ready for trial by April 2025, but otherwise adjourned the sequencing application.

On 11 September 2024, Justice Lundberg made programming orders and listed the trial of this proceeding to begin on 28 April 2025. The trial is listed for at least 13 days and will deal with all issues other than those issues which overlap with Proceeding CIV 2072/2017. On 20 December 2024, Justice Lundberg made orders for a hearing to be listed for some time after 28 May 2025 for five days to deal with the “Fulcrum Allegations” raised in this proceeding and in Proceeding CIV 2072/2017, as well as the CITIC Parties’ Anshun and abuse of process defences in Proceeding CIV 2072/2017.

On 15 October 2024, Mineralogy sought leave to appeal the orders made by Justice Lundberg in relation to the categories of documents to be discovered in this proceeding (Proceeding CACV 64/2024). On 16 December 2024, the Court of Appeal heard the application for leave to appeal, and on 23 December 2024 made orders dismissing the application for leave to appeal and the appeal itself.

On 12 December 2024, Mineralogy filed an application for leave to further amend its defence. The application was heard on 22 January 2025. On 3 February 2025, Justice Lundberg granted Mineralogy leave to file its further amended defence containing certain of its proposed amendments. Mineralogy’s further amended defence was filed on 5 February 2025.

The CITIC Parties filed their reply to Mineralogy’s further amended defence on 14 February 2025.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Fulcrum Conspiracy Claim

On 5 October 2023, Mineralogy and Mr. Palmer commenced a proceeding against Helen Dillon, Chen Zeng, Sino Iron, Korean Steel and the Company (“Proceeding CIV 2137/2023”) claiming that the defendants engaged in conduct for “Fulcrum Purposes”, to apply commercial pressure on Mineralogy and Mr. Palmer to renegotiate certain project agreements, recoup certain additional costs of developing the Sino Iron Project from Mineralogy and seek to sterilise Mineralogy’s other valuable mining tenements. On 28 November 2023, Mineralogy and Mr. Palmer filed a notice of discontinuance in Proceeding CIV 2137/2023.

On 15 December 2023, Mineralogy and Mr. Palmer commenced a proceeding against Helen Dillon, Chen Zeng, Sino Iron, Korean Steel and the Company (together, the “CITIC Defendants”) as well as Allens, a law firm advising the CITIC Defendants, and FBIS International Issues Management Pty Ltd., a service provider to certain of the CITIC Defendants (“Proceeding CIV 2425/2023”). Mineralogy and Mr. Palmer claim that the defendants engaged in the Fulcrum Purposes to apply commercial pressure on Mineralogy and Mr. Palmer to achieve outcomes similar to those pleaded in Proceeding CIV 2137/2023 (see above).

Mineralogy and Mr. Palmer bring claims including for breach of contract, the torts of inducing a breach of contract, collateral abuse of process, conspiracy to injure by unlawful means and conspiracy to injure by lawful means. Unconscionable conduct under the Australian Consumer Law is also pleaded as conduct alleged to give rise to the unlawful means conspiracy. Mineralogy and Mr. Palmer also claim that, pursuant to the FCD, the Company is obliged to indemnify Mr. Palmer for the alleged loss suffered by Mr. Palmer said to be in relation to the CITIC Parties’ failure to perform their obligations under the MRSLAs. Mineralogy and Mr. Palmer claim that as a consequence of the defendants’ conduct, they suffered damages which are said to include costs Mineralogy and Mr. Palmer incurred in prosecuting and defending the legal processes and otherwise taking steps in respect of the Fulcrum Purposes, as well as the inability of Mr. Palmer to devote his attention and resources to “other profitable endeavours” and AUD200,000,000 on account of the inability to pursue the “Minimum Royalty Claim”. Mineralogy and Mr. Palmer allege that they did not pursue the “Minimum Royalty Claim” in a previous proceeding as a consequence of the pressure exerted on them for the Fulcrum Purposes. The plaintiffs also seek exemplary damages of approximately AUD500,000,000, aggravated damages, disgorgement damages and interest on the amounts claimed.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Fulcrum Conspiracy Claim (Continued)

The CITIC Defendants, Allens and FBIS International Issues Management Pty Ltd. have filed applications for summary judgment and to strike out Mineralogy's and Mr. Palmer's statement of claim.

On 12 April 2024, Mineralogy and Mr. Palmer filed an application regarding the sequencing of this and other proceedings. This application was amended on 19 July 2024 and sought orders that this proceeding:

– be heard and finally determined before the hearing of Proceeding CIV 2336/2023 as described above, Proceeding CIV 2072/2017 and Proceeding CIV 1267/2018 (now dismissed);

– alternatively be heard concurrently with Proceeding CIV 2072/2017 and Proceeding CIV 1267/2018 (now dismissed); or

– alternatively be heard concurrently with Proceeding CIV 2336/2023, Proceeding CIV 2072/2017 and Proceeding CIV 1267/2018 (now dismissed).

The CITIC Parties opposed the amended application and the amended application was heard on 5 August 2024. On 10 September 2024, Justice Lundberg found that this proceeding will require re-assessment by the Court once the outcome of the summary judgment and strike out applications is known to assess when the proceeding will be ready for trial.

The applications for summary judgment and strike out were heard on 15 to 18 October 2024 and 17 December 2024. The Court reserved its decision.

On 16 December 2024, Mineralogy and Mr. Palmer filed an application to reopen the summary judgment and strike out application filed by FBIS International Issues Management Pty Ltd. in order to tender further documents. That application is listed for a special appointment on 9 April 2025.

No trial date has been set for this proceeding.

3 Critical accounting estimates and judgements (Continued)

(l) 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 in Western Australia. The fixed price contract amount was US$3,407,000,000.

On 30 January 2013, MCC announced that it had incurred costs over the value of the contract and had provided additional funding of US$858,000,000 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 annual 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.

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$5,000,000 per day, with a cap of approximately US$530,000,000 in total). As at 31 December 2024, 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 31 December 2024.

4 Taxation

The statutory income tax rate of the Company and its subsidiaries located in Hong Kong for the year ended 31 December 2024 is 16.5% (2023: 16.5%).

Except for the preferential tax treatments, the statutory income tax rate applicable to the Group's other subsidiaries in Chinese mainland for the year ended 31 December 2024 is 25% (2023: 25%).

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

(Expressed in millions of Renminbi, unless otherwise stated)

5 Revenue

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

For comprehensive financial services segment, revenue mainly comprises net interest income, net fee and commission income, net trading loss and net gain on financial investments (Notes 5(a), 5(b) and 5(d)). For non-comprehensive financial services segment, revenue mainly comprises income from 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.

(a) Net interest income

	For the year ended 31 December	
	2024	2023
Interest income arising from (note):		
Deposits with central banks, banks and non-bank financial institutions	**17,288**	16,719
Placements with banks and non-bank financial institutions	**10,282**	8,089
Financial assets held under resale agreements	**3,488**	2,799
Investments in financial assets		
– Financial assets at amortised cost	**30,258**	36,073
– Debt investments at FVOCI	**25,421**	22,153
Loans and advances to customers and other parties	**235,715**	244,128
Margin financing and securities lending	**7,141**	8,343
Others	**271**	610
	329,864	338,914
Interest expenses arising from:		
Borrowings from central banks	**(6,367)**	(4,282)
Deposits from banks and non-bank financial institutions	**(18,305)**	(21,687)
Placements from banks and non-bank financial institutions	**(3,782)**	(4,717)
Financial assets sold under repurchase agreements	**(13,234)**	(10,625)
Deposits from customers	**(102,617)**	(115,452)
Debt instruments issued	**(33,256)**	(29,753)
Customer brokerage deposits	**(1,618)**	(1,675)
Lease liabilities	**(561)**	(553)
Others	**(1,751)**	(1,651)
	(181,491)	(190,395)
Net interest income	**148,373**	148,519

Note:

Interest income includes interest income accrued on credit-impaired financial assets of RMB760 million for the year ended 31 December 2024 (2023: RMB715 million).

5 Revenue (Continued)

(b) Net fee and commission income

	For the year ended 31 December	
	2024	2023
Bank card fees	**15,550**	16,799
Trustee commission and fees	**10,347**	8,857
Agency fees and commission	**4,876**	5,897
Guarantee and advisory fees	**5,482**	5,686
Commission on securities brokerage	**13,006**	12,163
Commission on fund management	**8,192**	7,642
Commission on investment banking	**4,354**	6,750
Settlement and clearing fees	**2,463**	2,251
Commission on asset management	**2,492**	2,340
Commission on futures brokerage	**5,643**	3,594
Others	**2,016**	1,067
	74,421	73,046
Fee and commission expenses	**(15,328)**	(11,456)
Net fee and commission income	**59,093**	61,590

(c) Sales of goods and services

	For the year ended 31 December	
	2024	2023
Sales of goods	**433,301**	372,072
Services rendered to customers		
– Revenue from construction contracts	**15,918**	16,356
– Revenue from other services	**29,997**	29,152
	479,216	417,580

(Expressed in millions of Renminbi, unless otherwise stated)

5 Revenue (Continued)

(d) Other revenue

	For the year ended 31 December	
	2024	2023
Net trading loss under comprehensive financial services segment (note (i))	**(23,198)**	(8,109)
Net gain on financial investments under comprehensive financial services segment	**85,370**	58,018
Others	**4,016**	3,234
	66,188	53,143

(i) Net trading loss under comprehensive financial services segment

	For the year ended 31 December	
	2024	2023
Net trading gain/(loss):		
– debt securities and certificates of deposits	**104**	844
– foreign currencies	**4,974**	2,981
– derivatives	**(28,276)**	(11,934)
	(23,198)	(8,109)

6 Costs of sales and services

	For the year ended 31 December	
	2024	2023
Costs of goods sold	**397,554**	337,114
Costs of services rendered		
– Costs of construction contracts	**14,193**	13,574
– Costs of other services	**18,741**	17,764
	430,488	368,452

7 Other net income

	For the year ended 31 December	
	2024	2023
Net gain on disposal/deemed disposal of subsidiaries, associates and joint ventures	**3,793**	74
Net gain on financial investments under non-comprehensive financial services segment	**3,262**	2,949
Net foreign exchange (loss)/gain	**(1,033)**	535
Others	**6,596**	5,099
	12,618	8,657

8 Expected credit losses

	For the year ended 31 December	
	2024	2023
Deposits and placements with banks and non- bank financial institutions	**41**	(39)
Receivables (excluding prepayments) and others	**3,501**	11,324
Loans and advances to customers and other parties	**54,828**	49,572
Investments in financial assets		
– Financial assets at amortised cost	**2,418**	2,467
– Debt investments at FVOCI	**777**	1,250
Impairment provision of credit commitments and guarantees provided	**(2,182)**	1,041
	59,383	65,615

In 2024, the Group's expected credit losses were RMB59,383 million, a decrease of 9% compared to last year. China CITIC Bank Corporation Limited ("CITIC Bank") accounted for RMB61,045 million, mainly from expected credit loss of loans and advances to customers and other parties.

(Expressed in millions of Renminbi, unless otherwise stated)

9 Impairment losses

	For the year ended 31 December	
	2024	2023
Inventories	**1,466**	3,403
Interests in associates	**136**	635
Interests in joint ventures	**233**	–
Fixed assets (note)	**67**	(338)
Prepayments	**28**	23
Goodwill (Note 35)	**17**	26
Others	**80**	846
	2,027	4,595

In 2024, the Group's impairment losses were RMB2,027 million, a decrease of 56% compared to last year.

Note:

Iron Ore Project

The Group's Iron Ore Project comprises the Sino Iron Project in Australia and its associated marketing operations in Singapore. Whenever events or circumstances indicate impairment may have occurred, the Group tests whether assets attributable to the Group's Iron Ore Project have suffered any impairment.

The recoverable amount of the Sino Iron Project is based on the fair value less costs of disposal methodology which is based on cash flow projections that incorporate best estimates of selling prices, ore grades, exchange rates, production rates, future capital expenditure and production costs over the life of the mine. In line with normal practice in the mining industry, the cash flow projections are based on long term mine plans covering the expected life of the operation. Therefore, the projections cover periods well in excess of five years. Assumptions about selling prices, operating and capital costs, exchange rates, quantity of resources and discount rates are particularly important; the determination of the recoverable amount is relatively sensitive to changes in these important assumptions.

In accordance with the Group's accounting policy, management has identified one CGU, the Sino Iron Project. For the purposes of testing for impairment, the carrying amount of the Sino Iron Project is to be compared with its recoverable amount when indication of impairment exists. Impairment is recognised when the carrying amount of the project exceeds its recoverable amount.

As at 31 December 2024, management performed an impairment indication assessment with the consideration of the production profile of the Sino Iron Project, forecast iron ore prices, exchange rate between Australian dollar and US dollar and risk-free borrowing rates. According to the assessment, no further impairment indication was identified and thus, no impairment test was undertaken for the Sino Iron Project as at 31 December 2024.

When an impairment test is undertaken, the fair value of CGU must be estimated for recognition and measurement or for disclosure purposes.

The disclosure is based on the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical or similar CGU (level 1);
- Inputs other than quoted prices included within level that are observable for the CGU, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the CGU that are not based on observable market data (unobservable inputs) (level 3 inputs).

The CGU's fair value hierarchy is Level 3.

10 Net finance charges

	For the year ended 31 December	
	2024	2023
Finance costs		
– Interest on bank and other loans	**10,526**	8,969
– Interest on debt instruments issued	**3,190**	3,570
– Interest on lease liabilities	**253**	241
	13,969	12,780
Less: interest expense capitalised (note)	**(851)**	(926)
	13,118	11,854
Other finance charges	**223**	318
	13,341	12,172
Finance income	**(2,235)**	(1,832)
	11,106	10,340

In 2024, the Group's finance costs were RMB13,341 million, an increase of RMB1,169 million or 9.6% compared to last year, mainly due to the increase in interest on loans. The finance income was RMB2,235 million, an increase of RMB403 million or 22.0% compared to last year, mainly due to the increase in interest from deposits.

Note:

In 2024, capitalisation rates applied to funds borrowed are 3.64% ~ 4.45% per annum (2023: 4.40% ~ 4.74%).

(Expressed in millions of Renminbi, unless otherwise stated)

11 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:

(a) Staff costs

	For the year ended 31 December	
	2024	2023
Salaries and bonuses (note (i))	**66,680**	63,770
Contributions to defined contribution retirement schemes (note (ii))	**9,276**	8,780
Others	**15,422**	13,101
	91,378	85,651

Notes:

(i) The increase in salaries and bonuses is mainly due to the impact of including Nanjing Steel Group Co., Ltd. ("Nanjing Steel Group") in the scope of consolidated financial statements.

(ii) The Group substantially completed the transfer of the management of existing retirees to external organisations in 2011. In accordance with the government requirements, the Group is also obliged to pay for certain of such retirees' post-retirement benefits in the future. This benefit plan is accounted for as a long-term defined benefits obligation and does not have any planned assets.

The Group's obligation for this benefit plan is calculated using actuarial method and recognised as a liability. The service cost amounting to RMB112 million was recognised for the year ended 31 December 2024 (2023: RMB44 million). Actuarial assumptions mainly include discount rate and future mortality. Reasonable changes in actuarial assumptions would not have a significant impact on the consolidated financial statements of the Group.

(b) Other items

	For the year ended 31 December	
	2024	2023
Amortisation	**4,450**	4,097
Depreciation	**23,110**	18,962
Lease charges	**1,592**	894
Tax and surcharges	**3,164**	3,481
Property management fees	**1,075**	1,031
Non-operating expenses	**1,409**	710
Professional fees (other than auditors' remuneration)	**1,424**	1,758
Auditors' remuneration		
– Audit services	**212**	187
– Non-audit services	**70**	58
	36,506	31,178

12 Income tax expense

(a) Income tax expense in the income statement

	For the year ended 31 December	
	2024	2023
Current tax – Chinese mainland		
Provision for enterprise income tax	**26,765**	15,103
Land appreciation tax	**338**	267
	27,103	15,370
Current tax – Hong Kong		
Provision for Hong Kong Profits tax	**1,350**	490
Current tax – Overseas		
Provision for the year	**814**	408
	29,267	16,268
Deferred tax		
Origination and reversal of temporary differences	**(4,365)**	1,745
	24,902	18,013

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

In 2024, the Group's income tax was RMB24,902 million, an increase of RMB6,889 million or 38.2% compared to last year. In addition to the increase in profit before taxation, it was mainly due to the increase in non-deductible expenses of CITIC Bank compared to last year.

(Expressed in millions of Renminbi, unless otherwise stated)

12 Income tax expense (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	For the year ended 31 December	
	2024	2023
Profit before taxation	**132,657**	123,287
Less: share of profits of		
– Associates	**(4,138)**	(5,695)
– Joint ventures	**(2,492)**	(3,708)
	126,027	113,884
Notional tax on profit before taxation calculated at statutory tax rate of 16.5%	**20,794**	18,791
Effect of different tax rates in other jurisdictions	**13,188**	10,236
Tax effect of unused tax losses not recognised	**1,024**	891
Tax effect of non-deductible expenses	**8,832**	4,882
Tax effect of non-taxable income (note)	**(19,308)**	(15,911)
Others	**372**	(876)
Actual tax expense	**24,902**	18,013

Note:

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

(c) Pillar Two income taxes

In December 2021, the Organisation for Economic Co-operation and Development published Pillar Two legislation. According to the rules of Pillar Two legislation, low-tax jurisdictions with effective tax rate below 15% may have a Top-up Tax impact. Some of jurisdictions where the Group's overseas operating institutions are located, had implemented Pillar Two legislation during the reporting period. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred.

13 Benefits and interests of directors

(a) Directors' emoluments

In 2024, emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking are set out as follows:

	For the year ended 31 December 2024									
	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary									
	Fees	Salary	Discretionary bonuses	Housing allowance	Estimated money value of other benefits	Social securities in Chinese mainland	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as committee member	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
Name of Current Directors										
Executive Directors:										
Xi Guohua (i)	**-**	**0.36**	**0.39**	**-**	**-**	**0.16**	**0.11**	**-**	**-**	**1.02**
Zhang Wenwu (i) (ii)	**-**	**0.27**	**0.29**	**-**	**-**	**0.12**	**0.07**	**-**	**-**	**0.75**
Liu Zhengjun (i)	**-**	**0.32**	**0.34**	**-**	**-**	**0.16**	**0.10**	**-**	**-**	**0.92**
Wang Guoquan (i)	**-**	**0.32**	**0.34**	**-**	**-**	**0.16**	**0.10**	**-**	**-**	**0.92**
Non-executive Directors										
Yu Yang	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Zhang Lin	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Li Yi (formerly known as Li Ruyi)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Yue Xuekun	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Yang Xiaoping	**0.35**	**-**	**-**	**-**	**-**	**-**	**-**	**0.14**	**-**	**0.49**
Li Zimin	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Independent Non-executive Directors:										
Francis Siu Wai Keung	**0.35**	**-**	**-**	**-**	**-**	**-**	**-**	**0.26**	**-**	**0.61**
Xu Jinwu	**0.35**	**-**	**-**	**-**	**-**	**-**	**-**	**0.23**	**-**	**0.58**
Anthony Francis Neoh	**0.35**	**-**	**-**	**-**	**-**	**-**	**-**	**0.23**	**-**	**0.58**
Gregory Lynn Curl	**0.35**	**-**	**-**	**-**	**-**	**-**	**-**	**0.05**	**-**	**0.40**
Toshikazu Tagawa	**0.35**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.35**
Chen Yuyu (ii)	**0.12**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.12**
Name of Former Directors										
Mu Guoxin (ii)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2.22	**1.27**	**1.36**	**-**	**-**	**0.60**	**0.38**	**0.91**	**-**	**6.74**

Notes:

(i) The emoluments for the year ended 31 December 2024 in respect of Mr. Xi Guohua, Mr. Zhang Wenwu, Mr. Liu Zhengjun and Mr. Wang Guoquan have not been finalised in accordance with the regulations of the relevant local authorities.

(ii) Changes in directors during the year ended 31 December 2024:

(1) From 28 March 2024, Mr. Zhang Wenwu serves as the executive director of the Company.

(2) From 29 August 2024, Mr. Chen Yuyu serves as the independent non-executive director of the Company.

(3) From 27 December 2024, Mr. Mu Guoxin resigned as the non-executive director of the Company.

(Expressed in millions of Renminbi, unless otherwise stated)

13 Benefits and interests of directors (Continued)

(a) Directors' emoluments (Continued)

In 2023, emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking are set out as follows:

	For the year ended 31 December 2023									
	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary								Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	
	Fees	Salary	Discretionary bonuses	Housing allowance	Estimated money value of other benefits	Social securities in Chinese mainland	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as committee member		Total
Name of Current Directors										
Executive Directors:										
Xi Guohua (i)	–	0.38	1.18	–	–	0.15	0.09	–	–	1.80
Liu Zhengjun (i) (ii)	–	0.35	1.05	–	–	0.15	0.09	–	–	1.64
Wang Guoquan (i) (ii)	–	0.35	1.05	–	–	0.15	0.09	–	–	1.64
Non-executive Directors										
Yu Yang	–	–	–	–	–	–	–	–	–	–
Zhang Lin	–	–	–	–	–	–	–	–	–	–
Li Yi (formerly known as Li Ruyi)	–	–	–	–	–	–	–	–	–	–
Yue Xuekun (ii)	–	–	–	–	–	–	–	–	–	–
Yang Xiaoping	0.34	–	–	–	–	–	–	0.14	–	0.48
Mu Guoxin (ii)	–	–	–	–	–	–	–	–	–	–
Li Zimin (ii)	–	–	–	–	–	–	–	–	–	–
Independent Non-executive Directors:										
Francis Siu Wai Keung	0.34	–	–	–	–	–	–	0.25	–	0.59
Xu Jinwu	0.34	–	–	–	–	–	–	0.23	–	0.57
Anthony Francis Neoh	0.34	–	–	–	–	–	–	0.23	–	0.57
Gregory Lynn Curl	0.34	–	–	–	–	–	–	0.05	–	0.39
Toshikazu Tagawa	0.34	–	–	–	–	–	–	–	–	0.34
Name of Former Directors										
Zhu Hexin (i) (ii)	–	0.38	1.18	–	–	0.15	0.10	–	–	1.81
Tang Jiang (iii)	–	–	–	–	–	–	–	–	–	–
	2.04	1.46	4.46	–	–	0.60	0.37	0.90	–	9.83

Notes:

(i) The emoluments for the year ended 31 December 2023 in respect of Mr. Xi Guohua, Mr. Liu Zhengjun, Mr. Wang Guoquan, and Mr. Zhu Hexin are restated based on the final results confirmed by the national authority. The discretionary bonuses include term-based incentive compensation covering the 2021-2023 performance period.

(ii) Changes in directors during the year ended 31 December 2023:

(1) From 15 March 2023, Mr. Liu Zhengjun and Mr. Wang Guoquan serve as the executive directors of the Company. From 9 January 2023, Mr. Yue Xuekun serves as the non-executive director of the Company. From 26 October 2023, Mr. Mu Guoxin serves as the non-executive director of the Company. From 29 December 2023, Mr. Li Zimin serves as the non-executive director of the Company.

(2) From 13 December 2023, Mr. Zhu Hexin resigned as the executive director of the Company.

(iii) On 26 March 2023, Mr. Tang Jiang passed away.

13 Benefits and interests of directors (Continued)

(b) Other benefits and interests

In 2024, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2023: None). No consideration was provided to or receivable by third parties for making available directors' services (2023: None). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2023: None).

No director of the Company had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the year or at any time during the year ended 31 December 2024 (2023: None).

14 Individuals with highest emoluments

In 2024, none of the five highest paid individuals are directors (2023: None) whose emoluments are disclosed in Note 13. The aggregate of the emoluments in respect of these 5 individuals (2023: five) are as follows:

	For the year ended 31 December	
	2024	2023
Salaries and other emoluments	**15.98**	14.12
Discretionary bonuses	**48.52**	57.38
Retirement scheme contributions	**0.99**	1.39
	65.49	72.89

The emoluments of the 5 individuals (2023: five) with the highest emoluments are within the following bands:

	For the year ended 31 December	
	2024 Number of individuals	2023 Number of individuals
RMB9,500,001- RMB10,000,000	**1**	–
RMB11,500,001- RMB12,000,000	**1**	–
RMB12,000,001- RMB12,500,000	**1**	–
RMB13,000,001- RMB13,500,000	**–**	1
RMB14,000,001- RMB14,500,000	**1**	2
RMB15,000,001- RMB15,500,000	**–**	1
RMB15,500,001- RMB16,000,000	**–**	1
RMB17,500,001- RMB18,000,000	**1**	–
	5	5

In 2024, all of the 5 individuals with the highest emoluments are employees of foreign subsidiaries, whose nationalities are not Chinese mainland.

(Expressed in millions of Renminbi, unless otherwise stated)

15 Dividends

	For the year ended 31 December	
	2024	2023
2023 Final dividend paid: RMB0.335 (2022 Final: HK$0.451) per share	**9,745**	11,608
2024 Interim dividend paid: RMB0.19 (2023 Interim: RMB0.18) per share	**5,527**	5,236
2024 Final dividend proposed: RMB0.36 (2023 Final: RMB0.335) per share	**10,473**	9,745

16 Earnings per share

Basic earnings per share for the year ended 31 December 2024 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 year ended 31 December 2024 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, CITIC Bank, a subsidiary of the Group, issued convertible bonds, the specific terms of which are disclosed in Note 45(a). 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 45(a).

The convertible bonds issued by CITIC Bank and CITIC Special Steel have dilutive effects on profit attributable to ordinary shareholders of the Company, the calculation results of which are listed as below:

	For the year ended 31 December	
	2024	2023
Profit attributable to ordinary shareholders of the Company	**58,202**	57,594
Less: impact on profit attributable to ordinary shareholders of the Company assuming above convertible bonds converted	**(984)**	(95)
Profit attributable to ordinary shareholders of the Company (adjusted)	**57,218**	57,499
Weighted average number of ordinary shares (in million)	**29,090**	29,090
Basic earnings per share (RMB)	**2.00**	1.98
Diluted earnings per share (RMB)	**1.97**	1.98

17 Other comprehensive income/(loss)

Components of other comprehensive income/(loss)

	For the year ended 31 December	
	2024	2023
Items that may be reclassified subsequently to profit or loss:		
Fair value gain on financial assets at FVOCI	**22,980**	7,203
Less: net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	**(8,008)**	(732)
Tax effect	**(3,839)**	(1,328)
	11,133	5,143
Change of loss allowance on debt investments at FVOCI	**652**	(70)
Less: net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	**(478)**	–
Tax effect	**(98)**	10
	76	(60)
Loss arising from cash flow hedge	**(21)**	(194)
Less: net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	**(118)**	(17)
Tax effect	**2**	–
	(137)	(211)
Share of other comprehensive loss of associates and joint ventures	**(2,572)**	(2,776)
Exchange differences on translation of financial statements and others	**1,565**	1,132
Items that will not be reclassified subsequently to profit or loss:		
Reclassification of owner-occupied property as investment property: revaluation gain/(loss)	**101**	(2)
Less: tax effect	**–**	–
	101	(2)
Fair value changes on equity investments designated at FVOCI	**277**	(187)
Less: tax effect	**(154)**	49
	123	(138)
Share of other comprehensive income of associates and joint ventures	**59**	–
	10,348	3,088

18 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 resource to be allocated to the segment and assess its performance, and for which financial information regarding financial position, financial performance and cash flows is available. The details of these 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, aluminium wheels, aluminium 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 property development, sale and holding of properties, contracting and design services, infrastructure services, environmental services, commercial aviation 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 year”. 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.

18 Segment reporting (Continued)

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

Information regarding the Group's reportable segments as provided to the board of directors for the purposes of resources allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below:

	For the year ended 31 December 2024							
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total
Revenue from external customers	279,469	50,793	325,615	49,872	46,987	134	–	752,870
Inter-segment revenue	1,906	182	292	132	1,424	19	(3,955)	–
Reportable segment revenue	281,375	50,975	325,907	50,004	48,411	153	(3,955)	752,870
Disaggregation of revenue:								
– Net interest income (Note 5(a))	150,158	–	–	–	–	85	(1,870)	148,373
– Net fee and commission income (Note 5(b))	59,173	–	–	–	–	4	(84)	59,093
– Sales of goods (Note 5(c))	5,838	50,360	323,795	36,102	17,597	–	(391)	433,301
– Services rendered to customers-construction contracts (Note 5(c))	–	247	63	–	16,221	–	(613)	15,918
– Services rendered to customers-others (Note 5(c))	–	368	2,049	13,902	14,593	64	(979)	29,997
– Other revenue (Note 5(d))	66,206	–	–	–	–	–	(18)	66,188
Share of profits/(losses) of associates, net of tax	1,764	(8)	1,076	(379)	1,685	–	–	4,138
Share of profits of joint ventures, net of tax	818	71	1,080	61	447	15	–	2,492
Finance income (Note 10)	–	52	2,037	124	935	599	(1,512)	2,235
Finance costs (Note 10)	–	(266)	(3,712)	(688)	(1,761)	(9,712)	2,798	(13,341)
Depreciation and amortisation (Note 11(b))	(10,534)	(1,537)	(11,255)	(1,801)	(2,183)	(250)	–	(27,560)
Expected credit losses (Note 8)	(59,319)	(147)	(219)	(82)	362	22	–	(59,383)
Impairment losses (Note 9)	(222)	(26)	(543)	(222)	(1,013)	(1)	–	(2,027)
Profit/(loss) before taxation	115,805	2,032	15,886	858	7,238	(7,896)	(1,266)	132,657
Income tax (Note 12)	(18,511)	(222)	(2,267)	(389)	(1,868)	(1,636)	(9)	(24,902)
Profit/(loss) for the year	97,294	1,810	13,619	469	5,370	(9,532)	(1,275)	107,755
Attributable to:								
– Ordinary shareholders of the Company	52,649	865	10,310	42	5,135	(9,530)	(1,269)	58,202
– Non-controlling interests	44,645	945	3,309	427	235	(2)	(6)	49,553

(Expressed in millions of Renminbi, unless otherwise stated)

18 Segment reporting (Continued)

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

	As at 31 December 2024							
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total
Reportable segment assets	11,369,787	63,576	357,614	56,193	343,031	53,956	(168,732)	12,075,425
Including:								
Interests in associates (Note 32)	25,868	1,011	22,819	7,571	49,789	675	-	107,733
Interests in joint ventures (Note 33)	14,766	641	8,117	1,864	40,171	1,396	-	66,955
Reportable segment liabilities	10,184,323	42,162	175,802	26,067	140,955	232,799	(149,697)	10,652,411
Including:								
Bank and other loans (Note 44) (note)	15,277	7,462	90,619	7,740	56,669	125,572	(58,484)	244,855
Debt instruments issued (Note 45) (note)	1,403,167	-	4,887	3,234	1,000	82,621	(4,807)	1,490,102

Note:

The amount is the principal excluding interest accrued.

18 Segment reporting (Continued)

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

	For the year ended 31 December 2023							
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total
Revenue from external customers	268,048	50,434	267,513	51,422	43,367	48	–	680,832
Inter-segment revenue	2,200	218	187	122	914	94	(3,735)	-
Reportable segment revenue	270,248	50,652	267,700	51,544	44,281	142	(3,735)	680,832
Disaggregation of revenue:								
– Net interest income (Note 5(a))	150,583	–	–	–	–	91	(2,155)	148,519
– Net fee and commission income (Note 5(b))	61,700	–	–	–	–	4	(114)	61,590
– Sales of goods (Note 5(c))	4,740	49,794	266,087	37,751	14,100	–	(400)	372,072
– Services rendered to customers-construction contracts (Note 5(c))	–	797	–	–	16,053	–	(494)	16,356
– Services rendered to customers-others (Note 5(c))	–	61	1,613	13,793	14,128	47	(490)	29,152
– Other revenue (Note 5(d))	53,225	–	–	–	–	–	(82)	53,143
Share of profits/(losses) of associates, net of tax	1,561	61	1,213	368	2,606	(114)	–	5,695
Share of profits of joint ventures, net of tax	1,372	27	855	36	1,377	41	–	3,708
Finance income (Note 10)	–	58	1,274	105	1,156	700	(1,461)	1,832
Finance costs (Note 10)	–	(304)	(3,198)	(636)	(1,840)	(9,205)	3,011	(12,172)
Depreciation and amortisation (Note 11(b))	(9,900)	(1,270)	(7,969)	(1,931)	(1,914)	(75)	–	(23,059)
Expected credit losses (Note 8)	(61,135)	(469)	(98)	12	(4,073)	148	–	(65,615)
Impairment losses (Note 9)	(286)	(456)	776	(216)	(3,803)	(610)	–	(4,595)
Profit/(loss) before taxation	108,186	1,903	17,035	2,012	2,471	(7,548)	(772)	123,287
Income tax (Note 12)	(13,757)	(169)	(2,163)	(374)	(451)	(1,071)	(28)	(18,013)
Profit/(loss) for the year	94,429	1,734	14,872	1,638	2,020	(8,619)	(800)	105,274
Attributable to:								
– Ordinary shareholders of the Company	50,496	827	12,731	1,032	2,163	(8,618)	(1,037)	57,594
– Non-controlling interests	43,933	907	2,141	606	(143)	(1)	237	47,680

(Expressed in millions of Renminbi, unless otherwise stated)

18 Segment reporting (Continued)

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

	As at 31 December 2023							
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total
Reportable segment assets	10,609,132	60,415	363,781	56,858	338,424	45,127	(142,817)	11,330,920
Including:								
Interests in associates (Note 32)	27,306	1,116	22,950	8,851	47,833	1,735	–	109,791
Interests in joint ventures (Note 33)	13,412	553	7,732	1,809	31,827	1,454	–	56,787
Reportable segment liabilities	9,503,628	40,137	187,807	25,452	140,810	222,535	(126,231)	9,994,138
Including:								
Bank and other loans (Note 44) (note)	10,344	6,018	90,205	6,608	54,245	125,712	(58,000)	235,132
Debt instruments issued (Note 45) (note)	1,133,946	–	5,259	3,184	–	74,009	(2,818)	1,213,580

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 For the year ended 31 December		**Reportable segment assets As at 31 December**	
	2024	2023	**2024**	2023
Chinese mainland	**639,198**	587,536	**10,921,472**	10,315,696
Hong Kong, Macau and Taiwan	**52,069**	44,246	**737,429**	638,695
Overseas	**61,603**	49,050	**416,524**	376,529
	752,870	680,832	**12,075,425**	11,330,920

19 Cash and deposits

	As at 31 December	
	2024	2023
Cash	**5,200**	4,504
Bank deposits	**125,243**	114,860
Balances with central banks (note (i)):		
– Statutory deposit reserve funds (note (ii))	**323,523**	357,686
– Surplus deposit reserve funds (note (iii))	**6,833**	52,473
– Fiscal deposits (note (iv))	**3,699**	356
– Foreign exchange reserves (note (v))	**4,178**	2,926
Deposits with banks and non-bank financial institutions	**138,373**	90,423
	607,049	623,228
Accrued interest	**1,498**	1,966
	608,547	625,194
Less: allowance for impairment losses on deposits with banks and non-bank financial institutions (Note 48)	**(60)**	(59)
	608,487	625,135

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 31 December 2024, the statutory deposit reserve funds placed by CITIC Bank with the People's Bank of China was calculated at 6% (31 December 2023: 7%) of eligible RMB deposits for domestic branches of CITIC Bank and at 6% (31 December 2023: 7%) of eligible RMB deposits from overseas financial institutions respectively. In addition, CITIC Bank was also required to deposit an amount equivalent to 4% (31 December 2023: 4%) of its foreign currency deposits from domestic branch customers as statutory deposit reserve funds.

As at 31 December 2024, the statutory RMB deposit reserve rate applicable to Zhejiang Lin'an CITIC Rural Bank Corporation Limited in Chinese mainland, a subsidiary of CITIC Bank, according to the corresponding regulations of the People's Bank of China, was at 5% (31 December 2023: 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 31 December 2024, the statutory deposit reserve funds placed by CITIC Finance with the People's Bank of China was calculated at 5% (31 December 2023: 5%) of eligible RMB deposits from the customers of CITIC Finance. CITIC Finance is also required to deposit an amount equivalent to 4% (31 December 2023: 4%) 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 maintained by CITIC Bank with the People's Bank of China in accordance with the related notice issued by the People's Bank of China. The reserve is required to be maintained on a monthly basis at 20% of the total contract amount of customers driven forward transactions in the previous month. Such foreign exchange reserve is non-interest bearing and will be maintained for in 12 months according to the notice.

(vi) In addition to the statutory deposit reserve funds, fiscal deposits and foreign exchange reserves, RMB13,107 million (31 December 2023: RMB17,357 million) included in cash and deposits as at 31 December 2024 were restricted in use, mainly including guaranteed pledged bank deposits, guaranteed deposits and risk reserve.

(Expressed in millions of Renminbi, unless otherwise stated)

20 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 40). In Chinese 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.

21 Placements with banks and non-bank financial institutions

	As at 31 December	
	2024	2023
Banks (note (a))	**133,785**	88,447
Non-bank financial institutions	**269,971**	148,150
	403,756	236,597
Accrued interest	**1,230**	1,288
	404,986	237,885
Less: allowance for impairment losses (Note 48)	**(185)**	(143)
	404,801	237,742
Analysed by remaining maturity:		
– Within 1 month	**93,695**	70,820
– Between 1 month and 1 year	**251,297**	164,277
– Over 1 year	**58,764**	1,500
	403,756	236,597
Accrued interest	**1,230**	1,288
	404,986	237,885
Less: allowance for impairment losses (Note 48)	**(185)**	(143)
	404,801	237,742

(a) The leased gold between the Group and financial institutions is included in the placements with banks and non-bank financial institutions, measured at fair value through profit or loss. As at 31 December 2024, the carrying amount of leased gold was RMB22,789 million (as at 31 December 2023: RMB7,320 million).

22 Derivative financial instruments

The Group's subsidiaries under the comprehensive financial services 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 asset and liability 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 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 financial position date. The nominal amounts of the derivatives provide a basis for comparison with fair values of derivatives recognised on the consolidated statement of financial position 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.

	As at 31 December					
	2024			2023		
	Nominal amount	**Assets**	**Liabilities**	Nominal amount	Assets	Liabilities
Hedging instruments						
Fair value hedge						
– Interest rate derivatives	**9,789**	**398**	**29**	5,216	168	–
– Commodity derivatives	**5,846**	**142**	**–**	–	–	–
– Currency derivatives	**2,695**	**31**	**20**	2,001	179	–
Cash flow hedge						
– Interest rate derivatives	**3,056**	**38**	**–**	4,009	141	34
– Currency derivatives	**3,454**	**4**	**12**	112	3	13
– Other derivatives	**95**	**83**	**12**	46	46	–
Non-hedging instruments						
– Interest rate derivatives	**7,512,931**	**39,394**	**41,274**	6,882,563	24,618	24,058
– Currency derivatives	**5,160,905**	**72,936**	**64,833**	3,422,469	31,967	29,095
– Equity derivatives	**541,205**	**17,201**	**19,954**	681,454	18,337	16,413
– Precious metals derivatives	**168,706**	**1,081**	**4,157**	79,567	621	1,279
– Credit derivatives	**18,195**	**22**	**67**	14,167	37	47
– Other derivatives	**740,687**	**3,888**	**3,973**	794,594	1,445	2,816
	14,167,564	**135,218**	**134,331**	11,886,198	77,562	73,755

(Expressed in millions of Renminbi, unless otherwise stated)

22 Derivative financial instruments (Continued)

(a) Nominal amount analysed by remaining maturity

	As at 31 December	
	2024	2023
Within 3 months	**4,624,972**	4,014,043
Between 3 months and 1 year	**6,033,749**	4,607,586
Between 1 year and 5 years	**3,266,288**	3,028,705
Over 5 years	**242,555**	235,864
	14,167,564	11,886,198

(b) 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" promulgated by the National Financial Regulatory Administration (the "NFRA"), 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 31 December 2024, the credit risk weighted amount for counterparty was RMB24,307 million (31 December 2023: RMB28,225 million).

23 Trade and other receivables

	As at 31 December	
	2024	2023
Account and bills receivables (note (a))	**88,884**	92,408
Advanced payments and settlement accounts (note (b))	**43,533**	25,743
Accounts due from brokers	**28,128**	24,488
Prepayments, deposits and other receivables (note (c))	**128,958**	130,432
	289,503	273,071
Less: allowance for impairment losses (Note 48)	**(23,116)**	(18,619)
	266,387	254,452

As at 31 December 2024, the amount of the Group's prepayments, deposits and other receivables expected to be recovered or recognised as expense after more than one year is RMB1,523 million (31 December 2023: RMB2,008 million). The remaining trade and other receivables are expected to be recovered or recognised as expense within one year.

23 Trade and other receivables (Continued)

(a) Account and bills receivables

(i) Account and bills receivables at amortised cost by overdue analysis

As at 31 December 2024, the analysis of account and bills receivables at amortised cost of the Group based on the days overdue is as follows:

	As at 31 December 2024		
	Expected credit loss rate	**Gross carrying amount**	**Loss allowance provision**
Current	**4%**	**52,834**	**(2,173)**
Up to 3 months overdue	**5%**	**1,940**	**(96)**
3 months to 1 year overdue	**8%**	**4,931**	**(398)**
Over 1 year overdue	**43%**	**19,040**	**(8,107)**
		78,745	**(10,774)**

	As at 31 December 2023		
	Expected credit loss rate	Gross carrying amount	Loss allowance provision
Current	2%	56,405	(1,322)
Up to 3 months overdue	8%	4,575	(367)
3 months to 1 year overdue	8%	2,827	(214)
Over 1 year overdue	59%	15,797	(9,275)
		79,604	(11,178)

Note:

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

(Expressed in millions of Renminbi, unless otherwise stated)

23 Trade and other receivables (Continued)

(a) Account and bills receivables (Continued)

(ii) Account and bills receivables at amortised cost by ageing analysis

As at 31 December, the ageing analysis of account and bills receivables at amortised cost of the Group based on invoice date is as follows:

	As at 31 December	
	2024	2023
Within 1 year	**52,198**	56,085
Over 1 year	**26,547**	23,519
	78,745	79,604
Less: allowance for impairment losses (Note 48)	**(10,774)**	(11,178)
	67,971	68,426

(iii) As at 31 December 2024, the carrying amount of bills receivables at FVOCI was RMB10,139 million (31 December 2023: RMB12,804 million).

(iv) The movements in the allowance for impairment losses on trade and other receivables are disclosed in Note 48.

(b) Advanced payments and settlement accounts

	As at 31 December	
	2024	2023
Advanced payments and settlement accounts	**43,533**	25,743
Less: allowance for impairment losses (Note 48)	**(141)**	(204)
	43,392	25,539

(c) Prepayments, deposits and other receivables

	As at 31 December	
	2024	2023
Prepayments, deposits and other receivables	**128,958**	130,432
Less: allowance for impairment losses (Note 48)	**(12,201)**	(7,237)
	116,757	123,195

24 Contract assets and contract liabilities

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December	
	2024	2023
Contract assets	**22,664**	24,509
Less: allowance for impairment losses (note(a))	**(250)**	(197)
Total contract assets	**22,414**	24,312
Advances from contracts with customers	**21,099**	31,482
Total contract liabilities	**21,099**	31,482

(a) Assessment of allowance for impairment losses of contract

	As at 31 December	
	2024	2023
ECL rate (note)	**1.10%**	0.80%
Gross carrying amount	**22,664**	24,509
Loss allowance provision	**(250)**	(197)

Note:

The ECL rate here is the average rate of loss allowance provision divided by gross carrying amount.

(b) Revenue recognised during the year that related to carried-forward contract liabilities

	For the year ended 31 December	
	2024	2023
Revenue from contracts with customers	**21,868**	17,444

(c) Revenue to be recognised in relating to unsatisfied performance obligations

As at 31 December 2024, transaction price allocated to unsatisfied contracts of the Group amounted at RMB60,609 million (31 December 2023: RMB88,129 million), of which RMB29,627 million is expected to be recognised as revenue within one year (31 December 2023: RMB52,685 million) and the remaining RMB30,982 million is expected to be recognised after more than one year (31 December 2023: RMB35,444 million).

(Expressed in millions of Renminbi, unless otherwise stated)

25 Inventories

	As at 31 December	
	2024	2023
Raw materials	**15,609**	16,623
Work-in-progress	**10,868**	11,855
Finished goods	**36,826**	37,060
Properties:		
– Properties under development	**30,146**	38,721
– Properties held-for-sale	**20,440**	21,616
– Others	**6,248**	5,865
Others	**3,500**	3,402
	123,637	135,142

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	For the year ended 31 December	
	2024	2023
Carrying amount of inventories sold	**397,554**	337,114
Write-down of inventories (Note 48)	**2,463**	4,033
Reversal of write-down of inventories (Note 48)	**(997)**	(630)
	399,020	340,517

As at 31 December 2024, the Group's inventories included an amount of RMB36,338 million expected to be recovered after more than one year (31 December 2023: RMB35,322 million).

26 Financial assets held under resale agreements

	As at 31 December	
	2024	2023
Analysed by counterparties:		
– Banks	**106,026**	54,937
– Non-bank financial institutions	**65,807**	54,644
– Others	**12,051**	54,481
	183,884	164,062
Accrued interest	**112**	150
	183,996	164,212
Less: allowance for impairment losses (Note 48)	**(4,167)**	771
	179,829	164,983

Analysed by types of collateral:

As at 31 December 2024, the collateral of the Group's financial assets held under resale agreements are securities or others (31 December 2023: securities or others).

Analysed by remaining maturity:

As at 31 December 2024, the Group's financial assets held under resale agreements will expire between 0 year and 5 years (31 December 2023: between 0 year and 5 years).

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

27 Loans and advances to customers and other parties

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

	As at 31 December	
	2024	2023
Loans and advances to customers and other parties at amortised cost		
Corporate loans		
– Loans	**2,766,421**	2,578,201
– Discounted bills	**2,182**	1,784
– Finance lease receivables	**49,579**	46,818
	2,818,182	2,626,803
Personal loans		
– Residential mortgages	**1,067,339**	1,003,320
– Credit cards	**488,716**	521,260
– Business loans	**488,898**	459,113
– Personal consumption	**321,324**	309,256
– Finance lease receivables	**6,151**	1,591
	2,372,428	2,294,540
	5,190,610	4,921,343
Accrued interest	**21,889**	20,188
	5,212,499	4,941,531
Less: allowance for impairment losses (Note 48)	**(146,013)**	(139,679)
Carrying amount of loans and advances to customers and other parties at amortised cost	**5,066,486**	4,801,852

27 Loans and advances to customers and other parties (Continued)

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

	As at 31 December	
	2024	2023
Loans and advances to customers and other parties at FVPL		
Corporate loans:		
– Loans	**11,243**	5,558
Personal loans:		
– Finance lease receivables	**369**	–
Carrying amount of loans and advances to customers and other parties at FVPL	**11,612**	5,558
Loans and advances to customers and other parties at FVOCI		
– Loans	**76,022**	58,064
– Discounted bills	**446,951**	514,666
Carrying amount of loans and advances to customers and other parties at FVOCI	**522,973**	572,730
Carrying amount of loans and advances	**5,601,071**	5,380,140
Allowance for impairment losses on loans and advances to customers and other parties at FVOCI (Note 48)	**(549)**	(656)

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

27 Loans and advances to customers and other parties (Continued)

(b) Assessment method of allowance for impairment losses

	As at 31 December 2024			
	Stage 1	**Stage 2**	**Stage 3 (note)**	**Total**
Loans and advances at amortised cost	**5,001,735**	**115,693**	**73,182**	**5,190,610**
Accrued interest	**15,848**	**5,087**	**954**	**21,889**
Less: allowance for impairment losses	**(62,545)**	**(29,547)**	**(53,921)**	**(146,013)**
Carrying amount of loans and advances at amortised cost	**4,955,038**	**91,233**	**20,215**	**5,066,486**
Carrying amount of loans and advances at FVOCI	**522,356**	**460**	**157**	**522,973**
Total carrying amount of loans and advances for which allowance for impairment losses is recognised	**5,477,394**	**91,693**	**20,372**	**5,589,459**
Allowance for impairment losses of loans and advances at FVOCI	**(545)**	**(1)**	**(3)**	**(549)**

	As at 31 December 2023			
	Stage 1	Stage 2	Stage 3 (note)	Total
Loans and advances at amortised cost	4,753,741	96,222	71,380	4,921,343
Accrued interest	19,120	411	657	20,188
Less: allowance for impairment losses	(64,268)	(27,217)	(48,194)	(139,679)
Carrying amount of loans and advances at amortised cost	4,708,593	69,416	23,843	4,801,852
Carrying amount of loans and advances at FVOCI	572,273	345	112	572,730
Total carrying amount of loans and advances for which allowance for impairment losses is recognised	5,280,866	69,761	23,955	5,374,582
Allowance for impairment losses of loans and advances at FVOCI	(586)	–	(70)	(656)

27 Loans and advances to customers and other parties (Continued)

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

Note:

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

	As at 31 December	
	2024	2023
Secured portion	**34,281**	34,988
Unsecured portion	**39,058**	37,161
Total loans and advances that are credit-impaired	**73,339**	72,149
Allowance for impairment losses	**(53,924)**	(48,264)

As at 31 December 2024, the maximum exposure covered by fair value of pledge and collateral held against these loans and advances amounted to RMB33,233 million (31 December 2023: RMB34,094 million).

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

(c) Overdue loans by overdue period

	As at 31 December 2024				
	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	**29,714**	**13,407**	**2,174**	**3,525**	**48,820**
Guaranteed loans	**7,610**	**3,683**	**2,899**	**2,678**	**16,870**
Secured loans					
– Loans secured by collateral	**12,846**	**10,965**	**9,216**	**2,071**	**35,098**
– Pledged loans	**3,220**	**1,570**	**1,716**	**137**	**6,643**
	53,390	**29,625**	**16,005**	**8,411**	**107,431**

	As at 31 December 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	20,105	11,922	2,091	246	34,364
Guaranteed loans	1,558	4,243	2,600	1,018	9,419
Secured loans					
– Loans secured by collateral	15,564	12,520	10,618	1,053	39,755
– Pledged loans	3,790	1,084	2,387	137	7,398
	41,017	29,769	17,696	2,454	90,936

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

(Expressed in millions of Renminbi, unless otherwise stated)

28 Margin accounts

	As at 31 December	
	2024	2023
Margin accounts	**140,626**	118,137
Less: allowance for impairment losses	**(2,294)**	609
Total	**138,332**	118,746

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

As at 31 December 2024, the Group received collateral with fair value amounted to RMB411,308 million (31 December 2023: RMB395,675 million) in connection with its margin financing business.

29 Investments in financial assets

(a) Analysed by types

	As at 31 December	
	2024	2023
Financial assets at amortised cost		
Debt securities	**920,106**	869,969
Investment management products	**20,162**	22,908
Trust investment plans	**176,543**	194,110
Certificates of deposit and certificates of interbank deposit	**1,095**	1,064
Investments in creditor's rights on assets	**1,900**	1,900
Others	**3,354**	2,087
	1,123,160	1,092,038
Accrued interest	**12,727**	12,623
	1,135,887	1,104,661
Less: allowance for impairment losses (Note 48)	**(27,728)**	(28,622)
	1,108,159	1,076,039
Financial assets at FVPL		
Debt securities	**493,650**	312,247
Investment management products	**11,415**	12,706
Trust investment plans	**10,340**	11,432
Certificates of deposit and certificates of interbank deposit	**75,593**	99,972
Wealth management products	**9,114**	6,161
Investment funds	**519,063**	553,540
Equity investments	**237,300**	258,178
Others	**44,638**	37,879
	1,401,113	1,292,115

29 Investments in financial assets (Continued)

(a) Analysed by types (Continued)

	As at 31 December	
	2024	2023
Debt investments at FVOCI (note (i))		
Debt securities	**889,068**	934,693
Certificates of deposit and certificates of interbank deposit	**29,868**	25,872
	918,936	960,565
Accrued interest	**7,995**	7,238
	926,931	967,803
Equity investments at FVOCI (note (i))	**102,648**	20,410
	3,538,851	3,356,367
Allowance for impairment losses on debt investments at FVOCI (Note 48)	**(3,285)**	(3,284)

Note:

(i) Financial assets measured at FVOCI.

	As at 31 December 2024		
	Equity instruments	**Debt instruments**	**Total**
Cost/amortised cost	**101,892**	**904,622**	**1,006,514**
Accumulative fair value change in other comprehensive income	**756**	**14,314**	**15,070**
Accrued interest	**–**	**7,995**	**7,995**
Carrying amount	**102,648**	**926,931**	**1,029,579**
Allowance for impairment losses (Note 48)	**Not applicable**	**(3,285)**	**(3,285)**

	As at 31 December 2023		
	Equity instruments	Debt instruments	Total
Cost/amortised cost	20,630	960,959	981,589
Accumulative fair value change in other comprehensive income	(220)	(394)	(614)
Accrued interest	–	7,238	7,238
Carrying amount	20,410	967,803	988,213
Allowance for impairment losses (Note 48)	Not applicable	(3,284)	(3,284)

(Expressed in millions of Renminbi, unless otherwise stated)

29 Investments in financial assets (Continued)

(b) Analysed by counterparties

	As at 31 December	
	2024	2023
Issued by:		
– Government	**1,587,428**	1,526,497
– Policy banks	**41,628**	75,992
– Banks and non-bank financial institutions	**1,457,653**	1,351,070
– Corporates	**423,230**	380,959
– Public entities	**8,216**	2,064
	3,518,155	3,336,582
Accrued interest	**20,696**	19,785
	3,538,851	3,356,367
– Listed in Hong Kong	**81,978**	91,807
– Listed outside Hong Kong	**2,970,179**	2,778,478
– Unlisted	**465,998**	466,297
	3,518,155	3,336,582
Accrued interest	**20,696**	19,785
	3,538,851	3,356,367

Bonds traded in China's inter-bank bond market are "listed outside Hong Kong".

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

	As at 31 December 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount of investments in financial assets at amortised cost	**1,064,868**	**9,121**	**49,171**	**1,123,160**
Accrued interest	**11,374**	**1,289**	**64**	**12,727**
Less: allowance for impairment losses	**(2,390)**	**(1,088)**	**(24,250)**	**(27,728)**
Carrying amount of investments in financial assets at amortised cost	**1,073,852**	**9,322**	**24,985**	**1,108,159**
Gross carrying amount of debt investments in financial assets at FVOCI	**918,145**	**125**	**666**	**918,936**
Accrued interest	**7,966**	**5**	**24**	**7,995**
Carrying amount of debt investments in financial assets at FVOCI	**926,111**	**130**	**690**	**926,931**
Total carrying amount of investments in financial assets for which allowance for impairment losses is recognised	**1,999,963**	**9,452**	**25,675**	**2,035,090**
Allowance for impairment losses on debt investments in financial assets at FVOCI	**(2,051)**	**(24)**	**(1,210)**	**(3,285)**

29 Investments in financial assets (Continued)

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

	As at 31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount of investments in financial assets at amortised cost	1,036,744	6,081	49,213	1,092,038
Accrued interest	12,061	488	74	12,623
Less: allowance for impairment losses	(3,384)	(1,405)	(23,833)	(28,622)
Carrying amount of investments in financial assets at amortised cost	1,045,421	5,164	25,454	1,076,039
Gross carrying amount of debt investments in financial assets at FVOCI	958,971	664	930	960,565
Accrued interest	7,104	4	130	7,238
Carrying amount of debt investments in financial assets at FVOCI	966,075	668	1,060	967,803
Total carrying amount of investments in financial assets for which allowance for impairment losses is recognised	2,011,496	5,832	26,514	2,043,842
Allowance for impairment losses on debt investments in financial assets at FVOCI	(2,221)	(234)	(829)	(3,284)

30 Refundable deposits

	As at 31 December	
	2024	2023
Trading deposits	**62,418**	58,682
Performance deposits	**5,625**	3,048
Credit deposits	**172**	452
	68,215	62,182

(Expressed in millions of Renminbi, unless otherwise stated)

31 Subsidiaries

The particulars of the principal subsidiaries are set out in Note 61.

The following table lists out the information relating to CITIC Bank, CITIC Securities, CITIC Heavy Industries Co. Ltd. ("CITIC Heavy Industries"), CITIC Telecom International Holdings Limited ("CITIC Telecom International") and CITIC Resources Holdings Limited ("CITIC Resources"), which are listed subsidiaries of the Group and have material non-controlling interests. The summarised financial information below is before elimination of inter-group transactions and balances:

	As at 31 December									
	CITIC Bank		CITIC Securities		CITIC Heavy Industries		CITIC Telecom International		CITIC Resources	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Listed in:	Hong Kong and Shanghai		Hong Kong and Shanghai		Shanghai		Hong Kong		Hong Kong	
Percentage of non-controlling interests	**32.70%**	34.07%	**80.16%**	80.76%	**35.62%**	32.73%	**42.46%**	42.45%	**40.50%**	40.50%
Total assets	**9,532,722**	9,052,484	**1,713,362**	1,456,211	**19,677**	18,351	**16,150**	15,735	**11,736**	10,534
Mainly including:										
Cash and deposits	**469,108**	497,517	**116,494**	109,773	**2,061**	1,202	**1,492**	1,564	**1,881**	1,345
Cash held on behalf of customers	**-**	-	**315,761**	239,019	**-**	-	**-**	-	**-**	-
Placements with banks and non-bank financial institutions	**404,801**	237,742	**-**	-	**-**	-	**-**	-	**-**	-
Derivative financial instruments	**85,929**	44,675	**48,997**	32,754	**-**	-	**4**	-	**103**	66
Financial assets held under resale agreements	**136,265**	104,773	**44,268**	62,209	**-**	-	**-**	-	**-**	-
Loans and advances to customers and other parties	**5,601,450**	5,383,750	**-**	-	**-**	-	**-**	-	**-**	-
Margin accounts	**-**	-	**138,332**	118,746	**-**	-	**-**	-	**-**	-
Investments in financial assets	**2,620,870**	2,592,906	**861,773**	715,744	**505**	505	**-**	-	**-**	-
Fixed assets	**46,516**	38,309	**8,931**	9,532	**3,907**	3,945	**1,788**	1,802	**3,416**	3,614
Right-of-use assets	**11,035**	10,643	**2,166**	15,699	**31**	55	**427**	411	**52**	44

31 Subsidiaries (Continued)

	As at 31 December									
	CITIC Bank		CITIC Securities		CITIC Heavy Industries		CITIC Telecom International		CITIC Resources	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Total liabilities	**(8,725,357)**	(8,317,809)	**(1,414,713)**	(1,181,983)	**(10,439)**	(10,113)	**(6,628)**	(5,890)	**(4,130)**	(3,428)
Mainly including:										
Borrowings from central banks	**(124,151)**	(273,226)	**–**	–	**–**	–	**–**	–	**–**	–
Deposits from banks and non-bank financial institutions	**(968,492)**	(927,887)	**–**	–	**–**	–	**–**	–	**–**	–
Placements from banks and non-bank financial institutions	**(88,550)**	(86,327)	**(45,493)**	(53,623)	**–**	–	**–**	–	**–**	–
Customer brokerage deposits	**–**	–	**(362,449)**	(283,821)	**–**	–	**–**	–	**–**	–
Trade and other payables	**–**	–	**(198,183)**	(198,061)	**(2,897)**	(3,181)	**(780)**	(834)	**(691)**	(220)
Derivative financial instruments	**(81,162)**	(41,850)	**(53,954)**	(32,006)	**–**	–	**–**	–	**(12)**	–
Financial assets sold under repurchase agreements	**(278,003)**	(463,018)	**(390,169)**	(283,346)	**–**	–	**–**	–	**–**	–
Deposits from customers	**(5,864,311)**	(5,467,657)	**–**	–	**–**	–	**–**	–	**–**	–
Bank and other loans	**–**	–	**(14,232)**	(7,957)	**(2,032)**	(2,266)	**(320)**	(319)	**(1,823)**	(1,622)
Lease liabilities	**(10,861)**	(10,245)	**(2,262)**	(2,429)	**(36)**	(58)	**(300)**	(308)	**(40)**	(37)
Net assets	**807,365**	734,675	**298,649**	274,228	**9,238**	8,238	**9,522**	9,845	**7,606**	7,106
Equity attributable to										
– Ordinary shareholders of subsidiaries	**684,316**	602,281	**292,990**	268,867	**9,043**	8,017	**9,924**	9,747	**7,485**	7,034
– Non-controlling interests in subsidiaries	**123,049**	132,394	**5,659**	5,361	**195**	221	**(402)**	98	**121**	72
Carrying amount of non-controlling interests	**346,820**	337,591	**246,504**	225,723	**3,416**	2,845	**3,530**	4,236	**3,152**	2,921

(Expressed in millions of Renminbi, unless otherwise stated)

31 Subsidiaries (Continued)

	For the year ended 31 December									
	CITIC Bank		CITIC Securities		CITIC Heavy Industries		CITIC Telecom International		CITIC Resources	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Revenue	**212,223**	205,570	**63,789**	60,068	**8,034**	9,557	**8,725**	8,994	**8,656**	3,445
Profit for the year	**69,468**	68,062	**22,428**	20,379	**355**	394	**845**	1,127	**554**	557
Total comprehensive income for the year	**82,382**	73,637	**22,590**	21,455	**310**	419	**830**	1,152	**339**	493
Profit attributable to non-controlling interests	**23,317**	23,878	**18,572**	16,976	**114**	136	**368**	489	**243**	262
Dividends paid to non-controlling interests	**1,124**	10,871	**9,887**	6,935	**52**	16	**375**	354	**-**	-
Net cash (used in)/generated from operating activities	**(181,032)**	(918)	**95,821**	(34,133)	**816**	1,200	**1,422**	1,694	**803**	1,040
Net cash (used in)/generated from investing activities	**(29,532)**	1,887	**(74,264)**	(18,198)	**(340)**	(40)	**(273)**	(141)	**(469)**	74
Net cash generated from/(used in) financing activities	**220,803**	(63,102)	**(15,362)**	48,281	**391**	(1,692)	**(1,205)**	(1,711)	**(77)**	(1,304)

32 Interests in associates

	As at 31 December	
	2024	2023
Carrying value	**115,759**	118,049
Less: allowance for impairment losses (Note 48)	**(8,026)**	(8,258)
	107,733	109,791

The particulars of the principal associates are set out in Note 61.

32 Interests in associates (Continued)

Summarised financial information of the material associates are disclosed below:

	As at 31 December					
	China Overseas Land & Investment Limited		CSC Financial Co., Ltd.		Ivanhoe Mines Ltd.	
	2024	2023	**2024**	2023	**2024**	2023
Listed in:	**Hong Kong**		**Hong Kong, Shanghai**		**Canada**	
Gross amount of the associates						
Total assets	**931,267**	945,892	**566,418**	522,752	**50,247**	44,285
Total liabilities	**(506,804)**	(530,692)	**(459,899)**	(425,226)	**(6,953)**	(10,538)
Net assets	**424,463**	415,200	**106,519**	97,526	**43,294**	33,747
Equity attributable to:						
– Associates' shareholders	**403,244**	395,306	**106,469**	97,478	**44,004**	34,191
– Non-controlling interests in associates	**21,219**	19,894	**50**	48	**(710)**	(444)
	424,463	415,200	**106,519**	97,526	**43,294**	33,747

	For the year ended 31 December					
	China Overseas Land & Investment Limited		CSC Financial Co., Ltd.		Ivanhoe Mines Ltd.	
	2024	2023	**2024**	2023	**2024**	2023
Revenue	**185,154**	202,524	**32,216**	33,979	**291**	–
Profit for the year	**17,701**	26,602	**7,236**	7,047	**1,577**	2,247
Other comprehensive (loss)/income for the year	**(801)**	(284)	**598**	271	**498**	432
Total comprehensive income for the year	**16,900**	26,318	**7,834**	7,318	**2,075**	2,679
Dividends received from associates	**749**	740	**210**	196	**–**	–
Reconciled to the Group's interests in associates						
Net assets of associates attributable to the associates' ordinary shareholders	**403,244**	395,306	**76,643**	72,571	**44,004**	34,191
The Group's effective interest	**10.01%**	10.01%	**9.47%**	9.47%	**22.34%**	24.81%
The Group's share of net assets of associates attributable to the ordinary shareholders	**40,365**	39,570	**7,258**	6,872	**9,830**	8,483
Goodwill and others	**1,452**	1,266	**6,085**	6,164	**(151)**	(157)
Impairment of interests in associates	**(3,669)**	(3,539)	**–**	–	**–**	–
Carrying amounts in the consolidated statement of financial position	**38,148**	37,297	**13,343**	13,036	**9,679**	8,326
Quoted fair value	**14,608**	13,661	**18,913**	11,257	**26,965**	21,710

(Expressed in millions of Renminbi, unless otherwise stated)

32 Interests in associates (Continued)

Note:

Aggregate information of associates that are not individually material:

	As at 31 December	
	2024	2023
Aggregate carrying amount of individually immaterial associates in the consolidated statement of financial position	**46,563**	51,132
Aggregate amount of the Group's share of those immaterial associates:		
Profit for the year	**1,725**	2,091
Other comprehensive income/(loss) for the year	**126**	(32)
Total comprehensive income for the year	**1,851**	2,059

33 Interests in joint ventures

	As at 31 December	
	2024	2023
Carrying value	**68,738**	58,305
Less: allowance for impairment losses (Note 48)	**(1,783)**	(1,518)
	66,955	56,787

The particulars of the principal joint ventures are set out in Note 61.

Summarised financial information of the material joint ventures are disclosed below:

	As at 31 December					
	CITIC-Prudential Life Insurance Co., Ltd.		China Shipbuilding Properties Co., Ltd.		Shanghai Ruibo Real Properties Co., Ltd.	
	2024	2023	**2024**	2023	**2024**	2023
Gross amount of the joint ventures						
Total assets	**264,757**	236,287	**16,645**	16,260	**31,420**	33,221
Total liabilities	**(252,250)**	(225,093)	**(9,022)**	(8,819)	**(22,241)**	(24,223)
Net assets	**12,507**	11,194	**7,623**	7,441	**9,179**	8,998
Equity attributable to:						
– Joint ventures' shareholders	**12,507**	10,577	**7,623**	7,441	**9,179**	8,998
– Non-controlling interests in joint ventures	**–**	617	**–**	–	**–**	–
	12,507	11,194	**7,623**	7,441	**9,179**	8,998

33 Interests in joint ventures (Continued)

	For the year ended 31 December					
	CITIC-Prudential Life Insurance Co., Ltd.		China Shipbuilding Properties Co., Ltd.		Shanghai Ruibo Real Properties Co., Ltd.	
	2024	2023	**2024**	2023	**2024**	2023
Revenue	**15,345**	11,952	**281**	533	**2,362**	3,662
Profit for the year	**96**	1,132	**181**	168	**181**	435
Other comprehensive loss for the year	**(664)**	(6,238)	**–**	–	**–**	–
Total comprehensive (loss)/income for the year	**(568)**	(5,106)	**181**	168	**181**	435
Dividends received from joint ventures	**–**	626	**–**	–	**–**	–
Reconciled to the Group's interests in joint ventures						
Net assets of joint ventures attributable to joint ventures' ordinary shareholders	**12,507**	10,577	**7,623**	7,441	**9,179**	8,998
The Group's effective interest	**50.00%**	50.00%	**50.00%**	50.00%	**50.00%**	50.00%
The Group's share of net assets of joint ventures attributable to the ordinary shareholders	**6,254**	5,289	**3,812**	3,721	**4,590**	4,499
Goodwill and others	**1,137**	1,156	**892**	874	**298**	253
Carrying amount in the consolidated statement of financial position	**7,391**	6,445	**4,704**	4,595	**4,888**	4,752

Aggregate information of joint ventures that are not individually material:

	As at 31 December	
	2024	2023
Aggregate carrying amount of individually immaterial joint ventures in the consolidated statement of financial position	**49,972**	40,995
Aggregate amount of the Group's share of individually immaterial joint ventures		
Profit for the year	**2,200**	2,763
Other comprehensive loss for the year	**(150)**	(586)
Total comprehensive income for the year	**2,050**	2,177

(Expressed in millions of Renminbi, unless otherwise stated)

34 Fixed assets

	Property, plant and equipment							
	Plant and buildings	Machinery and equipment	Construction in progress	Office and other equipment	Vehicles and vessels	Others	Total	Investment properties
Cost or valuation:								
At 1 January 2024	106,038	192,063	20,046	28,501	14,747	10,849	372,244	38,153
Exchange adjustments	91	1,149	7	94	55	197	1,593	252
Business combinations	4	–	–	–	–	–	4	–
Additions	3,290	2,862	9,848	12,528	651	112	29,291	4,956
Disposals	(4,023)	(17,954)	(439)	(2,349)	(1,514)	(2,592)	(28,871)	(427)
Transfers	7,198	5,860	(11,801)	202	61	558	2,078	(2,078)
Changes in fair value of investment properties	–	–	–	–	–	–	–	(165)
At 31 December 2024	112,598	183,980	17,661	38,976	14,000	9,124	376,339	40,691
Accumulated depreciation, amortisation and impairment losses:								
At 1 January 2024	(30,244)	(102,531)	(537)	(14,422)	(6,433)	(7,358)	(161,525)	–
Exchange adjustments	(108)	(249)	–	(41)	(20)	(103)	(521)	–
Charge for the year	(4,157)	(10,663)	–	(3,805)	(1,042)	(524)	(20,191)	–
Disposals	3,576	17,386	6	1,623	804	622	24,017	–
Impairments (losses)/reversals (Note 48)	(37)	(144)	22	–	(22)	114	(67)	–
At 31 December 2024	(30,970)	(96,201)	(509)	(16,645)	(6,713)	(7,249)	(158,287)	–
Net book value:								
At 31 December 2024	81,628	87,779	17,152	22,331	7,287	1,875	218,052	40,691
Represented by:								
Cost	112,598	183,980	17,661	38,976	14,000	9,124	376,339	Not applicable
Valuation	–	–	–	–	–	–	–	40,691
	112,598	183,980	17,661	38,976	14,000	9,124	376,339	40,691

34 Fixed assets (Continued)

	Property, plant and equipment							
	Plant and buildings	Machinery and equipment	Construction in progress	Office and other equipment	Vehicles and vessels	Others	Total	Investment properties
Cost or valuation:								
At 1 January 2023	94,467	149,277	19,662	20,409	13,881	9,584	307,280	35,407
Exchange adjustments	369	1,626	(252)	59	57	121	1,980	185
Business combinations	9,661	30,714	5,870	659	482	5	47,391	220
Additions	563	7,055	7,690	7,846	662	1,049	24,865	693
Disposals	(1,676)	(1,632)	(790)	(1,120)	(909)	(999)	(7,126)	(341)
Transfers	2,654	5,023	(12,134)	648	574	1,089	(2,146)	2,146
Changes in fair value of investment properties	–	–	–	–	–	–	–	(157)
At 31 December 2023	106,038	192,063	20,046	28,501	14,747	10,849	372,244	38,153
Accumulated depreciation, amortisation and impairment losses:								
At 1 January 2023	(27,378)	(95,486)	(537)	(12,248)	(6,135)	(5,693)	(147,477)	–
Exchange adjustments	(197)	(1,021)	–	(38)	(27)	(77)	(1,360)	–
Charge for the year	(3,549)	(7,695)	–	(2,988)	(837)	(1,692)	(16,761)	–
Disposals	883	1,239	20	855	629	109	3,735	–
Impairments (losses)/reversals (Note 48)	(3)	432	(20)	(3)	(63)	(5)	338	–
At 31 December 2023	(30,244)	(102,531)	(537)	(14,422)	(6,433)	(7,358)	(161,525)	–
Net book value:								
At 31 December 2023	75,794	89,532	19,509	14,079	8,314	3,491	210,719	38,153
Represented by:								
Cost	106,038	192,063	20,046	28,501	14,747	10,849	372,244	Not applicable
Valuation	–	–	–	–	–	–	–	38,153
	106,038	192,063	20,046	28,501	14,747	10,849	372,244	38,153

As at 31 December 2024, the Group was in the process of applying the ownership certificates in respect of certain premises of RMB967 million (31 December 2023: RMB955 million). The Group anticipates that there would be no significant issues and costs in completing such procedures.

34 Fixed assets (Continued)

(a) Fair value measurement of investment properties

(i) Property valuation

Investment properties were revalued by the following independent professionally qualified valuers. Management of the Group had discussions with the valuers on the valuation assumptions and valuation results when the valuation is performed at each financial position date.

Properties located in	Valuers in 2024
Chinese mainland and Hong Kong	China Enterprise Appraisals Consultation Co., Ltd.
	Knight Frank Petty Limited
	China United Assets Appraisal Group
	Jones Lang LaSalle Corporate Appraisal and Advisory Company Limited
	Pan-China Assets Appraisal Co.,Ltd.
	ZhongHe Appraisal Co., Ltd.
	Centaline Surveyors Limited
Overseas	Jones Lang LaSalle Corporate Appraisal and Advisory Company Limited Network Real Estate Appraisal Co., Ltd.

Properties located in	Valuers in 2023
Chinese mainland and Hong Kong	China Enterprise Appraisals Consultation Co., Ltd.
	Knight Frank Petty Limited
	China United Assets Appraisal Group
	Jones Lang LaSalle Corporate Appraisal and Advisory Company Limited
	Pan-China Assets Appraisal Co.,Ltd.
	ZhongHe Appraisal Co., Ltd.
	Centaline Surveyors Limited
	Prudential Surveyors (Hong Kong) Limited
	Martin Reynolds AAPI MRICS
	Savills
Overseas	Jones Lang LaSalle Corporate Appraisal and Advisory Company Limited

34 Fixed assets (Continued)

(a) Fair value measurement of investment properties (Continued)

(ii) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the financial position dates on a recurring basis, categorised into the three-level hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;

Level 3 valuations: Fair value measured using significant unobservable inputs.

	Level 3 For the year ended 31 December	
	2024	2023
Recurring fair value measurement		
Investment properties – Chinese mainland		
At 1 January	**25,954**	23,815
Exchange adjustments	**(2)**	5
Business combinations	**–**	219
Additions	**4,799**	355
Disposals	**(421)**	(301)
Transfers	**(2,031)**	2,098
Changes in fair value of investment properties	**(198)**	(237)
At 31 December	**28,101**	25,954

(Expressed in millions of Renminbi, unless otherwise stated)

34 Fixed assets (Continued)

(a) Fair value measurement of investment properties (Continued)

(ii) Fair value hierarchy (Continued)

	Level 3 For the year ended 31 December	
	2024	2023
Recurring fair value measurement (Continued)		
Investment properties – Hong Kong		
At 1 January	**11,706**	11,094
Exchange adjustments	**280**	162
Additions	**136**	338
Disposals	**–**	(10)
Transfers	**(47)**	48
Changes in fair value of investment properties	**31**	74
At 31 December	**12,106**	11,706
Investment properties – Overseas		
At 1 January	**493**	498
Exchange adjustments	**(26)**	18
Business combinations	**–**	1
Additions	**21**	–
Disposals	**(6)**	(30)
Changes in fair value of investment properties	**2**	6
At 31 December	**484**	493

The Group's policy is to recognise transfers between levels of fair value hierarchy at the financial position date in which they occur. During the year ended 31 December 2024, there were no Level 1 and Level 2 fair value hierarchy (2023: Nil) and no transfers into or out of Level 3 (2023: Nil).

34 Fixed assets (Continued)

(a) Fair value measurement of investment properties (Continued)

(iii) Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of investment properties located in Chinese mainland is determined by using income capitalisation approach and depreciated replacement cost approach under the circumstances.

The income capitalisation approach is the sum of the term value and the reversionary value by discounting the contracted annual rent at the capitalisation rate over the existing lease period; and the sum of average unit market rent at the capitalisation rate after the existing lease period.

Depreciated replacement cost values a property by taking into account of its current cost of replacement or reproduction, less deduction for physical deterioration and all relevant forms of obsolescence and optimisation. The fair value measurement is based on an estimate of the market value for the existing use of the land, plus the depreciated replacement cost.

The fair value of certain investment properties located in Hong Kong is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the quality of the Group's buildings compared to the recent sales. Higher premium for higher quality buildings will result in a higher fair value measurement.

The fair value of other investment properties located in Hong Kong is determined by using income capitalisation approach and with reference to sales evidence as available in the market.

(Expressed in millions of Renminbi, unless otherwise stated)

35 Intangible assets and goodwill

(a) Intangible assets

The Group's intangible assets mainly include computer software and data resources. As at 31 December 2024, in accordance with the Notice on Promulgation of the Interim Provisions on Accounting Treatment for Enterprise Data Resources issued by the Ministry of Finance, the original value of data resources recognised as intangible assets was RMB16.15 million, the accumulated amortisation was RMB0.89 million, and the net carrying amount was RMB15.26 million.

(b) Goodwill

	For the year ended 31 December	
	2024	2023
Cost:		
At 1 January	**32,236**	31,757
Additions	**–**	282
Disposals	**–**	–
Exchange differences and others	**645**	197
At 31 December	**32,881**	32,236
Accumulated impairment losses:		
At 1 January	**(6,160)**	(6,134)
Additions (Note 48)	**(17)**	(26)
Disposals	**–**	–
Exchange differences and others	**40**	–
At 31 December	**(6,137)**	(6,160)
Net book value:		
At 31 December	**26,744**	26,076

Goodwill is allocated to the Group's cash-generating units identified in segments as follows:

	As at 31 December	
	2024	2023
Comprehensive financial services	**12,838**	12,783
Advanced intelligent manufacturing	**975**	981
Advanced materials	**954**	512
New consumption	**11,371**	11,190
New-type urbanisation	**606**	610
	26,744	26,076

In conducting goodwill impairment test, the carrying value of goodwill is allocated to the cash-generating units or groups of cash-generating units which are expected to benefit from the synergies of the business combination. The recoverable amount of the cash-generating units or groups of cash-generating units is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The corresponding impairment loss of the cash-generating units or groups of cash-generating units will not be recognised if either the fair value less costs to sell or the present value of the future cash flows expected to be derived from the asset is higher than the carrying value.

35 Intangible assets and goodwill (Continued)

For the comprehensive financial service segment, the Group included CITIC Securities in the consolidation scope, generating goodwill of RMB11,430 million since April 2022. As at 31 December 2024, the Group allocated such goodwill to CITIC Securities for impairment test, and evaluated whether it was impaired based on the present value of the expected future cash flows. The management determined the growth rate based on historical experience and forecasts of market development. The growth rate of the forecast period was determined according to the budget approved by management, and growth rate of 2% for the stable period was used after the forecast period. The Group adopted 13.48%, which could reflect the overall risks of CITIC Securities, as the pre-tax discount rate. As the calculation showed, the goodwill arising from consolidation of CITIC Securities had not been impaired.

Among the total book value of the Group's goodwill, an amount of RMB8,806 million was generated from acquisition of subsidiaries by CITIC Telecom International. The recoverable amounts of the groups of cash-generating units are determined based on value-in-use calculations which is higher than the carrying amount. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. For the subsequent two years of the model, data from the financial budgets is extrapolated generally using simplified assumptions such as macro-economic and industry assumptions. Cash flows after the first five-year period are extrapolated generally using expected annual long-term growth rates, in order to calculate the terminal value. Key assumptions used for the value-in-use calculations are as follows:

	2024	2023
Telecom services revenue growth rates	**0.1% ~ 2.8%**	-8.2% ~ 2.4%
Long-term growth rates	**3.0%**	3.0%
Pre-tax discount rates	**9.2% ~ 10.5%**	10.7% ~ 12.5%

The average services revenue growth rates and long-term growth rates used for the respective groups of cash-generating units are based on past performance and management's expectation for market development. The discount rates used are pre-tax and reflect specific risks relating to the respective groups of cash-generating units. Any adverse change in the key assumptions could reduce the recoverable amount below carrying amount.

For the new-type urbanisation segment, RMB4,801 million in the original carrying amount of the Group's goodwill was generated from acquisition of a subsidiary of CITIC Environment Investment Group Co., Ltd. ("CITIC Environment"), and an impairment loss of RMB4,323 million was provided in 2022. As at 31 December 2024, management evaluated whether the goodwill has been impaired using the present value of the expected future cash flows. After testing, the goodwill is not further impaired in 2024.

(Expressed in millions of Renminbi, unless otherwise stated)

36 Income tax in the statement of financial position

(a) Current income tax in the statement of financial position represents:

	As at 31 December	
	2024	2023
Income tax payable	**12,376**	9,234

(b) Deferred tax assets/(liabilities) recognised:

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the years ended 31 December 2024 and 2023, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Tax losses	Accrued expenses	Impairment loss on assets other than fixed assets and intangible assets	Fair value changes of financial instruments	Fixed assets and intangible assets	Others	Total
Deferred tax assets							
At 1 January 2023	12,666	8,915	57,208	4,294	2,589	3,737	89,409
Charged to profit or loss	155	1,940	(166)	(2,416)	(560)	(439)	(1,486)
Charged to other comprehensive income	–	12	(4)	49	7	190	254
Business combinations	637	202	32	–	–	600	1,471
Exchange adjustments and others	180	(5)	55	9	10	(16)	233
At 31 December 2023	13,638	11,064	57,125	1,936	2,046	4,072	89,881
At 1 January 2024	13,638	11,064	57,125	1,936	2,046	4,072	89,881
Charged to profit or loss	35	310	4,642	1,585	(1,042)	404	5,934
Charged to other comprehensive income	–	6	(112)	(73)	(11)	(58)	(248)
Business combinations	(1)	–	–	–	–	–	(1)
Exchange adjustments and others	475	(224)	(250)	(142)	701	(447)	113
At 31 December 2024	14,147	11,156	61,405	3,306	1,694	3,971	95,679

36 Income tax in the statement of financial position (Continued)

(b) Deferred tax assets/(liabilities) recognised: (Continued)

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the years ended 31 December 2024 and 2023, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Fair value changes of financial instruments	Temporary differences on fixed assets and intangible assets	Revaluation of investment properties	Others	Total
Deferred tax liabilities					
At 1 January 2023	(4,275)	(3,465)	(3,741)	(7,251)	(18,732)
Charged to profit or loss	(148)	(184)	180	(107)	(259)
Charged to other comprehensive income	(1,833)	(5)	(1)	(316)	(2,155)
Business combinations	–	(586)	(659)	(1,196)	(2,441)
Exchange adjustments and others	237	5	(103)	147	286
At 31 December 2023	(6,019)	(4,235)	(4,324)	(8,723)	(23,301)
At 1 January 2024	(6,019)	(4,235)	(4,324)	(8,723)	(23,301)
Charged to profit or loss	(1,106)	917	(48)	(1,332)	(1,569)
Charged to other comprehensive income	(3,736)	7	–	150	(3,579)
Business combinations	–	–	–	1	1
Exchange adjustments and others	4	456	659	(1,109)	10
At 31 December 2024	(10,857)	(2,855)	(3,713)	(11,013)	(28,438)

As at 31 December 2024, the deferred tax assets/liabilities offset by the Group were RMB10,717 million (31 December 2023: RMB6,554 million).

(c) Deductible temporary difference and tax losses not recognised as deferred tax assets

The Group has not recognised deferred tax assets in respect of the following items:

	As at 31 December	
	2024	2023
Deductible temporary differences	**13,673**	10,683
Tax losses	**23,257**	28,923
	36,930	39,606

It is not probable that future taxable profits against which the above deductible temporary differences and tax losses can be utilised by the Group. As at 31 December 2024, tax losses amounting to RMB14,854 million (31 December 2023: RMB22,239 million) that can be carried forward against future taxable income are expiring within 5 years.

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

37 Deposits from banks and non-bank financial institutions

	As at 31 December	
	2024	2023
Banks	**349,456**	275,313
Non-bank financial institutions	**583,403**	614,494
	932,859	889,807
Accrued interest	**2,300**	3,758
	935,159	893,565
Analysed by remaining maturity:		
– On demand	**505,262**	478,396
– Within 3 months	**355,709**	273,634
– Between 3 months and 1 year	**71,888**	137,777
	932,859	889,807
Accrued interest	**2,300**	3,758
	935,159	893,565

38 Placements from banks and non-bank financial institutions

	As at 31 December	
	2024	2023
Banks	**144,748**	139,455
Non-bank financial institutions	**771**	10,650
	145,519	150,105
Accrued interest	**125**	388
	145,644	150,493
Analysed by remaining maturity:		
– Within 3 months	**99,229**	99,872
– Between 3 months and 1 year	**42,636**	47,005
– Over 1 year	**3,654**	3,228
	145,519	150,105
Accrued interest	**125**	388
	145,644	150,493

39 Financial liabilities at fair value through profit or loss

	As at 31 December	
	2024	2023
Not designated		
Debt instruments	**24,253**	7,302
Stocks	**9,528**	10,050
Non-controlling interests in consolidated structured entities and others	**463**	1,158
	34,244	18,510
Financial liabilities designated at fair value through profit or loss		
Stocks	**–**	47
Beneficiary certificates and structured notes	**88,014**	64,280
Non-controlling interests in consolidated structured entities and others	**4,882**	5,715
	92,896	70,042
	127,140	88,552

In 2024, there were no significant changes in the fair value of financial liabilities designated as at fair value through profit or loss due to the changes in credit risks of the Group (2023: None).

40 Customer brokerage deposits

	As at 31 December	
	2024	2023
Customer brokerage deposits	**361,926**	282,534

Customer brokerage deposits represent the amount received from and repayable to customers arising from the ordinary course of the Group's securities brokerage activities.

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(Expressed in millions of Renminbi, unless otherwise stated)

41 Trade and other payables

	As at 31 December	
	2024	2023
Financial liabilities		
Trade and bills payables	**106,231**	113,124
Settlement accounts	**30,860**	32,535
Client deposits payable	**134,310**	134,850
Dividends payable	**4,639**	1,411
Other payables	**101,588**	104,119
	377,628	386,039
Non-financial liabilities		
Advances	**264**	308
Other taxes payables	**8,004**	5,601
	8,268	5,909
	385,896	391,948

At the financial position date, the ageing analysis of the Group's trade and bills payables based on the invoice date is as follows:

	As at 31 December	
	2024	2023
Within 1 year	**82,196**	93,670
Between 1 and 2 years	**7,278**	4,997
Between 2 and 3 years	**2,809**	2,629
Over 3 years	**13,948**	11,828
	106,231	113,124

42 Financial assets sold under repurchase agreements

	As at 31 December	
	2024	2023
By counterparties		
The People's Bank of China	**196,732**	391,152
Banks	**210,420**	194,182
Non-bank financial institutions	**56,250**	37,939
Others	**208,451**	121,105
	671,853	744,378
Accrued interest	**234**	193
	672,087	744,571
By types of collateral		
Debt securities	**483,566**	553,472
Discounted bills	**76,732**	93,212
Stocks	**46,493**	31,624
Precious metals	**13,524**	19,197
Others	**51,538**	46,873
	671,853	744,378
Accrued interest	**234**	193
	672,087	744,571

The Group did not derecognise financial assets transferred as collateral in connection with repurchase agreements. As at 31 December 2024, legal title of these collateral pledged has not been transferred to counterparties (31 December 2023: Not been transferred).

(Expressed in millions of Renminbi, unless otherwise stated)

43 Deposits from customers

(a) Types of deposits from customers

	As at 31 December	
	2024	2023
Demand deposits		
Corporate customers	**1,965,191**	2,149,823
Personal customers	**439,965**	340,432
	2,405,156	2,490,255
Time and call deposits		
Corporate customers	**2,066,876**	1,755,882
Personal customers	**1,221,680**	1,125,384
	3,288,556	2,881,266
Outward remittance and remittance payables	**68,167**	19,022
Accrued interest	**86,060**	69,450
	5,847,939	5,459,993

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

	As at 31 December	
	2024	2023
Bank acceptances	**465,680**	407,634
Letters of credit	**43,450**	23,736
Guarantees	**21,411**	21,005
Others	**30,284**	38,651
	560,825	491,026

44 Bank and other loans

(a) Types of loans

	As at 31 December	
	2024	2023
Bank loans		
Unsecured loans	**177,750**	153,804
Loan pledged with assets (note (d))	**24,503**	42,996
	202,253	196,800
Other loans		
Unsecured loans	**39,352**	36,091
Loan pledged with assets (note (d))	**3,250**	2,241
	42,602	38,332
	244,855	235,132
Accrued interest	**711**	638
	245,566	235,770

(b) Maturity of loans

	As at 31 December	
	2024	2023
Bank loans		
– Within 1 year or on demand	**97,500**	54,033
– Between 1 and 2 years	**45,055**	60,670
– Between 2 and 5 years	**36,892**	49,774
– Over 5 years	**22,806**	32,323
	202,253	196,800
Other loans		
– Within 1 year or on demand	**1,616**	2,803
– Between 1 and 2 years	**32,827**	1,373
– Between 2 and 5 years	**5,546**	34,113
– Over 5 years	**2,613**	43
	42,602	38,332
	244,855	235,132
Accrued interest	**711**	638
	245,566	235,770

(Expressed in millions of Renminbi, unless otherwise stated)

44 Bank and other loans (Continued)

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

	As at 31 December	
	2024	2023
RMB	**122,112**	88,766
US$	**55,846**	55,247
HK$	**65,400**	76,150
Other currencies	**1,497**	14,969
	244,855	235,132
Accrued interest	**711**	638
	245,566	235,770

(d) As at 31 December 2024, the Group's bank and other loans of RMB27,753 million (31 December 2023: RMB45,236 million) are pledged with cash and deposits, trade and other receivables, inventories, financial assets held for trading, fixed assets, right of use assets and intangible assets with an aggregate carrying amount of RMB83,859 million (31 December 2023: RMB88,451 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 50(b). As at 31 December 2024, none of the covenants relating to drawn down facilities have been breached (31 December 2023: Nil).

(f) The Group has entered into supplier financing arrangements with banks to extend credit for amounts owed to certain suppliers. These banking facilities are secured by a letter of comfort from a subsidiary company, and the banks pay the suppliers immediately upon receipt of the bill of lading. As of 31 December 2024, the balances of the financial liabilities under these arrangements amounted to RMB880 million, and since the payments made by banks to suppliers are classified as non-cash transactions, the Group has not presented them in the consolidated cash flow statement. The carrying amount of the repayments of trade financing loans amounted to RMB6,885 million in 2024.

45 Debt instruments issued

	As at 31 December	
	2024	2023
Corporate bonds issued	**217,194**	233,290
Notes issued	**226,962**	151,813
Subordinated bonds issued	**83,120**	82,569
Certificates of deposit issued	**1,460**	1,418
Certificates of interbank deposit issued	**930,954**	705,273
Convertible corporate bonds (note (a))	**11,246**	17,670
Beneficiary certificates	**19,166**	21,547
	1,490,102	1,213,580
Accrued interest	**7,036**	7,527
	1,497,138	1,221,107
Analysed by remaining maturity:		
– Within 1 year or on demand	**1,098,235**	828,068
– Between 1 and 2 years	**99,482**	121,781
– Between 2 and 5 years	**154,731**	136,498
– Over 5 years	**137,654**	127,233
	1,490,102	1,213,580
Accrued interest	**7,036**	7,527
	1,497,138	1,221,107

The Group did not have any defaults of principal, interest or other breaches with respect to its debt instruments issued for the year ended 31 December 2024 (2023: Nil).

(a) 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 Limited ("CITIC Corporation"), as its parent company, has subscribed RMB26,388 million, 65.97% of the total corporate bonds, which is the same percentage of the Group's interest in CITIC Bank's common shares, and it was transferred to CITIC Financial Holdings Co., Ltd. ("CITIC Financial Holdings") at nil consideration on 22 June 2022. As at 29 March 2024, the convertible bonds held by CITIC Financial Holdings was converted to CITIC Bank's A-share common stock. 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 31 December 2024, convertible bonds (including accrued interest) were recorded as debt instruments issued of RMB7,271 million and non-controlling interests of RMB551 million, respectively.

As approved by the relevant regulatory authorities in China, CITIC Pacific Special Steel, the Group's subsidiary, 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 5 September 2022 to 24 February 2028). As at 31 December 2024, convertible bonds (including accrued interest) were recorded as debt instruments issued of RMB4,178 million and non-controlling interests of RMB693 million, respectively.

(Expressed in millions of Renminbi, unless otherwise stated)

46 Provisions

	Environmental restoration expenditures	Others	Total
Provisions (excluding impairment provision of credit commitments and guarantees provided)			
At 1 January 2023	1,695	4,286	5,981
Exchange differences and others	35	(2)	33
Reversal for the year	(190)	(575)	(765)
Payments made during the year	–	(1,615)	(1,615)
At 31 December 2023	1,540	2,094	3,634
At 1 January 2024	1,540	2,094	3,634
Exchange differences and others	(88)	(4)	(92)
Charge for the year	72	1,251	1,323
Payments made during the year	–	(1,666)	(1,666)
At 31 December 2024	1,524	1,675	3,199

Impairment provision of credit commitments and guarantees provided	Total
At 1 January 2023	11,429
Exchange differences and others	27
Additions	1,040
At 31 December 2023	12,496
At 1 January 2024	12,496
Exchange differences and others	329
Reversal for the year	(2,223)
At 31 December 2024	10,602
Total	
At 31 December 2023	16,130
At 31 December 2024	13,801

47 Share capital and reserves

(a) Share capital

As at 31 December 2024, the number of ordinary shares in issue of the Company was 29,090,262,630 (31 December 2023: 29,090,262,630).

(b) Nature and purpose of reserves

(i) Capital reserve

Considerations paid to acquire subsidiaries under common control, for instance, in 2014, a total consideration of RMB226,996 million paid by the Company to acquire the shares of CITIC Corporation, are debited against the capital reserve in the Group's consolidated financial statements. In addition, gains or losses from transactions with non-controlling interests are directly debited or credited to the capital reserve in the Group's consolidated financial statements.

(ii) Hedging reserve

The hedging reserve comprises the effective portion of the hedging instruments used in cash flow hedging and the accumulated net change in fair value, and the cash flow hedging are measured subsequently in accordance with the relevant accounting policies set out in Note 2(k)(ii).

(iii) Investment related reserves

The investment related reserves comprise the cumulative net change in the fair value of investments in financial assets at FVOCI until the financial assets are derecognised and share of other comprehensive income of associates and joint ventures, and are dealt with in accordance with the accounting policies set out in Note 2(j)(i) and Note 2(g), respectively.

(iv) General reserve

Pursuant to the relevant notices issued by regulatory bodies, certain subsidiaries under comprehensive financial services segment in Chinese mainland are required to set aside a general reserve to cover potential losses.

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of overseas operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(i).

(c) Capital management

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

The Group actively and regularly reviews and manages its capital structure, 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 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 31 December 2024 (31 December 2023: Nil).

(Expressed in millions of Renminbi, unless otherwise stated)

48 Movement of allowances for impairment losses

	For the year ended 31 December 2024				
	At 1 January	Charge/ (reversal)	Write-offs/ transfer out	Exchange differences and others (note (i))	At 31 December
Allowances for expected credit losses					
Deposits and placements with banks and non-bank financial institutions (Notes 19 and 21)	202	41	–	2	245
Receivables (excluding prepayments) and others (note (ii))	27,929	3,501	(6,160)	1,403	26,673
Loans and advances to customers and other parties (Note 27)	139,655	54,828	(61,310)	12,762	145,935
Investments in financial assets (Note 29)					
– Financial assets at amortised cost	28,584	2,418	(3,292)	(19)	27,691
– Debt investments at FVOCI	3,284	777	(797)	21	3,285
Credit commitments and guarantees provided (Note 46)	12,496	(2,182)	(41)	329	10,602
	212,150	59,383	(71,600)	14,498	214,431
Allowances for impairment losses					
Inventories (Note 25)	10,042	1,466	(546)	28	10,990
Interests in associates (Note 32)	8,258	136	(683)	315	8,026
Interests in joint ventures (Note 33)	1,518	233	–	32	1,783
Fixed assets (Note 34)	43,048	67	(512)	859	43,462
Intangible assets	15,134	19	–	316	15,469
Prepayments (Note 23)	100	28	(6)	11	133
Goodwill (Note 35)	6,160	17	–	(40)	6,137
Other assets	2,341	61	(74)	6	2,334
	86,601	2,027	(1,821)	1,527	88,334
	298,751	61,410	(73,421)	16,025	302,765

48 Movement of allowances for impairment losses (Continued)

	For the year ended 31 December 2023				
	At 1 January	Charge/ (reversal)	Write-offs/ transfer out	Exchange differences and others (note (i))	At 31 December
Allowances for expected credit losses					
Deposits and placements with banks and non-bank financial institutions (Notes 19 and 21)	238	(39)	–	3	202
Receivables (excluding prepayments) and others (note (ii))	21,093	11,324	(5,143)	655	27,929
Loans and advances to customers and other parties (Note 27)	137,711	49,572	(61,894)	14,266	139,655
Investments in financial assets (Note 29)					
– Financial assets at amortised cost	31,532	2,467	(5,501)	86	28,584
– Debt investments at FVOCI	3,069	1,250	(1,488)	453	3,284
Credit commitments and guarantees provided (Note 46)	11,429	1,041	(1)	27	12,496
	205,072	65,615	(74,027)	15,490	212,150
Allowances for impairment losses					
Inventories (Note 25)	6,514	3,403	(214)	339	10,042
Interests in associates (Note 32)	7,923	635	(431)	131	8,258
Interests in joint ventures (Note 33)	1,342	–	–	176	1,518
Fixed assets (Note 34)	42,521	(338)	(33)	898	43,048
Intangible assets	14,927	–	(7)	214	15,134
Prepayments (Note 23)	77	23	–	–	100
Goodwill (Note 35)	6,134	26	–	–	6,160
Other assets	1,933	846	(539)	101	2,341
	81,371	4,595	(1,224)	1,859	86,601
	286,443	70,210	(75,251)	17,349	298,751

Notes:

(i) Others include recovery of loans written off.

(ii) Movement of allowances for impairment losses for accrued interest of loans and advances to customers and other parties, investments in financial assets are included in others.

(Expressed in millions of Renminbi, unless otherwise stated)

49 Contingent liabilities and commitments

(a) Credit commitments

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

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

The contractual amounts of credit commitments by category as at the financial position 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 as at the financial position date if counterparties failed to perform as contracted.

	As at 31 December	
	2024	2023
Contractual amount		
Loan commitments		
With an original maturity of within 1 year	**16,885**	13,995
With an original maturity of 1 year or above	**37,179**	32,773
	54,064	46,768
Credit card commitments	**812,562**	779,947
Acceptances	**852,758**	866,662
Letters of credit	**322,670**	256,241
Guarantees	**272,468**	237,037
	2,314,522	2,186,655

49 Contingent liabilities and commitments (Continued)

(b) Credit commitments analysed by credit risk weighted amount

	As at 31 December	
	2024	2023
Credit risk weighted amount on credit commitments	**679,525**	602,231

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 NFRA and depends on the status of counterparties and the maturity characteristics. The risk weighting used is ranging from 0% to 150%.

(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 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 the Group, but not yet matured at the financial position date:

	As at 31 December	
	2024	2023
Redemption commitment for treasury bonds	**2,615**	2,735

The original terms of the above treasury bonds range from one to five years. The Group believes that the amount of treasury bonds accepted in advance before the maturity date is insignificant. The Ministry of Finance 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.

(Expressed in millions of Renminbi, unless otherwise stated)

49 Contingent liabilities and commitments (Continued)

(d) Guarantees provided

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

	As at 31 December	
	2024	2023
Related parties (note)	**6,835**	7,344
Third parties	**2,153**	3,600
	8,988	10,944

As at financial position date, the counter guarantees issued to the Group by related parties and third parties mentioned above are as follows:

	As at 31 December	
	2024	2023
Related parties (note)	**1,600**	1,114
Third parties	**–**	155
	1,600	1,269

Note:

As at 31 December 2024, 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 2023: RMB1,000 million). China Overseas has provided counter guarantees to the Group.

The relationship and transaction with related parties are disclosed in Note 51.

(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 statement of financial position. 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(k).

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

(f) Capital commitments

As at the financial position date, the Group had the following capital commitments not provided for in these consolidated financial statements:

	As at 31 December	
	2024	2023
Contracted for	**15,110**	15,201

50 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 exposures of the Group mainly arise 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 repo.

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.

50 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 may also face credit risk due to the formation of accounts receivable in the process of conducting bulk commodity trading business. For such credit risks, the relevant operating entities of the Group formulate credit policies based on actual situations and conduct credit evaluations on customers to determine credit sales limits. Credit evaluation is mainly based on the customer's historical credit status, external ratings of the customer, and the customer's credit record in the bank (if possible).

The Group is also confronted with credit risk resulting from receivables that arising from sale 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

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

The Group mainly applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade and other receivables 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, and uses the impairment model 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 moved to Stage 3. The expected credit losses of financial assets in Stage 3 are measured based on the lifetime ECL.

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.

50 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

Measurement of expected credit losses (Continued)

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 financial position date, the Group evaluates whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition. When one or more 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 days past due, 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;
- 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.

50 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

Measurement of expected credit losses (Continued)

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

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. In 2024, based on data accumulation, the Group optimised and updated relevant models and parameters. The Group has acquired sufficient information to assure the reliability of the statistics. The Group makes allowances for its expected credit losses based on on-going assessment of and follow-up on the status of its customers and their financial assets respectively on an individual basis.

50 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

Measurement of expected credit losses (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 have different impacts on the PD and LGD of different risk groups. 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-annual basis, and the impact of these economic variables on the PD and the LGD was determined by the results of expert judgement.

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 weighted 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 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)

50 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 financial position 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 consolidated statement of financial position 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:

	As at 31 December	
	2024	2023
Deposits with central banks, banks and non-bank financial institutions	**603,287**	620,631
Placements with banks and non-bank financial institutions	**382,012**	237,742
Trade and other receivables	**208,369**	231,150
Financial assets held under resale agreements	**179,829**	164,983
Loans and advances to customers and other parties	**5,589,459**	5,374,582
Refundable deposits	**68,215**	62,182
Margin accounts	**138,332**	118,746
Investments in financial assets		
– At amortised cost	**1,108,159**	1,076,039
– Debt investments at FVOCI	**926,931**	967,803
Cash held on behalf of customers	**315,761**	239,019
Contract assets	**22,414**	24,312
Other financial assets	**3,063**	5,986
	9,545,831	9,123,175
Credit commitments and guarantees provided	**2,323,510**	2,197,389
Maximum credit risk exposure	**11,869,341**	11,320,564

The maximum credit risk exposure for debt instruments at the financial position date without taking into consideration of any collateral held or other credit enhancement is represented by the balance of each type of debt instruments in the consolidated statement of financial position. A summary of the maximum credit risk exposure for which allowance for impairment losses is not recognised is as follows:

	As at 31 December	
	2024	2023
Derivative financial instruments	**135,218**	77,562
Loans and advances to customers and other parties at FVPL	**11,612**	5,558
Investments in financial assets		
– Financial assets at FVPL (debt instruments)	**1,042,778**	924,942
Maximum credit risk exposure	**1,189,608**	1,008,062

50 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 using ECL model to assess allowance for impairment loss for the year:

	For the year ended 31 December 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2024	**5,345,134**	**96,978**	**72,149**	**5,514,261**
Movements:				
Net transfers out from stage 1	**(121,079)**	**–**	**–**	**(121,079)**
Net transfers into stage 2	**–**	**42,321**	**–**	**42,321**
Net transfers into stage 3	**–**	**–**	**78,758**	**78,758**
Net increase/(decrease) during the year (note (i))	**307,470**	**(19,096)**	**(15,774)**	**272,600**
Write-offs	**–**	**–**	**(61,310)**	**(61,310)**
Others (note (ii))	**8,414**	**1,037**	**470**	**9,921**
Balance at 31 December 2024	**5,539,939**	**121,240**	**74,293**	**5,735,472**

	For the year ended 31 December 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	(104,736)	–	–	(104,736)
Net transfers into stage 2	–	25,746	–	25,746
Net transfers into stage 3	–	–	78,990	78,990
Net increase/(decrease) during the year (note (i))	436,662	(21,286)	(26,889)	388,487
Write-offs	–	–	(61,895)	(61,895)
Others (note (ii))	10,150	240	931	11,321
Balance at 31 December 2023	5,345,134	96,978	72,149	5,514,261

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

50 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 using ECL model to assess allowance for impairment loss for the year:

	For the year ended 31 December 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2024	**2,014,880**	**7,237**	**50,347**	**2,072,464**
Movements:				
Net transfers out from stage 1	**(4,215)**	**–**	**–**	**(4,215)**
Net transfers into stage 2	**–**	**3,704**	**–**	**3,704**
Net transfers into stage 3	**–**	**–**	**511**	**511**
Net increase/(decrease) during the year (note (i))	**(13,239)**	**(1,210)**	**2,822**	**(11,627)**
Write-offs	**–**	**–**	**(3,566)**	**(3,566)**
Others (note (ii))	**4,927**	**809**	**(189)**	**5,547**
Balance at 31 December 2024	**2,002,353**	**10,540**	**49,925**	**2,062,818**

	For the year ended 31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	1,965,750	5,433	58,350	2,029,533
Movements:				
Business combinations	1,724	–	–	1,724
Net transfers out from stage 1	(6,511)	–	–	(6,511)
Net transfers into stage 2	–	4,637	–	4,637
Net transfers into stage 3	–	–	1,874	1,874
Net increase/(decrease) during the year (note (i))	46,792	(2,945)	(3,449)	40,398
Write-offs	–	–	(6,510)	(6,510)
Others (note (ii))	7,125	112	82	7,319
Balance at 31 December 2023	2,014,880	7,237	50,347	2,072,464

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 net changes in accrued interest and effect of exchange differences during the year.

50 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 using ECL model to assess allowance for impairment loss for the year is as follows:

	For the year ended 31 December 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2024	**64,854**	**27,217**	**48,264**	**140,335**
Movements (note (i)):				
Net transfers out from stage 1	**(3,143)**	**–**	**–**	**(3,143)**
Net transfers into stage 2	**–**	**6,156**	**–**	**6,156**
Net transfers into stage 3	**–**	**–**	**33,564**	**33,564**
Net increase/(decrease) during the year (note (ii))	**6,715**	**(5,012)**	**(5,077)**	**(3,374)**
Write-offs	**–**	**–**	**(61,310)**	**(61,310)**
Parameters change for the year (note (iii))	**(5,303)**	**131**	**25,749**	**20,577**
Others (note (iv))	**(33)**	**1,056**	**12,734**	**13,757**
Balance at 31 December 2024	**63,090**	**29,548**	**53,924**	**146,562**

	For the year ended 31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	62,124	22,675	53,325	138,124
Movements (note (i)):				
Net transfers out from stage 1	(3,045)	–	–	(3,045)
Net transfers into stage 2	–	9,082	–	9,082
Net transfers into stage 3	–	–	34,776	34,776
Net increase/(decrease) during the year (note (ii))	6,875	(4,027)	(7,030)	(4,182)
Write-offs	–	–	(61,895)	(61,895)
Parameters change for the year (note (iii))	(1,170)	(149)	14,257	12,938
Others (note (iv))	70	(364)	14,831	14,537
Balance at 31 December 2023	64,854	27,217	48,264	140,335

(Expressed in millions of Renminbi, unless otherwise stated)

50 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 using ECL model to assess allowance for impairment loss for the year is as follows:

	For the year ended 31 December 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2024	**5,605**	**1,639**	**24,662**	**31,906**
Movements (note (i)):				
Net transfers out from stage 1	**(121)**	**–**	**–**	**(121)**
Net transfers out from stage 2	**–**	**(101)**	**–**	**(101)**
Net transfers into stage 3	**–**	**–**	**222**	**222**
Net increase during the year (note (ii))	**(728)**	**(567)**	**1,349**	**54**
Write-offs	**–**	**–**	**(3,566)**	**(3,566)**
Parameters change for the year (note (iii))	**(309)**	**138**	**2,960**	**2,789**
Others (note (iv))	**(6)**	**3**	**(167)**	**(170)**
Balance at 31 December 2024	**4,441**	**1,112**	**25,460**	**31,013**

	For the year ended 31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	5,072	1,532	28,035	34,639
Movements (note (i)):				
Net transfers out from stage 1	(245)	–	–	(245)
Net transfers into stage 2	–	717	–	717
Net transfers into stage 3	–	–	893	893
Net increase during the year (note (ii))	397	63	2,543	3,003
Write-offs	–	–	(6,510)	(6,510)
Parameters change for the year (note (iii))	6	(676)	(351)	(1,021)
Others (note (iv))	375	3	52	430
Balance at 31 December 2023	5,605	1,639	24,662	31,906

50 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

(ii) Expected credit losses (Continued)

Notes:

(i) Movements mainly includes the impacts on ECL due to changes in stages.

(ii) 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.

(iii) Parameters change mainly includes the impacts on ECL due to unwinding of discount, regular update on modeling parameters resulting from changes in PD and LGD excluding changes in stages.

(iv) Others include changes of impairment losses of accrued interest, recovery of loans written off and effect of exchange differences.

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

	As at 31 December					
	2024			2023		
	Gross balance	%	Loans and advances secured by collateral	Gross balance	%	Loans and advances secured by collateral
Corporate loans						
– Rental and business services	**563,056**	**9.8%**	**156,726**	532,395	9.6%	148,751
– Manufacturing	**556,303**	**9.7%**	**197,564**	477,610	8.7%	179,327
– Water, environment and public utility management	**435,579**	**7.6%**	**95,727**	432,724	7.8%	104,234
– Real estate	**284,749**	**5.0%**	**195,332**	264,352	4.8%	170,149
– Wholesale and retail	**225,211**	**3.9%**	**93,242**	215,348	3.9%	100,650
– Transportation, storage and postal services	**148,943**	**2.6%**	**62,888**	139,241	2.5%	63,159
– Production and supply of electric power, gas and water	**118,007**	**2.1%**	**46,539**	98,121	1.8%	39,809
– Construction	**117,996**	**2.1%**	**37,087**	123,776	2.2%	45,390
– Financial industry	**91,519**	**1.6%**	**8,896**	78,761	1.4%	4,720
– Others	**361,902**	**6.2%**	**107,616**	326,313	5.9%	103,877
	2,903,265	**50.6%**	**1,001,617**	2,688,641	48.6%	960,066
Personal loans	**2,372,797**	**41.2%**	**1,593,382**	2,294,540	41.6%	1,510,757
Discounted bills	**449,133**	**7.8%**	**–**	516,450	9.4%	–
	5,725,195	**99.6%**	**2,594,999**	5,499,631	99.6%	2,470,823
Accrued interest	**21,889**	**0.4%**	**161**	20,188	0.4%	–
	5,747,084	**100%**	**2,595,160**	5,519,819	100%	2,470,823

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

50 Financial risk management and fair values (Continued)

(a) Credit risk (Continued)

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

	As at 31 December					
	2024			2023		
	Gross balance	**%**	**Loans and advances secured by collateral**	Gross balance	%	Loans and advances secured by collateral
Chinese mainland	**5,507,313**	**95.8%**	**2,497,806**	5,290,715	95.8%	2,374,969
Excluding Chinese mainland	**217,882**	**3.8%**	**97,193**	208,916	3.8%	95,854
	5,725,195	**99.6%**	**2,594,999**	5,499,631	99.6%	2,470,823
Accrued interest	**21,889**	**0.4%**	**161**	20,188	0.4%	–
	5,747,084	**100%**	**2,595,160**	5,519,819	100%	2,470,823

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

	As at 31 December	
	2024	2023
Unsecured loans	**1,632,232**	1,543,908
Guaranteed loans	**1,048,643**	968,338
Secured loans		
– Loans secured by collateral	**2,195,865**	2,057,745
– Pledged loans	**399,322**	413,190
	5,276,062	4,983,181
Discounted bills	**449,133**	516,450
	5,725,195	5,499,631
Accrued interest	**21,889**	20,188
Gross loans and advances	**5,747,084**	5,519,819

50 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.

	As at 31 December			
	2024		2023	
	Gross balance	**% of total loans and advances**	Gross balance	% of total loans and advances
Rescheduled loans and advances	**29,866**	0.52%	17,742	0.32%
– Rescheduled loans and advances overdue more than 3 months	**1,891**	0.03%	3,412	0.06%

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position 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 31 December 2024, the Group did not enter into significant enforceable master netting arrangements with counterparties and therefore there were no significant offsettings of any assets and liabilities in the consolidated statement of financial position (31 December 2023: 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)

50 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 financial liabilities at the financial position date:

	As at 31 December 2024					
	Repayable on demand (note (i))	Within 1 year	Between 1 and 5 years	More than 5 years	Undated (note (ii))	Total
Total financial assets	758,452	3,970,640	2,950,197	2,413,122	1,145,669	11,238,080
Total financial liabilities	(3,758,230)	(5,028,113)	(1,510,662)	(167,555)	(24,261)	(10,488,821)
Financial asset-liability (gap)/surplus	(2,999,778)	(1,057,473)	1,439,535	2,245,567	1,121,408	749,259

	As at 31 December 2023					
	Repayable on demand (note (i))	Within 1 year	Between 1 and 5 years	More than 5 years	Undated (note (ii))	Total
Total financial assets	633,887	3,787,860	2,683,132	2,218,185	1,175,944	10,499,008
Total financial liabilities	(3,757,854)	(4,326,465)	(1,574,515)	(150,666)	(20,488)	(9,829,988)
Financial asset-liability (gap)/surplus	(3,123,967)	(538,605)	1,108,617	2,067,519	1,155,456	669,020

The table below presents the undiscounted cash flows of the Group's financial assets and financial liabilities by remaining maturities at the financial position date:

	As at 31 December 2024					
	Repayable on demand (note (i))	Within 1 year	Between 1 and 5 years	More than 5 years	Undated (note (ii))	Total
Total financial assets	758,452	4,188,413	3,425,226	2,844,049	1,147,411	12,363,551
Total financial liabilities	(3,758,230)	(5,143,637)	(1,633,379)	(181,296)	(24,268)	(10,740,810)
Financial asset-liability (gap)/surplus	(2,999,778)	(955,224)	1,791,847	2,662,753	1,123,143	1,622,741

	As at 31 December 2023					
	Repayable on demand (note (i))	Within 1 year	Between 1 and 5 years	More than 5 years	Undated (note (ii))	Total
Total financial assets	633,887	4,012,527	3,200,400	2,634,813	1,178,943	11,660,570
Total financial liabilities	(3,757,854)	(4,474,085)	(1,709,326)	(178,990)	(20,613)	(10,140,868)
Financial asset-liability (gap)/surplus	(3,123,967)	(461,558)	1,491,074	2,455,823	1,158,330	1,519,702

50 Financial risk management and fair values (Continued)

(b) Liquidity risk (Continued)

Note:

(i) For loans and advances to customers and other parties which are overdue within one month yet are not impaired, the balances are reported under repayable on demand.

(ii) For financial assets, the undated period amount represented the balances of loans and advances to customers and other parties being credit-impaired or overdue for more than one month. Equity investments and investment funds 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 31 December 2024			
	Within 1 year	**Between 1 and 5 years**	**More than 5 years**	**Total**
Loan commitments	**8,509**	**17,002**	**28,553**	**54,064**
Guarantees	**163,334**	**108,786**	**348**	**272,468**
Letters of credit	**321,577**	**1,093**	**–**	**322,670**
Acceptances	**852,758**	**–**	**–**	**852,758**
Credit card commitments	**812,562**	**–**	**–**	**812,562**
Total	**2,158,740**	**126,881**	**28,901**	**2,314,522**

	As at 31 December 2023			
	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Loan commitments	4,288	11,889	30,591	46,768
Guarantees	154,761	81,650	626	237,037
Letters of credit	255,368	873	–	256,241
Acceptances	866,662	–	–	866,662
Credit card commitments	779,947	–	–	779,947
Total	2,061,026	94,412	31,217	2,186,655

(Expressed in millions of Renminbi, unless otherwise stated)

50 Financial risk management and fair values (Continued)

(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 interest risk. The Group manages interest rate risk to control potential loss from interest rate risk at an acceptable level by taking into account market conditions.

(i) Financial asset-liability gap

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

	As at 31 December 2024				
	Non-interest bearing	**Within 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
Total financial assets	**1,262,152**	**7,321,823**	**1,696,230**	**957,875**	**11,238,080**
Total financial liabilities	**(982,543)**	**(7,943,741)**	**(1,385,663)**	**(176,874)**	**(10,488,821)**
Financial asset-liability surplus/(gap)	**279,609**	**(621,918)**	**310,567**	**781,001**	**749,259**

	As at 31 December 2023				
	Non-interest bearing	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Total financial assets	1,090,623	7,076,058	1,543,608	788,719	10,499,008
Total financial liabilities	(659,532)	(7,604,083)	(1,421,357)	(145,016)	(9,829,988)
Financial asset-liability surplus/(gap)	431,091	(528,025)	122,251	643,703	669,020

50 Financial risk management and fair values (Continued)

(c) Interest rate risk (Continued)

(ii) Effective interest rate

	As at 31 December			
	2024		2023	
	Effective interest rate	**RMB million**	Effective interest rate	RMB million
Assets				
Cash and deposits	**0.35% ~ 2.22%**	**603,287**	0.35% ~ 2.07%	625,135
Placements with banks and non-bank financial institutions	**3.14%**	**404,801**	3.18%	237,742
Financial assets held under resale agreements	**1.81%**	**179,829**	1.61%	164,983
Loans and advances to customers and other parties	**4.24%**	**5,601,071**	4.56%	5,380,140
Investments in financial assets	**2.80% ~ 2.93%**	**3,538,851**	2.73% ~ 3.16%	3,356,367
Others		**1,747,586**		1,566,553
		12,075,425		11,330,920
Liabilities				
Borrowings from central banks	**2.48%**	**124,151**	2.61%	273,226
Deposits from banks and non-bank financial institutions	**2.01%**	**935,159**	2.12%	893,565
Placements from banks and non-bank financial institutions	**3.15%**	**145,644**	3.00%	150,493
Financial assets sold under repurchase agreements	**2.10%**	**672,087**	2.13%	744,571
Deposits from customers	**1.89%**	**5,847,939**	2.12%	5,459,993
Bank and other loans	**0.03% ~ 9.80%**	**245,566**	0.13% ~ 10.00%	235,770
Debt instruments issued	**0.05% ~ 6.19%**	**1,497,138**	0.88% ~ 6.10%	1,221,107
Others		**1,184,727**		1,015,413
		10,652,411		9,994,138

50 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 before taxation. As at 31 December 2024, 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 RMB5,930 million (31 December 2023: decrease or increase by RMB6,967 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 the functional currency for this entity. A substantial portion of its development and operating expenditure are denominated in Australian Dollars. The Group entered into plain vanilla forward contracts to manage the foreign currency risks.

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

50 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 financial position dates is as follows (expressed in equivalent amount of RMB million):

	As at 31 December 2024				
	RMB	**HK$**	**US$**	**Others**	**Total**
Total financial assets	**10,163,564**	**267,950**	**686,466**	**120,100**	**11,238,080**
Total financial liabilities	**(9,396,042)**	**(297,955)**	**(712,554)**	**(82,270)**	**(10,488,821)**
Financial asset-liability surplus/(gap)	**767,522**	**(30,005)**	**(26,088)**	**37,830**	**749,259**

	As at 31 December 2023				
	RMB	HK$	US$	Others	Total
Total financial assets	9,629,011	271,879	521,594	76,524	10,499,008
Total financial liabilities	(8,878,778)	(281,967)	(611,230)	(58,013)	(9,829,988)
Financial asset-liability surplus/(gap)	750,233	(10,088)	(89,636)	18,511	669,020

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

Assuming all other risk variables remained constant, 100 basis points strengthening or weakening of RMB against HK$, US$ and other currencies as at 31 December 2024 would decrease or increase the Group's total comprehensive income by RMB532 million (31 December 2023: decrease or increase by RMB1,492 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 total comprehensive income change 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 total comprehensive income resulting from increases or decreases in foreign exchange rates may differ from the results of this sensitivity analysis.

50 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 financial position 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 are 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.

50 Financial risk management and fair values (Continued)

(e) Fair values (Continued)

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

	As at 31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Bills receivable at FVOCI	–	10,139	–	10,139
Loans and advances to customers and other parties at FVOCI	–	522,973	–	522,973
Loans and advances to customers and other parties at FVPL	–	–	11,612	11,612
Derivative financial assets	1,504	129,743	3,971	135,218
Investments in financial assets	560,233	1,752,375	118,084	2,430,692
	561,737	2,415,230	133,667	3,110,634
Liabilities				
Financial liabilities at FVPL	(10,808)	(97,004)	(19,328)	(127,140)
Derivative financial liabilities	(932)	(127,596)	(5,803)	(134,331)
	(11,740)	(224,600)	(25,131)	(261,471)

	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Bills receivable at FVOCI	–	12,804	–	12,804
Loans and advances to customers and other parties at FVOCI	–	572,730	–	572,730
Loans and advances to customers and other parties at FVPL	–	–	5,558	5,558
Derivative financial assets	1,464	69,761	6,337	77,562
Investments in financial assets	555,487	1,560,215	164,626	2,280,328
	556,951	2,215,510	176,521	2,948,982
Liabilities				
Financial liabilities at FVPL	(11,616)	(56,308)	(20,628)	(88,552)
Derivative financial liabilities	(1,003)	(67,524)	(5,228)	(73,755)
	(12,619)	(123,832)	(25,856)	(162,307)

In 2024, there were no significant transfers among instruments in three levels (2023: Nil) and no significant changes in valuation techniques for determining the fair values of the Group's financial instruments (2023: Nil).

(Expressed in millions of Renminbi, unless otherwise stated)

50 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:

	For the year ended 31 December 2024						
	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 2024	5,558	6,337	164,626	176,521	(20,628)	(5,228)	(25,856)
Total profit/(losses):	87	(3,497)	1,722	(1,688)	(268)	2,974	2,706
– in profit or loss	87	(3,497)	2,790	(620)	(268)	2,974	2,706
– in other comprehensive income	–	–	(1,068)	(1,068)	–	–	–
Net settlements	5,967	1,131	(48,264)	(41,166)	1,568	(3,549)	(1,981)
At 31 December 2024	11,612	3,971	118,084	133,667	(19,328)	(5,803)	(25,131)

	For the year ended 31 December 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 profit/(losses):	25	(2,607)	1,945	(637)	4,872	5,021	9,893
– in profit or loss	25	(2,607)	1,282	(1,300)	4,872	5,021	9,893
– in other comprehensive income	–	–	663	663	–	–	–
Net settlements	1,652	2,403	23,658	27,713	5,975	(5,835)	140
At 31 December 2023	5,558	6,337	164,626	176,521	(20,628)	(5,228)	(25,856)

50 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 financial liabilities, other than those with carrying amounts that reasonably approximate to their fair values, are as follows:

	As at 31 December 2024				
	Carrying amount	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets					
Investments in financial assets					
– Financial assets at amortised cost	**1,108,159**	**1,124,648**	**2,374**	**927,760**	**194,514**
Financial liabilities					
Debt instruments issued					
– Corporate bonds issued	**220,308**	**220,508**	**183,670**	**36,838**	**–**
– Notes issued	**229,820**	**231,906**	**4,784**	**224,345**	**2,777**
– Subordinated bonds issued	**83,837**	**86,670**	**3,781**	**82,889**	**–**
– Certificates of deposit issued (non-trading)	**1,470**	**1,480**	**–**	**–**	**1,480**
– Certificates of interbank deposit issued	**931,004**	**932,348**	**29,663**	**902,685**	**–**
– Convertible corporate bonds issued	**11,448**	**12,615**	**–**	**–**	**12,615**
– Beneficiary certificates	**19,251**	**19,251**	**–**	**–**	**19,251**
	1,497,138	**1,504,778**	**221,898**	**1,246,757**	**36,123**

	As at 31 December 2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Investments in financial assets					
– Financial assets at amortised cost	1,076,039	1,082,341	8,885	854,990	218,466
Financial liabilities					
Debt instruments issued					
– Corporate bonds issued	236,477	237,942	206,139	31,803	–
– Notes issued	154,307	154,833	4,671	150,162	–
– Subordinated bonds issued	83,397	84,351	7,255	77,096	–
– Certificates of deposit issued (non-trading)	1,430	1,430	–	–	1,430
– Certificates of interbank deposit issued	705,317	694,130	–	694,130	–
– Convertible corporate bonds issued	18,504	22,315	–	–	22,315
– Beneficiary certificates	21,675	21,675	–	–	21,675
	1,221,107	1,216,676	218,065	953,191	45,420

50 Financial risk management and fair values (Continued)

(e) Fair values (Continued)

(iii) Methods and assumptions in estimating fair values

As at the financial position 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 financial position date for trading financial assets and financial 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, had the guarantees not been available, where reliable estimates of such information can be made.

51 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 the ultimate controlling shareholder of the Group, is a state-owned company established in Beijing in 1979.

51 Material related parties (Continued)

(b) Related party transactions

(i) Transaction amounts with related parties

	For the year ended 31 December 2024			
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	Total
Sales of goods	–	260	4,119	4,379
Purchase of goods	–	727	23,193	23,920
Interest income (note (2))	67	92	1,453	1,612
Interest expenses	63	1,635	582	2,280
Fee and commission income	22	5	58	85
Fee and commission expenses	–	26	1	27
Income from other services	6	167	4,025	4,198
Expenses for other services	–	45	337	382
Interest income from deposits and receivables	–	–	768	768
Other operating expenses	–	1,494	1,082	2,576

	For the year ended 31 December 2023			
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	Total
Sales of goods	–	164	3,030	3,194
Purchase of goods	–	1,272	22,970	24,242
Interest income (note (2))	69	109	1,540	1,718
Interest expenses	84	1,791	714	2,589
Fee and commission income	64	1	15	80
Fee and commission expenses	–	16	1	17
Income from other services	23	199	4,249	4,471
Expenses for other services	–	122	133	255
Interest income from deposits and receivables	–	–	576	576
Other operating expenses	–	1,174	851	2,025

Notes:

(1) These above transactions with related parties were conducted under the normal commercial terms.

(2) Interest rates of loans and advances to the related parties were determined at rates negotiated between the Group and the corresponding related parties on a case by case basis.

(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 public 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)

51 Material related parties (Continued)

(b) Related party transactions (Continued)

(ii) Outstanding balances with related parties

	As at 31 December 2024			
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	Total
Cash and deposits	–	–	26,378	26,378
Placements with banks and non-bank financial institutions	–	3,903	52,647	56,550
Derivative financial instruments	–	–	370	370
Trade and other receivables	–	1,136	27,278	28,414
Contract assets	–	8	2,382	2,390
Financial assets held under resale agreements	–	1,389	599	1,988
Loans and advances to customers and other parties (note (2))	2,995	7,984	8,365	19,344
Investments in financial assets				
– Financial assets at FVPL	–	58	3,935	3,993
– Debt investments at FVOCI	1,643	–	844	2,487
– Equity investments at FVOCI	–	–	453	453
– Financial assets at amortised cost	1,041	–	556	1,597
Right-of-use assets	–	68	27	95
Deposits from bank and non-bank financial institutions	–	6	14,224	14,230
Derivative financial instruments	–	–	447	447
Trade and other payables	491	11,436	9,803	21,730
Contract liabilities	127	7	787	921
Deposits from customers	4,588	12,399	13,479	30,466
Bank and other loans	1,234	36,060	250	37,544
Debt instruments issued	–	2,027	204	2,231
Lease liabilities	–	73	23	96
Off-balance sheet items				
Guarantees provided (note (3))	–	–	6,835	6,835

51 Material related parties (Continued)

(b) Related party transactions (Continued)

(ii) Outstanding balances with related parties (Continued)

	As at 31 December 2023			
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	Total
Cash and deposits	–	–	31,170	31,170
Placements with banks and non-bank financial institutions	–	–	33,881	33,881
Derivative financial assets	–	–	169	169
Trade and other receivables	64	1,017	10,863	11,944
Contract assets	–	5	918	923
Financial assets held under resale agreements	–	1,182	–	1,182
Loans and advances to customers and other parties (note (2))	–	5,285	11,443	16,728
Investments in financial assets				
– Financial assets at FVPL	–	–	4,900	4,900
– Debt investments at FVOCI	1,023	–	1,366	2,389
– Equity investments at FVOCI	–	–	460	460
– Financial assets at amortised cost	985	–	–	985
Right-of-use assets	–	182	39	221
Other assets	–	2	9,868	9,870
Deposits from bank and non-bank financial institutions	–	–	19,310	19,310
Derivative financial liabilities	–	–	204	204
Trade and other payables	481	11,410	5,953	17,844
Contract liabilities	135	10	1,474	1,619
Deposits from customers	19,139	9,761	19,585	48,485
Bank and other loans	254	33,136	–	33,390
Debt instruments issued	–	1,000	24	1,024
Lease liabilities	–	191	20	211
Other liabilities	–	6	37	43
Off-balance sheet items				
Guarantees provided (note (3))	–	–	7,344	7,344

Notes:

(1) These above transactions with related parties which 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) The guarantees provided by the Group to the related parties were based on the terms agreed among the Group and the related parties on a case by case basis.

51 Material related parties (Continued)

(b) Related party transactions (Continued)

(iii) During the year ended 31 December 2024, the Group transferred loans and other financial assets of book value before impairment of RMB2,920 million to China CITIC Financial Asset Management Co., Ltd. RMB1,400 million of this balance was non-performing loans. RMB1,520 million of this balance was non-performing financial investments. All of the above-mentioned financial assets are qualified for full de-recognition.

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

In addition to these related party transactions disclosed in Note 51(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 inter-bank 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.

51 Material related parties (Continued)

(d) Key management personnel remuneration

For the year ended 31 December 2024, the aggregate amount of the remuneration before tax paid to directors and executive officers of the Company amounted to RMB6.54 million (2023: RMB6.70 million).

52 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 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 financial position date in the structured entities, as well as an analysis of the line items in the consolidated statement of financial position in which the relevant assets are recognised:

	As at 31 December 2024 Investments in financial assets				
Gross amount	**Financial assets at amortised cost**	**Financial assets at FVPL**	**Debt investments at FVOCI**	**Total**	**Maximum loss exposure**
Wealth management products	**–**	**9,114**	**–**	**9,114**	**9,114**
Investment management products	**20,162**	**11,415**	**–**	**31,577**	**31,577**
Trust plans	**176,543**	**10,340**	**–**	**186,883**	**186,883**
Asset-backed securities	**76,613**	**840**	**34,056**	**111,509**	**111,509**
Investment funds	**–**	**519,063**	**–**	**519,063**	**519,063**
Total	**273,318**	**550,772**	**34,056**	**858,146**	**858,146**

	As at 31 December 2023 Investments in financial assets				
Gross amount	Financial assets at amortised cost	Financial assets at FVPL	Debt investments at FVOCI	Total	Maximum loss exposure
Wealth management products	–	6,161	–	6,161	6,161
Investment management products	22,908	12,706	–	35,614	35,614
Trust plans	194,110	11,432	–	205,542	205,542
Asset-backed securities	123,158	912	19,666	143,736	143,736
Investment funds	–	553,540	–	553,540	553,540
Total	340,176	584,751	19,666	944,593	944,593

52 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 plans, investment funds and investment management products. 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. The interests in unconsolidated structured entities held by the Group mainly include fees charged by providing management services.

Wealth management products, trust plans, investment funds and investment management products

As at 31 December 2024, the aggregate amount of assets held by the unconsolidated wealth management products, trust plans, investment funds and investment management products which are sponsored by the Group was RMB8,291,602 million (31 December 2023: RMB6,859,588 million).

In 2024, the amount of fee and commission income and net interest income recognised from the above-mentioned structured entities sponsored by the Group was RMB15,468 million (2023: RMB12,777 million) and RMB303 million (2023: RMB220 million).

In order to achieve a smooth transition and steady development of the wealth management business, in 2024, 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.

(c) Transfers of financial assets

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

These transactions were entered into in the normal course of business by which recognised financial assets were transferred to third parties or structured entities. Transfers of assets may give rise to full or partial de-recognition of the financial assets concerned. On the other hand, where transferred assets do not qualify for de-recognition 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 year ended 31 December 2024 totaled RMB40,722 million (2023: RMB45,172 million).

52 Interests in structured entities (Continued)

(c) Transfers of financial assets (Continued)

Securitisation transactions

In 2024, the original book value of financial assets transferred by the Group through asset securitisation transactions was RMB28,760 million (2023: RMB17,510 million), which qualified for full de-recognition.

Transfer of loans and other financial assets

In 2024, the Group transferred loans and other financial assets by other means with original book value of RMB11,962 million (2023: RMB27,662 million), including RMB8,434 million (2023: RMB19,272 million) of non-performing loans, RMB3,362 million (2023: RMB7,990 million) of non-performing structured investments and RMB64 million (2023: RMB400 million) of other financial assets. The Group carried out assessment based on the transfer of risks and rewards of ownership in accordance with Note 2(j) and Note 3(i), and concluded that these transferred assets qualified for full de-recognition.

53 Supplementary information to the consolidated cash flow statement

(a) Cash and cash equivalents held by the Group are as follows:

	As at 31 December	
	2024	2023
Cash	**5,200**	4,504
Bank deposits on demand	**108,456**	94,801
Surplus deposit reserve funds	**6,833**	52,473
Investments in debt securities and others with original maturities of three months or less	**61,868**	90,389
Deposits with banks and non-bank financial institutions due within three months	**103,308**	57,509
Placements with banks and non-bank financial institutions due within three months	**99,734**	59,707
Cash and cash equivalents in the consolidated cash flow statement	**385,399**	359,383

(Expressed in millions of Renminbi, unless otherwise stated)

53 Supplementary information to the consolidated cash flow statement

(Continued)

(b) Reconciliation of financing liabilities

	For the year ended 31 December				
	Bank and other loans	Debt instruments issued	Interest expense	Lease liabilities	Total
At 31 December 2022	**156,088**	**1,175,079**	**7,682**	**19,528**	**1,358,377**
Cash flows	**34,771**	**41,614**	**(43,735)**	**(6,045)**	**26,605**
Business combination	**39,246**	**300**	**–**	**82**	**39,628**
Foreign exchange adjustments	**274**	**685**	**1,918**	**41**	**2,918**
Other non-cash movements	**4,753**	**(4,098)**	**42,300**	**6,742**	**49,697**
At 31 December 2023	**235,132**	**1,213,580**	**8,165**	**20,348**	**1,477,225**
Cash flows	**(15,925)**	**299,833**	**(49,169)**	**(6,087)**	**228,652**
Foreign exchange adjustments	**4,526**	**1,108**	**1,779**	**28**	**7,441**
Bank loans arising from supplier finance arrangement	**6,804**	**–**	**–**	**–**	**6,804**
Other non-cash movements	**14,318**	**(24,419)**	**46,972**	**4,760**	**41,631**
At 31 December 2024	**244,855**	**1,490,102**	**7,747**	**19,049**	**1,761,753**

(c) Issuance and redemption of other equity instruments by subsidiaries

In 2024, CITIC Bank, a subsidiary of the Group, issued RMB30,000 million of capital debentures without fixed terms, redeemed RMB39,993 million of capital debentures without fixed terms (2023: issued RMB3,516 million of capital debentures without fixed term).

In 2024, CITIC Securities, a subsidiary of the Group, issued RMB14,000 million of capital debentures without fixed terms (2023: issued RMB3,000 million of capital debentures without fixed terms).

54 Major transactions with non-controlling interests

(a) Acquisition of additional interest in an indirectly hold subsidiary

In 2024, CITIC Financial Holding acquired 0.60% of the issued shares of CITIC Securities for a purchase consideration of RMB1,293 million. The Group recognised a decrease in non-controlling interests of RMB1,527 million, and an increase in the equity attributable to shareholders of the Company of RMB234 million. The effect of changes in the ownership interest of CITIC Securities on the equity attributable to shareholders of the Company during the year is summarised as follows:

	31 December 2024 RMB million
Carrying amount of non-controlling interests acquired	1,527
Consideration paid to non-controlling interests	(1,293)
Excess of consideration paid recognised within equity	234

(b) Acquisition of additional interest in an indirectly hold subsidiary

In 2024, Hubei Xinyegang Steel Co., Ltd. acquired 3.66% of the issued shares of Nanjing Iron and Steel Co., Ltd. ("Nanjing Iron and Steel") for a purchase consideration of RMB832 million. The Group recognised a decrease in non-controlling interests of RMB1,036 million, and an increase in the equity attributable to shareholders of the Company of RMB204 million. The effect of changes in the ownership interest of Nanjing Iron and Steel on the equity attributable to shareholders of the Company during the year is summarised as follows:

	31 December 2024 RMB million
Carrying amount of non-controlling interests acquired	1,036
Consideration paid to non-controlling interests	(832)
Excess of consideration paid recognised within equity	204

(Expressed in millions of Renminbi, unless otherwise stated)

55 Financial position and reserve movement of the Company

	As at 31 December	
	2024	2023
Non-current assets		
Fixed assets	–	1
Interests in subsidiaries	**444,263**	429,203
Interests in associates	–	–
Interests in joint ventures	**32**	32
Investments in financial assets		
– Financial assets at fair value through profit or loss	**3,238**	3,226
	447,533	432,462
Current assets		
Amounts due from subsidiaries	**70,537**	76,133
Trade and other receivables	**155**	105
Cash and deposits	**1,438**	2,137
	72,130	78,375
Total assets	**519,663**	510,837
Current liabilities		
Bank and other loans	**17,284**	15,854
Amounts due to subsidiaries and other related parties	**15,514**	12,255
Trade and other payables	**10**	9
Employee benefits payables	**227**	222
Income tax payable	**1,729**	2,203
Debt instruments issued	**2,191**	1,815
	36,955	32,358
Non-current liabilities		
Long term borrowings	**68,775**	68,032
Debt instruments issued	**40,800**	42,061
Derivative financial instruments	–	34
	109,575	110,127
Total liabilities	**146,530**	142,485
Equity		
Share capital	**307,576**	307,576
Reserves	**65,557**	60,776
Total ordinary shareholders' funds	**373,133**	368,352
Total liabilities and equity	**519,663**	510,837

The financial position of the Company was approved and authorised for issue by the board of directors on 28 March 2025.

Director *Director*

55 Financial position and reserve movement of the Company (Continued)

(a) Reserve movement of the Company

	Share capital (Note 47(a))	Capital reserve (Note 47(b)(i))	Hedging reserve (Note 47(b)(ii))	Retained earnings	Exchange reserve (Note 47(b)(v))	Total
As at 1 January 2024	**307,576**	**505**	**(11)**	**21,294**	**38,988**	**368,352**
Other comprehensive income	**–**	**–**	**34**	**–**	**8,019**	**8,053**
Profit attributable to shareholders of the Company	**–**	**–**	**–**	**12,000**	**–**	**12,000**
Dividends paid to ordinary shareholders of the Company	**–**	**–**	**–**	**(15,272)**	**–**	**(15,272)**
As at 31 December 2024	**307,576**	**505**	**23**	**18,022**	**47,007**	**373,133**
As at 1 January 2023	307,576	505	57	17,001	33,499	358,638
Other comprehensive income	–	–	(68)	–	5,489	5,421
Profit attributable to shareholders of the Company	–	–	–	21,517	–	21,517
Dividends paid to ordinary shareholders of the Company	–	–	–	(17,224)	–	(17,224)
As at 31 December 2023	307,576	505	(11)	21,294	38,988	368,352

56 Major business combinations

Combination of Nanjing Steel Group

In 2023, a subsidiary of the Company has completed the acquisition of Nanjing Steel Group by purchasing its additional registered capital. Until 31 December 2023, the valuation process wasn't done and the respective fair values of the identifiable net assets and goodwill were provisionally measured.

In 2024, the subsidiary of the Company has made several fair value adjustments to the carrying amounts of the identifiable assets and liabilities of Nanjing Steel Group based on the finalised independent valuation result and the initial accounting treatments for the acquisition has been finalised. The adjustments to the fair value of the identifiable net assets were made as if initial accounting treatments had been done at the acquisition date. The above-mentioned adjustments has no significant effect on the consolidated statement of financial position, the consolidated income statement and the consolidated statement of comprehensive income, and therefore, no restatement was carried out.

57 Post balance sheet events

On 4 March 2025, CITIC Bank redeemed all unconverted convertible bonds from investors at the price of 111% of the par value of the issued convertible bonds (including the annual interest of the last period) totalling RMB56.85 million. On the same day, the convertible bonds was delisted in the Shanghai Stock Exchange.

58 Comparative figures

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

59 Approval of the consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

60 Possible impact of amendments, new standards and interpretations issued but not yet adopted

The Group has not applied the following amendments to standards and new standards which are effective for the financial year beginning after 1 January 2024 and which have not been early adopted in these consolidated financial statements:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRSs – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is assessing the impact of such new standards and amendments to standards and will adopt the relevant standards and amendments to standards in the subsequent periods as required.

(Expressed in millions of Renminbi, unless otherwise stated)

61 Principal subsidiaries, associates and joint ventures

(a) Principal subsidiaries

Name of company	Place of incorporation/ Type of legal entity	Principal activity	Shares issued	Proportion of ownership interest: Attributable to the Group	Held by the Company	Held by subsidiaries
CITIC Corporation Limited 中國中信有限公司	Chinese mainland/Limited liability	Investment holding	N/A	100%	100%	0%
CITIC Financial Holdings Co.,Ltd. 中國中信金融控股有限公司	Chinese mainland/Limited liability	Investment holding	N/A	100%	0%	100%
CITIC Pacific Limited 中信泰富有限公司	British Virgin Islands	Investment holding	51,097	100%	100%	0%
CITIC Pacific Special Steel Group Co., Ltd. 中信泰富特鋼集團股份有限公司	Chinese mainland/Stock limited company (listed)	Special steel production	5,047,157,035	83.85%	0%	83.85%
NanJing Iron & Steel Co., Ltd. 南京鋼鐵股份有限公司	Chinese mainland/Stock limited company (listed)	Production and sales of steel product	6,165,091,011	62.76%	0%	62.76%
Shanghai Zhongte Pacific Steel Co., Ltd. 上海中特泰富鋼管有限公司	Chinese mainland/Limited liability	Sale of steel and consultation on electric power technology	N/A	100%	0%	100%
Dah Chong Hong Holdings Limited 大昌行集團有限公司	Hong Kong	Consumer goods	1,891,247,220	100%	0%	100%
CITIC Mining International Ltd. 中信礦業國際有限公司	Cayman Islands	Resources and energy	1	100%	100%	0%
CITIC Metal Group Ltd. 中信金屬集團有限公司	Hong Kong	Resources and energy	11,800,000,000	100%	0%	100%
CITIC Telecom International Holdings Limited 中信國際電訊集團有限公司	Hong Kong (listed)	Telecom services	3,700,035,382	57.54%	0%	57.54%
CITIC Finance Company International Limited 中信財務(國際)有限公司	Hong Kong	Financial services	N/A	100%	100%	0%
China CITIC Bank Corporation Limited 中信銀行股份有限公司	Chinese mainland/Stock limited company (listed)	Banking industry	89,397,013,781	67.30%	0%	67.30%

61 Principal subsidiaries, associates and joint ventures (Continued)

(a) Principal subsidiaries (Continued)

Name of company	Place of incorporation/ Type of legal entity	Principal activity	Shares issued	Proportion of ownership interest Attributable to the Group	Held by the Company	Held by subsidiaries
CITIC Securities Company Limited 中信証券股份有限公司	Chinese mainland/Stock limited company (listed)	Securities related services	14,820,546,829	19.84%	0%	19.84%
CITIC International Financial Holdings Limited 中信國際金融控股有限公司	Hong Kong	Banking industry	7,502,832,116	100%	0%	100%
CITIC Trust Co., Ltd. 中信信託有限責任公司	Chinese mainland/Limited liability	Trust services	N/A	100%	0%	100%
CITIC Finance Company Limited 中信財務有限公司	Chinese mainland/Limited liability	Financial services	N/A	98.69%	0%	98.69%
CITIC Consumer Finance Co., Ltd. 中信消費金融有限公司	Chinese mainland/Limited liability	Consumer finance	N/A	70%	0%	70%
CITIC Resources Holdings Limited 中信資源控股有限公司	Bermuda (listed)	Resources and energy	7,857,727,149	59.50%	0%	59.50%
CITIC Australia Pty Limited 中信澳大利亞有限公司	Australia	Resources and energy	85,882,017	100%	0%	100%
CITIC Heavy Industries Co., Ltd. 中信重工機械股份有限公司	Chinese mainland/Stock limited company (listed)	Manufacturing	4,579,553,437	64.38%	0%	64.38%
CITIC Construction Company Limited 中信建設有限責任公司	Chinese mainland/Limited liability	Engineering contracting	N/A	100%	0%	100%
CITIC Urban Development & Operation Co., Ltd. 中信城市開發運營有限責任公司	Chinese mainland/Limited liability	Real estate development	N/A	100%	0%	100%
CITIC Heye Investment Co., Ltd. 中信和業投資有限公司	Chinese mainland/Limited liability	Real estate development	N/A	100%	0%	100%
CITIC Capital Mansion Co., Ltd. 中信京城大廈有限責任公司	Chinese mainland/Limited liability	Real estate management	N/A	100%	0%	100%
CITIC Building Property Management Co., Ltd. 北京中信國際大廈物業管理有限公司	Chinese mainland/Limited liability	Real estate management	N/A	100%	0%	100%

For the year ended 31 December 2024
(Expressed in millions of Renminbi, unless otherwise stated)

61 Principal subsidiaries, associates and joint ventures (Continued)

(a) Principal subsidiaries (Continued)

Name of company	Place of incorporation/ Type of legal entity	Principal activity	Shares issued	Proportion of ownership interest Attributable to the Group	Held by the Company	Held by subsidiaries
CITIC Industrial Investment Group Corp., Ltd. 中信興業投資集團有限公司	Chinese mainland/Limited liability	Infrastructure and elderly services	N/A	100%	0%	100%
CITIC Dicastal Company Limited 中信戴卡股份有限公司	Chinese mainland/Stock limited company	Manufacturing	1,971,342,713	42.11%	0%	42.11%
CITIC Environment Investment Group Co., Limited 中信環境投資集團有限公司	Chinese mainland/Limited liability	Energy conservation and environmental protection	N/A	100%	0%	100%
China Zhonghaizhi Corporation 中國中海直有限責任公司	Chinese mainland/Limited liability	General aviation	N/A	51.03%	0%	51.03%
CITIC Investment Holdings Limited 中信投資控股有限公司	Chinese mainland/Limited liability	Investment holding	N/A	100%	0%	100%
CITIC Asia Satellite Holding Company Limited 中信亞洲衛星控股有限公司	British Virgin Islands	Information industry	60,524,465	100%	0%	100%
CITIC Press Corporation 中信出版集團股份有限公司	Chinese mainland/Stock limited company (listed)	Publishing	190,151,515	73.50%	0%	73.50%
CITIC Holdings Co., Ltd. 中信控股有限責任公司	Chinese mainland/Limited liability	Service	N/A	100%	0%	100%

61 Principal subsidiaries, associates and joint ventures (Continued)

(b) Principal associates

Details of the Group's interest in principal associates, which are accounted for using the equity method in the consolidated financial statements of the Group are as follows:

				Proportion of ownership interest		
Name of company	Place of incorporation	Principal activity	Shares issued	Attributable to the Group	Held by the Company	Held by subsidiaries
China Overseas Land & Investment Ltd. 中國海外發展有限公司	Hong Kong (listed)	Real estate development	10,944,883,535	10.01%	0%	10.01%
China Securities Co., Ltd. 中信建投証券股份有限公司	Chinese mainland (listed)	Securities related services	7,756,694,797	9.47%	0%	9.47%
Ivanhoe Mines Ltd.	Canada (listed)	Resources and energy	1,351,544,340	22.34%	0%	22.34%

(c) Principal joint ventures

Details of the Group's interest in principal joint ventures, which are accounted for using the equity method in the consolidated financial statements of the Group are as follows:

				Proportion of ownership interest		
Name of company	Place of incorporation	Principal activity	Shares issued	Attributable to the Group	Held by the Company	Held by subsidiaries
CITIC Prudential Life Insurance Co., Ltd. 中信保誠人壽保險有限公司	Chinese mainland	Insurance and reinsurance	N/A	50%	0%	50%
中船置業有限公司	Chinese mainland	Real estate development	N/A	50%	0%	50%
上海瑞博置業有限公司	Chinese mainland	Real estate development	N/A	50%	0%	50%

Independent Auditor's Report

To the Members of CITIC Limited
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of CITIC Limited (the "Company") and its subsidiaries (the "Group") set out on pages 139 to 303, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Measurement of expected credit losses for loans and advances to customers and other parties and investments in financial assets

- Consolidation of structured entities – Non-principal guaranteed wealth management products

- Impairment of the Sino Iron Project

Measurement of expected credit losses for loans and advances to customers and other parties and investments in financial assets

Refer to Note 2(j), Note 3(b), Note 27 and Note 29 to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2024, the gross balance of loans and advances to customers and other parties and accrued interest included for the purpose of expected credit loss assessment in the Group's consolidated statement of financial position, amounted to RMB5,735,472 million, for which management recognised an impairment allowance of RMB146,562 million; the gross balance of investments in financial assets and accrued interest included for the purpose of expected credit loss assessment amounted to RMB2,062,818 million, for which management recognised an impairment allowance of RMB31,013 million. The Group uses an expected credit loss ("ECL") model to measure the loss allowance for loans and advances to customers and other parties and investments in financial assets in accordance with Hong Kong Financial Reporting Standard 9, *Financial instruments*.	Our audit procedures to assess ECL for loans and advances to customers and other parties and investments in financial assets included the following: • With the assistance of KPMG's IT audit team, understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of loans and advances to customers and other parties and investments in financial assets, the credit risk staging process and the measurement of ECL for loans and advances to customers and other parties and investments in financial assets. • With the assistance of KPMG's financial risk management specialists, assessing the appropriateness of the ECL model in determining the loss allowance of loans and advances to customers and other parties and investments in financial assets and the appropriateness of the key parameters and assumptions in the model, which included credit risk staging, probability of default, loss given default, exposure at default, adjustments for forward-looking information and other adjustments, and assessing the appropriateness of related key management judgement.

Measurement of expected credit losses for loans and advances to customers and other parties and investments in financial assets

Refer to Note 2(j), Note 3(b), Note 27 and Note 29 to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
The determination of ECL allowance of loans and advances to customers and other parties and investments in financial assets is subject to the application of a number of key parameters and assumptions, including the credit risk staging, probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Extensive management judgment is involved in the selection of those parameters and the application of the assumptions. The amount of impairment of the loans and advances to customers and other parties and investments in financial assets is significant, and the measurement has a high degree of estimation uncertainty. The measurement of ECL applied significant management judgments and assumptions, and involved significant inherent risk. In view of these reasons, we identified this as a key audit matter.	• Assessing the completeness and accuracy of key data used in the ECL model, comparing the total balance of the loans and advances to customers and other parties and investments in financial assets used by management to assess the ECL allowance with the general ledger to check the completeness of the data. We also selected samples to compare information of individual loan and advance to customers and investments in financial assets with the underlying agreements and other related documentation to assess the accuracy of data, checking the accuracy of key external data used by management by comparing them with public sources. • For key parameters used in the ECL model which were derived from system generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis, involving KPMG's IT audit team to assess the accuracy of the loans and advances' overdue information on a sample basis.

Measurement of expected credit losses for loans and advances to customers and other parties and investments in financial assets

Refer to Note 2(j), Note 3(b), Note 27 and Note 29 to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
	• Evaluating the reasonableness of management's assessment on whether the credit risk of the loans and advances to customers and other parties and investments in financial assets have, or have not, increased significantly since initial recognition and whether the loans and advances to customers and other parties and investments in financial assets are credit-impaired by selecting risk-based samples, analysing the portfolio by industry sector to select samples in industries more vulnerable to the current economic situation with reference to other borrowers with potential credit risk. For selected samples, reviewing the overdue information of loans and advances to customers and other parties and investments in financial assets, making enquiries of the credit managers about the borrowers' business operations, checking borrowers' financial information and researching market information about borrowers' businesses, to understand the status in regards to the borrowers' credit risk, and to assess the reasonableness of credit risk staging. • For corporate loans and advances and investments in financial assets that are credit-impaired, selecting samples to evaluate the forecasted future cash flows prepared by the Group based on financial information of borrowers and guarantors, collateral valuations, other available information and possible future factors together with discount rates in supporting the computation of loss allowance;

Measurement of expected credit losses for loans and advances to customers and other parties and investments in financial assets

Refer to Note 2(j), Note 3(b), Note 27 and Note 29 to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
	• Based on our procedures performed, selecting samples and assessing the accuracy of calculation for loans and advances to customers and other parties and investments in financial assets' credit losses by using the ECL model. • Performing retrospective review of ECL model components and significant assumptions; to assess whether the results indicate possible management bias on loss estimation; • Assessing the reasonableness of the disclosures in the financial statements in relation to ECL for loans and advances to customers and other parties and investments in financial assets against prevailing accounting standards.

Consolidation of structured entities – Non-principal guaranteed wealth management products

Refer to Note 2(f), Note 3(j) and Note 52 to the consolidated financial statements.

The Key Audit Matter

As at 31 December 2024, all of non-principal guaranteed wealth management products ("WMPs") issued and managed by the Group are structured entities that are not included in the scope of consolidation.

In determining whether the Group retains any partial interests in a structured entity for non-principal guaranteed WMPs or should consolidate it, management is required to consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.

We have identified this as a key audit matter due to the material balance and significant management judgements were involved in assessing the consolidation of the structured entities for non-principal guaranteed WMPs.

How the matter was addressed in our audit

Our audit procedures related to consolidation of structured entities for non-principal guaranteed WMPs included the following:

- Understanding and assessing the design, implementation, and operating effectiveness of key internal controls of financial reporting over measurement of interests in and consolidation of structured entities for non-principal guaranteed WMPs.

- Selecting samples of structured entities for non-principal guaranteed WMPs and performing the following procedures:

  – Inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity for non-principal guaranteed WMPs and the involvement the Group has with the structured entity for non-principal guaranteed WMPs and to assess management's judgement over whether the Group can exercise power over the structured entity for non-principal guaranteed WMPs.

Consolidation of structured entities – Non-principal guaranteed wealth management products

Refer to Note 2(f), Note 3(j) and Note 52 to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
	– Performing independent analysis and tests on the variable returns from the structured entities for non-principal guaranteed WMPs, including but not limited to commission income and asset management fees earned, gains from investments, retention of residual income, and, if any, liquidity, and other support provided to the structured entities for non-principal guaranteed WMPs, to assess management's judgement as to the exposure, or rights, to variable returns from the Group's involvement in such an entity. – Inspecting management's analysis of the structured entity for non-principal guaranteed WMPs, including qualitative analysis and the calculation of the magnitude and variability associated with the Group's economic interests in the structured entity for non-principal guaranteed WMPs, to assess management's judgement over the Group's ability to affect its variable returns from the structured entity for non-principal guaranteed WMPs. – Assessing management's judgement over whether the structured entity for non-principal guaranteed WMPs should be consolidated or not. • Assessing the reasonableness of the disclosures in the financial statements in relation to the measurement of interests in and consolidation of structured entities for non-principal guaranteed WMPs against prevailing accounting standards.

Impairment of the Sino Iron Project

Refer to Note 2(u), Note 3(d), Note 3(k) and Note 9 to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
Management performs impairment testing of the Sino Iron Project (the "Project") when indicators of impairment are identified. As at 31 December 2024, management assessed whether indicators of impairment exist on the Project by considering external and internal sources of information, including: • The assessment of outstanding litigation and disputes in respect of the Project as disclosed in Note 3(k) to the consolidated financial statements; • The production profile of the Project (mainly including ore grades, operating cost and production output); • Forward iron ore prices; • Foreign exchange rates, particularly between Australian and United States dollars; • The risk-free borrowing rates. Management determined that no impairment indicators existed for the Project as at 31 December 2024. We identified management's assessment of impairment indicators of the Project as a key audit matter because the assessment, especially in relation to the assessment of outstanding litigation and disputes, involves significant management judgements which may be subject to management bias.	Our audit procedures to evaluate management's assessment of impairment indicators of the Project included the following: • Understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the impairment indicator assessment process; • Assessing management's evaluation of indicators of impairment, including consideration of both external and internal sources of information with reference to our understanding of the Group and the requirements of prevailing accounting standards; • Enquiring management and external legal counsels to understand the latest development of the outstanding litigations and disputes and the implications of such outstanding litigations and disputes; and assessing whether this resulted in an indicator of impairment with reference to our latest understanding of the progress of the outstanding litigations; • Evaluating whether there are significant adverse changes in the economic environment impacting the Project by considering movements in forward iron ore prices, exchange rates and risk-free borrowing rates; • Comparing budget versus actual performance during the last 12 months to evaluate economic performance of the asset.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Audit and Risk Management Committee for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit and Risk Management Committee in discharging their responsiblilites for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Management Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Risk Management Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Siu Tung.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
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28 March 2025

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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 +86 10 5966 8959; +852 2820 2205, or by email at ir@citic.com.

Auditor

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

* CITIC Limited's Share Registrar will be changed to Tricor Investor Services Limited with effect from 30 April 2025, details of which are set out in CITIC Limited's announcement dated 2 April 2025.

Financial Calendar

Closure of Register: *(for the purpose of ascertaining shareholders' entitlement to attend and vote at the annual general meeting)*	16 June 2025 to 19 June 2025 (both days inclusive)
Record Date:	19 June 2025
Closure of Register: *(for the purpose of ascertaining shareholders' entitlement to the proposed final dividend)*	25 June 2025 to 27 June 2025 (both days inclusive)
Record Date:	27 June 2025
Annual General Meeting:	19 June 2025
Dividend payment:	15 August 2025

Annual Report 2024

The Annual Report is available on CITIC Limited's website at www.citic.com under the 'Investor Relations' section and the Hong Kong Stock Exchange's website at www.hkexnews.hk.

For those Shareholders and Non-registered Shareholders who wish to receive the printed version of the Annual Report can refer to "Corporate Communication Requests" in the 'Investor Relations' section of CITIC Limited's website at www.citic.com for details.

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