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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Notes (as defined below) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any other jurisdiction, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act ("**Regulation S**")) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes will be offered and sold (i) in the United States only to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A thereunder and (ii) outside the United States to non-U.S. persons in compliance with Regulation S.*

***This announcement and the listing document referred to herein have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing document) forms the basis of any contract or commitment whatsoever.** For the avoidance of doubt, the publication of this announcement and the listing document referred to herein shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Company (as defined below) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of Hong Kong.*

***Notice to Hong Kong investors:** The Company (as defined below) confirms that the Notes are intended for purchase by Professional Investors (as defined in Chapter 37 of the Listing Rules) only and, the Programme (as defined below) has been, and the Notes (to the extent they are to be listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**")) will be, listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Company confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF OFFERING CIRCULAR

CITIC Limited
中國中信股份有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00267)
(the "Company")

U.S.$9,000,000,000 Medium Term Note Programme

This announcement is issued pursuant to Rule 37.39A of the Listing Rules.

Please refer to the offering circular dated 10 June 2026 (the "**Offering Circular**") appended hereto in relation to the U.S.$9,000,000,000 Medium Term Note Programme (the "**Programme**"). As disclosed in the Offering Circular, any notes to be issued under the Programme (the "**Notes**") will be intended for purchase by Professional Investors (as defined in Chapter 37 of the Listing Rules) only and, the Programme has been, and the Notes (to the extent they are to be listed on the Hong Kong Stock Exchange) will be, listed on the Hong Kong Stock Exchange on that basis.

11 June 2026

As at the date of this announcement, the executive directors of the Company are Mr. Xi Guohua (Chairman), Mr. Zhang Wenwu, Mr. Liu Zhengjun and Mr. Wang Guoquan; the non-executive directors of the Company are Ms. Li Yi, Mr. Yue Xuekun, Mr. Yang Xiaoping and Mr. Li Zimin; and the independent non-executive directors of the Company are Mr. Anthony Francis Neoh, Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Toshikazu Tagawa and Mr. Chen Yuyu.

Appendix

Offering Circular dated 10 June 2026

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE SECURITIES IN BEARER FORM ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES IN BEARER FORM MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that (a) you are either (i) a "qualified institutional buyer" ("**QIB**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act; or (ii) not a U.S. person and the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (b) you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

The materials relating to the offering of securities to which the Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer (as defined in the Offering Circular) in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, CLSA Limited, The Hongkong and Shanghai Banking Corporation Limited, UBS AG Hong Kong Branch (the "**Arrangers**"), Deutsche Bank AG, Hong Kong Branch or Standard Chartered Bank (together with the Arrangers, the "**Dealers**"), the Trustee or the Agents (each as defined in the Offering Circular), nor any directors, officers, employees, agents, advisers, affiliates, representatives, or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

CONFIDENTIAL

CITIC LIMITED
中國中信股份有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 00267)

U.S.$9,000,000,000
Medium Term Note Programme

Under the Medium Term Note Programme described in this Offering Circular (the "**Programme**"), CITIC Limited (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Medium Term Notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer(s). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$9,000,000,000 (or the equivalent in other currencies), subject to increases as described herein.

Application has been made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of the Programme under which the Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. This Offering Circular is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer confirms that the Notes are intended for purchase by Professional Investors only and, the Programme and the Notes (to the extent they are to be listed on the Hong Kong Stock Exchange) will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the CITIC Limited Group (as defined below) or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement (as defined in "*Summary of the Programme*") in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange (or listed, traded or quoted on or by any other competent authority, other exchange or quotation system).

Each Series (as defined in "*Summary of the Programme*") of Notes in bearer form ("**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**") (collectively, the "**Global Note**") and will be sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Interests in temporary Global Notes generally will be exchangeable for interests in permanent Global Notes, or if so stated in the relevant Pricing Supplement, definitive Notes ("**Definitive Notes**"), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part as described under "*Summary of Provisions Relating to the Notes while in Global Form*". Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Notes in registered form of one Series. Global Notes and Global Certificates (as defined below) may be deposited on the issue date with a common depositary (the "**Common Depositary**") on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") or with a sub-custodian for the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority (the "**CMU**").

The Notes of each Series to be issued in registered form ("**Registered Notes**") and which are sold in an "offshore transaction" within the meaning of Regulation S ("**Unrestricted Notes**") will initially be represented by a permanent registered global certificate (each an "**Unrestricted Global Certificate**") without interest coupons, which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear, Clearstream and/or the CMU, with a common depositary on behalf of Euroclear and Clearstream or, as the case may be, a sub-custodian for the CMU and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear, Clearstream and/or the CMU, or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer(s). Registered Notes which are sold in the United States to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act ("**Restricted Notes**") will initially be represented by a permanent registered global certificate (each a "**Restricted Global Certificate**" and, together with the Unrestricted Global Certificate, the "**Global Certificates**"), without interest coupons, which will be deposited on the relevant issue date with (i) a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("**DTC**") or (ii) a common depositary on behalf of Euroclear and Clearstream, or, as the case may be, a sub-custodian for the CMU.

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes and in Global Certificates are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

The Programme has been rated "(P)A3" by Moody's Investor Service, Inc. ("**Moody's**") and "A-" by S&P Global Ratings, a division of S&P Global Inc. ("**S&P**"). Tranches of Notes (as defined in "*Summary of the Programme*") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Offering Circular in connection with an investment in the Notes.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but

otherwise none of the Arrangers or the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers or the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018).

Arrangers

CITIC Securities	**HSBC**	**UBS**

Dealers

CITIC Securities	**Deutsche Bank**	**HSBC**	**Standard Chartered Bank**	**UBS**

10 June 2026

NOTICE TO INVESTORS

The Issuer having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, its subsidiaries, associated companies and joint ventures (the "**CITIC Limited Group**") and the Notes that is material in the context of the issue and offering of the Notes, (ii) the statements contained in it relating to the Issuer and the CITIC Limited Group are in every material particular true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the CITIC Limited Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, and (iv) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

Each Tranche (as defined in "*Summary of the Programme*") of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as amended and/or supplemented by a document specific to such Tranche called a pricing supplement (the "**Pricing Supplement**"). This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the Issuer, the CITIC Limited Group or the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of any of the Issuer, the Arrangers, the Dealers (as defined in "*Summary of the Programme*"), the Trustee or the Agents (both defined in the Terms and Conditions of the Notes), or any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them. Neither the delivery of this Offering Circular nor any Pricing Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or CITIC Limited Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or CITIC Limited Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of the Issuer, the Arrangers, the Dealers, the Trustee or the Agents, nor any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any available exemption, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arrangers, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular, any Pricing Supplement nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

The distribution of this Offering Circular and any Pricing Supplement and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular or any Pricing Supplement comes are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of bearer notes, delivered within the United States, or, in the case of notes issued in compliance with the D Rules (as defined herein), to U.S. persons.

The Notes are being offered and sold, in the case of Bearer Notes and Unrestricted Notes outside the United States in reliance on Regulation S and, in the case of Restricted Notes, within the United States to QIBs in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes may be relying

on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular see "*Subscription and Sale*" and "*Transfer Restrictions*".

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors:

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for a CMI Offering and will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order, prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealer and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer, the Arrangers, the Dealers, the Trustee or the Agents, or any of their

respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them to subscribe for, or purchase, any Notes.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKSE Rules") for the purpose of giving information with regard to the Issuer and the CITIC Limited Group. The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

None of the Arrangers, the Dealers, the Trustee or the Agents, nor any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them have separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Trustee or the Agents, nor any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Trustee or the Agents, nor any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Arrangers, a Dealer, the Trustee or any Agent or on its behalf in connection with the Issuer, CITIC Limited Group, the Programme or the issue and offering of the Notes. The Arrangers, each Dealer, the Trustee and the Agents, and any of their respective directors, officers, representatives, employees, advisers, agents, affiliates and each person who controls any of them accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any other information provided or incorporated by reference in connection with the Programme are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them that any recipient, of this Offering Circular or of any such information, should purchase the Notes. Each potential purchaser of Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and CITIC Limited Group. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary.

None of the Arrangers, the Dealers, the Trustee or the Agents, nor any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them undertakes to review the financial condition or affairs of the Issuer or CITIC Limited Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) (or persons acting on behalf of the Dealer or Dealers) (the "Stabilisation Manager(s)") may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on such Stabilisation Manager(s) to do this. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "Hong Kong" or "Hong Kong SAR" are to the Hong Kong Special Administrative Region of the People's Republic of China, to the "PRC" are to the People's Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, to "HK$" are to Hong Kong dollars, to "CNY" or "RMB" are to Renminbi, the currency of the People's Republic of China, to "JPY" or to Japanese Yen, to "U.S.$", "US$" or "USD" are to U.S. dollars, to "sterling" or "£" are to the currency of the UK and to "euro" or "€" are to the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to: "AUM" are to asset under management, "EPC" are to engineering, procurement and construction, "GWP" are to gross written premium and "MW" are to megawatt.

For the convenience of the reader, this Offering Circular presents translations into U.S. dollars of certain Hong Kong dollar amounts at the rate of HK$7.80 = U.S.$1.00. No representation is made that Hong Kong dollars have been, could have been, or could be, converted into U.S. dollars at the rate indicated or at any other rate. On 29 December 2023, the exchange rate for Hong Kong dollars into U.S. dollars as set forth in the H.10 statistical release of the Federal Reserve Board was HK$7.8109 = U.S.$1.00. This Offering Circular also includes certain other currency amounts. The Hong Kong dollar equivalent amounts presented are translated at the approximate exchange rate at the time of the transactions to which they apply.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

ENFORCEABILITY OF JUDGMENTS

The Issuer is a corporation organised under the laws of Hong Kong. None of the directors of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the United States Securities and Exchange Act of 1934 (the "**Exchange Act**"). The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Offering Circular, including, without limitation, those regarding CITIC Limited Group's financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause CITIC Limited Group's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding CITIC Limited Group's present and future business strategies and the environment in which CITIC Limited Group expects to operate in the future. Important factors that could cause CITIC Limited Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors referenced in this Offering Circular:

- CITIC Limited Group's ability to integrate its newly-built operations and any future expansion of its business;
- CITIC Limited Group's ability to realise the benefits it expects from existing and future investments in its existing operations and pending expansion and development projects;
- CITIC Limited Group's ability to obtain requisite governmental or regulatory approvals to undertake planned or proposed development projects;

- CITIC Limited Group's ability to obtain external financing or maintain sufficient capital to fund its existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which CITIC Limited Group and its customers operate;
- changes in the competitive environment in which CITIC Limited Group and its customers operate;
- CITIC Limited Group's ability to secure or renew concessions or licences at future or existing facilities, operations or developments;
- failure to comply with regulations applicable to CITIC Limited Group's business;
- fluctuations in the currency exchange rates in the markets in which CITIC Limited Group operates; and
- actions taken by CITIC Limited Group's joint venture partners that may not be in accordance with CITIC Limited Group's policies and objectives.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*". Forward-looking statements speak only as of the date of this Offering Circular and the Issuer expressly disclaims any obligation or undertaking to update publicly or revise any forward-looking statements in this Offering Circular to reflect any change in the Issuer's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Given the uncertainties of forward-looking statements, there can be no assurance that projected results or events will be achieved and undue reliance should not be placed on these statements.

AVAILABLE INFORMATION

The Issuer has agreed that, for so long as any Notes are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, the Issuer will during any period that it is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder furnish, upon request, to any holder or beneficial owner of such restricted securities or any prospective purchaser designated by any such holder or beneficial owner or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner or, prospective purchaser or, as the case may be, the Trustee, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

WARNING

The contents of this Offering Circular have not been reviewed by any regulatory authority of any jurisdiction. You are advised to exercise caution in relation to the offering of any Notes. If you are in any doubt about any of the contents of this Offering Circular, you should obtain professional advice.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this summary.

Issuer	CITIC Limited.
Programme Description	Medium Term Note Programme.
Programme Size	Up to U.S.$9,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the aggregate nominal amount of the programme in accordance with the terms of the Dealer Agreement.
Arrangers	CLSA Limited, The Hongkong and Shanghai Banking Corporation Limited and UBS AG Hong Kong Branch.
Dealers	CLSA Limited, Deutsche Bank AG, Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank and UBS AG Hong Kong Branch. The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee	The Bank of New York Mellon, London Branch.
Issuing and Paying Agents	The Bank of New York Mellon, London Branch (in respect of Unrestricted Notes other than CMU Notes) and The Bank of New York Mellon (in respect of Restricted Notes other than CMU Notes).
Paying Agents	The Bank of New York Mellon, London Branch (in respect of Unrestricted Notes other than CMU Notes) and The Bank of New York Mellon (in respect of Restricted Notes other than CMU Notes).
Registrars	The Bank of New York Mellon SA/NV, Luxembourg Branch (in respect of Unrestricted Notes other than CMU Notes), The Bank of New York Mellon (in respect of Restricted Notes other than CMU Notes) and The Bank of New York Mellon, Hong Kong Branch (in relation to CMU Notes).
Transfer Agents	The Bank of New York Mellon, London Branch (in respect of Unrestricted Notes other than CMU Notes) and The Bank of New York Mellon (in respect of Restricted Notes other than CMU Notes).
Calculation Agents	The Bank of New York Mellon, London Branch (in respect of Unrestricted Notes other than CMU Notes) and The Bank of New

	York Mellon (in respect of Restricted Notes other than CMU Notes).
CMU Lodging and Paying Agent	The Bank of New York Mellon, Hong Kong Branch.
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the pricing supplement (the "**Pricing Supplement**").
Issue Price.....	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly-paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes.....	The Notes may be issued in bearer form only ("**Bearer Notes**") or in registered form ("**Registered Notes**") only. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "*Summary of the Programme – Selling Restrictions*" below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of, or in the name of a nominee for, one or more clearing systems are referred to as "**Global Certificates**". Registered Notes sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by an Unrestricted Global Certificate. Registered Notes sold in the United States to QIBs within the meaning of Rule 144A will initially be represented by a Restricted Global Certificate.
Clearing Systems.....	Clearstream, Euroclear, the CMU, DTC and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer.
Initial Delivery of Notes.....	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream or deposited with a sub-custodian for the CMU or registered in the name of Cede & Co. (or such other entity as is specified in the applicable Pricing Supplement) as nominee for DTC and deposited on or about the issue date with the DTC Custodian or deposited with any other clearing system or may be delivered outside any clearing system **provided that** the method of such delivery has been agreed in advance by the Issuer, the Trustee, the Issuing and Paying Agent and the relevant

	Dealers. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee or a sub-custodian for, such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer and the relevant Dealer(s).
Specified Denomination.....	Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all relevant laws, regulations and directives. Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the UK or the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the UK or whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Interest.....	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Fixed Rate Notes.....	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or by (ii) reference to EURIBOR or HIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin. (iii) on the basis of SOFR reference rates appearing on the agreed screen page of a commercial quotation service (in relation to Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark, please see Condition 5(b)(ii)(C)). Interest periods will be specified in the relevant Pricing Supplement.

Benchmark Discontinuation	See Condition 5(n) (*Benchmark Discontinuation (General)*) and Condition 5(o) (*Benchmark Discontinuation (SOFR)*).
Zero Coupon Notes.....	Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes.....	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in "*Terms and Conditions of the Notes*") will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates.....	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable (detailed in a formula, index or otherwise). Unless permitted by then current laws and regulations, Notes (including Notes denominated in pound sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the UK or the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the UK or whose issue otherwise constitutes a contravention of Section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Redemption by Instalments.....	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Optional Redemption	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of Notes.....	The Notes will be direct, unconditional, unsubordinated and, subject to the provisions of Condition 4 (*Negative Pledge*), unsecured obligations of the Issuer and will rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.
Tax Redemption	Except as described in "*Summary of the Programme – Optional Redemption*" above, early redemption will only be permitted for tax reasons as described in Condition 6(c) (*Redemption, Purchase and Options – Redemption for Taxation Reasons*).
Negative Pledge.....	The Notes will have the benefit of a negative pledge as described in "*Terms and Conditions of the Notes – Covenants – Negative Pledge*".

Events of Default	Events of Default for the Notes are set out in "*Terms and Conditions of the Notes – Events of Default*".
Cross Acceleration.....	The Notes will have the benefit of a cross acceleration provision as described in "*Terms and Conditions of the Notes – Events of Default*".
Ratings.....	The Programme has been rated "(P)A3" by Moody's and "A-" by S&P. Tranches of Notes may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, reduction or withdrawal at any time by the assigning rating agency.
Early Redemption.....	Except as provided in "*Summary of the Programme – Optional Redemption*" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "*Terms and Conditions of the Notes – Redemption, Purchase and Options*".
Withholding Tax.....	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Hong Kong, subject to customary exceptions (including the ICMA Standard EU tax exemption language), all as described in "*Terms and Conditions of the Notes – Taxation*".
Governing Law.....	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Listing and Admission to Trading	Application has been made to the Hong Kong Stock Exchange for listing of the Programme under which Notes may be issued during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange by way of debt issues to Professional Investors only. Separate application will be made for the listing of the Notes on the Hong Kong Stock Exchange. However, unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange (or listed, traded or quoted on or by any other competent authority, exchange or quotation system) under which the Notes may be issued by way of debt issues to Professional Investors only. Notes listed on the Hong Kong Stock Exchange are required to have a denomination of at least HK$500,000 (or its equivalent in other currencies).
Selling Restrictions.....	The United States, the Public Offer Selling Restriction under the Prospectus Regulation (in respect of Notes having a specified denomination of less than €50,000 (or €100,000, to the extent that Directive 2010/73/EU has been implemented in the relevant Member State) or its equivalent in any other currency as at the date of issue of the Notes), the UK, Hong Kong, Singapore,

	Japan, the Netherlands and the PRC. See "*Subscription and Sale*". Category 1 selling restrictions will apply for the purposes of Regulation S under the Securities Act. The Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Pricing Supplement states that Bearer Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Bearer Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Bearer Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.
Transfer Restrictions.....	There are restrictions on the transfer of Registered Notes sold pursuant to Rule 144A under the Securities Act. See "*Transfer Restrictions*".
Legal Entity Identifier (LEI).....	2549006I3Q3M98KHOT11.
Risk Factors.....	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.

SUMMARY FINANCIAL INFORMATION

*The consolidated financial information of CITIC Limited for the years ended 31 December 2024 and 2025, as set forth below, is derived from the audited consolidated financial statements of CITIC Limited for the year ended 31 December 2025 (the "**Audited Consolidated Financial Statements**"), which are set out in full elsewhere in this Offering Circular. Such audited consolidated financial information should be read in conjunction with the Audited Consolidated Financial Statements and the notes thereto, together with the independent auditor's report in respect of such Audited Consolidated Financial Statements.*

Considering the practical guidance issued by the relevant regulatory authority, CITIC Limited Group made a change in accounting policy related to physical settlement of contracts to buy or sell bulk commodities that fail the own-use exception. Previously, for contracts involving the sale of bulk commodities, the CITIC Limited Group recognised sales revenue and cost of sales when the customer obtained the control of the commodity. Effective on 1 January 2025, such transactions are accounted for as settlement of the sales contracts without recognising any sales revenue or cost of sales. The impact of this change in accounting policy has been applied retrospectively, and figures for the year ended 31 December 2024 have been adjusted accordingly. The change in accounting policy does not have an impact on the CITIC Limited Group's profit before taxation, profit for the year or total assets of the year ended 31 December 2024.

Consolidated Income Statement of CITIC Limited for the years ended 31 December 2025 and 2024

	For the year ended 31 December	
	2024	**2025**
	(RMB million)	
	(Restated)	*(Audited)*
Interest income	329,864	305,312
Interest expenses	(181,491)	(158,379)
Net interest income	**148,373**	**146,933**
Fee and commission income	72,979	87,130
Fee and commission expenses	(13,947)	(17,527)
Net fee and commission income	**59,032**	**69,603**
Sales of goods and services	473,456	478,412
Other revenue	66,339	74,316
	539,795	**552,728**
Total revenue	**747,200**	**769,264**
Cost of sales and services	(424,950)	(430,028)
Other net income	12,618	8,777
Expected credit losses	(59,383)	(63,258)
Impairment losses	(1,895)	(4,169)
Other operating expenses	(136,292)	(137,406)
Net valuation loss on investment properties	(165)	(127)
Share of profits of associates, net of tax	4,138	6,861
Share of profits of joint ventures, net of tax	2,492	3,659
Profit before net finance charges and taxation	**143,763**	**153,573**
Finance income	2,235	1,989
Finance costs	(13,341)	(10,954)
Net finance charges	(11,106)	(8,965)
Profit before taxation	132,657	144,608
Income tax	(24,902)	(28,795)
Profit for the year	**107,755**	**115,813**
Attributable to:		
– Ordinary shareholders of the Company	58,202	58,730
– Non-controlling interests	49,553	57,083
Profit for the year	**107,755**	**115,813**
Earnings per share for profit attributable to ordinary shareholders of the Company during the year:		
Basic earnings per share (RMB)	**2.00**	**2.02**
Diluted earnings per share (RMB)	**1.97**	**2.01**

Consolidated Statement of Financial Position of CITIC Limited as at 31 December 2025 and 2024

	As at 31 December	
	2024	2025
	(RMB million)	
	(Audited)	
Assets		
Cash and deposits	608,487	648,888
Cash held on behalf of customers	315,761	433,832
Placements with banks and non-bank financial institutions	404,801	446,098
Derivative financial instruments	135,218	80,365
Trade and other receivables	266,387	319,977
Contract assets	22,414	21,640
Inventories	123,637	118,689
Financial assets held under resale agreements	179,829	223,686
Loans and advances to customers and other parties	5,601,071	5,748,227
Margin accounts	138,332	207,652
Investments in financial assets	3,538,851	3,937,426
– Financial assets at amortised cost	1,108,159	1,301,701
– Financial assets at fair value through profit or loss	1,401,113	1,510,835
– Debt investments at fair value through other comprehensive income	926,931	984,667
– Equity investments at fair value through other comprehensive income	102,648	140,223
Refundable deposits	68,215	102,372
Interests in associates	107,733	114,345
Interests in joint ventures	66,955	69,038
Fixed assets	218,052	245,418
Investment properties	40,691	40,192
Right-of-use assets	49,285	47,129
Intangible assets	22,640	22,995
Goodwill	26,744	26,414
Deferred tax assets	84,972	87,039
Other assets	55,350	79,718
Total assets	**12,075,425**	**13,021,140**
Liabilities		
Borrowings from central banks	124,151	204,025
Deposits from banks and non-bank financial institutions	935,159	883,276
Placements from banks and non-bank financial institutions	145,644	203,799
Financial liabilities at fair value through profit or loss	127,140	173,016
Customer brokerage deposits	361,926	517,630
Funds payable to securities issuers	1,063	–
Derivative financial instruments	134,331	111,762
Trade and other payables	385,896	477,818
Contract liabilities	21,099	20,685
Financial assets sold under repurchase agreements	672,087	885,709
Deposits from customers	5,847,939	6,117,527
Employee benefits payables	57,386	59,875
Income tax payable	12,376	11,691
Bank and other loans	245,566	246,167
Debt instruments issued	1,497,138	1,526,070
Lease liabilities	19,049	18,454
Provisions	13,801	15,532
Deferred tax liabilities	17,731	17,331
Other liabilities	32,929	34,112
Total liabilities	**10,652,411**	**11,524,479**
Equity		
Share capital	307,576	307,576
Reserves	449,911	474,773
Total ordinary shareholders' funds	**757,487**	**782,349**
Non-controlling interests	665,527	714,312
Total equity	**1,423,014**	**1,496,661**
Total liabilities and equity	**12,075,425**	**13,021,140**

RISK FACTORS

Prior to making any investment decision, potential investors should consider carefully all of the information in this Offering Circular, including but not limited to the risks and uncertainties described below. The following factors are contingencies which may or may not occur and CITIC Limited is not in a position to express a view on the likelihood of any such contingency occurring. Any of the risks or uncertainties described below, as well as additional risks or uncertainties, including those which are not currently known to CITIC Limited or which CITIC Limited currently deems to be immaterial, may affect the business, financial condition or results of operations of CITIC Limited Group or its ability to fulfil its obligations under the Notes.

*"**CITIC Limited Group**" means CITIC Limited, its subsidiaries, associated companies and joint ventures; and "**CITIC Corporation Group**" refers to CITIC Corporation Limited, its subsidiaries, associated companies and joint ventures.*

General Risks Relating to the Businesses of CITIC Limited Group

CITIC Limited Group comprises subsidiaries and investee companies operating in various industries, and therefore, is exposed to a wider variety of circumstances compared to companies operating in a single business segment

CITIC Limited Group's operating businesses are diverse and categorised into five business segments comprising comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation, and managed through five platforms comprising the financial, industrial, capital investment, capital operations and strategic investment platforms. Although CITIC Limited Group has invested heavily to embrace integration, collaboration and expansion to drive future development, the nature of operating diverse businesses is such that there may be risks relating to internal inefficiency and management costs, and in particular:

- CITIC Limited Group needs to devote significant resources to monitor the operations of each business and changes in their different operating environments to assess their risks. If CITIC Limited Group does not effectively monitor these changes in the operational environment, CITIC Limited Group's results of operations, financial condition and development prospects may be adversely affected;

- CITIC Limited Group has many listed company members which are subject to different regulatory regimes. These regulations impose obligations related to the transfer of funds into or out of such companies, including issuing announcements, obtaining independent shareholders' approval at general meetings and disclosing events in the annual reports. The market prices and trading volumes of the listed companies' shares may fluctuate significantly, which could in turn affect the market price of CITIC Limited Group's shares;

- CITIC Limited Group's voting rights in its subsidiaries may be diluted. The non-listed subsidiaries of CITIC Limited Group may become listed. For example, CITIC Metal Co., Ltd. ("**CITIC Metal**") was listed on the Shanghai Stock Exchange on 10 April 2023, and CITIC Limited Group has also announced the proposed spin-off and separate listing of CITIC Dicastal Co., Ltd. ("**CITIC Dicastal**") on the Shanghai Stock Exchange. If CITIC Limited Group chooses not to or is unable to subscribe for the additional equity or equity-linked securities issued by its listed and non-listed subsidiaries, CITIC Limited Group's voting rights in these entities may be diluted;

- CITIC Limited Group's businesses are operated by its subsidiaries and investee companies. CITIC Limited Group may face risks of managing and controlling its subsidiaries and investee companies. As a large conglomerate, CITIC Limited Group's operational success requires effective management and control, including devising financial policies for subsidiaries and investee companies, as well as performance incentives for management personnel. If the management and control systems are ineffective, there is a risk of a loss of business, finance and human resources;

- CITIC Limited Group has no control over certain investee companies. CITIC Limited Group's ability to manage and supervise certain investee companies mainly depends on its contractual rights under the relevant shareholders' agreements and its shareholder rights under company law and

other relevant laws and regulations. Any dispute with other shareholders of an investee company of CITIC Limited Group could have an adverse effect on such investee company's operations;

- CITIC Limited's cash flow primarily comes from the dividends from its subsidiaries and investee companies. Any failure of CITIC Limited Group's subsidiaries or investee companies to pay cash dividends could in turn have an adverse effect on CITIC Limited Group's ability to pay dividends to its shareholders. Under PRC laws, rules and regulations, all of CITIC Limited Group's PRC entities are required to set aside at least 10 per cent. of their after-tax profit based on PRC accounting standards each year to their respective statutory capital reserve funds until the cumulative amount of such reserves reaches 50 per cent. of their respective registered capital. As a result, all of CITIC Limited Group's PRC entities are restricted in their ability to transfer a portion of their net income to CITIC Limited in the form of dividends. Such restricted reserves are not distributable as cash dividends and could in turn have an adverse effect on CITIC Limited Group's ability to pay dividends to its shareholders; and

- CITIC Limited Group is exposed to credit risks arising from business partners in diverse industries whose credit worthiness may be affected by factors, circumstances or developments unique to the industry of each particular business partner. CITIC Limited Group needs to pay close attention to market developments and credit risks arising from its extensive business operations and counterparties in order to investigate and manage such risks. Furthermore, with the proliferation of new market entities, innovative business models, new products, businesses and counterparties, credit risks could increase in both width and complexity. There is no assurance that the measures adopted by CITIC Limited Group will be successful in managing credit risks.

CITIC Limited Group plans to further strengthen the overall productivity and efficiency of its assets and to engage in additional projects and businesses with high rates of return. CITIC Limited Group seeks to leverage integration and collaboration between its five business segments of comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation and its five platforms comprising the financial, industrial, capital investment, capital operations and strategic investment platforms to build a lasting enterprise and solidify the CITIC brand's position in the fields in which CITIC Limited Group operates. However, there can be no assurance that these efforts will be successful or that CITIC Limited will improve the profitability of the businesses in the future.

CITIC Limited Group's business is subject to economic fluctuation in the industries in which it has operations

The business operations of CITIC Limited Group rely on the overall activity level in the industries in which it operates and the relevant upstream and downstream industries. The volatility of the international financial markets; interest rates and monetary policies; international trade disputes and tariffs; economic downturn; inflation; cautious market sentiment towards corporate investment; slowdowns in the growth of market demand; and fluctuations in the prices of commodities, major raw material, and exchange rates of major currencies may each affect CITIC Limited Group's various businesses.

A substantial portion of CITIC Limited Group's businesses are closely linked to the success of the PRC economy. International trade disputes and any slowdown in the PRC economy is likely to have an adverse impact on CITIC Limited Group's business, results of operations and financial condition. The ongoing trade tensions between the United States, the PRC and other nations create uncertainties in the world economy and global financial markets. As a result of such international trade disputes, global financial markets have experienced significant volatility and it remains unclear whether there will be further escalation. More recently, the war in the Middle East has caused instability in global stock and bond markets, surging oil and energy prices, and supply chain disruptions. Any ongoing geopolitical tensions, as well as increases in tariffs or changes to trade policies between the PRC, the United States and other countries, may have a significant impact on CITIC Limited Group's business, results of operations and financial condition.

In addition, the PRC government adjusts its monetary, fiscal, regulatory and other policies and measures from time to time to manage economic growth, strategic development, overheating and excess capacity in a specific industry or market. Therefore, changes in the PRC's overall economy or the industries in which CITIC Limited Group operates may result in a lower-than-expected growth rate or even negative growth for CITIC Limited Group, which may in turn have an adverse effect on CITIC Limited Group's business, results of operations and financial condition.

Intense competition in the markets in which CITIC Limited Group has operations may lead to a decrease in market share and profitability

CITIC Limited Group's businesses face intense competition in its operating markets. Its comprehensive financial services business segment faces competition from domestic and international commercial banks and other financial institutions; its new-type urbanisation business segment faces competition from global companies in the industry as well as the challenges from large state-owned enterprises and private companies; its advanced intelligent manufacturing, advanced materials and new consumption business segments face competition in terms of resources, technology, price and service; its businesses involving product sales face competition in terms of product specification, service quality, responsiveness to customer needs, reliability and price; its businesses operating in the consumer space face competition in terms of costs, product offering and changing consumer tastes and behaviour; and its magnetite iron ore mining project in Cape Preston, Western Australia (the "**Sino Iron Project**") faces competition from other iron ore producers in terms of supply, quality and price.

Competitors may have greater access to capital, technology, management and other resources than CITIC Limited Group, and may be capable of providing a wider range of services and operate at lower costs. These competitors may also merge or form joint ventures with other domestic or foreign competitors, which may intensify the competition CITIC Limited Group faces. In addition, whereas CITIC Limited Group operates in a diverse range of businesses, its competitors may be focused in only one or a few businesses and may therefore be capable of offering more specialised products or services than CITIC Limited Group.

CITIC Limited Group's market share depends on its ability to anticipate and respond to many competitive factors, including competitors' pricing strategies, changes in customer preferences, funding and financing resources, and the introduction of new or improved technology, products or services in related industries or markets. There can be no assurance that actual or potential competitors of CITIC Limited Group will not provide similar products or services with comparable or even better quality at the same or even lower prices, or be more adaptable to industry trends or market changes. Increased competition may lead to lower prices, a decrease in profit margins and loss of market share.

CITIC Limited Group faces risks arising from the restructuring and realignment of businesses and it may not effectively carry out the business strategy of the integrated CITIC Limited Group

CITIC Limited Group has been actively restructuring and realigning its businesses whilst optimising asset allocation. Since 2020, to better capitalise on the advantages of operating both financial and non-financial businesses, CITIC Limited Group has optimised its business portfolio into five strategic segments for enhanced alignment and a sharpened focus. The five strategic segments comprise of the comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation business segments. These five segments are matrixed with five platforms comprising the financial, industrial, capital investment, capital operations and strategic investment platforms.

Further restructuring, realignment and optimisation endeavours may also take place in the future. There can be no assurance that previous, current or future restructuring, realignment and optimisation endeavours have or will have the desired effect on the business, results of operations and financial condition of CITIC Limited Group. Such restructuring, realignment and optimisation endeavours, if unsuccessful, may have an adverse effect on the business, results of operations and financial condition of CITIC Limited Group. There can be no assurance that any such restructuring or realignment or optimisation endeavours will achieve the desired strategic objectives, business integration, or the expected return on investment of CITIC Limited Group.

CITIC Limited Group is exposed to the risk of fluctuations in currency exchange rates

CITIC Limited has major operations in Chinese mainland, Hong Kong and Australia, with Renminbi, Hong Kong dollar and U.S. dollar as functional currencies respectively. The CITIC Limited 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 Renminbi. Translation exposures from the consolidation of subsidiaries, whose functional currency is not Renminbi, 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.

CITIC Limited Group is subject to litigation and regulatory risk

CITIC Limited Group's businesses are wide-spread in terms of industry and geographical scope. In light of such wide business scope, CITIC Limited Group may not be able to improve and adjust its business practices, management and code of conduct in response to relevant changes in domestic and foreign laws and regulations in a timely manner.

CITIC Limited Group's business and operations may be subject to litigation and regulatory actions from time to time. These proceedings and disputes may damage CITIC Limited Group's reputation and divert its resources and management's attention. Significant costs may have to be incurred in defending CITIC Limited Group in such proceedings. In addition, CITIC Limited Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings or unfavourable decrees that may result in liabilities and cause delays to its developments and interruptions to its operations. CITIC Limited Group may also be involved in disputes or legal proceedings in relation to delays in the completion and delivery of its projects. Any of the above could have a material adverse effect on CITIC Limited Group's business, results of operations and financial condition.

Furthermore, CITIC Limited Group is subject to periodical inspections from PRC and overseas regulatory authorities, and may be subject to potential punishments, fines or other penalties imposed by such regulatory authorities. There can be no assurance that the relevant PRC or overseas regulatory authorities will not impose punishments, fines or other penalties, or issue negative reports or opinions in the future which would have an adverse effect on the reputation, business, results of operations, and financial condition of CITIC Limited Group.

The final outcomes of CITIC Limited Group's pending litigation and other regulatory matters cannot be predicted reasonably and accurately, primarily due to the different levels of uncertainty and complexity of these litigation and regulatory matters.

For details regarding pending material litigation and other regulatory matters of CITIC Limited Group, see "*CITIC Limited Group – Legal and Regulatory Proceedings*".

In addition, CITIC Limited Group may be sued by customers or other third parties in relation to CITIC Limited Group's facilities or products. CITIC Limited Group attempts to mitigate against such risk of potential claims by introducing liability limitation, compensation guarantees and insurance clauses in the relevant contracts. These attempts may not bring sufficient protection due to factors beyond the control of CITIC Limited Group, including:

- in various jurisdictions where CITIC Limited Group has operations (including the PRC), CITIC Limited Group's potential legal liability in relation to environmental or labour matters is subject to applicable laws and regulations, which may not be limited by contracts;

- customers and subcontractors may not have sufficient financial resources to fulfil their obligations owed to CITIC Limited Group;

- losses may result from risks not covered by CITIC Limited Group's compensation guarantee contractual arrangement; and

- the scope of the insurance may not be sufficient to CITIC Limited Group because certain matters cannot be insured with reasonable commercial terms, if at all. CITIC Limited Group has not yet obtained insurance cover or been fully paid for all of the potential or actual losses in relation to environmental liabilities, business interruption, profit loss, or losses due to operating interruption, industrial accidents, employee or third party protest or other activities.

CITIC Limited Group is subject to reputation risk

CITIC Limited Group may not be able to maintain its existing credit rating and reputation. Failure of any subsidiary or branch of CITIC Limited Group to effectively avoid or mitigate adverse consequences in relation to CITIC Limited Group's operations caused by safety incidents, inadequate quality control, or other reasons could have an adverse effect on CITIC Limited Group, its reputation, results of operations, financial condition and profitability.

CITIC Limited Group may be exposed to fraud or other misconduct committed by third parties. For example, there have been cases of third parties forging official seals and signatures of CITIC Limited Group and fraudulently entering into investments, cooperations or business relationships on behalf of CITIC Limited Group. Whilst CITIC Limited Group have made announcements bringing such fraudulent behaviour to the attention of the public and clarifying that such actions are unrelated to CITIC Limited Group, any fraudulent behaviour or misconduct is outside the control of CITIC Limited Group and there is no assurance that CITIC Limited Group will be able to detect all instances of fraudulent behaviour or that there would not be an adverse effect on CITIC Limited Group and its reputation.

CITIC Limited Group's historical financial information is not indicative of future results of operations. There can be no assurance that CITIC Limited Group's future growth rate will be maintained at the historical level

CITIC Limited Group operates businesses in diverse areas. To maintain steady business growth, CITIC Limited Group reviews and adjusts its strategies from time to time. Therefore, CITIC Limited Group's historical financial information must be read in conjunction with the effect on business due to strategic adjustments during the period as reflected in financial reports. There can be no assurance that the historical financial information will reflect the results of operations, financial condition or cash flows of CITIC Limited Group in the future. CITIC Limited Group may be unable to maintain a growth rate comparable to the historical level of CITIC Limited Group or the CITIC Corporation Group in terms of revenue or net profit in the future.

Major capital expenditure items of CITIC Limited Group may not be completed on schedule or within budget, if at all, or may not achieve the expected economic or commercial results

CITIC Limited Group's major capital expenditure projects often entail substantial capital investments for years before completion. The projects of CITIC Limited Group may be delayed, or adversely affected by risks or uncertainties, including market conditions, policies and regulations adopted by the governments in the PRC or in other relevant jurisdictions, capital adequacy levels, and disputes with business partners, technology and equipment suppliers, and other contractors, employees and the local government and community, natural disasters, electricity and other energy supplies, access to technological or human resources, any adverse changes in bilateral relations between the PRC and the relevant foreign government, war or any other adverse development in international relations.

As a result, there can be no assurance that all of the planned projects of CITIC Limited Group will be completed successfully or in a profitable manner. Even if such project is completed, the actual costs may exceed the original budget due to many reasons, including delay and higher financing costs due to fluctuations in foreign exchange rates and interest rates, changes of original designs and the increasing costs of materials and other supplying goods and labour. CITIC Limited Group may not be able to achieve the desired economic results and commercial success. As a result, CITIC Limited Group's results of operations, financial condition, profitability and growth prospects may be adversely affected.

Certain businesses and operations of CITIC Limited Group require substantial and steady capital injection; lack of adequate financing may have an adverse effect on CITIC Limited Group's business, financial performance and growth prospects

Certain businesses of CITIC Limited Group are capital-intensive and in need of substantial capital for their operations. CITIC Limited Group's financial services business and the banking business in particular, is required to maintain adequate capital to meet capital adequacy ratio requirements imposed by the former China Banking and Insurance Regulatory Commission ("**CBIRC**") which was replaced by The National Administration of Financial Regulation (國家金融監督管理總局) ("**NAFR**") in May 2023. The advanced materials business requires significant capital expenditure for various purposes, including acquisitions and exploration of oil and mineral resources, obtaining mining permission and purchase and maintenance of the

mining processing equipment in the PRC and overseas. In addition, CITIC Limited Group's advanced intelligent manufacturing business also requires substantial capital for building, maintaining and managing production facilities, purchases of machinery and equipment and the development of new technology and products. For its new-type urbanisation business segment, CITIC Limited Group may need to make advance payments in engineering construction and other engineering activities before receiving payments from the customers, while substantial funds are also required for land acquisitions and property development.

If capital requirements of CITIC Limited Group exceed its financial resources, CITIC Limited Group will need to incur additional debt or equity financing. CITIC Limited Group and CITIC Corporation Group in the past mainly relied on cash generated from the business operations, equity financing, bond issues, bank loans and other borrowings to meet their capital requirements. There can be no assurance that cash generated from business operations could sufficiently support the development and expansion plans of CITIC Limited Group. As the arrangement and cost of external financing are dependent on numerous factors (including the general economic and capital market conditions, interest rates, the credit standing of CITIC Limited Group, and credit availability from banks or other lenders), CITIC Limited Group may fail to obtain additional financing in a timely manner and/or at reasonable cost which would in turn adversely affect CITIC Limited Group's business developments, financial performance and growth prospects. In recent years, there has been a reduction in certain banks' capacity for loan business which has resulted in a fall in the liquidity available in the credit markets and a rise in the credit spread. The availability of external funding is subject to various factors and uncertainties including governmental approval, market conditions, credit availability, interest rates and CITIC Limited Group's results of operations in various businesses.

CITIC Limited Group might experience unexpected difficulties in implementing its development strategy of optimising asset allocation and focusing on its five business segments

In today's world, unprecedented changes are accelerating and significantly reshaping the international landscape, global governance system and competition among nations. In order to stay ahead of the times, CITIC Limited Group 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. For example, in 2024, CITIC Limited Group launched the "Industrial Starlink" initiative to reinforce its resilience. The 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 seek to facilitate a seamless transition to new growth engines, elevating value chain industries and accelerating the development of a "second growth curve".

The implementation of CITIC Limited Group's current and any future strategies is subject to various risks, including CITIC Limited Group's lack of operational experience in certain emerging industries or markets, changes in government policies and regulations (for example, reforms to traditional industries and restructuring of raw material industries) and other risks associated with such industries or markets. Market development may also tighten CITIC Limited Group's funds, personnel and management resources. As a result, CITIC Limited Group may not be able to effectively manage its development, which would have an adverse effect on its business, results of operations, financial condition and prospects. In addition, CITIC Limited Group may find it difficult to win market share from companies with considerable size and market share in its corresponding industries and markets. Furthermore, CITIC Limited Group's overseas target markets may have a higher threshold of establishment of foreign companies. There can be no assurance that CITIC Limited Group will succeed in implementing, and be successful in achieving the goals of its strategies.

CITIC Limited Group's acquisitions or strategic investments may not be integrated or managed effectively, or at all, which in turn could have an adverse effect on CITIC Limited Group's results of operations and financial condition

CITIC Limited Group may acquire or invest in businesses to expand its operations. There are many risks and difficulties in relation to acquisitions, including potential difficulties of retention and assimilation of personnel, the integration of operations and corporate cultures, distraction of management attention and other resources, and lack of knowledge and experience in new industries or markets. In addition, CITIC Limited Group may be subject to debts, other obligations and potential legal obligations of the acquired companies as a result of the acquisition. The acquisition may also result in the impairment charges of goodwill and other intangible assets. Any of these factors may have an adverse effect on the results of operations and financial condition of CITIC Limited Group. In particular, if the acquired companies' results of operations do not meet expectations, CITIC Limited Group may be required to recognise significant

impairment charges, resulting in an adverse effect on CITIC Limited Group's results of operations. Therefore, there can be no assurance that any acquisitions could achieve the desired strategic objectives, synergies, business integration, or deliver the expected return on investment.

CITIC Limited Group continues to consider and evaluate opportunities for further development. It may expand its business through acquisitions. However, there can be no assurance that CITIC Limited Group can identify attractive acquisition targets in the future; or CITIC Limited Group can acquire the targets on commercially acceptable terms even if such target is identified. CITIC Limited Group may fail to consummate an acquisition or investment due to the failure to obtain the relevant governmental approvals or other necessary approvals for such acquisition or investment. Failure to identify proper acquisition or investment targets or inability to complete such transactions may have an adverse effect on the competitiveness and growth prospects of CITIC Limited Group.

Part of CITIC Limited Group's businesses comprise operations outside Hong Kong, which are subject to risks in relation to uncertainties of different economies and politics, regulatory actions and safety issues

CITIC Limited Group conducts engineering contracting, resource exploration, iron ore and coal mining, manufacturing, trading and other businesses overseas. In addition, export of machinery, special steel and auto parts and other products of CITIC Limited Group's members from Chinese mainland are also growing. CITIC Limited Group also conducts financial service business, infrastructure business, telecommunications business, satellite business and other businesses overseas. These businesses are susceptible to the relevant country's political, economic and social conditions. It is expected that CITIC Limited Group will continue to derive revenue and profits from international operations and other businesses overseas in the future. As a result, CITIC Limited Group is exposed to risks including but not limited to the following:

- Political risk, including risks caused by riots and unrest, terrorism and war, local and global political or military tensions, diplomatic tensions or changes, economic or trade sanctions and losses caused by embargoes;
- Economic, financial and market instability, credit risk, inflation risk and interest rate risk;
- Policy changes or regulations changes by domestic or foreign government in relation to international business;
- Reliance on foreign governments or foreign state-controlled entities for the need of electricity, water, transport and other public use facilities or infrastructure;
- Unfamiliarity with the local business and market conditions which may cause adverse effects such as inadequate project bidding price;
- Inadequate understanding of local laws, regulations, standards and other stipulations on construction, taxation, foreign exchange, customs, trade and others;
- Risks of increased costs, prolonged construction periods, and contradictions with anticipated targets caused by violation of laws and regulations of the host country or improper handling of the legal issues in the host country;
- Risks and uncertainties relating to appointment of foreign agents in overseas operations;
- Anti-PRC sentiments or protectionism, anti-dumping and others measures against PRC companies;
- Global market supply and demand pattern changes;
- Competition from other international and local companies, including new market entrants;
- Adverse working conditions or strikes;
- Failure to comply with environmental laws and regulations;
- Potential disputes with foreign partners, customers, subcontractors and suppliers or local residents and communities; and

- Confiscation or nationalisation of CITIC Limited Group's assets.

Failure to maintain an effective quality control system could have an adverse effect on the business and operations of CITIC Limited Group

The quality of CITIC Limited Group's services and products is essential to the success of its businesses. To ensure its business success, CITIC Limited Group endeavours to maintain an effective quality control system. The effectiveness of the quality control system depends on a series of factors, including the design of the system, the related training programmes and CITIC Limited Group's ability to ensure its employees' compliance with the quality control policies and guidelines.

CITIC Limited Group engages external contractors that are responsible for the construction and development of its advanced materials and new-type urbanisation business segments. In respect of the advanced intelligent manufacturing, advanced materials and new-type urbanisation business segments, CITIC Limited Group also relies on third-party manufacturers and other service providers in the manufacturing and supply of various spare parts, components and services.

CITIC Limited Group may not effectively monitor the contractors and other third parties. In addition, CITIC Limited Group may not find qualified contractors and other third parties for outsourcing in a timely manner. If CITIC Limited Group fails to find qualified contractors and other third parties, its ability to complete the relevant project or other contracts could be adversely affected. If the required payment to the contractor and other third parties exceeds CITIC Limited Group's estimates, especially in the event of having a fixed price contract with CITIC Limited Group's customers, CITIC Limited Group could suffer losses. Project outsourcing also exposes CITIC Limited Group to risks of non-performance, delay of performance and non-compliance of contractors or other third parties, which may have an adverse effect on CITIC Limited Group's results of operations, financial condition, profitability, and reputation, and may lead to litigation or damage claims against CITIC Limited Group.

Some of CITIC Limited Group's internal control and coordination measures on the group business may not be implemented at the CITIC Limited Group level due to a large number of subsidiaries, a wide range of businesses and widely distributed medium-level management teams. As a result, difficulties may arise in supervising whether the subsidiaries, management team members and employees abide by the internal control policies and procedures of CITIC Limited Group and related laws and regulations.

Any failure to comply with the quality control system, the deterioration of related systems or lack of supervision of the internal control mechanism may result in defects in CITIC Limited Group's services, projects or products, which could lead to compensatory claims in contract, product liability and other compensatory requirements. Any such claims, whether with or without merit, could lead to significant costs, damages to CITIC Limited Group's reputation and adverse effect on CITIC Limited Group's business.

Reliance on the experience and industry expertise of management personnel, skilled personnel and other qualified staff and intense competition for talent may have an adverse effect on CITIC Limited Group's business and prospects

Talented executives are essential for the rapid business development of CITIC Limited Group. If the improvement of the internal motivation, incentive mechanism and discipline mechanism lag behind the development of other businesses, CITIC Limited Group's further development could be hampered. CITIC Limited Group's business operation growth depends on the continued service of the senior management team. To implement the future growth plan, CITIC Limited Group will need more management personnel with experience and talents. If any important management personnel leaves CITIC Limited Group, and CITIC Limited Group was unable to recruit or hire people with equivalent qualifications in a timely manner, CITIC Limited Group's business management and growth could be adversely affected.

CITIC Limited Group's businesses cover multiple industries and also depend on employment, training and retaining of skilled employees with different backgrounds, including management, finance, design, marketing, engineering and other technical professionals. In the PRC and other markets where CITIC Limited Group's businesses have operations, retaining qualified personnel is generally very competitive. Having high quality personnel is the key to meet the needs of future business competition. There can be no assurance that CITIC Limited Group will be able to hire the necessary manpower with the appropriate technical skills for operational activities.

There can be no assurance that the supply strains of skilful personnel will not increase the costs of employees. As a key enterprise having significant influence in the industries in which it operates, CITIC Limited Group has accumulated a large number of management personnel and technical personnel in the years of development. Despite CITIC Limited Group's various attempts to stabilise and attract the talented personnel, there are still certain risks of talent loss.

CITIC Limited Group is subject to risks of technological innovation and update

There continues to be new technological developments in each industry. New services are frequently introduced and industrial standards are always evolving. Technological transformation reduces cost and price, and competitors in the same industry attempt to provide more competitive and creative products and services. For example, the financial services segment of CITIC Limited Group covers various sectors, including banking, securities, trust, insurance and asset management. As information technology is widely applied in the modern financial services industry, the reliability of computer systems, computer networks and information management software is essential to both traditional financial and innovative businesses. Unreliable information technology systems or underdeveloped network technologies may result in inefficient trading systems, business interruption, or loss of important information, thus affecting the reputation and service quality of financial institutions and even incurring economic losses and legal disputes.

It is uncertain if CITIC Limited Group will be able to effectively adapt to evolving technology and respond to technological transformation and industrial development. To maintain its competitiveness, CITIC Limited Group must continuously invest, which will increase demands on financing and cash flow of CITIC Limited Group on the one hand, and expose CITIC Limited Group to the risk of delayed return or reduced return rate on the other hand. The rapid change of technology is likely to increase competition and may render CITIC Limited Group's technology, products or services obsolete, or result in a loss of market share.

CITIC Limited Group has formulated a five-year plan for technological innovation and also increased investment in research and development. For example, CITIC Limited Group has launched its "Technological Rock" initiative to advance the "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. However, such investments in research and development may not be successful or generate economic interests at the expected level or at all. Even if the research and development is successful, CITIC Limited Group may not be able to apply the new technology to market acceptable products, or capture market opportunities. In addition, the expected market demand during the development phase of any product may not be realised, or when CITIC Limited Group launches new products, the market may not accept the new products. If CITIC Limited Group cannot predict the trend of technology or product development, and develop new and innovative technology products required by customers, it may fail to produce sufficiently advanced products at competitive prices and may adversely affect CITIC Limited Group's results of operations, financial condition and profitability.

The lack of permits, licenses, approvals, filings and certificates may be a serious impediment to CITIC Limited Group's business and operations, and is subject to regular inspection, investigation, inquiry and audit of regulatory agencies

CITIC Limited Group must obtain and maintain valid permits, licenses, approvals, filings and certificates from government authorities to engage in certain businesses. CITIC Limited Group is subject to the restrictions and conditions stipulated by government authorities. If CITIC Limited Group fails to comply with the provisions or fails to meet the necessary conditions to maintain permits, licenses, approvals, filings and certificates, CITIC Limited Group's permits, licenses, approvals, filings and certificates may be suspended or revoked. If CITIC Limited Group extends such permits, licenses, approvals, filings and certificates after the valid period, there may be delays or rejections on the applications; licence terms or regulations may also be changed at short notice and it may be difficult to comply with the amended terms in a timely fashion or without significant cost. Any of these factors may lead to an adverse effect on CITIC Limited Group's results of operations, financial condition and profitability.

To ensure the restrictions and conditions of relevant business permits, licenses, approvals, filings and certificates are fulfilled, the government authorities have regular or special inspections, investigations, inquiries and audits of CITIC Limited Group. If any non-compliance is found by the government authorities, the permits, licenses, approvals, filings and certificates of CITIC Limited Group may be

suspended or revoked, and CITIC Limited Group may receive fines or other penalties, or in some cases, be unable to operate. Failure of CITIC Limited Group to maintain, renew, or obtain certain permits, licenses, approvals, filings or certificates pursuant to the applicable laws and regulations could have an adverse effect on the business, financial condition and results of operation of CITIC Limited Group.

With respect to certain projects of CITIC Limited Group which have been commenced in the PRC, certain licenses, permits, approvals, or filing certificates may not be granted by the required level of approving authority. There can be no assurance that CITIC Limited Group will not encounter problems in obtaining such licenses, permits, approvals, or filing certificates required to complete these projects, and any failure to obtain them may adversely affect the business, financial condition and results of operations of CITIC Limited Group.

CITIC Limited Group does not have land use right certificates, building ownership certificates or consent of the property owner or has not registered with respect to some owned or leased properties

As at 31 December 2025, with respect to some of the land it owns or uses, CITIC Limited Group had not fully obtained land use right certificates and/or building ownership certificates. CITIC Limited Group is in the process of applying for the relevant land use right certificates and building ownership certificates. However, it may not be able to obtain certificates for all of the properties due to various title defects or other reasons. There can be no assurance that CITIC Limited Group's ownership rights would not be adversely affected in respect of properties for which CITIC Limited Group is unable to obtain the relevant title certificates. As a result, CITIC Limited Group may face the potential risk of litigation or other penalties.

As at 31 December 2025, CITIC Limited Group had not registered certain of its leased properties, primarily because certain lessors have not cooperated with CITIC Limited Group for completing the registration procedures and certain local authorities do not provide registration services for lease agreements. With respect to some of the leased properties, the lessors were not able to provide the title certificates or documents evidencing the authorisation or consent of the owners of such properties to the lease or subletting. As a result, third parties may be able to challenge the validity of these leases. In addition, there can be no assurance that CITIC Limited Group will be able to renew the leases on commercially acceptable terms, or at all, upon their expiration. If any of the leases were terminated as a result of challenges by third parties or expiration, CITIC Limited Group may be forced to relocate affected properties. Under such circumstances, if CITIC Limited Group is not able to find alternative locations with acceptable conditions, CITIC Limited Group's operation may be adversely affected.

As at 31 December 2025, the owners of certain lands which CITIC Limited Group leased from independent third parties in Chinese mainland had not been able to provide the relevant land use right certificates or consent authorising the lessors to lease or sublease the relevant land. In the event that any third party challenges the ownership of such land, the CITIC Corporation Group may not be able to continue to lease such land.

CITIC Limited Group is exposed to the risk of inadequate protection of its intellectual property

CITIC Limited Group relies on patent right, copyright, trademark and contract rights to protect CITIC Limited Group's intellectual property rights. CITIC Limited Group mainly uses "中信", "CITIC", and " " for brand management and marketing, and believes that the brand has always been central to the success of CITIC Limited Group's competitiveness and the key to success. By entering into trademark license agreements, CITIC Group Corporation ("**CITIC Group**") granted CITIC Limited and its relevant subsidiaries, the rights to use these registered trademarks in their enterprise names and operations at nil consideration.

In addition, CITIC Limited Group has developed many advanced systems, trade secrets, proprietary technology, equipment, process, process method and other intellectual property rights, which enhance production or operation efficiency. There can be no assurance that the adopted measures are sufficient to prevent abuse or infringement of CITIC Limited Group's intellectual property rights, or the competitors of CITIC Limited Group's will not develop by themselves, or obtain equivalent or superior substitute technology of CITIC Limited Group's intellectual property rights through obtaining licensing.

Intellectual property laws in the PRC are evolving and the levels of protection and means of enforcement of intellectual property rights in the PRC differ from those in other jurisdictions. CITIC Limited may not be able to immediately detect unauthorised use of CITIC Limited Group's intellectual property and take the

necessary steps to enforce CITIC Limited Group's rights in such property. In the event that the measures taken by CITIC Limited Group or the protection afforded by law do not adequately safeguard CITIC Limited Group's proprietary technology and other intellectual property rights, CITIC Limited Group could suffer losses in revenue and profit due to competing sales of products and services that exploit CITIC Limited Group's intellectual property. Furthermore, there can be no assurance that any of CITIC Limited Group's existing intellectual property rights will not be challenged by third parties. Adverse judgments in any litigation or proceeding could result in the loss of CITIC Limited Group's proprietary rights and adversely affect CITIC Limited Group's results of operations, financial condition and profitability.

CITIC Limited Group's businesses may be exposed to certain risks of increasingly stringent environmental protection policies and heightened expectations in terms of environmental, social and corporate governance

CITIC Limited Group operates in various industries through its subsidiaries. Some of these businesses and operations may have an effect or impact on the environment and surrounding ecological area. This may include the use of resources and emissions involved in advanced intelligent manufacturing, advanced materials, and new consumption business segments; the environmental impact of financing generated by the comprehensive financial services segment; and the green services provided in the new-type urbanisation segment. An increasing amount of attention is being paid to the effect of business operations on the ecological environment. A number of jurisdiction in which CITIC Limited Group operates are strengthening the protection of the ecological environment, including the PRC. Increasingly stringent environmental policies may increase the investment expenditure and operation costs of CITIC Limited Group in the relevant industries.

CITIC Limited Group's current business operations are subject to obtaining various environmental licenses, approvals and permits in the PRC. There can be no assurance that CITIC Limited Group will not encounter problems in obtaining the required environmental approvals for the operation and development of its business or in fulfilling the conditions of such approvals. Failure to comply with the requirements or the results of an environmental impact assessment could give rise to significant fines or penalties, or restrict CITIC Limited Group's ability to utilise its infrastructure, plant and machinery. Any of these factors could have a material adverse effect on CITIC Limited Group's financial condition and results of operations.

In recent years, there have been growing concerns about the environmental footprint, ethical status, social impact and sustainability of businesses. Companies, investors and other stakeholders are becoming increasingly interested in evaluating a company's conscientiousness for social and environmental factors. As CITIC Limited is listed on The Stock Exchange of Hong Kong Limited, it is required to publish an environmental, social and governance report annually. Failure to operate its businesses in an environmentally friendly, socially responsible and sustainable manner may have an adverse effect on CITIC Limited Group and its reputation.

Changes in tax policy may have an adverse effect on CITIC Limited Group's business and financial performance

With the implementation of the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (Caishui Circular [2016] No. 36), from 1 May 2016, taxpayers of business tax that are engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be subject to value-added tax instead of business tax. Furthermore, the new value-added tax ("**VAT**") law of the PRC was enacted in December 2024 and took effect on 1 January 2026, codifying the VAT regime into formal legislation, consolidating prior reform rules, streamlining tax rates and taxable scope, and further clarifying input VAT credit and compliance requirements. These statutory changes may also introduce uncertainties affecting the tax burden and financial condition of CITIC Limited Group. Besides, the PRC government also adjusts or changes its policies in other taxes from time to time. Any uncertainty brought by such adjustment or change may have an adverse effect on the business and financial performance of CITIC Limited Group.

CITIC Limited Group operates in jurisdictions that may be subject to economic and trade sanctions imposed by the United States, the UK, the European Union and other jurisdictions, which may subject CITIC Limited Group to legal and regulatory risks

The international operations of CITIC Limited Group may expose it to trade and economic sanctions or other restrictions imposed by the United States or other governments or organisations, including the United

Nations, the UK, the European Union and their member countries. The conflict between Russia and Ukraine has also resulted in the further imposition, by the United States and other nations, of sanctions and other restrictive actions against certain banks, companies and individuals in Russia. Although the business activities of CITIC Limited Group do not violate applicable sanctions regulations, and CITIC Limited Group has no plans to conduct a material portion of its business with sanctioned countries, there can be no assurance that CITIC Limited Group will not in the future engage in further transactions with businesses in sanctioned countries. CITIC Limited cannot predict the interpretation or implementation of the government policies at the U.S. federal, state or local levels or any policy by any applicable jurisdiction with respect to any current or future activities of CITIC Limited Group in these jurisdictions. Any alleged violations of economic sanctions could adversely affect the public image and reputation of CITIC Limited Group and have an adverse effect on its results of operations and financial condition.

CITIC Limited Group may not be able to detect money laundering and other improper activities, which could expose it to additional liability and negatively affect its business

CITIC Limited Group is required to comply with applicable anti-money laundering, anti-terrorism and other laws or regulations in the PRC and other jurisdictions where CITIC Limited Group has operations. These laws and regulations require CITIC Limited Group to adopt and implement "know your customer" policies and procedures and to report suspiciously large transactions to the competent regulatory authorities of different jurisdictions. Some major subsidiaries of CITIC Limited Group are implementing improvements to its anti-money laundering and anti-terrorism system. However, there can be no assurance on the timing and effectiveness of the implementation of such improvements. Even though certain major subsidiaries of CITIC Limited Group have adopted policies and procedures that are aimed at detecting and preventing the use of its networks for money-laundering activities and illegal or improper trades conducted by terrorists or terrorists-related organisations or individuals, such policies and procedures in some cases have only been adopted recently and may not completely eliminate instances where CITIC Limited Group's networks may be used by other parties to engage in money-laundering and other illegal or improper activities. In the event that CITIC Limited Group fails to fully comply with applicable laws and regulations, the relevant government authorities to which members of CITIC Limited Group report in different jurisdictions have the power and authority to impose fines or other penalties on CITIC Limited Group. In addition, money laundering or other illegal or improper activities conducted by customers of CITIC Limited Group using its networks may negatively affect the business operations, financial condition and reputation of CITIC Limited Group.

CITIC Limited Group's businesses and prospects may be materially adversely affected if it fails to maintain its risk management system or if this system proved to be ineffective or inadequate

CITIC Limited Group has established a comprehensive risk management system. Certain areas within CITIC Limited Group's risk management system may require constant monitoring, maintenance and continual improvements by the senior management and staff. CITIC Limited Group's businesses and prospects may be materially and adversely affected if efforts to maintain these systems are proved to be ineffective or inadequate. Deficiencies in the risk management and internal control systems and procedures may adversely affect CITIC Limited Group's ability to record, process, summarise and report financial and other data in an accurate and timely manner, as well as adversely impact CITIC Limited Group's ability to identify any reporting errors and non-compliance with rules and regulations.

CITIC Limited Group's internal control system may contain inherent limitations caused by misjudgement or fault. As a result, there can be no assurance that the risk management and internal control systems are adequate or effective notwithstanding CITIC Limited Group's efforts, and any failure to address any internal control matters and other deficiencies could result in investigations and disciplinary actions or even prosecution being taken against CITIC Limited Group or its employees, disruption to the risk management system, and material and adverse effects on CITIC Limited Group's financial condition and results or operations.

CITIC Limited Group's financial investment activities may be exposed to credit, currency, interest rate, market and counterparty risks

In addition to day-to-day operational funds management aimed at maintaining the liquidity of CITIC Limited Group, CITIC Limited Group may also invest in certain financial investments. Investments by CITIC Limited Group are subject to strict governance guidelines, restrictions and policies, oversight, as well as established reporting procedures. In addition to the departments with risk management function,

relevant functions of CITIC Limited Group 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. However, there can be no assurance that such guidelines, restrictions, policies, oversight and reporting procedures will be sufficient to mitigate risks related to investments of this nature or to prevent unauthorised investments. These risk management methods may not adequately prevent losses, particularly if they relate to extreme market movements and a failure of any or all of the aforementioned risk management methods may result in investments which do not meet the investment objectives of CITIC Limited Group that will in turn have a material adverse effect on the results of operations, financial condition and profitability of CITIC Limited Group.

The financial investments made by CITIC Limited Group set out above are subject to credit, currency, interest rate, market and counterparty risks. CITIC Limited Group may not recoup the full value of its investments or the investments may result in a loss. If CITIC Limited Group does not recoup the full value of its investments or the investments result in a loss, CITIC Limited Group's results of operations and financial condition may be materially and adversely affected.

CITIC Limited Group's business may not be adequately insured

CITIC Limited Group maintains insurance coverage for risks including damage to property and assets, business interruption, employee insurance and third-party liability where insurance is available at what it considers reasonable commercial terms. The level of coverage and types of insurance obtained by the management of each business differ depending on the characteristics of each business and the regulations of the jurisdictions in which it operates. The insurance coverage maintained by CITIC Limited Group may not fully indemnify it for all potential losses, damages or liabilities relating to property or business operations, particularly those arising from or as a result of war, civil unrest, terrorism, pollution, fraud, professional negligence and acts of God.

If CITIC Limited Group suffers any losses, damage or liabilities in the course of its operations arising from events for which it does not have any or adequate insurance cover, it may not have sufficient funds to cover any such losses, damages or liabilities or to replace any property that has been destroyed. In addition, CITIC Limited Group's insurers may become impaired and become unable to meet claims. The occurrence of any of the above events and the resulting payment CITIC Limited Group makes to cover any losses, damages or liabilities may have a material adverse effect on its business, results of operations and financial position.

A downgrading of the credit ratings of CITIC Limited may affect the price of the Notes

CITIC Limited is currently rated A- and P(A3) by S&P and Moody's, respectively. CITIC Limited's ratings may be affected by changes in its results of operations, capital structure or other factors, which will mean certain risks for investors. A rating is not a recommendation to buy, sell or hold CITIC Limited's securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. There can be no assurance that any of these two ratings or outlooks given by the rating agencies will remain or not be lowered for any given period of time. A negative change in CITIC Limited's credit rating or outlook may materially affect CITIC Limited's ability to access the capital markets at a better cost of financing.

The comparability of CITIC Limited Group's financial statements and CITIC Limited Group's financial condition and operations may be affected by new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants

The consolidated financial statements of CITIC Limited Group referred to and included (including incorporated by reference) in this Offering Circular have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards (HKASs) and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the requirements of the Hong Kong Companies Ordinance. The HKICPA issues new and revised HKFRS Accounting Standards from time to time. As the accounting standards continue to evolve, HKICPA might further issue new and revised HKFRS Accounting Standards in the future. The new accounting policies, if required to be adopted by CITIC Limited Group, could affect the comparability of its financial statements. CITIC Limited Group could also be required to apply new or revised standards retrospectively, resulting in restatements of prior period financial statements in material amounts and no longer being directly comparable. Such new

accounting policies may have a significant impact on the financial condition and operations of CITIC Limited Group.

Risks Relating to the Comprehensive Financial Services Business Segment

The banking, trust and securities businesses of CITIC Limited Group are subject to various credit risks

CITIC Limited Group's banking business provides a wide range of financial products and services, including corporate loans and trade financing to its individual customers, corporate customers, government agencies and financial institutions. If CITIC Limited Group's customers do not fulfil their obligations, thus leading to the increase of outstanding non-performing loans of CITIC Limited Group's banking business, its results of operations, financial condition and profitability could be adversely affected.

Portfolio Quality of CITIC Limited Group

Non-performing loans have an adverse effect on results of the operations of CITIC Limited Group's banking and trust businesses. The sustainable growth of CITIC Limited Group's banking business mainly depends on its ability to effectively manage the credit risk and maintain the quality of its portfolio (including loans to connected parties). Any defect in the credit risk management policy of CITIC Limited Group or any risks beyond the control of CITIC Limited Group, may have an adverse effect on the results of operations, financial condition and profitability of the banking business of CITIC Limited Group.

Loan Portfolio Losses

Actual losses on CITIC Limited Group's loan portfolio in the future may exceed its current allowance for impairment losses. If CITIC Limited Group's allowance for impairment losses is inadequate to cover the actual losses then CITIC Limited Group may need to make additional allowance for impairment losses, in which case the results of operations, financial condition and profitability of CITIC Limited Group's banking business may be adversely affected.

Loan Security

A substantial portion of CITIC Limited Group's loans portfolio is secured by collateral or guarantees. Any significant decline in the value of the collateral or deterioration of the financial condition of the guarantors or any failure by CITIC Limited Group to enforce its rights as a creditor may adversely affect the results of operations, financial condition and profitability of CITIC Limited Group's banking business.

Certain Loan Clauses

The loan customers of CITIC Limited Group are often allowed to prepay the loans owed to it under conditions approved by CITIC Limited Group. If the loan customers decide to borrow from the competitors of CITIC Limited Group or use other methods of financing, these customers may prepay or not renew their loans upon maturity, thus the interest income of the banking business of CITIC Limited Group would be adversely affected.

Concentration Risk of Loans

CITIC Limited Group's banking business faces risks relating to loans concentration. CITIC Limited Group provides loans to various groups of concentrated customers, industries and regions. If the credit profile of these concentrated customers deteriorates, the financial conditions of these concentrated industries experiences a significant or prolonged downturn, or the economy of these concentrated regions slows down, the assets quality, financial condition, and results of operations of CITIC Limited Group may be adversely affected.

The trust business of CITIC Limited Group also faces credit risk when its counterparties or financing parties in the proprietary trading or trust businesses default. If credit risks arise from proprietary trading, it may have an adverse impact on the assets and income of the trust company. If the credit risk arises from its trust businesses, it may result in the loss of trust assets. This kind of risk may lead to an adverse effect on the credibility, management capabilities and brand of CITIC Limited Group's trust business.

Risks Associated with Certain Industries

CITIC Limited Group's banking business provides real estate-related loans including corporate loans extended to real estate customers, corporate loans with real estate as collateral and housing mortgage loans, which may be affected by the various risks related to the real estate market. Furthermore, in light of the PRC's national policies aimed at restricting the over-development of certain industry sectors with excess capacity, CITIC Limited Group's banking business is exposed to credit risks of loans extended to such industry sectors with excess capacity. Despite CITIC Limited Group's efforts in monitoring risks associated with the industries of its loan counterparties, any significant change, whether as a result of changes in the macroeconomic environment, market volatility, changes in national policies or otherwise, may materially and adversely affect CITIC Limited Group's banking business.

The securities business of CITIC Limited Group is involved in businesses such as securities financing, credit product investment and over-the-counter derivatives transactions, etc. Failure of clients to perform contractual obligations may lead to losses which may materially and adversely affect CITIC Limited Group's securities business.

The banking, securities and trust businesses of CITIC Limited Group are exposed to interest and exchange rate risk

The results of operations of China CITIC Bank Corporation Limited ("**CITIC Bank**") depend, to a great extent, on net interest income. The financial market and environment of Chinese mainland experienced significant changes in recent years. Domestic interest rate liberalisation accelerated as the People's Bank of China ("**PBoC**") removed the higher limit of interest rates of deposits and competition in Chinese mainland's banking industry became more intense as market interest rates fluctuated further. These had an impact on CITIC Bank. In the long run, further liberalisation of the interest rate regime in Chinese mainland may result in the narrowing of the spread in the average interest rates between Renminbi-denominated loans and Renminbi-denominated deposits, which would affect the results of operations of CITIC Limited Group's banking business. There can be no assurance that timely adjustments of the composition of asset and liability portfolios and the pricing mechanism could be made to effectively cope with the existing and any further fluctuations of interest rates. Adjustments of interest rates in the future, or market expectations of interest rate adjustment may lead to fluctuations in the price of financial products, which in turn could affect the profitability of CITIC Limited Group's fixed interest rate loans, and investment in fixed income securities. In addition, an increase in interest rates may result in increased financing costs for customers of CITIC Limited Group's banking business and thus reduce the overall demand for loans and accordingly, adversely affect the growth of the loan portfolio of CITIC Limited Group's banking business and increase the risk of default by customers. Furthermore, as the promotion of the internationalisation of Renminbi may result in domestic interest rates becoming more affected by foreign interest rates, there can be no assurance that there will not be further interest rate fluctuations. Changes in interest rates may adversely affect the net interest income, results of operations, financial condition and profitability of CITIC Limited Group's banking business.

CITIC Securities Co., Ltd. ("**CITIC Securities**") engages in derivatives transactions such as interest rate swaps to hedge interest rate exposure that arises from asset and liability positions, and uses derivative instruments such as stock index futures, to mitigate the influence of price volatility of its investment portfolio. As the derivatives market in Chinese mainland is still developing, the ability to hedge the market risks associated with CITIC Limited Group's securities business in Chinese mainland is constrained by the limited derivative products available in Chinese mainland. Given the business environment and market conditions, CITIC Securities may not fully hedge its risk exposure in regard of interest rates, foreign exchange or price volatility. Nonetheless, CITIC Securities also seeks to maintain its residual risk exposures within its risk tolerance.

The trust business of CITIC Limited Group is also subject to risks relating to price fluctuations in securities prices and interest rate, real estate risks, urban investment and financing risks. Fluctuations in securities prices and interest rates will directly affect the yield of the trust products with fixed income and the rate of return to trust beneficiaries, and thus affecting the commission income of the trust business, which may adversely affect the results of operations, financial condition and profitability of CITIC Limited Group's trust business.

The banking and securities businesses of CITIC Limited Group are exposed to liquidity risks

Customer deposits have always been the primary funding source and the main component of liabilities of CITIC Limited Group's banking business. Due to lack of alternative investment products in Chinese mainland, CITIC Limited Group's short-term customer deposits have generally not been withdrawn upon maturity and have thus represented a stable source of funding. However, there can be no assurance that this will continue to be the case, especially as more alternative investment products become available. If a substantial portion of CITIC Limited Group's depositors withdraw their current deposits or do not renew their fixed-term deposits upon maturity, CITIC Limited Group may need to seek alternative sources of funding to meet liquidity requirements. The availability of alternative capital sources may be adversely affected by factors beyond CITIC Limited Group's control, such as deterioration of market conditions and turmoil of the financial markets. Given the foregoing reasons, if CITIC Limited Group fails to meet liquidity requirements through customer deposits and other capital sources, or if CITIC Limited Group's cost of capital increases, its liquidity, results of operations, financial condition and profitability may be adversely affected.

In response to changes and to improve profitability, CITIC Securities maintained operating leverage at a moderate level. CITIC Securities engages in debt financing through domestic and overseas capital markets and the inter-bank lending markets. CITIC Securities provides financing services through margin trading and securities lending, repurchase agreements, stocks pledged repo and stock return swaps. If CITIC Securities cannot obtain new funding sources upon maturity of existing debts, or funding sources are adversely affected by factors beyond its control, such as deteriorating market conditions, instability in financial markets, or market liquidity shortage when CITIC Securities needs temporary inter-bank lending, the results of operations, financial condition and profitability of CITIC Limited Group's securities business may be adversely affected.

The financial services businesses of CITIC Limited Group are subject to operational risks and risks relating to information technology systems

The financial services business of CITIC Limited Group relies heavily on the ability to process huge amounts of transactions on a daily basis, some of which is very complex and highly time sensitive. As a result, CITIC Limited Group is extremely dependent on financial, accounting, data processing and other operating system and facilities. If CITIC Limited Group's systems cannot accommodate the increased transaction volume, it may restrict CITIC Limited Group's ability to further expand business. CITIC Limited Group may not be able to improve or upgrade information technology system successfully or in a timely manner in the future to satisfy customers' increasing demand on variety and quality of the products and services, and the results of operations, financial condition and profitability and prospects of CITIC Limited Group's banking business may in turn be adversely affected. CITIC Limited Group relies on its information technology system in the process of providing services to customers, risk management, internal controls and the supervision on CITIC Limited Group's business operations. CITIC Limited Group has also put in place backup plans for its information technology system, including essential equipment and communication networks. CITIC Limited Group has also established a disaster backup centre to maintain business continuity when disasters or major system malfunction occur. Nevertheless, there is still a possibility that the business of CITIC Limited Group will be interrupted due to partial or entire malfunction of the major information technology systems or communication networks.

Information technology is widely applied in the securities industry's end-to-end business operations in areas such as proprietary trading, asset management, brokerage, custodian, settlement and clearance. Increasing dependence upon automated systems to record and process transactions may further increase the technology risk. Although CITIC Securities has implemented a proper governance framework and various technology risk control mechanisms (such as change management, information security, business continuity management, etc.) to ensure the occurrence of operational risk events and losses are within the risk tolerance level, there is still a possibility for the occurrence of technology risk events, including but not limited to system malfunction, system failure and/or outage, information security issues and data leakage, that may cause trading inefficiencies, jeopardise liquidity, business interruptions and leakage of confidential information, which may further lead to damage of CITIC Limited Group's reputation, deterioration of service quality to clients and result in financial losses, regulatory sanctions and legal disputes.

CITIC Limited Group is also exposed to other types of operational risks, including but not limited to inadequately designed business processing workflows or ineffectively implemented control procedures. In addition, threats caused by misconduct and/or negligence of employees, misappropriation or theft by

unauthorised persons or external parties, maliciously caused dysfunction or impairment of data, software, hardware or other computer equipment may have an adverse effect on the business, operations and financial condition of CITIC Limited Group, which in turn may adversely affect CITIC Limited Group's ability to fulfil its obligations under the Programme.

The financial services businesses of CITIC Limited Group are subject to various risks of competition

The trend of mixed operations in financial industry has led to a new competitive landscape in Chinese mainland's securities industry. Commercial banks, insurance companies and other financial institutions, both domestic and foreign, have entered the traditional securities industry and compete with the traditional business of securities companies through product and service innovation, leading to intense competition. Commercial banks compete with securities companies directly with their sales networks, customer resources and capital strength in businesses such as bond sales, financial advisory services and the sale of wealth management products. In recent years, based on CITIC Securities' strong domestic platform, the overseas business of CITIC Securities has also developed rapidly and faces competition from overseas capital markets. If it cannot develop and implement effective strategic plans and develop new business in time, or due to insufficient internal operations and management experience, CITIC Securities may lose its competitive advantage, which may adversely affect the results of operations, financial condition, profitability and development prospects of CITIC Limited Group's securities business.

The trust business of CITIC Limited Group faces competition from other trust companies which may have competitive advantages in various aspects such as financial strength, management capability, resources, operation experience, market share and/or product sales channel. With changes in regulatory policies, commercial banks, securities companies, insurance companies, and fund management companies are now permitted to offer a variety of financial products, some of which are similar to those offered by trust companies. If the competitiveness of CITIC Limited Group's trust business declines in one or more aforementioned aspects, the results of operations, financial condition and business prospects of the trust business of CITIC Limited Group may be adversely affected, including reduction in market share, loss of customers and decrease in profitability.

Currently, China's insurance industry maintains stable overall but faces dual challenges of declining interest rates and tightening regulatory oversight. On the interest rate front, as the domestic interest rate benchmark continues to trend downward, the expected returns on various assets have significantly decreased, testing the sector's asset allocation efficiency, asset-liability duration matching, and risk management capabilities. The industry urgently needs to optimise capital utilisation strategies and enhance the sophistication of asset-liability management. Regarding regulatory developments, the deepening implementation of the "compliance-operational integration" policy (報行合一) has become the key industry direction. The regulatory authority's April 2025 release of the Notice on Advancing the Reform of Personal Marketing Systems in the Life Insurance Industry signifies the full enforcement of "compliance-operational integration", which will accelerate the transformation of agency channels toward high-quality development.

The financial services business of CITIC Limited Group is subject to risks associated with employee misconduct

The financial services business of CITIC Limited Group has established rigorous internal control procedures and systems to detect, control and prevent employee misconduct. However, there can be no assurance that it can avoid economic losses, legal disputes, regulatory proceedings, investigations and default risk triggered by operational errors during all businesses and decision-making processes nor can such procedures and systems completely eliminate the individual misconduct of employees. If such misconduct occurs and is not timely detected or prevented, it may have adverse impacts on CITIC Limited Group's reputation and financial condition, and even result in lawsuits and regulatory sanctions against CITIC Limited Group.

The banking business of CITIC Limited Group is required to comply with regulatory requirements relating to capital adequacy ratios

In accordance with the Administrative Measures for the Capital of Commercial Banks promulgated by the NAFR on 26 October 2023, the regulatory requirements relating to the capital adequacy ratio of CITIC Limited Group include minimum capital requirements, reserve capital requirements, countercyclical capital requirements, and additional capital requirements of systematically important banks. According to the regulatory requirements, CITIC Limited Group's banking business must satisfy the minimum capital

adequacy ratios (a minimum core tier-1 capital adequacy ratio of 8 per cent., a minimum tier-1 capital adequacy ratio of 9 per cent. and a minimum capital adequacy ratio of 11 per cent.). As at 31 December 2025, the core tier-1 capital adequacy ratio, tier-1 capital adequacy ratio, and capital adequacy ratio of CITIC Bank were 9.48 per cent., 10.90 per cent. and 12.80 per cent., respectively, all of which satisfied regulatory requirements.

To continue to meet regulatory capital adequacy ratios, the banking business of CITIC Limited Group may need to raise additional core capital or supplementary capital in the future. In particular, Chinese regulators may in the future reclassify the banking business of CITIC Limited Group into a different tier of domestic systematically important banks, resulting in additional capital requirements for the banking business of CITIC Limited Group. The continuing rapid growth of the banking business of CITIC Limited Group will lead to an increase in risk-weighted assets. In the event that CITIC Limited Group cannot replenish capital in time, the capital adequacy ratios of the banking business of CITIC Limited Group may decline. In addition, if the NAFR increases the minimum capital adequacy ratio and core capital adequacy ratio or changes its regulations on capital requirements or computing method of capital adequacy ratios, CITIC Limited Group may not be able to satisfy the new regulatory requirements in a timely manner. If the banking business of CITIC Limited Group is unable to meet capital adequacy requirements, NAFR may require CITIC Limited Group to take corrective measures including restrictions on the growth of loans and other assets of CITIC Limited Group's banking, or the declaration or distribution of dividends. These measures may adversely affect the results of operations, financial condition and profitability of CITIC Limited Group's banking business.

The loan classification criteria adopted by the banking business of CITIC Limited Group is different from criteria applied by banks in certain other countries and regions

The loan classification system of CITIC Limited Group is different from the loan classification systems adopted by banks in certain other countries and regions in some respects. For example, CITIC Bank measures and manages the quality of its credit assets pursuant to the Measures on Financial Asset Risk Classification of Commercial Banks formulated by the former CBIRC and the PBoC. The loan classification criteria applied by the banking business of CITIC Limited Group towards loans and advances may differ from that adopted by other jurisdictions. If CITIC Limited Group adopts the loan classification and the allowance for impairment losses policies in such countries and regions, the loan classification and provisioning policies reported by CITIC Limited Group may differ from those that could be reported.

CITIC Limited Group's financial services business is subject to extensive regulatory requirements, the non-compliance with which could cause it to incur penalties

CITIC Limited Group's financial services business is subject to extensive regulatory requirements, including requirements imposed by the PRC, Hong Kong and other jurisdictions. Such regulatory requirements are designed to ensure the integrity of the financial markets, the viability of financial institutions as well as the protection of investors and stakeholders. However, regulatory requirements may restrict the activities of CITIC Limited Group's financial services business by, among other things, imposing regulatory capital requirements, limiting the types and complexities of products and services it may offer, restricting the types of securities in which it may invest and limiting the number and location of branches it may establish. Regulatory authorities may also impose restrictions or penalties on CITIC Limited Group for non-compliance with regulatory requirements.

Despite the efforts of CITIC Limited Group to comply with applicable regulatory requirements, there are nevertheless associated risks, particularly in areas where applicable regulations may be subject to interpretation by regulators. Non-compliance may subject CITIC Limited Group to restrictions or penalties, which could have a material adverse effect on its business, results of operations or financial condition.

There can be no assurance that CITIC Limited Group will be able to meet all the applicable regulatory requirements, or comply with all the applicable regulations and guidelines, at all times. Failure to do so could result in sanctions, fines, penalties or other disciplinary actions, including, among other things, a downgrade of its regulatory rating and limitations or prohibitions on the future business activities of CITIC Limited Group in the financial services sector, which may in turn harm its reputation, and consequently have a material adverse effect on its financial condition and results of operations.

The banking regulatory regime in the PRC is continually evolving and CITIC Limited Group is subject to future regulatory changes

CITIC Limited Group's banking business operates in a highly regulated industry and is subject to laws and regulations of the PRC and other jurisdictions. These include banking-related statutes and regulations in Chinese mainland such as the PRC Commercial Banking Law and related implementation rules while the principal regulators of the Chinese mainland banking industry currently include the NAFR, the PBoC and SAFE. In particular, the banking regulatory regime of Chinese mainland continues to evolve and changes in the laws, rules and regulations as well as their interpretations may result in additional costs or restrictions on CITIC Limited Group's banking business. Recent reforms include the restructuring of different government bodies responsible for regulating different sectors of the financial industry, for example, replacing the CBIRC with the newly-established NAFR, transferring the authority to regulate enterprise bonds from the National Development and Reform Commission ("**NDRC**") to the China Securities Regulatory Commission ("**CSRC**"), as well as transferring certain regulatory powers from the CSRC and PBoC to the NAFR.

CITIC Limited Group's banking business and operations are directly affected by such changes in the laws, regulations and regulatory regimes of the PRC. There can be no assurance that the policies, laws, regulations and regulatory regimes governing the banking business of CITIC Limited Group will not change in the future or that any such changes will not materially and adversely affect CITIC Limited Group's business, financial condition and results of operations nor can there be any assurance that CITIC Limited Group will be able to adapt to all such changes on a timely basis. In addition, there may be uncertainties regarding the interpretation and application of new policies, laws and regulations, which may result in penalties and restrictions on CITIC Limited Group's activities and could also have a significant impact on its business.

Emerging internet finance and mobile finance may impact the operations of the traditional banking business of CITIC Limited Group

With the rise of internet finance, the financial service industry has experienced many changes in terms of payment methods, wealth management products and forms of financing which bring new challenges to the traditional banking business, such as the rapid growth of third-party payment organisations, the emergence of new wealth management products and the development of new internet financing forms. In addition, with the liberalisation of the interest rates regime, internet financing companies can attract customers through higher deposit rate, raising the cost of deposits taken by banks. The increasing functionality of mobile phones and mobile internet device allows customers to reduce reliance on traditional banking websites. There can be no assurance that the increasingly developed internet and mobile-finance will not adversely affect the existing banking business of CITIC Limited Group.

The securities business of CITIC Limited Group is exposed to risks brought by market fluctuations

CITIC Securities is principally engaged in investment banking, sales, trading and brokerage, asset management and investment businesses, all of which are highly dependent on economic and market conditions of Chinese mainland and other jurisdictions (including Hong Kong) in which CITIC Securities operates. Market conditions in the PRC's capital market may change quickly and significantly, which may adversely affect the results of operations, financial condition and profitability of CITIC Securities. In addition, global market conditions may have uncertain or unfavourable effects on the PRC's market. With the continued development of the overseas business of CITIC Securities, it will also be directly affected by the global market conditions.

There remain concerns over how ongoing international trade disputes will be resolved, the policies of the United States administration under Trump, political unrest in the Middle East and Eastern Europe, the conflict between Russia and Ukraine, the conflict between Israel and Palestine as well as threats of or actual terrorist attacks or conflicts. Since February 2026, the ongoing military escalation in the Middle East has had major implications on global trade, especially by causing significant disruption to shipping flows through the Strait of Hormuz. Any prolongment or escalation of international trade disputes could result in further volatility. Overall, the outlook for the world economy and financial markets remains uncertain. Uncertain or unfavourable financial or economic conditions, in particular, a global financial and economic crisis, may adversely affect the securities business of CITIC Limited Group.

The performance of CITIC Securities will fluctuate with the capital market conditions and be exposed to uncertainties. The risks and challenges faced by CITIC Securities include: (i) its investment banking

business is subject to the ability of CITIC Securities to acquire, execute and complete projects; (ii) its brokerage business might be affected by the decrease in brokerage fees and reduced customer trading activities; (iii) its asset management business might be affected by CITIC Securities' ability to manage assets placed under its management, and if the investments performed poorly, CITIC Securities might lose customers or suffer deterioration in its performance and financial results; and (iv) any mistakes in buying and selling strategies could lead to equity and bond trading losses.

The trust business of CITIC Limited Group is exposed to risks relating to business innovation

With changes of industrial structure and regulatory environment, the trust business of CITIC Limited Group has increasingly undertaken business innovation in various areas such as capital markets and equity investment. It has explored business development opportunities in multiple markets and developed innovative businesses including equity index futures, private equity, special asset management, offering innovative products including land circulation trusts and family trusts. The profit models of these new businesses are still in their rudimentary stage and face operating risks. Whilst the business enhancement to the trust business of CITIC Limited Group has achieved growth in scale in its innovation transformation business, there is no assurance that these results will be sustained in the long term.

The insurance business of CITIC Limited Group is exposed to risks relating to distribution of insurance products

The insurance business of CITIC-Prudential Life Insurance Co., Ltd. ("**CITIC-Prudential Life**") primarily provides products to individual customers through individual insurance agents, bancassurance channels, direct sales and other channels, while it provides group insurance products to institutional customers primarily through CITIC-Prudential Life's group insurance sales representatives, individual insurance agents and bancassurance channels. Any termination of, interference with or any adverse change to the relationships with these distribution channels may adversely affect the business of CITIC-Prudential Life.

The insurance business of CITIC Limited Group is exposed to risks relating to insurance policy claims

If CITIC-Prudential Life experiences deterioration in operations, or a downgrade in solvency and credit levels, customers' confidence in its insurance products may be negatively affected. This may lead to large numbers of insurance policy surrenders, especially within the long-term life insurance business segment, which will lead to a further deterioration of CITIC-Prudential Life's financial condition. In addition, even when insurance business is carried out under normal circumstances, CITIC-Prudential Life may still be exposed to risks of normal policy surrenders or concentrated surrenders caused by radical emergencies, major changes in national policy, significant changes in the market environment or other causes. If concentrated claims lead to insufficient asset liquidity, CITIC-Prudential Life may be forced to dispose of assets at unfavourable prices, causing serious deterioration in the financial condition of CITIC-Prudential Life and leading to operation difficulties. The occurrence of emergencies with significant impacts may also adversely affect the results of operations, financial condition and profitability of CITIC Limited Group's insurance business.

The insurance business of CITIC Limited Group is exposed to certain risks relating to the inability to effectively manage assets

With the continuing expansion of premiums scale, insurance companies will experience more pressure on asset allocation. CITIC-Prudential Life will face uncertainty on how to increase its return on assets. Fluctuations in the capital markets may also affect the achievement of stable return on the investment of CITIC-Prudential Life. CITIC-Prudential Life faces various inherent risks of the insurance market. Failing to effectively control these risks may adversely affect the financial performance of CITIC-Prudential Life. CITIC-Prudential Life is subject to relevant regulations of the NAFR on the maintenance of a required solvency ratio. If CITIC-Prudential Life cannot meet the solvency ratio requirement, the NAFR may impose a series of regulatory sanctions.

The insurance business of CITIC Limited Group is exposed to certain risks relating to adverse changes in reinsurance market and the failure of reinsurance companies to perform their contractual obligations

CITIC-Prudential Life transfers a portion of its business to international reinsurance companies and reinsurance companies in Chinese mainland to reduce its own underwriting risk. Adverse changes in the reinsurance market or the failure of reinsurance companies to perform their contractual obligations for

CITIC-Prudential Life may adversely affect CITIC-Prudential Life's results of operations and financial condition. In accordance with the relevant regulatory requirements such as Insurance Law and Provisions on the Administration of Reinsurance Business, based on comprehensive assessment of business development scale, concentration of risks undertaken, and actual financial situation, CITIC-Prudential Life developed and implemented a series of reinsurance arrangements to ensure that underwriting risks are dispersed. If CITIC-Prudential Life cannot effectively identify the potential risk of existing insurance products and fails to enter into reinsurance arrangements at reasonable costs or appropriately select a reinsurance company, in the event of a claim or reinsurer default, any loss compensation obligations incurred due to the occurrence of major trigger events will not be compensated by reinsurance companies and shall be borne by CITIC-Prudential Life.

There are risks relating to CITIC Limited Group's other businesses in the financial sector

In addition to the above businesses, CITIC Limited Group's business lines also include fund management, futures brokerage and asset management. In particular, China Asset Management Company Limited ("**China AMC**") and GoldStone Investment Co., Ltd. ("**GoldStone Investment**"), which are both subsidiaries of CITIC Securities may face market risk, management risk, policy risk and other risks in their operations.

The aforementioned businesses of CITIC Limited Group are subject to greater influence from economic cycles. In addition, the challenges over integrated management for an effective implementation of CITIC Limited Group's internal policy and procedures by the subsidiaries and all their regional entities and offices, and failure to adhere to PRC and offshore regulations may result in adverse effects on CITIC Limited Group's business development and operation and bring in financial, regulatory and compliance risks, which may further affect CITIC Limited Group's ability to fulfil its obligations under the Programme.

Risks relating to the Advanced Intelligent Manufacturing Business Segment

The advanced intelligent manufacturing business segment of CITIC Limited Group is subject to the risk of changing market demand

The advanced intelligent manufacturing business segment of CITIC Limited Group mainly includes business areas such as producing aluminium automotive wheels, aluminium casting parts, manufacturing heavy machinery and specialised robotics, smart manufacturing solutions, low-carbon management platform, lighthouse factory building services and related venture investment partnerships. CITIC Limited Group's business operations depend on the overall market activity level and growth rate of the upstream and downstream industries in which its customers conduct their businesses. CITIC Heavy Industries Co., Limited ("**CITIC Heavy Industries**"), a subsidiary of CITIC Limited Group, engages in the design, manufacturing and sales of large equipment, complete technical equipment and key basic parts of Heavy Equipment, Complete Engineering Project Management (which is the provision of complete engineering, capital equipment manufacturing and project management services for the entire project, including site assessment and investigation, design, procurement of materials, provision of technical services, manufacturing, installation, training and other services in relation to each stage of the project), Robots and Intelligent Equipment, Energy Conservation and Environmental Protection, New Energy Power Equipment and others. CITIC Dicastal, a subsidiary of CITIC Limited Group, engages in the manufacturing of automobile aluminium wheels and automobile aluminium casting. Its customers are mainly from the automobile industry, which is highly dependent on economic development and growth. Due to the recovering international financial markets and the slowdown in market demand, investors tend to be more cautious when making investment decisions in enterprises. Large fluctuations may occur in the prices of commodities and principal raw materials, the major foreign exchange rates, the money markets and the capital markets. Therefore, the growth rate of the overall economy and the industries in which customers of the advanced intelligent manufacturing business segment operate in may be slower than expected or experience a decline, which may adversely affect the results of operations, financial condition and profitability of the advanced intelligent manufacturing business segment of CITIC Limited Group.

CITIC Limited Group's advanced intelligent manufacturing business segment depends on whether it can obtain sufficient raw materials supply at acceptable prices and in a timely manner

The successful operation of the advanced intelligent manufacturing business segment depends on it obtaining a sufficient supply of raw materials in a timely manner, and obtaining supplementary materials, energy, water and other commodities from suppliers at acceptable prices and quality. Global fluctuations

in the prices of raw materials and spare parts will directly influence the production capacity and profitability, while the import and export businesses, as well as their respective settlement methods, are affected by foreign exchange rates. In addition, the advanced intelligent manufacturing business segment is exposed to market risks including price fluctuations of raw materials and other commodities. The advanced intelligent manufacturing business segment involves the production of heavy machinery and auto parts, which are subject to the supply and demand of upstream and downstream industries in the short term. The raw materials required by the advanced intelligent manufacturing business segment, such as aluminium alloy, are subject to significant price fluctuations due to their respective production costs, market demand, short-term market speculations and other factors. In addition, the war in the Middle East has led to significant spikes in global energy prices. An increase in energy prices (including fuel oil, natural gas, electricity and water prices) may also adversely affect the business operations of CITIC Limited Group. Power outages, shortages of oil, natural gas and water and other factors may also have an adverse effect on CITIC Limited Group's business operations.

In addition, changes in the global economic landscape have encouraged the domestic manufacturing industry to conduct industrial upgrades and structural adjustments, which in turn has affected the competitive landscape and future trends of the industry as a whole. There can be no assurance that CITIC Limited Group will continue to obtain sufficient raw materials in a timely manner or obtain energy and water supply from its existing suppliers at the prevailing or acceptable prices. There can also be no assurance that CITIC Limited Group will not be adversely affected by a shortage of raw materials, energy or water supply, or that it will be able to pass the increasing costs of the raw materials, energy or water supply onto its customers. If CITIC Limited Group cannot obtain sufficient raw materials, energy or water on commercially acceptable terms in a timely manner, the results of operations, financial condition and profitability of the advanced intelligent manufacturing business segment of CITIC Limited Group may be adversely affected.

The research and development activities of CITIC Limited Group may not bring the expected benefits to CITIC Limited Group

The future performance and reputation of the advanced intelligent manufacturing business segment of CITIC Limited Group depends on whether it can continuously develop new products. Research and development activities require a substantial input of labour and capital resources. CITIC Limited Group's research and development activities may not be successful or generate the expected economic benefits. Even if such efforts are successful, CITIC Limited Group may not be able to apply the newly-developed technology in products that will be accepted in the market, or apply such technology in a timely manner to capture commercial opportunities. In addition, the anticipated market demand during the development phase may not actualise.

Alternatively, the market may not accept such new products upon their launch. The level of economic benefits that can be reaped from newly-developed technologies or products may be affected by the following factors:

- The rate at which competitors are able to copy the relevant technology or products, or the rate at which competitors are able to develop newer or cheaper substitute products; and

- If CITIC Limited Group cannot predict the trend of technology or product development and promptly develop new models, including new technology or products required by its customers, CITIC Limited Group may not be able to produce sufficiently advanced products at competitive prices, which will adversely affect the results of operations, financial condition and profitability of the advanced intelligent manufacturing business segment of CITIC Limited Group.

Certain new products, new processes, and new technologies that are currently under development by CITIC Heavy Industries are unprecedented, and there are risks that they may not be successfully developed, which may adversely affect CITIC Heavy Industries' results of operations. CITIC Dicastal engages in automobile aluminium wheels and automobile aluminium castings and must internally develop the various core industry technology upgrades required in its manufacturing process. If CITIC Limited Group cannot successfully upgrade its industrial technologies or fails to obtain the prerequisites to achieve standardised production, CITIC Limited Group may be unable to compete effectively with its competitors in the industry.

Anti-dumping measures and other non-tariff barriers adopted by countries of destination may affect the export sales of CITIC Limited Group

A portion of the automobile aluminium wheels and automobile aluminium castings produced by CITIC Dicastal are exported. CITIC Dicastal's products exported to Europe, the United States and India were partly regulated by anti-dumping measures. There can be no assurance that the countries and regions to which CITIC Limited Group's products are exported will not impose additional anti-dumping measures or other regulatory restrictions on CITIC Limited Group. If such countries and regions adopt additional anti-dumping measures or other non-tariff barriers, the results of operations, financial condition and profitability advanced intelligent manufacturing business segment of CITIC Limited Group may be adversely affected.

CITIC Limited Group's advanced intelligent manufacturing business segment may be materially and adversely affected if there is malfunction of equipment, insufficient or suspension of electric power or water

The production process of CITIC Limited Group's advanced intelligent manufacturing business segment may cease if there is unanticipated malfunctioned equipment, or insufficient or suspension of electric power. Certain manufacturing businesses of CITIC Limited Group also rely on water to operate its cooling systems, and consequently a shortage of water may adversely affect operations.

CITIC Limited Group may in the future suffer from plant shutdowns, extended periods of reduced production as a result of such equipment failures or other events or major shortage of electricity or water supply. Any significant increase in utilities costs or any interruption in such supply or lost production which could not be recovered by unaffected facilities, will not only increase cost of production, adversely affecting its financial position, but will also prevent CITIC Limited Group from producing and delivering its products to its customers as scheduled.

Risks relating to the Advanced Materials Business Segment

The advanced materials business segment of CITIC Limited Group is subject to operating risks

CITIC Limited Group has significant investments in its advanced materials business segment and operates various businesses overseas in Australia, Brazil, Congo, Peru, Indonesia, Kazakhstan and South Africa as well as other countries and regions. These overseas businesses involve the exploration, processing and trading of resources and energy products, including crude oil, coal, iron ore, manganese, aluminium, niobium, copper, other metal and mineral resources and manufacturing of special steels. CITIC Limited Group has invested and will continue to invest substantial capital and other resources in its projects in the advanced materials business segment, and must undertake various risks relating to these projects, including operational risks.

CITIC Limited Group may continue to encounter various operational difficulties in implementing its projects in the advanced materials business segment. Since some of the difficulties are beyond the control of CITIC Limited Group, there could be resulting delays in the production process or an increase in production costs. These operating risks include deferred payments from governments, changes in environmental policies, less beneficial tax policies, labour disputes, disputes with contractors and partners, unexpected technical and maintenance failures, production disruptions caused by adverse weather conditions and natural disasters, outbreak of a severe communicable disease, interruption in the energy and fuel supply, fire and other unusual and unexpected changes to the mineral, geological or mining conditions. These risks can cause damage and loss to CITIC Limited Group's advanced materials business segment, resulting in an adverse impact on CITIC Limited Group's results of operations, financial condition and profitability.

The advanced materials business segment of CITIC Limited Group is subject to the influence of market price fluctuations

As the resources and energy industry is significantly influenced by economic cycles, changes in supply and demand in the resources and energy market, currency fluctuations, speculation in the international market, the discovery of new resources and the related substitution effect will have a significant impact on the cost, revenue and results of operations in this industry and result in certain operational risks. Factors such as fluctuations in resource and energy prices, including but not limited to the prices of commodities such as

Brent Crude Oil, iron ore and coking coal, changes in supply and demand and currency fluctuations may have an adverse impact on the business and profitability of CITIC Limited Group.

The existing and forecasted price of iron ore is a key consideration for each periodic review of the value of the Sino Iron Project. Non-cash impairment has been made in previous financial years as a result. There can be no assurance that similar or other impairment will not be made by CITIC Limited Group in the future. Such impairment may have an adverse impact on the profitability of CITIC Limited Group.

The advanced materials business segment of CITIC Limited Group is subject to the risk that actual resources, production amount and resource quality may be lower than expected

The advanced materials business segment of CITIC Limited Group is exposed to the risk that the actual resource may be lower than expected. For energy resources such as oil and minerals, the proven reserves, probable reserves and possible reserves are only estimates, and are not equivalent to the actual reserves available.

In the mining process, there is the risk that the estimated resources may be significantly higher than the actual resources available. The estimated resource amount, the estimation of potential production rate and resource quality is a complex process which does not have a definitive measure. CITIC Limited Group will inevitably encounter various uncertain factors, some of which are beyond the control of CITIC Limited Group. The estimation of the life of mine may also be adjusted based on actual production experience, prevailing commodity prices and other factors. As a result, not all of estimated resources can be converted into reserves. There can be no assurance that CITIC Limited Group will be able to realise the expected production volume. The actual production amount produced by CITIC Limited Group is subject to many factors which are beyond the control of CITIC Limited Group. The inability to realise its projected production volume and resource quality may adversely affect CITIC Limited Group's future cash flows, results of operations, financial condition and profitability.

The advanced materials business segment of CITIC Limited Group is subject to risks relating to overseas business development

The continuing success of the advanced materials business segment of CITIC Limited Group depends on the policies and macro economies of the foreign invested countries, whether new resources and energy can be continuously obtained and developed, and acquisition of the relevant mining rights and government approvals. The continuing success of the advanced materials business segment also depends on whether CITIC Limited Group can successfully exploit and develop current mines and land as well as expand oil reserves. CITIC Limited Group may not be able to maintain its current profitability level in the future. In addition, if CITIC Limited Group obtains new resources and energy, it may substantially amend the reserves estimation. The variations in recyclable rate caused by the geological environment and technology advancements may eventually lead to the adjustment of resources and energy reserve estimations. Fluctuation in commodity prices and changes in production costs may also affect the scope and scale of the mining process and the probability of success. These factors may lead to substantial decrease in extractable reserves in one or more main resources and energy development regions, the results of operations, financial condition, profitability and prospects of advanced materials business segment of CITIC Limited Group may be adversely affected.

CITIC Limited Group's strategy includes exploring and developing new mining reserves, obtaining mining rights for new resources, increasing resources and energy reserves through mergers and acquisitions, making joint venture investments in other mining regions, and cooperating with other resource operators. However, CITIC Limited Group does not have a specific timetable for these plans. There can be no assurance that CITIC Limited Group's exploration and development projects and acquisition activities will lead to a substantial increase in its resources and energy reserves, and there can be no assurance that CITIC Limited Group will continue to develop its advanced materials business segment successfully. In addition, developing the advanced materials business segment requires obtaining approvals from different government authorities. There can be no assurance that CITIC Limited Group will continue to obtain the necessary licenses and authorisations to conduct economically-feasible operations in the various regions it operates in.

The advanced materials business segment of CITIC Limited Group is subject to risks relating to operational safety and natural disasters

The advanced materials business segment is exposed to health, safety and environmental protection risks. In part of its exploration, development and mining business, CITIC Limited Group is involved in operating and storing explosives, poisonous substances and other dangerous goods. Although procedures and policies are in place to reduce risks, there can be no assurance that CITIC Limited Group's current on-site safety measures are sufficient to prevent accidents. If any on-site accidents occur, the results of operations, financial condition, profitability of the advanced materials business segment of CITIC Limited Group may be adversely affected.

CITIC Limited Group faces impairment pressure in relation to the Sino Iron Project and may experience construction and operating cost pressures; it is also subject to operating challenges

CITIC Limited Group continues to face impairment pressure in relation to the Sino Iron Project. Fluctuations in resource and energy prices can have an impact on the valuation of the Sino Iron Project on CITIC Limited's consolidated balance sheet and in turn, result in impairment or provisions that impact the consolidated income statement. Non-cash impairment has been made in previous financial years as a result. There can be no assurance that further impairment provisions or charges will not be made in the future. Such impairment provisions or charges, if made, might have an adverse effect on CITIC Limited Group's business, financial condition and results of operation.

CITIC Limited Group's estimates and budgets may be exceeded due to additional construction and labour costs. The inability to contain costs, and in particular labour and contractor costs, may impact CITIC Limited Group's operating margins for an extended period. Construction schedules may be delayed and actual costs may exceed budgeted amounts, and there may be further cost overruns prior to the project coming into full operation. In addition, CITIC Limited Group will be subject to all the risks inherent in the establishment and operating of any mining project. The commercial viability and future profitability of such projects are substantially dependent upon the successful completion, commissioning and operation of the mine, and the price of ore when available for sale. There can be no assurance that CITIC Limited Group will be able to fully commission or achieve full production or sustain the successful operation of the new mining projects or achieve project completion or commercial viability. Any failure to do so would increase the operating cost pressures and thus have a material adverse impact on CITIC Limited Group's business, financial condition and operating results.

Changing industrial relations legislation may impact workforce flexibility, productivity and costs. Labour unions may seek to pursue claims under the new framework. Industrial action may impact CITIC Limited Group's operations, resulting in lower production and revenues.

CITIC Limited Group has operations that are energy intensive and earnings could be adversely affected by rising costs or by supply interruptions including the unavailability of energy, fuel or water due to a variety of reasons, including fluctuations in climate, significant increase in costs, inadequate infrastructure capacity, interruptions in supply due to equipment failure or other causes and the inability to extend supply contracts on economical terms.

Unexpected natural and operational events could lead to disruptions in production and loss of facilities and adversely affect CITIC Limited Group's financial results

CITIC Limited Group operates extractive, processing and logistical operations in many geographic locations both onshore and offshore. CITIC Limited Group's operational processes, production outputs and geographic locations may be subject to operational accidents such as port and shipping incidents, fire and explosion, unusual weather fluctuations, floods, pit wall failures, loss of power supply, railroad incidents and mechanical failures. Existing business continuity plans may not be able to ensure the recovery or continuity in production and operations. The impact of these events could lead to disruptions in production and loss of facilities and adversely affecting CITIC Limited Group's financial results.

Malfunction of equipment could have an adverse effect on the Sino Iron Project's product delivery, business, financial position and operating results

The production processes of the Sino Iron Project are dependent on various equipment such as some of the largest in-pit crushers in Australia, autogenous grinding mills, ball mills, classifying cyclones, magnetic

separators and concentrate thickeners that make up the concentrators, complex slurry and water pipelines, power stations and desalination plants as well as sophisticated systems to operate such equipment. Such equipment and operational systems may incur downtime as a result of unanticipated malfunctions or other events, such as breakdowns or unexpected natural conditions.

There can be no assurance that technical problems or equipment malfunction will not occur in the future. If the Sino Iron Project experiences problems or disruptions relating to equipment going forward, it may be subject to delay and loss of production which could have an adverse effect on CITIC Limited Group's product delivery, business, financial position and operating results.

The Sino Iron Project may not be able to maintain its right to mine

The right to mine at the Sino Iron Project is granted under agreements entered into with Mineralogy Pty Ltd. ("**Mineralogy**"), whose right to mine is derived from the mining leases granted to it under the Mining Act 1978 (WA) and the Iron Ore Processing (Mineralogy Pty. Ltd.) Agreement Act 2002 (WA). In the event of a breach by Mineralogy of the mining leases or other tenements, Mineralogy's capacity to grant the right to mine to CITIC Limited may cease. This could result in production slow down or stoppage and would have a material adverse impact on the operations of the Sino Iron Project and the business, financial condition and results of operations of CITIC Limited Group as a whole. Furthermore, in the event of a contractual breach by CITIC Limited under the project documents, CITIC Limited's right to mine, process and export at the Sino Iron Project may be affected or may cease. CITIC Limited is involved in and may be subject to further disputes or legal proceedings with Mineralogy in relation to the Sino Iron Project. These disputes and proceedings may have a major bearing on the long-term viability, profitability and cash flow of the Sino Iron Project. For further information on the Sino Iron Project, see "*CITIC Limited Group – Legal and Regulatory Proceedings*".

The Sino Iron Project may not achieve its total life of mine production estimates

The mineral reserve estimates of the Sino Iron Project are estimates based on the judgment, experience and technical data available to CITIC Limited Group only and may not be recoverable in full. As a result, CITIC Limited Group may not achieve its total life of mine production estimates. There can be no assurance that the reserves presented in this Offering Circular will be recovered at the quality or yield presented. Investors should not assume that resource estimates will be directly reclassified as reserves under the Australasian Joint Ore Reserves Committee Code. Mineral resources that are not mineral reserves do not have demonstrated economic viability and are not the equivalent of a commercially mineable ore bodies or reserves. While there has been metallurgical testing of the Sino Iron Project's magnetite iron ore from samples taken across the proposed mining area, by its very nature, mineralisation is not homogenous and the samples may not be representative of the broader ore body. The extent to which the magnetite iron ore produced has different properties to the Sino Iron Project's original evaluation may affect the saleability and price as well as the volume that can be produced. In addition, market fluctuations in the price of iron ore, as well as increased production costs or reduced recovery rates, may render certain mineral resources uneconomic and may ultimately result in a restatement of reserves, resources or both.

The Sino Iron Project may not be sustainable without access to additional areas and approvals for waste and tailings storage for long term operations

The Sino Iron Project is currently operating at reduced production levels due principally to the delays in obtaining government approval to expand the Project's mine pit and increase the size of the tailings storage facility. As that approval has now been obtained (see below), work is underway with a view to returning to full production.

As a magnetite project, the Sino Iron Project requires vast areas for the storage of waste and tailings generated by mining and processing activities. If the Sino Iron Project runs out of access to approved areas for waste and tailings storage, and if no viable additional areas for waste and tailings storage can be secured, operations at the Sino Iron Project will become constrained and may be suspended. In those circumstances, there would be an adverse effect on the financial condition and profitability of CITIC Limited.

The 2023 mine continuation proposals, approved by the State of Western Australia on 9 June 2025, authorise the extension of operations of the Sino Iron Project within areas over which the tenement holder, Mineralogy Pty Ltd, has already provided rights of access and use. The 2023 mine continuation proposals authorise the extension of the mine pit and increases to waste rock and tailings storage capacity. The 2023

mine continuation proposals are expected to support the continuity of operations at the Sino Iron Project for an interim period.

However, additional tenure and approved project proposals will be required for life of mine operations. As described in the section headed "*CITIC Limited Group – Legal and Regulatory Proceedings*", CITIC Limited has been a party to court proceedings against Mineralogy, in which it has sought orders to compel Mineralogy to make available additional areas, and to submit project proposals, for long term operations. In June 2026, the Court of Appeal of the Supreme Court of Western Australia dismissed an appeal by CITIC Limited and its subsidiaries, finding, among other things, that Mineralogy was not subject to a contractual obligation to make available the additional tenure required for the long-term operation of the Sino Iron Project. CITIC Limited will carefully review that judgment and will consider options for further appeal.

Equity interest held by CITIC Limited in certain of its subsidiaries exceeds the limit provided in the "Policy on the Development of the Steel and Iron Industry"

In July 2005, the NDRC promulgated its "Policy on the Development of the Steel and Iron Industry" (the "**Iron and Steel Development Policy**"). Amongst other things, the Iron and Steel Development Policy prohibits non-PRC investors from holding majority equity interests in a PRC steel mill. As at 31 December 2025, CITIC Limited indirectly owned 83.85 per cent. of CITIC Pacific Special Steel Group Co., Ltd. ("**CITIC Pacific Special Steel**") (formerly Daye Special Steel Co., Ltd.). Although CITIC Limited is a non-PRC entity, CITIC Group, itself a PRC entity, indirectly owns approximately 73.12 per cent. of CITIC Limited as at 31 December 2025. As such, CITIC Limited is of the view that its shareholdings in its special steel plants do not conflict with the Iron and Steel Development Policy. There can, however, be no assurance that governmental authorities in Chinese mainland would subscribe to this view and in these circumstances CITIC Limited may be required to reduce its equity interests in the plants to a level below 50 per cent.

Risks Relating to the New Consumption Business Segment

Rapid technological changes may increase competition and render technologies, products or services offered by CITIC Limited Group's new consumption business segment obsolete or cause CITIC Limited Group to lose market share in the new consumption business segment

The areas in which CITIC Limited Group operates in the new consumption business segment, such as telecommunications, information and communications technologies, content publishing, motor and consumer products distribution, and agricultural science and technology, are subject to rapid and significant changes in technology, frequent new service introductions and evolving industry standards and practices. For example, in the case of CITIC Press Corporation ("**CITIC Press**"), digital media has experienced rapid growth and has impacted the mode of production, operations and distribution of traditional publishers. With the rise of online content distribution channels such as online bookstores (which may sell hardcopy books and/or e-books), e-book subscription services and audiobook subscription services, there is increasing competition for traditional hardcopy publishers and brick-and-mortar bookstores. CITIC Press, recognising the importance of, and the opportunities presented by, the digital media in the future of the publishing industry, has been actively engaged in developing content in various digital forms aimed at a wide range of audiences. Other businesses of CITIC Limited Group's new consumption business segment are similarly actively pursuing new technologies to keep up with the market trends in their respective industries. However, there is no assurance that CITIC Limited Group will be able to adapt to rapid technological changes or enter into new media channels, nor is there assurance that CITIC Limited Group's technologies, products or services will not be rendered obsolete as a result of technological advances of competitors in the new consumption business segment. If CITIC Limited Group is unable to adapt to rapid technological changes, this may result in CITIC Limited Group losing market share and may adversely affect the financial condition and the result of operations of CITIC Limited Group's new consumption business segment.

Certain businesses of CITIC Limited Group's new consumption business segment are in highly regulated industries

CITIC Limited Group operates certain of its businesses in the new consumption business segment in highly regulated industries, for example, the telecommunications industry. CITIC Telecom International Holdings Limited ("**CITIC Telecom**") requires licences from the Communications Authority of Hong Kong (the "**CA**"), without which CITIC Telecom would be unable to operate in Hong Kong. CITIC Telecom is subject to the rules and regulations of the CA, which regulates the telecoms industry in Hong Kong, and the Office

of the Communications Authority of Hong Kong (the "**OFCA**"), which assists the CA in enforcing and administering the Telecommunications Ordinance. The CA's authority includes regulating and licensing telecoms facilities and managing the radio frequency spectrum. If the CA determines that CITIC Telecom has violated Hong Kong's telecoms laws or regulations or the conditions of its licences, the CA may suspend or cancel the CITIC Telecom's licences or take other action detrimental to CITIC Telecom. CITIC Telecom is also subject to various other rules, laws and ordinances applicable to companies operating in Hong Kong, including, for example, laws relating to obscenity and privacy. If CITIC Telecom is found to be in violation of these laws, it may face judgments or consequences detrimental to its business. In addition, the public non-exclusive telecommunications services licences granted by OFCA to CITIC Telecom are normally valid for one year, subject to renewal at the discretion of OFCA and compliance of all terms and conditions of the licences. In the event that OFCA refuses to renew any of the existing licences of CITIC Telecom, CITIC Telecom's ability to offer its services will be adversely affected. The Hong Kong Chief Executive in Council may also cancel or suspend licences if it considers that it is in the public's interest to do so.

There is no assurance that CITIC Limited Group will be able to obtain or renew in a timely manner all licenses, approvals or consents necessary for its new consumption business segment, and any failure to do so may adversely affect the financial condition and the result of operations of CITIC Limited Group's new consumption business segment.

Risks Relating to New-Type Urbanisation Business Segment

Failure to accurately estimate overall risk or cost of the new-type urbanisation business segment of CITIC Limited Group may result in cost overrun, declining profitability or even a loss

A substantial part of the operating income of the new-type urbanisation business segment of CITIC Limited Group comes from fixed price engineering contracting contracts. The cost estimation of CITIC Limited Group involves a number of assumptions including future economic conditions, labour and material costs and supplies, performance of sub-contractor, equipment utilisation rate and construction and technology standards specific to a particular project. However, such assumptions may not be always accurate. In addition, there are uncertainties and risks to the fulfilment of fixed price engineering contracting contracts, such as delay caused by bad weather, technical issues, and failing to obtain the necessary permits and approvals. Even if the increases in labour, materials, and other costs have been considered by CITIC Limited Group during the bidding, these factors may still result in significant differences in the actual risk and costs incurred by CITIC Limited Group as compared to the original estimation. Several project contracts of CITIC Limited Group contain price adjustment provisions that allow CITIC Limited Group to claim for additional costs attributed to certain unexpected rise in the costs of raw materials. However, CITIC Limited Group usually still has to bear part of the increased costs. The risk of cost overrun for existing or future engineering contracting projects may adversely affect the financial condition and the result of operations of CITIC Limited Group's new-type urbanisation business segment.

Customers of CITIC Limited Group may pay funds according to project progress and ask for quality assurance deposit. The delay in payment and refund of cash deposits from the customers of CITIC Limited Group will affect the operating capital and cash flows of CITIC Limited Group

Most engineering contracting contracts of CITIC Limited Group and some other contract entered into by CITIC Limited Group in the new-type urbanisation business segment require customers to pay instalment payments by reference to the project value that is completed at the specified deadlines. If CITIC Limited Group fails to obtain favourable advance payment terms and fails to achieve a balance between advance payment deduction and progress payment disbursement, or if customers delay in paying the instalment payments, or refunding the quality assurance deposits, CITIC Limited Group's working capital may be adversely affected. If customers defer in the payments of projects in which CITIC Limited Group has invested substantial resources, the liquidity of CITIC Limited Group may be affected and it reduces the capital source that CITIC Limited Group can use. CITIC Limited Group may bring a claim based on the contract for its loss, but dispute resolution generally requires a significant amount of time, money and other resources, and the results are usually unpredictable. In general, CITIC Limited Group makes provisions for bad debts originated from instalment payments or refunds of quality assurance deposits mainly based on aging and other factors, including the specific circumstances of a particular customer. There can be no assurance that customers can perform instalment payments and refund the quality assurance deposits on schedule. There can be no assurance that CITIC Limited Group may be able to effectively manage the bad debts level attributed to such payment failures.

The new-type urbanisation business segment of CITIC Limited Group may be exposed to certain project implementation risks

The new-type urbanisation business segment of CITIC Limited Group faces the following project implementation risks: (i) risk of project implementation, delivery and operation; (ii) risk relating to making the land ready for constructions and the quality of land (such as the costs and the time required for acquisition of the land, license requirements and right of the way assurance, the effects of geological conditions, or other conditions of the land and the costs pressure to satisfy environmental protection standards); (iii) risk of exceeding the time limit or budget for the process of design, construction and adjustment, and risks of the design or construction quality not meeting the requirements of the project and because CITIC Limited Group usually appoints third party contractors to provide construction service, the construction quality of the construction done by third party contractors is not completely under control; (iv) risk relating to engaging third-party contractors with financial or operational difficulties which results in delay and additional costs in construction or commission of new projects and developments business; and (v) risk of service disruption and the risk of potential differences between the cost of operation and maintenance of the assets and the expected demand. The risks above may adversely affect the financial conditions and the result of operations of CITIC Limited Group's new-type urbanisation business segment.

The new-type urbanisation business segment of CITIC Limited Group may be exposed to certain design technique risks

Design companies of CITIC Limited Group may need to conduct additional work or change the design according to the contract from time to time. Such process may require determination on whether such work is within the original project scope of work listed, or it is additional work for which the customer should pay additionally. Even if the customer agrees to pay for additional work, CITIC Limited Group may still need to invest money and bear the costs of such work upfront for an extended period of time before such customer recognises the change of design and delivers the payment. In addition, any delay caused by additional work may affect the project progress of CITIC Limited Group and the ability to finish the specific contract and project in a timely manner. Additional costs may also be incurred when design changes are not recognised or when a contract dispute arises. There can be no assurance that CITIC Limited Group can fully recover costs of additional work or change of design related work, or at all, which may lead to commercial disputes, or may adversely affect the financial condition, results of operations and prospects of CITIC Limited Group's new-type urbanisation business segment. In addition, the additional work on one project may lead to delays of other projects and may adversely affect CITIC Limited Group's ability to finish other projects on time.

The new-type urbanisation business segment of CITIC Limited Group may be exposed to certain risks of safe operation and natural disasters

CITIC Limited Group's new-type urbanisation business segment is subject to production safety risks during production and operation. Various disasters and emergencies may bring potential risks to CITIC Limited Group's production and operation, including aerial work, dangerous areas work, underground excavation engineering, and the use of heavy equipment and handling of inflammable and explosive materials. Therefore, CITIC Limited Group may face risks relating to these activities including geological disasters, poisonous gas and liquid leakage, equipment failure, industrial accidents, fire, explosion and leakage of groundwater. These risks have historically caused casualties when they materialised and may cause damage to property or production facilities, pollution and other environmental damage in some cases, any of such serious consequences can affect the business of CITIC Limited Group and lead to potential legal liability and damage the reputation and corporate image of CITIC Limited Group.

The contract value and backlog of engineering contracting business of CITIC Limited Group may not be a reliable indicator to the future results of operations

The contract value and backlog of the engineering contracting business of CITIC Limited Group represent the total estimated contract value of work that remains to be completed pursuant to the terms of outstanding contracts as of a certain date. Any modification, termination or suspension of these contracts by clients, especially with regard to any one or more sizeable contracts, may have a substantial and immediate effect on CITIC Limited Group's contract backlog of new-type urbanisation projects. Projects may also remain in the backlog for an extended period of time beyond what was initially anticipated due to various factors beyond CITIC Limited Group's control.

Adding new contracts may also have a direct impact on the backlog. Moreover, backlog is not a measure defined by generally accepted accounting principles. Due to various reasons, including some projects commencing and ending within a short period of time, not all revenue will be recorded in the backlog information. Therefore, backlog information only reflects the general volume of future projects under contract and may not be indicative of future operating results. There can be no assurance that the estimated amount of the backlog of CITIC Limited Group's engineering contracting business will be realised in a timely manner, or at all, or that even if realised, such amounts will result in profits. As a result, undue reliance should not be placed on backlog information of CITIC Limited Group's engineering contracting business nor should it be considered a reliable indicator of future profits or results of operations.

The policies, laws and regulations, and the implementation measures adopted by the PRC government may have an adverse effect on the properties business segment of CITIC Limited Group

CITIC Limited Group's properties business segment is subject to extensive laws and regulations and is sensitive to changes in regulatory measures and policies adopted by the PRC government. In the past, the PRC government had promulgated a series of policies and measures to regulate the real estate sector and achieve various social and economic policy objectives, which have historically included measures to curb market overheating and speculative activities.

These measures included:

- Raising the requirements on real estate developers;
- Stipulating that a set portion of approved development in any year be used for the development of low-cost, small and medium-sized and low-rent properties;
- Imposing more stringent minimum down payment requirements for purchasers of both first and second residential property through mortgage loans;
- Suspension of mortgage loans for the purchase of the third or subsequent residential properties;
- Increasing the minimum down payment for purchasers of the dual-use (residential and commercial) properties;
- Imposing higher taxation for properties with a holding period of individual external transaction of less than 2 years;
- Confiscating land which the holder of land use right may hold from time to time without compensation if the holder of land use right does not commence construction within two years after the date specified in the land grant contract unless delay is caused by certain permitted circumstances; and
- Restricting the ability of foreign-invested real estate companies to raise funds offshore for the purpose of injecting such funds into the companies by way of shareholder loans.

Furthermore, it is important to recognise that the application of these measures may vary significantly across different regions, as both national and local governments possess the discretion to adjust and enforce regulations based on local economic and market conditions. In recent years, policies aimed at stabilising the real estate sector have been introduced including the partial adjustment of certain restrictive measures in some regions to address market risks arising from fluctuating economic conditions and real estate market dynamics. It is anticipated that real estate policies will continue to fluctuate as governments respond to evolving market dynamics and regional needs.

These existing policies and measures, any future policies and measures, or even any rumours related to new restriction policies and measures, may cause decline in CITIC Limited Group's new-type urbanisation business segment, results of operations and financial condition may be adversely affected.

Restrictions on land usage

Since 2003, applications for changes in land use for the construction of villas have been ordered to be rejected by the Ministry of Land and Resources (the "**MLR**"). In 2004, the State Council ordered all levels of governments and all departments to cease approving the land supply for property comprising high-grade

villas until new policies or regulations are formulated. In 2006, the land use rights for construction of villas fell within the remit of the "Forbidden Land Use Catalogue (2006 Edition)" promulgated by the MLR and the NDRC. In March 2010, the MLR declared a prohibition on land supply for villas. Since 2013, the land use rights for construction of villas are still stipulated in the "Forbidden Land Use Catalogue (2012 Edition)" promulgated by the MLR and the NDRC. If CITIC Limited Group's property business fails to comply with the aforesaid regulations and rules, it may be ordered to cease the development or operation of villas within its developments and/or rectify such illegal activities and/or be subject to penalties.

Land grant conditions

Under PRC laws and regulations, if a holder of land use right fails to develop a property according to the terms of the land grant contract, the PRC government may issue a warning, impose a penalty or confiscate any land which CITIC Limited Group may hold from time to time. Under current PRC laws and regulations, the PRC government may impose an "idle land fee" equal to 20 per cent. of the land premium if (i) construction does not commence for more than one year after the date specified in the relevant land grant contract, (ii) total constructed gross floor area is less than one-third of the total proposed gross floor area for the development and the development is suspended for one year without PRC government approval, or (iii) the capital invested in the development is less than one-quarter of the PRC government-approved total investment amount for the development and the development is suspended for one year without PRC governmental approval.

The PRC government has the authority to confiscate land which the holder of land use right is not developed as scheduled without compensation if the holder of land use right does not commence construction within two years after the date specified in the land grant contract, unless the delay is caused by force majeure, governmental action or preliminary work necessary for the commencement of construction.

There are certain pieces of land where the land use rights are held by CITIC Limited Group in relation to which development or commencement of development has not taken place according to original plans for various reasons, including but not limited to the modification of urban planning by the PRC government, the delay in approval of the master plans and/or design modification, incomplete infrastructure, changes in government approval process and site formation for the commencement of construction, a delay in site hand-over and the need for site clearance and/or resettlement of residences on the land. CITIC Limited Group has been discussing and co-ordinating with relevant authorities to resolve issues with the aim of commencing construction as soon as possible. However, there can be no assurance that the relevant authorities will not take any of the actions described above in relation to these pieces of land.

The new-type urbanisation business segment of CITIC Limited Group in the PRC is exposed to the risk of its profitability being affected by property price fluctuations

Changes in the supply and demand of property, changes in property prices or unfavourable government actions in the PRC may adversely affect the results of operations, financial condition and profitability of CITIC Limited Group's new-type urbanisation business segment. Policies and measures that have been or may be adopted by the PRC government may lead to changes in market conditions, including unstable property prices in Chinese mainland and imbalanced supply and demand. There can be no assurance that the real estate market in Chinese mainland will not experience sharp downturns in the future or there will not be any material decline in other real estate markets within the regions where CITIC Limited Group operates. In addition, there can be no assurance that the relevant PRC government departments will not implement additional measures to limit the growth of the real estate market, or Chinese mainland's economy and its real estate market will not experience any adverse changes due to policies implemented by the PRC government. Any such changes may cause the property price to fluctuate and in turn may bring adverse effects on CITIC Limited Group's results of operations.

The properties business segment of CITIC Limited Group is exposed to the risk of fluctuations in market demand

From time to time, the PRC government adjusts its monetary and economic policies to prevent and curtail the overheating of the national and provincial economies or to address economic fluctuations, which may affect the real estate markets. For instance, measures such as purchase restrictions, differentiated mortgage policies, elevated down payment requirements, and restrictions on foreign capital access have been implemented to curb market overheating and speculative activities. More specifically, policy documents issued in 2011 and 2013 (the State Council Notice of Certain Questions on the Regulation of Further

Improving the Work of the Real Estate Market and the State Council Notice on the Regulation of the Continuing to Improve the Work of the Real Estate Market《國務院辦公廳關於繼續做好房地產市場調控工作的通知》(國辦發(2013)17號) ("**State Five Rules**")) aimed to tighten controls over the real estate market, including purchase restrictions in certain cities and eligibility reviews for potential buyers. These restrictions apply to primary and secondary commercial housing properties located in all administrative areas of designated cities, and stipulate the review of the purchasing eligibility of all potential purchasers prior to the signing of any purchase agreement. In addition, non-resident households, which have one or more residential property and cannot produce payment evidences of local taxes or social insurance contributions within the prescribed period, shall continue to be suspended from the purchase of any other commercial residential properties. Therefore, the scales of commercial bank credit and mortgage approvals are affected in various degrees.

In recent years, amid fluctuating economic conditions and real estate market dynamics, policies have been introduced with the objective of stabilising the real estate sector, including the partial adjustment of certain restrictive measures in some regions to address market risks. However, as governments continue to respond to evolving market dynamics and regional needs, it is anticipated that real estate policies will remain subject to fluctuation. The overall regulatory framework remains stringent and is susceptible to sudden, material changes, including the potential reintroduction of tighter controls. Consequently, the financing environment continues to face constraints and uncertainties. Factors such as macroeconomic fluctuations, performance of the real estate markets, regulatory changes in the local government financing platform and the Administrative Measures for the Capital of Commercial Banks may materially impact the financing environment. Any real estate market downturn, economic downturn or over-supply of properties and adverse development in these or any other markets where CITIC Limited Group operates could adversely affect its profitability. Policies and measures may also lead to changes in the real estate market conditions including unstable prices and imbalanced supply and demand of offices, residential area, retails, entertainment and cultural properties which could adversely affect the results of operations and financial condition of CITIC Limited Group's properties business segment.

The properties business segment of CITIC Limited Group depends on whether CITIC Limited Group could acquire land reserves that are suitable for development at reasonable prices

CITIC Limited Group's properties business segment depends on CITIC Limited Group's ability to seek and acquire suitable land reserves at affordable prices. CITIC Limited Group needs to acquire land reserves to achieve business growth. Substantial costs may be incurred when CITIC Limited Group seeks, evaluates and acquires appropriate new land sites for future developments. The PRC government's land supply policy may affect the cost of land acquisition and CITIC Limited Group's ability to purchase land for future property developments. The PRC government controls the land supply through zoning, land usage regulations and other measures and stipulates that public bidding, auction or listing must be used for any transfer of land-use rights in residential and commercial property development projects. In addition, the PRC government may restrict the land supply for the development of commercial housing in Chinese mainland or the cities in which CITIC Limited Group operates or intends to operate its business. All these measures intensify the competition for land in Chinese mainland among property developers and land supply policies have a direct impact on CITIC Limited Group's ability to acquire land use rights and its costs of acquisition. If the government policy changes and reduces the supply of land for future projects of CITIC Limited Group or CITIC Limited Group fails to bid for new land, locate new land at reasonable prices, or acquire sufficient new land for development, the results of operations of CITIC Limited Group's properties business segment may be adversely affected.

There may be significant differences in the results of operations of the new-type urbanisation business segment of CITIC Limited Group in different periods

Results of operations of CITIC Limited Group's new-type urbanisation business segment may fluctuate according to factors such as the property project development schedule, the popularity of the project among the target customers, sales timing, as well as the fluctuations in the cost of land and construction and other costs. If CITIC Limited Group delays or fails to obtain relevant and necessary PRC government approvals or licenses for the development projects, the project completion time may be delayed, which may adversely affect the results of operations of CITIC Limited Group's new-type urbanisation business segment.

In addition, when the properties are completed and delivered to the buyer (CITIC Limited Group considers that the main risks and returns of ownership have been transferred to the buyer), CITIC Limited Group will recognise its income from the sale of property. As the completion and delivery time may be different based

on the construction schedule, the income and results of operations in different periods (depending on the completion and delivery time) may significantly differ. In addition, any completion and delivery of properties in development may be adversely affected by various factors, including bad weather conditions, delay in obtaining the permits and approvals from relevant government authorities and other factors that are beyond CITIC Limited Group's control. Any such factor may affect the completion and delivery time, cash flows, project revenue recognition and the financial condition of CITIC Limited Group's new-type urbanisation business segment.

The increase in costs of construction and development may have an adverse effect on the results of operations of the new-type urbanisation business segment of CITIC Limited Group

CITIC Limited Group's ability to profit from new-type urbanisation projects depends on effective control on the construction and development costs. Competitive pricing construction costs in the PRC generally continue to increase due to the increasing cost of building materials and labour costs. To obtain the competitive pricing from the contractors, CITIC Limited Group generally conducts project bidding. However, CITIC Limited Group will not contract out projects to the sub-contractor of the lowest bid price without considering factors including the required skills and professional knowledge of the contractor, required project design and project schedule requirements. There can be no assurance that CITIC Limited Group can always obtain the most competitive price from the contractor or that the actual project construction cost is no more than the preliminary estimation. If the cost of labour or materials increases greatly and CITIC Limited Group cannot reduce other costs to offset such increase or such increase in costs cannot be transferred to the buyer or tenant of the property, the results of operations, financial condition and profitability of CITIC Limited Group's new-type urbanisation business segment may be adversely affected.

Leasing of investment properties makes CITIC Limited Group subject to risks incidental to the ownership and operation of industrial, office, retail and residential properties

CITIC Limited Group is subject to risks incidental to the ownership and operation of industrial, office, retail and residential including, among other things, changes in market rental levels, competition for tenants, concentration of lease renewals and inability to collect rent from tenants or renew leases with tenants due to bankruptcy, insolvency or other financial difficulties. In addition, failure to renew leases with tenants on reasonable terms or at all, upon the expiration of the existing terms and any downturn in the rental market could negatively affect the demand for CITIC Limited Group's investment properties and the amount of rental income, which may have a material adverse effect on its business, results of operations and financial condition.

Hotel operations in the PRC are subject to events and operating conditions that impact the hotel industry

CITIC Limited Group's hotel operations in the PRC are subject to seasonality and changes in general economic conditions, including the severity and duration of the current economic downturn, unfavourable weather conditions and the impact of natural disasters, competition with other hotels for customers, decreases in demand for rooms and related lodging services, changes in travel patterns, the performance of third-party hotel management companies, limitations of the local labour pool, and changes in operating costs. Deterioration in the events and operating conditions that impact the hotel industry could adversely affect the hotel operations and CITIC Limited Group's business, results of operations and financial condition. CITIC Limited may be liable to fines, penalties or may be required to cease operations if final environmental assessment approval and completion reports or final acceptance filings for construction pending from local governments or regulatory bodies are not ultimately issued.

Risks Relating to the PRC

The PRC's economic, political and social conditions, as well as governmental policies could affect CITIC Limited Group's business, financial condition and results of operations

A significant part of CITIC Limited Group's businesses, assets and operations are located in the PRC. Accordingly, CITIC Limited Group's financial condition, results of operations and business prospects are, to a large extent, subject to the economic, political and legal development in the PRC.

Changes in the PRC's macroeconomy may subject the results of operations of CITIC Limited Group to fluctuation risks. The work report of the PRC government delivered at the recent "Two Sessions" in March

2026 pointed out that the PRC economy continues to face challenges arising from a complex and evolving international environment, insufficient domestic demand and structural issues. 2026 marks the first year for implementing the 15th Five-Year Plan and the PRC government continues to implement comprehensive reforms to expand high-standard opening up, modernise the industrial system, implement more proactive and effective macro policies, boost domestic demand, promote integrated advancements in technological and industrial innovation and promote sustained economic recovery and growth. The financial regulatory system is experiencing a new round of reformation and reconstruction, including the establishment of the National Financial Regulatory Administration, deepening the reform of the local financial regulatory mechanism, and adjusting the CSRC as a government agency. For a discussion of risks relating to such financial regulatory reforms, see "*Risk Factors – Risks Relating to the Comprehensive Financial Services Business Segment – The banking regulatory regime in the PRC is continually evolving and CITIC Limited Group is subject to future regulatory changes*". The relevant reform policies may be promulgated step-by-step and the relevant businesses of CITIC Limited Group may be affected by the changes in policies in varying degrees.

If the PRC's economic growth rate declines, the results of operations, financial condition, profitability and business prospects of CITIC Limited Group may face greater challenges.

The rules and regulations of the PRC government impose certain restrictions on CITIC Limited Group's financial business. A majority of the Renminbi-denominated investment assets of CITIC Limited Group are invested in certain limited products that the PRC's commercial banks are approved to issue, such as government bonds issued by the Ministry of Finance of the PRC, financial bonds issued by policy banks in the PRC, bonds issued by the PBoC, bonds issued by other PRC commercial banks, short-term financing bonds issued by qualified PRC company entities, derivatives and domestic company bonds traded on the interbank market. Such restrictions on CITIC Limited Group's ability to create a diverse investment portfolio limit its ability to adopt similar investments made by other countries' banks in order to obtain more returns and manage liquidity. In addition, CITIC Limited Group is exposed to risks relating to its heavy focus on Renminbi-denominated investment assets and its lack of hedging tools. The decrease in investment value of CITIC Limited Group's financial business will adversely affect the results of operations and financial condition of CITIC Limited Group. CITIC Limited Group is subject to a credit scale system for its industry loans. Pursuant to national policies, CITIC Limited Group has restricted lending capability in industries that (i) generate substantial pollution, (ii) have high energy consumption or (iii) have excess production capacity. If the PRC government further tightens the relevant policies, the loan quality of the financial business of CITIC Limited Group may be adversely affected. If borrowers of the government's financing vehicles are unable to repay loans, whether due to macroeconomic fluctuations, changes in national policies or other reasons, the loan quality, financial condition and results of operations of CITIC Limited Group may be adversely affected. The relevant regulatory policies relating to trust business may bring about systematic risk to CITIC Trust Co., Ltd. ("**CITIC Trust**"). The PRC government has promulgated a series of laws and regulations related to the trust industry. The PRC's financial regulatory system and related policies are undergoing constant improvements. Changes in regulatory policies related to the trust business and other relevant policies can subject the business expansion and product innovation plans of CITIC Trust to certain systematic risks. Meanwhile, as the trust business is governed by various financial regulatory fields, changes in the regulatory policies of different financial regulatory departments may also affect types of trust products offered by trust companies and their profit models and sources of profit, which in turn affect the profitability of CITIC Limited Group's financial business.

In light of the shifting dynamics of the property market and for other policy reasons, the PRC government has optimised its regulatory measures with the promulgation of a series of policies to ensure the stable and healthy development of the property market. As a result, the credit scale and mortgage approvals of commercial banks may be affected in various degrees. CITIC Limited Group's real estate business may be affected by regulatory and industry changes. CITIC Limited Group's infrastructure construction business includes expressways, ports and piers, which depend largely on the macroeconomic policies adopted by the PRC government, especially the PRC government's investment guides and scale control policies towards infrastructure construction. In recent years, along with the growth in the PRC's comprehensive national strength, the investment in infrastructure has experienced rapid growth, and there have been substantial fixed asset investments and technological advancements in industries such as building materials, mining and electricity, which has promoted the development of the burgeoning heavy machinery industry. Nevertheless, the PRC government's spending on infrastructure construction and other construction projects may be easily affected by fluctuations in the PRC's economy and policy changes. If the PRC government adjusts its macroeconomic policies and shifts its preferential policies towards these industries, there may be changes to the operating environment of the aforementioned industries, causing a decrease in the fixed

assets investment amount or adjustments to the technological advancement projects, which can adversely affect the market prospects for CITIC Limited Group's products and services.

There are uncertainties regarding the interpretation and enforcement of PRC laws and regulations which could adversely affect CITIC Limited Group

The majority of CITIC Limited Group's operations are conducted in the PRC and are therefore subject to PRC laws and regulations. Since the opening up of the PRC's economy, many new laws and regulations governing general economic matters have been promulgated in the PRC. The PRC's legal system is based on written statutes and their interpretations by the courts. While prior court decisions may be cited for reference purposes, they have limited weight as precedents. There are uncertainties regarding the interpretation and enforcement of the PRC's laws and regulations which could adversely affect CITIC Limited Group.

Any future occurrence of natural disasters or outbreaks of contagious diseases in the PRC or globally may have an adverse effect on the business operations, financial condition and results of operations of CITIC Limited Group

Any future occurrence of natural disasters such as earthquakes, typhoons, floods, cyclones or other adverse weather conditions, acts or threats of terrorism, or outbreaks of epidemics and contagious diseases, which may include COVID-19, avian influenza, severe acute respiratory syndrome and swine influenza from H1N1 or other strains, may adversely affect CITIC Limited Group's business, financial condition and results of operations. The outbreak of an epidemic or contagious disease can result in a widespread health crisis, restrict or suspend the level of production, operational and business activities in the affected areas, disrupt transportation, materially affect labour supply and adversely affect the national economy, which may in turn adversely affect CITIC Limited Group's results of operations, financial condition and business. Moreover, the PRC has experienced natural disasters such as earthquakes, floods, landslides, rainstorms, hail and droughts in the past. Any future occurrence of severe natural disasters in the PRC may adversely affect the national economy and in turn CITIC Limited Group's results of operations, financial condition and business. There can be no assurance that any future occurrence of natural disasters or outbreaks of COVID-19, avian influenza, severe acute respiratory syndrome, swine influenza or other contagious diseases, or the measures taken by the PRC government or other countries in response to such contagious diseases, would not seriously disrupt the operations and business of CITIC Limited Group. In the event of such disruption, CITIC Limited Group's results of operations, financial condition and profitability may be adversely affected.

Risks relating to the Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes, and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Modification and waivers

The Trust Deed contains provisions for convening meetings of the Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of the Conditions or any provisions of the Trust Deed. These provisions permit defined majorities to bind all the Noteholders including the Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Trustee may agree, without the consent of the Noteholders, to (i) any modification to the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

A change in English law which governs the Notes may adversely affect Noteholders

The Conditions of the Notes are governed by English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s)

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, with DTC or lodged with CMU (each of Euroclear, Clearstream, DTC and CMU, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes, CITIC Limited will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, to DTC or, as the case may be, to CMU, for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. CITIC Limited has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note and the relevant Clearing System(s)

so permit, the Notes will be tradable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued if the relevant Clearing System(s) is/are closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against CITIC Limited (including rights to receive principal or interest or to vote) in respect of such Notes.

Risks relating to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by CITIC Limited may have a lower market value than Notes that cannot be redeemed

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that CITIC Limited would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Hong Kong or any political subdivision thereof or any authority therein or thereof having power to tax, CITIC Limited may redeem all outstanding Notes in accordance with the Conditions.

An optional redemption feature is likely to limit the market value of Notes. During any period when CITIC Limited may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. CITIC Limited may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances (including the giving of notice to the Issuer pursuant to Condition 10 and the taking of enforcement steps pursuant to Condition 12), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed constituting the Notes and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

Dual currency notes have features which are different from single currency issues

CITIC Limited may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected; and

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment

CITIC Limited may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice-versa, may have lower market values than other Notes

Fixed/Floating Rate Notes may bear interest at a rate that CITIC Limited may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. CITIC Limited's ability to convert the interest rate will affect the secondary market and the market value of such Notes since CITIC Limited may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If CITIC Limited converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If CITIC Limited converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Investors may lose part or all of their investment in any index linked Notes issued

If, in the case of a particular tranche of Notes, the relevant Pricing Supplement specifies that the Notes are index-linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be or used as "benchmarks", are the subject of national and international regulatory guidance and proposals for reform. Most reforms have reached their planned conclusion (including the transition away from the London Interbank Offered Rate ("**LIBOR**")) and "benchmarks" remain subject to ongoing monitoring. These reforms may cause such benchmarks to

perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by European Union supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-European Union based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK.

Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the United Kingdom Financial Conduct Authority ("**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

The potential elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The use of Secured Overnight Financing Rate ("SOFR") as a reference rate is subject to important limitations

The rate of interest on the Floating Rate Notes may be calculated on the basis of SOFR (as further described under Condition 6(b)(ii)(C) of the Conditions). In June 2017, the New York Federal Reserve's Alternative Reference Rates Committee (the "**ARRC**") announced SOFR as its recommended alternative to U.S. dollar LIBOR. However, the composition and characteristics of SOFR are not the same as those of LIBOR. SOFR is a broad U.S. Treasury repo-financing rate that represents overnight secured funding transactions. This means that SOFR is fundamentally different from LIBOR for two key reasons. *First*, SOFR is a secured rate, while LIBOR is an unsecured rate. *Second*, SOFR is an overnight rate, while LIBOR represents interbank funding over different maturities. As a result, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, or regulatory events. For example, since publication of SOFR began in April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or other market rates.

As SOFR is an overnight funding rate, interest on SOFR-based Notes with interest periods longer than overnight will be calculated on the basis of either the arithmetic mean of SOFR over the relevant interest period or compounding SOFR during the relevant interest period. As a consequence of this calculation method, the amount of interest payable on each interest payment date will only be known a short period of time prior to the relevant interest payment date. Noteholders therefore will not know in advance the interest amount which will be payable on such Notes.

Although the Federal Reserve Bank of New York has published historical indicative SOFR information going back to 2014, such prepublication of historical data inherently involves assumptions, estimates and approximations. Noteholders should not rely on any historical changes or trends in the SOFR as an indicator of future changes in the SOFR.

The Federal Reserve Bank of New York notes on its publication page for SOFR that use of the SOFR is subject to important limitations and disclaimers, including that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of the SOFR at any time without notice. In addition, SOFR is published by the Federal Reserve Bank of New York based on data received from other sources. There can be no guarantee that the SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the Noteholders. If the manner in which the SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may result in a reduction or elimination of the amount of interest payable on the Notes and a reduction in the trading prices of the Notes which would negatively impact the Noteholders who could lose part of their investment.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a SOFR Benchmark Event occurs, which is based on the ARRC recommended language. There is however no guarantee that the fallback arrangements will operate as intended at the relevant time or operate on terms commercially acceptable to all Noteholders. Investors should consult their own independent advisers and make their own assessment about the potential risks in making any investment decision with respect to any Notes linked to SOFR.

The market continues to develop in relation to SOFR as a reference rate for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to SOFR and its adoption as an alternative to U.S. dollar LIBOR. Market participants and relevant working groups are exploring alternative reference rates based on SOFR (which seek to measure the market's forward expectation of a SOFR rate over a designated term). The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions of the Notes. In addition, the manner of adoption or application of SOFR in the bond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR.

The use of SOFR as a reference rate for bonds is nascent, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates. Notes referencing SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid which, in turn, may reduce the trading price of such Notes or mean that investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Investors should consider these matters when making their investment decision with respect to Notes referencing SOFR.

Risks relating to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). In particular, one or more initial investors in the Notes may purchase a significant portion of the aggregate principal amount of the Notes pursuant to an offering. The existence of any such significant holder may reduce the liquidity of Notes in the secondary trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of CITIC Limited. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application has been made for the Notes issued under the Programme to be admitted to listing on the Stock Exchange of Hong Kong Limited, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected

CITIC Limited will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

The credit ratings assigned to the Notes may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Risks Relating to Renminbi-denominated Notes

Notes denominated in Renminbi ("**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors.

Renminbi is not freely convertible. There are significant restrictions on remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of RMB Notes

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as

well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

However, remittance of Renminbi into and out of the PRC for settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC government.

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016, and the PBoC and the Ministry of Commerce of the PRC have implemented policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that any regulatory restrictions inhibit the ability of the Issuer to repatriate funds outside the PRC to meet its obligations under RMB Notes, the Issuer will need to source Renminbi offshore to finance such obligations under the relevant RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

In addition, holders of beneficial interests in RMB Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Notes and the ability of the Issuer to source Renminbi outside the PRC to service the RMB Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the PBoC has entered into agreements on the clearing of Renminbi business with financial institutions (each, a "**Renminbi Clearing Bank**") in a number of financial centres and cities, including but not limited to Hong Kong, London, Frankfurt and Singapore, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi-denominated financial assets outside the PRC remains limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC, although the PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, where the participating banks cannot source sufficient Renminbi through the above channels, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Remittance of proceeds into or outside of the PRC in Renminbi may be difficult

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there can be no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

In the event that the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds outside the PRC in Renminbi, the Issuer will need to source Renminbi outside the PRC to finance its obligations under the RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

Investment in the RMB Notes is subject to exchange rate risks

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as other factors. In August 2015, the PBoC changed the way it calculates the mid-point price of Renminbi against the U.S. dollar, requiring the market-makers who submit for the PBoC's reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In May 2017, the PBoC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect China's actual economic performance. However, the volatility in the value of the Renminbi against other currencies still exists. The Issuer will make all payments of interest and principal with respect to the RMB Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of Renminbi against such currency could cause a decrease in the effective yield of the RMB Notes below their stated coupon rates and could result in a loss when the return on the RMB Notes is translated into such currency. Accordingly, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline.

Payments in respect of the RMB Notes will only be made to investors in the manner specified in such RMB Notes

All payments to investors in respect of the RMB Notes will be made solely by (i) when the RMB Notes are represented by a global certificate, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or (ii) when the RMB Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

There may be PRC tax consequences with respect to investment in the RMB Notes

In considering whether to invest in the RMB Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the holder's investment in the RMB Notes may be materially and adversely affected if the holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those RMB Notes.

Investment in the RMB Notes is subject to interest rate risks

The value of Renminbi payments under RMB Notes may be susceptible to interest rate fluctuations occurring within and outside the PRC, including PRC Renminbi repo rates and/or the Shanghai inter-bank offered rate. The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

The RMB Notes may carry a fixed interest rate. Consequently, the trading price of such Notes will vary with the fluctuations in the Renminbi interest rates. If holders of RMB Notes propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Pricing Supplements. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by an Amended and Restated Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") dated 20 December 2021 between the Issuer and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 20 December 2021 has been entered into in relation to the Notes between the Issuer, the Trustee, The Bank of New York Mellon, London Branch and The Bank of New York Mellon as the initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agents, the other paying agents, the registrar, the transfer agent(s), the exchange agent(s) and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**CMU Lodging and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent and the CMU Lodging and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar), the "**Exchange Agent(s)**" and the "**Calculation Agent(s)**" (such Issuing and Paying Agent, CMU Lodging and Paying Agent, Paying Agents, Registrar, Transfer Agent(s), Exchange Agent(s) and the Calculation Agent(s) being together referred to as the "**Agents**"). For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, 40th Floor, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement. As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

1. Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. **No Exchange of Notes and Transfers of Registered Notes**

(a) ***No Exchange of Notes***: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) ***Transfer of Registered Notes***: One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) ***Exercise of Options or Partial Redemption in Respect of Registered Notes***: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) ***Delivery of New Certificates***: Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or

surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) ***Transfers Free of Charge***: Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

(f) ***Closed Periods***: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3. **Status**

The Notes and the Receipts and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.

4. **Negative Pledge**

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of the Principal Non-listed Subsidiaries of the Issuer will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest ("**Security**") upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, other than Permitted Security, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security.

For the purposes of these Conditions:

"**Permitted Security**" means:

(a) any Security over assets (or related documents of title) of a Principal Non-listed Subsidiary incurred or assumed for the purpose of financing the purchase price thereof or the cost of construction, improvement or repair of all or any part thereof and any substitute security created on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets (**provided that** the principal amount secured by any such security may not be increased without the approval by an Extraordinary Resolution of the Noteholders);

(b) any Security on assets (or related documents of title) of a Principal Non-listed Subsidiary existing prior to the time such Principal Non-listed Subsidiary becomes a direct or indirect Subsidiary of the Issuer or arising after such time pursuant to contractual commitments entered into prior to and not in contemplation thereof, and any substitute security created

on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets (**provided that** the principal amount secured by any such security may not be increased without the approval by an Extraordinary Resolution of the Noteholders);

(c) any Security over assets (or related documents of title) of or shares or interests in a Project Subsidiary; and

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, government or any agency of political subdivision thereof or any other entity;

"**Principal Non-Listed Subsidiary**" means any Principal Subsidiary of the Issuer other than one which is listed on The Stock Exchange of Hong Kong Limited, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or any other stock exchange, and their respective Subsidiaries;

"**Principal Subsidiary**" means any Subsidiary of the Issuer:

(a) whose profit after taxation ("**after-tax profit**") or (in the case of a Subsidiary which itself has Subsidiaries) consolidated after-tax profit, as shown by its latest audited profit and loss account is at least 10 per cent. of the consolidated after-tax profit as shown by the latest published audited consolidated profit and loss account of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of associated entities and after adjustments for minority interests; and

(b) whose gross assets or (in the case of a Subsidiary which itself has Subsidiaries) gross consolidated assets, as shown by its latest audited balance sheet are at least 10 per cent. of the consolidated gross assets of the Issuer and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Issuer and its Subsidiaries including the investment of the Issuer and its consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and of associated companies and after adjustment for minority interests; or

(c) any Subsidiary of the Issuer to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, **provided that** the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall cease to be a Principal Subsidiary at the date on which the first published audited accounts (consolidated, if appropriate), of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraph (a) and (b) above, **provided that**, in relation to paragraphs (a) and (b) above:

(1) in the case of a Person becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

(2) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, after-tax profit or gross assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer;

(3) if at any relevant time in relation to any Subsidiary, no accounts are audited, its after-tax profit or gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer; and

(4) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (1) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer;

"**Project Subsidiary**" means any Subsidiary:

(a) which is a special purpose joint venture, partnership, company or other entity whose principal assets and activities are constituted by, or relate to, a project;

(b) whose obligations in respect of the Relevant Indebtedness over which security has been created in relation to the project is not subject to any recourse whatsoever in respect thereof to the Issuer or any of its other Subsidiaries (other than another Project Subsidiary), except in connection with an enforcement of any encumbrance given by the Issuer or any of its other Subsidiaries over the Issuer's or such other Subsidiary's shares or the like in the capital of such single purpose company; and

(c) which has been designated as such by the Issuer by written notice to the Trustee, **provided that** the Issuer may give written notice to the Trustee at any time that any Project Subsidiary is no longer a Project Subsidiary, whereupon it shall cease to be a Project Subsidiary;

"**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, or other securities which for the time being are, or are intended by the issuer thereof to be quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market, having an original maturity of more than one year from its date of issue, and are initially issued, offered or distributed outside the People's Republic of China (which for the purposes of these Conditions excludes the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan); and

"**Subsidiary**" means, in respect of any Person, any entity whose financial statements at any time are required by law, or in accordance with generally accepted accounting principles, of the jurisdiction of incorporation of such Person to be fully consolidated with those such Person.

5. **Interest and other Calculations**

(a) ***Interest on Fixed Rate Notes***: Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) ***Interest on Floating Rate Notes and Index Linked Interest Notes:***

(i) *Interest Payment Dates*: Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes (other than Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark)

(x) where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined where the Reference Rate is not SOFR Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than EURIBOR or HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the

Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any) in accordance with Condition 5(g), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Simple SOFR Average, Compounded Daily SOFR or Compounded SOFR Index, as follows (subject in each case to Condition 5(o) as further specified hereon):

(x) If Simple SOFR Average ("**Simple SOFR Average**") is specified hereon as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be the arithmetic mean of the SOFR reference rates for each day during the period, as calculated by the Calculation Agent, and where, if applicable and as specified hereon, the SOFR reference rate on the SOFR Rate Cut-Off Date shall be used for the days in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Period Date.

(y) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified hereon as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Accrual Period (where SOFR Lag, SOFR Payment Delay or SOFR Lockout is specified as applicable hereon to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified as applicable hereon to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable hereon:

(1) SOFR Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i\,-\times USBD}\ \times\ n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_{i-xUSBD}$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(2) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**SOFR Observation Period**" means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(3) SOFR Payment Delay:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**Interest Payment Date**" shall be the number of Interest Payment Delay Days following each Interest Period Date; **provided that** the Interest Payment Date with respect to the final Interest Accrual Period will be the Maturity Date or, if the Issuer elects to redeem the Notes prior to the Maturity Date, the relevant Optional Redemption Date;

"**Interest Payment Delay Days**" means the number of Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

For the purposes of calculating Compounded Daily SOFR with respect to the final Interest Accrual Period where SOFR Payment Delay is specified hereon, the SOFR reference rate for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant Optional Redemption Date, as applicable, shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date.

(4) SOFR Lockout:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR$_i$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i), except that the SOFR for any U.S. Government Securities Business Day(i) in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Period Date for such Interest Accrual Period shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of this Condition 5(b)(ii)(C)(x) and Condition 5(b)(ii)(C)(y):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "**SOFRRATE**" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "**USDSOFR=**" or any successor page or service;

"**SOFR**" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not

occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(o) shall apply as specified hereon;

"**SOFR Rate Cut-Off Date**" means the date that is a number of U.S. Government Securities Business Days prior to the end of each Interest Accrual Period, the Maturity Date or the relevant Optional Redemption Date, as applicable, as specified hereon; and

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(z) If Compounded SOFR Index ("**Compounded SOFR Index**") is specified as applicable hereon, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, ***provided that***:

(a) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 5(b)(ii)(C)(y)(2) "**SOFR Observation Shift**", and the term "**SOFR Observation Shift Days**" shall mean two U.S. Government Securities Business Days; or

(b) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(o) shall apply as specified hereon;

"**SOFR Index$_{End}$**" means, in respect of an Interest Accrual Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified hereon prior to the Interest Period Date for such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date);

"**SOFR Index$_{Start}$**" means, in respect of an Interest Accrual Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified hereon prior to the first day of such Interest Accrual Period;

"**SOFR Index Determination Time**" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified hereon; and

"**d_c**" means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for purpose of this Condition 5(b)(ii)(C):

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFR Benchmark Replacement Date**" means the date of occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iii) Rate of Interest for Index Linked Interest Notes: The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) ***Zero Coupon Notes***: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) ***Dual Currency Notes***: In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) ***Partly Paid Notes***: In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) ***Accrual of Interest***: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) ***Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:***

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the countries of such currency.

(h) ***Calculations***: The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts***: The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(m), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or

shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

(j) ***Determination or Calculation by Trustee***: If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall appoint an agent on its behalf to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(k) ***Definitions***: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of euro, a day on which the TARGET System is operating (a "**TARGET Business Day**"); and/or

(iii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and/or

(iv) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365

(iii) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30

(v) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30

(vi) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30

(vii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified:

(i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong dollars; or

(ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars; or

(iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro; or

(iv) (where SOFR Benchmark is specified hereon as the Reference Rate and where Simple SOFR Average is specified as applicable hereon or where SOFR Lag, SOFR Observation Shift or SOFR Lockout is specified as applicable hereon to determine Compounded Daily SOFR or where Compounded SOFR Index is specified as applicable hereon) the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period; or

(v) (where SOFR Benchmark is specified hereon as the Reference Rate and where SOFR Payment Delay is specified as applicable hereon to determine Compounded Daily SOFR) the Interest Period Date at the end of each Interest Accrual Period, ***provided that*** the Interest Determination Date with respect to the final Interest Accrual Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date;

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon.

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(l) ***Calculation Agents***: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for it or them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(m) ***Business Day Convention***: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(n) ***Benchmark Discontinuation (General):***

Where this Condition 5(n) is specified as applicable hereon:

(i) *Independent Adviser*

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(n)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(n)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(n) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Noteholders, the Receiptholders or the Couponholders for any determination made by it, pursuant to this Condition 5(n).

If (A) the Issuer is unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(n)(i) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be determined using the Original Reference Rate last displayed on the relevant Screen Page prior to

the relevant Interest Determination Date. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(n)(i).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(n)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(n)).

(iii) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(n) and the Independent Adviser (in consultation with the Issuer), determines (A) that amendments to these Conditions and/or the Trust Deed/Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(n)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed/Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 5(n)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), **provided that** the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded

to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

Notwithstanding any other provision of this Condition 5(n), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5(n) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 5(n)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(n) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 17, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Trustee, the Calculation Agent and the Paying Agents a certificate signed by two Authorised Signatories of the Issuer:

(A) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) the applicable Adjustment Spread and (d) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(n); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 5(n), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(n), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer

thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 5(n)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(ii) will continue to apply unless and until a Benchmark Event has occurred.

(vii) *Definitions:*

As used in this Condition 5(n):

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(B) the Independent Adviser determines (in consultation with the Issuer), is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied);

(C) the Independent Adviser determines (in consultation with the Issuer) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(n)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 5(n)(iv).

"**Benchmark Event**" means:

(A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(E) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(F) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (D) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

"**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(n)(i).

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(o) **Benchmark Discontinuation (SOFR):**

This Condition 5(o) shall only apply to U.S. dollar-denominated Notes where so specified hereon.

The following provisions shall apply if Benchmark Discontinuation (SOFR) is specified as applicable hereon:

(i) *Benchmark Replacement*

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(ii) *Benchmark Replacement Conforming Changes*

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee and any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 5(o). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Trustee or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(iii) *Decisions and Determinations*

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5(o), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (A) will be conclusive and binding absent manifest error, (B) will be made in the sole discretion of the Issuer or its designee, as applicable, and (C) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(iv) *The following defined terms shall have the meanings set out below for purpose of this Condition 5(o):*

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified hereon; **provided that** if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

"**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that

such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the sum of:

(x) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(y) the Benchmark Replacement Adjustment;

(B) the sum of:

(x) the ISDA Fallback Rate; and

(y) the Benchmark Replacement Adjustment; or

(C) the sum of:

(x) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and

(y) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been

selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(A) in the case of sub-paragraph (A) or (B) of the definition of "**Benchmark Event**", the later of:

(x) the date of the public statement or publication of information referenced therein; and

(y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(B) in the case of sub-paragraph (C) of the definition of "**Benchmark Event**", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the

calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (A) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified as applicable hereon) or SOFR Index Determination Time (where Compounded SOFR Index is specified as applicable hereon), or (B) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

6. **Redemption, Purchase and Options**

(a) ***Redemption by Instalments and Final Redemption:***

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) ***Early Redemption:***

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early

Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) ***Redemption for Taxation Reasons***: The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it, and an opinion of independent legal or tax advisors of recognised international standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled without further enquiry to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) ***Redemption at the Option of the Issuer***: If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) ***Redemption at the Option of Noteholders***: If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) ***Partly Paid Notes***: Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the provisions specified hereon.

(g) ***Purchases***: The Issuer and its Subsidiaries as defined in the Trust Deed may at any time purchase Notes (**provided that** all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) ***Cancellation***: All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7. **Payments and Talons**

(a) ***Bearer Notes***: Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be:

(i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and

(ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this paragraph, "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

Payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the CMU for their distribution to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

(b) ***Registered Notes:***

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifth (in the case of Renminbi) and fifteenth (in the case of a currency other than Renminbi) day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made:

(x) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(y) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this paragraph, "**registered account**" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

Payments of principal and interest in respect of Registered Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

*So long as the Global Note or, as the case may be, the Global Certificate is held on behalf of Euroclear Bank SA/NV and Clearstream Banking S.A. or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

(c) ***Payments in the United States***: Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls

or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) ***Payments subject to Fiscal Laws***: All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) ***Appointment of Agents***: The Issuing and Paying Agents, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agents initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents, any Exchange Agent appointed under the Agency Agreement and the Calculation Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent, any Exchange Agent or any Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, in each case in accordance with the Agency Agreement, **provided that** the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU, (v) one or more Calculation Agent(s) where the Conditions so require, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee, and (vii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) ***Unmatured Coupons and Receipts and unexchanged Talons:***

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index linked Notes), the Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to

such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) ***Talons***: On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) ***Non-Business Days***: If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation (if presentation and/or surrender of such Note, Receipt or Coupon is required), in such jurisdictions as shall be specified as "**Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day; or

(iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

8. **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer is required to make a deduction or withholding by or within Hong Kong, the Issuer shall pay such additional

amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) ***Other connection***: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Hong Kong or the PRC other than the mere holding of the Note, Receipt or Coupon; or

(b) ***Presentation more than 30 days after the Relevant Date***: presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

(c) ***Payment to individuals***: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) ***Payment by another Paying Agent***: (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

9. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. Events of Default

If any of the following events ("**Events of Default**") occurs, the Trustee at its discretion may, and if so requested in writing by holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured and/or pre-funded by the Noteholders or by a third party on their behalf to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

(i) ***Non-Payment***: the Issuer fails to pay any amount of principal in respect of any of the Notes within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of any of the Notes within 14 days of the due date for the payment thereof; or

(ii) ***Breach of Other Obligations***: the Issuer does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 45 days after notice of such default shall have been given to the Issuer by the Trustee; or

(iii) ***Cross-Acceleration***: (A) any other present or future indebtedness of the Issuer or any Principal Subsidiary for or in respect of Borrowed Money (as defined below) becomes due and payable prior to its stated maturity by way of acceleration following a default by the Issuer or any Principal Subsidiary; or (B) when the Issuer or any Principal Subsidiary defaults for more than five days in the only or last remaining payment due of any principal of any of its Borrowed Money beyond any grace period provided in respect thereof; or (C) the Issuer or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any indebtedness for or in respect of Borrowed Money after any originally applicable grace period, **provided that** the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) has or have occurred equals or exceeds U.S.$75,000,000 or its equivalent; or

(iv) ***Enforcement Proceedings***: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or a substantial part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 60 days; or

(v) ***Security Enforced***: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries against the whole or a substantial part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and is not discharged within 60 days; or

(vi) ***Insolvency***: the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Principal Subsidiaries; or

(vii) ***Winding-up***: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or substantially all of its business or operations and is not discharged or stayed within 60 days, in each case except for the purpose of and followed by a solvent winding-up, dissolution, reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its other Subsidiaries; or

(viii) ***Authorisation and Consents***: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes and the Trust Deed admissible in evidence in the courts of England and Wales is not taken, fulfilled or done; or

(ix) ***Illegality***: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed; or

(x) ***Analogous Events***: any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs;

Provided that in the case of Condition 10(ii) and, in relation only to a Principal Subsidiary, Condition 10(iv), 10(v) and 10(x), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interest of the Noteholders.

For the purposes of this Condition 10:

"**Borrowed Money**" means indebtedness incurred that has a final maturity of one year or more from its date of incurrence or issuance and that is evidenced by any agreement or other instrument, in respect of (i) money borrowed; (ii) any bond, note, loan stock, debenture or any similar instrument; (iii) acceptance or commercial paper facilities; and (iv) the deferred purchase price of assets or services (other than goods and services obtained on normal commercial terms in the ordinary course of trading).

11. **Meetings of Noteholders, Modification, Waiver and Substitution**

(a) ***Meetings of Noteholders***: The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) ***Modification of the Trust Deed***: The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

(c) ***Substitution***: The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require and subject to the Trustee obtaining approval by way of an Extraordinary Resolution of the Noteholders, to the substitution of the Issuer's successor in business or any Subsidiary as defined in the Trust Deed of the Issuer or its successor in business in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders. No Noteholder, Couponholder or Receiptholder shall, in connection with any such substitution be entitled to claim any indemnification or payment in respect of any tax consequence thereof to such Noteholder, Couponholder or Receiptholder except to the extent provided for in Condition 8 (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

(d) ***Entitlement of the Trustee***: In connection with the exercise of its functions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee, acting for and on behalf of Noteholders, shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders. For the avoidance of doubt, the provisions of this Condition 11(d) shall not restrict or prevent the Trustee from claiming any indemnity or payment from the Issuer for its own account.

12. **Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13. **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and

shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

14. **Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16. **Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 16, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

17. **Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be

valid if published in a daily newspaper of general circulation in Hong Kong. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 17.

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream, DTC or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Issue Position Report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate.

18. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. **Governing Law and Jurisdiction**

(a) ***Governing Law***: The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) ***Jurisdiction***: The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) ***Service of Process***: The Issuer has in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

(d) ***Waiver of immunity***: The Issuer has irrevocably agreed in the Trust Deed that no immunity (to the extent that it may now or hereafter exist, whether on the grounds of sovereignty or otherwise) from any Proceedings or from execution of judgment shall be claimed by or on behalf of it or with respect to its assets, any such immunity being irrevocably waived by the Issuer, and the Issuer has irrevocably consented in the Trust Deed generally in respect of any such Proceedings to the giving of any relief or the issue of any process in connection with any such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever of any order or judgment which may be made or given in such Proceedings.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1. **Initial Issue of Notes**

Global Notes and Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream (the "**Common Depositary**") or a sub-custodian for the CMU.

Upon the initial deposit of a Global Note with the Common Depositary or with a sub-custodian for the CMU or registration of Registered Notes in the name of (i) any nominee for Euroclear and Clearstream or (ii) the CMU and delivery of the relative Global Certificate to the Common Depositary or the sub-custodian for the CMU (as the case may be), Euroclear or Clearstream or the CMU (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon the initial deposit of a Global Certificate in respect of, and registration of, Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the Custodian for DTC, DTC will credit each participant with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

2. **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, DTC or any other clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, DTC or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, DTC or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) entitled or in the case of Registered Notes, directed or deemed by the CMU as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Subject to the CMU Rules, each of the persons shown in the records of the CMU, as the holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

3. **Exchange**

3.1 ***Temporary Global Notes***

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(a) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see

"*Summary of the Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(b) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Issue Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging Agent by the CMU) have so certified.

The holder of a temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the temporary Global Note for an interest in a permanent Bearer Global Note or for Definitive Notes is improperly withheld or refused.

3.2 ***Permanent Global Notes***

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear, Clearstream, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 ***Permanent Global Certificates***

(a) *Unrestricted Global Certificates*

If the Pricing Supplement states that the Notes are to be represented by an Unrestricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear, Clearstream, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made:

(i) in whole but not in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) in whole or in part with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

(b) *Restricted Global Certificates*

If the Pricing Supplement states that the Restricted Notes are to be represented by a Restricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in DTC or Euroclear and Clearstream or the CMU. These provisions will not

prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of that clearing system, but will limit the circumstances in which the Notes may be withdrawn from that clearing system. Transfers of the holding of Notes represented by that Restricted Global Certificate pursuant to Condition 2(b) may only be made:

(i) in whole but not in part, if such Notes are held on behalf of a Custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC;

(ii) in whole, but not in part, if the Notes are held on behalf of Euroclear or Clearstream or CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(iii) in whole or in part, with the Issuer's consent, **provided that**, in either case, the relevant Registered Noteholder has given the relevant Registrar not less than 30 days' notice at its specified office of the Registered Noteholder's intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out in "*Transfer Restrictions*".

3.4 ***Partial Exchange of Permanent Global Notes***

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

3.5 ***Delivery of Notes***

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes.

Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon).

Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 ***Exchange Date***

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4. **Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 ***Payments***

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for enfacement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which enfacement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(e)(vii) and Condition 8(d) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of "business day" set out in Condition 7(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose. For the purposes of this paragraph, "**Clearing System Business Day**" means a day on which the CMU is operating and open for business.

So long as the Notes are represented by the Global Note or the Global Certificate (as the case may be) and the Global Note or the Global Certificate is held on behalf of a clearing system, the Issuer has promised, *inter alia*, to pay interest in respect of such Notes from the Interest Commencement Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes represented by the Global Note or the Global Certificate (as the case may be).

4.2 ***Prescription***

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal)

and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

4.3 ***Meetings***

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 ***Cancellation***

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the register of the certificate holders, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

4.5 ***Purchase***

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 ***Issuer's Option***

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, the CMU, DTC or any other clearing system (as the case may be).

4.7 ***Noteholders' Options***

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent), for notation.

4.8 ***Trustee's Powers***

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee or sub-custodian for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with

entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 ***Notices***

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream, DTC or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the CMU in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU.

5. **Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

USE OF PROCEEDS

The net proceeds of any Notes issued under the Programme shall be used for the general corporate purposes of CITIC Limited Group including, without limitation, refinancing of indebtedness of CITIC Limited Group or as may otherwise be disclosed in the relevant Pricing Supplement.

CAPITALISATION AND INDEBTEDNESS

Capitalisation of CITIC Limited

The following table sets out the consolidated capitalisation of CITIC Limited as derived from the Audited Consolidated Financial Statements of CITIC Limited. The table should be read in conjunction with the Audited Consolidated Financial Statements of CITIC Limited and the notes thereto:

	As at 31 December 2025	
	(U.S.$ million)[1]	*(RMB million)*
Bank and other loans		
Bank loans	29,069	204,323
Other loans	5,888	41,387
Subtotal	**34,957**	**245,710**
By remaining maturity		
Within one year or on demand	16,346	114,895
Between one and two years	7,097	49,886
Between two and five years	8,539	60,021
Over five years	2,975	20,908
Subtotal	**34,957**	**245,710**
Debt instruments issued		
Within one year or on demand	159,227	1,119,178
Between one and two years	19,328	135,852
Between two and five years	18,689	131,362
Over five years	18,995	133,509
Subtotal	**216,239**	**1,519,901**
Equity		
Share capital	43,759	307,576
Reserves	67,547	474,773
Non-controlling interests	101,626	714,312
Total Equity	**212,932**	**1,496,661**
Total Capitalisation[2]	**464,128**	**3,262,272**

(1) The exchange rate used for translations into U.S.$ in the capitalisation table is RMB:U.S.$ = 7.0288:1.
(2) Total capitalisation represents total borrowings (total of bank and other loans and debt instruments issued) and total equity.

There has been no material change in the capitalisation of CITIC Limited since 31 December 2025.

CITIC LIMITED GROUP

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

For the years ended 31 December 2024 and 2025, the total revenue of CITIC Limited Group was RMB747,200 million and RMB769,264 million, respectively. For the years ended 31 December 2024 and 2025, the profit before taxation of CITIC Limited Group was RMB132,657 million and RMB144,608 million, respectively. As at 31 December 2024 and 2025, the net assets of CITIC Limited Group were RMB1,423,014 million and RMB1,496,661 million, respectively.

CITIC Limited had a market capitalisation of approximately HK$350,829 million at the close of business on 31 December 2025. As at 31 December 2025, CITIC Limited had 29,090,262,630 shares in issue. Its registered office is at 32/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong.

Corporate Background

In 1990, CITIC Hong Kong (Holdings) Limited (formerly known as China International Trust & Investment Corporation Hong Kong (Holdings) Limited) acquired a 49 per cent. interest in Tylfull Company Limited. Tylfull Company Limited was incorporated in Hong Kong on 8 January 1985, listed on the Hong Kong Stock Exchange on 26 February 1986 and renamed CITIC Pacific Limited on 22 August 1991.

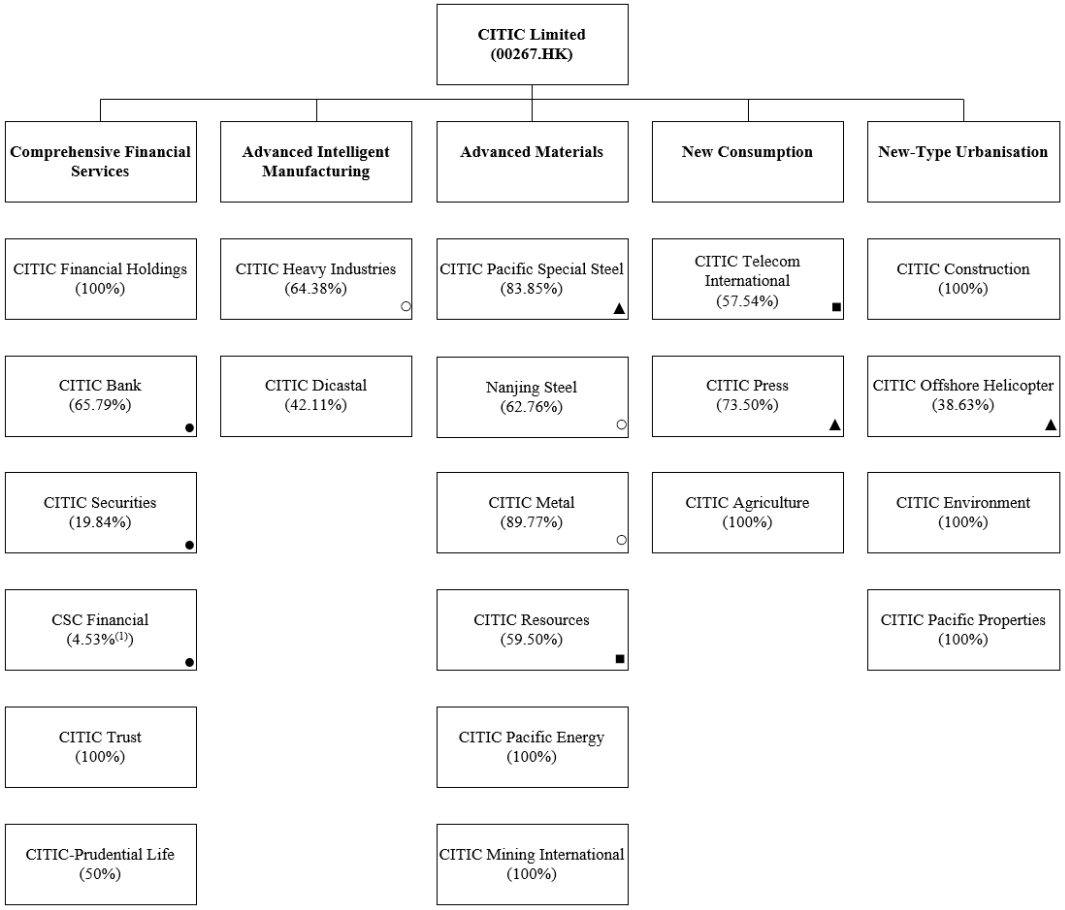
On 16 April 2014, CITIC Pacific Limited entered into a share transfer agreement (the "**Share Transfer Agreement**") with CITIC Group and Beijing CITIC Enterprise Management Co., Ltd (together with CITIC Group, the "**Vendors**") in relation to the acquisition of 100 per cent. of the total issued shares (the "**Target Shares**") of CITIC Limited (now known as CITIC Corporation Limited) (the "**Acquisition**"). The total price paid by CITIC Pacific Limited to the Vendors for the Target Shares, as adjusted according to the Share Transfer Agreement, was RMB226,996 million (equivalent to approximately HK$286,585 million), which was satisfied through a combination of cash of (and in equivalent to) HK$53,358 million and share consideration of (and in equivalent to) HK$233,228 million.

The Acquisition was completed on 25 August 2014 and CITIC Pacific Limited changed its name to CITIC Limited on 26 August 2014. Prior to the Acquisition, the business of CITIC Group was conducted mainly through CITIC Corporation Limited, its subsidiaries, associated companies and joint ventures.

In 2015, Charoen Pokphand Group Company Limited, ITOCHU Corporation and Youngor Group Co., Ltd. became investors of CITIC Limited.

Business Segment Structure

The business segment structure chart which shows the principal operating entities and/or units of CITIC Limited Group as at 31 December 2025 is set out below.



● refers to the companies listed on both the SEHK and SSE.
○ refers to the companies listed on SSE.
■ refers to the companies listed on SEHK.
▲ refers to the companies listed on SZSE.
(1) CITIC Limited held 4.53 per cent. of the shares of CSC Financial Co., Ltd. ("**CSC Financial**") through CITIC Financial Holdings Co., Ltd ("**CITIC Financial Holdings**") as at 31 December 2025.

Strengths of CITIC Limited Group

CITIC Limited Group has the following competitive strengths:

CITIC Limited Group is one of the largest multi-industry conglomerates in the PRC with leading positions across multiple industries. With its well-structured business profile and deep understanding and knowledge across multiple industries, CITIC Limited Group is well-equipped to capture the opportunities arising from the PRC's economic development

CITIC Limited Group is one of the largest multi-industry conglomerates in the PRC. As at 31 December 2024 and 2025, the total assets of CITIC Limited Group were RMB12,075,425 million and RMB13,021,140 million, respectively, and the total equity of CITIC Limited Group was RMB1,423,014 million and RMB1,496,661million, respectively. For the years ended 31 December 2024 and 2025, the total revenue of CITIC Limited Group was RMB747,200 million and RMB769,264 million, respectively.

CITIC Limited Group has a well-structured business profile across the "pillar industries" and emerging industries in the PRC and has secured leading positions in many of its main business segments. CITIC Limited Group's main business segments include comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation. Among its main

businesses, CITIC Limited Group has been engaged in emerging industries including information technology, renewable energy, modern agriculture, water treatment, robotics and other modern services.

One of CITIC Limited Group's core competitiveness is its ability to share and integrate resources. Many businesses of CITIC Limited Group have benefited from the sharing and integration of resources and cross-pollination of staff and experience, enabling them to compete in the fast-changing market conditions. With a number of its businesses being industry leaders, the management of CITIC Limited has deep understanding, local knowledge and foresight to explore the opportunities in new sectors while enhancing existing businesses and embracing new technology. Accordingly, CITIC Limited Group believes that it is well-equipped to capture future opportunities arising from the PRC's economic growth and transition, thus creating greater value for its shareholders.

CITIC Limited Group is a pioneer of the PRC's economic reform and a market-oriented group with strong innovation capabilities

The establishment and development of CITIC Limited Group has been closely connected to the process of "Reform and Opening up" in the PRC. From the outset, CITIC Limited Group pursued growth through innovation, creativity and embraced market principles. The majority of the industries in which CITIC Limited Group operates are highly competitive. For over 40 years, CITIC Limited Group has been operating in accordance with market disciplines as well as adopting international best practices, and has been a pioneer in a series of unprecedented endeavours shown in various areas and has emerged as a formidable force amid intense market competition.

CITIC Limited Group believes that its innovation capabilities, its willingness to embrace new technology and its endogenous power enable it to remain competitive and to maintain its market vitality.

CITIC Limited Group has an international platform and the ability to allocate resources globally

The international platform owned by CITIC Limited Group, its ability to allocate resources globally and share information and data within its network are the core competitive advantages which distinguish it from the majority of Chinese enterprises. CITIC Limited Group has an extensive global business network with operations covering multiple regions and has accumulated significant experience in foreign investment management and talented personnel. CITIC Limited Group has various business segments operating internationally, including its comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation business segments.

In March 2022, the PBoC approved the establishment of CITIC Financial Holdings, as a financial holding subsidiary of CITIC Corporation Limited. Following such establishment, CITIC Limited has transferred equity interest in its subsidiaries and affiliates engaging in financial services to CITIC Financial Holdings. As of 31 December 2025, CITIC Financial Holdings holds equity interests of CITIC Bank (64.75 per cent.), CITIC Securities (19.84 per cent.), CSC Financial (4.53 per cent.), CITIC Trust (100 per cent.), CITIC-Prudential Life (50 per cent.). Through CITIC Financial Holdings, CITIC Limited will further strengthen centralised and unified management of its financial services business, enhance its financial services capacity to build a solid foundation for high-quality development, and promote the long-term and focused development of CITIC Limited, especially in the financial services sector.

In the comprehensive financial services business segment, CITIC Limited Group has established international business platforms in banking and securities. For its banking business, CITIC Bank conducts its overseas banking business mainly through China CITIC Bank International Limited, providing services including corporate finance, retail finance and asset management. For its securities business, CITIC Securities International Company Limited, a subsidiary of CITIC Securities, conducts international securities business in Hong Kong and, having completed the acquisition of CLSA B.V. in 2013, has further expanded its overseas business channels and network.

In the advanced intelligent manufacturing business segment, CITIC Heavy Industries is one of the world's leading suppliers and service providers of heavy mining and cement equipment, and owns one of the PRC's top special intelligent robot enterprises in CITIC HIC Kaicheng Intelligence Equipment Co., Ltd. CITIC Dicastal is the world's largest producer of automotive aluminium wheels with 30 major manufacturing facilities across China, the Americas, Europe and Africa, supplying top automakers around the globe.

In the advanced materials business segment, CITIC Resources Holdings Limited ("**CITIC Resources**") and CITIC Metal Group Ltd. ("**CITIC Metal Group**"), which holds 89.77 per cent. of the equity interest in CITIC Metal, have been actively engaged in overseas acquisitions and exploration of various oil and mineral resources such as bauxite, copper and ferroniobium, holding various interests in development projects in countries and regions which have rich resource reserves, including China, Australia, Brazil, Peru, Indonesia, Kazakhstan, Congo. The Sino Iron Project in Western Australia, held through CITIC Mining International Ltd. (together with its subsidiaries, "**CITIC Mining International**"), is one of CITIC Limited Group's largest overseas investments and the largest magnetite operation in Australia. CITIC Pacific Energy Co., Ltd. ("**CITIC Pacific Energy**") invests in and manages power plants, including green energy businesses, across China.

For the new consumption business segment, CITIC Telecom is a telecommunications enterprise providing comprehensive services. CITIC Agriculture Technology Co., Ltd ("**CITIC Agriculture**") focuses on the latest developments in agricultural science and technology and serves as a platform to execute CITIC Limited's agricultural development strategy.

In the new-type urbanisation business segment, CITIC Construction Company Limited ("**CITIC Construction**") focuses its domestic business in key regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area and the Hainan Free Trade Zone, while its overseas business covers more than 20 countries and regions, including supporting China's major regional strategies and efficiently serving markets in countries along the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road" (also known as the "Belt and Road"). CITIC Construction has become one of the largest international project contractors and has successfully implemented various large-scale overseas projects recognised internationally.

With the tightened link between the PRC and global economy, the international knowledge of CITIC Limited Group will enable it to follow closely the development trend of both the PRC and the rest of the world, and to remain competitive globally.

CITIC Limited Group continuously enhances its existing businesses through the optimisation of its business structure or business model, the development of value added products and services through innovation, technology and a focus on new investments in areas that maximise returns

CITIC Limited Group continuously enhances its existing businesses through the optimisation of its business structure or business model.

CITIC Limited leverages its role as a financial holding company, guided by the "Financial Core" Initiative, to carry out model innovation across the board and to build a strong comprehensive financial service system with full licensing and lifecycle support. CITIC Limited drove major business lines to focus on core operations, enhance governance and seek differentiated development. CITIC Limited Group's financial subsidiaries pursued new strategic directions, resulting in increased profitability. CITIC Bank, CITIC Securities and CITIC-Prudential Life all achieved record-high net profits attributable to the parent company in 2025.

CITIC Limited Group actively advances comprehensive sci-tech initiatives to demonstrate strong innovative-driven momentum. By focusing on fostering and expanding high quality productive forces, CITIC Limited Group upgraded its "Technological Rock" Initiative and maintained a robust R&D investment rate at 3 per cent. of revenue throughout the year ended 31 December 2025. CITIC Limited Group established a "mega platform" for innovation, including high-level science and technology centres led by two state key laboratories in intelligent mining equipment and digital steel. The CITIC HK AI Technology Innovation Center has entered substantive research phases, collaborating with top universities and research institutes to address key challenges and develop proprietary technologies. CITIC Limited Group strengthened its technical "hard power" and received 18 recognitions with two first prizes at the PBoC's 2024 Fintech Development Awards, remaining the most-awarded financial enterprise. In the national "Data Elements X" final competition, CITIC Limited Group won four awards, including a first prize, to rank among the leading companies in the field. It further advanced the integration of artificial intelligence ("**AI**") by establishing a dedicated AI innovation support system and building a group level intelligent computing centre to power CITIC Limited Group's AI applications. Nanjing Iron & Steel Co., Ltd. ("**Nanjing Steel**") was designated as China's inaugural pioneer-level smart factory. CITIC Securities deployed 27 digital employees, enhancing various functions such as intelligent investment research and smart investment banking. For three consecutive years, CITIC Limited Group's internal "Blooming Cup"

digitalisation contest has incubated smart applications with broad benefits and significant growth potential, further boosting total factor productivity.

As China embarks on its 15th Five Year Plan, CITIC Limited Group is resolutely guided by national strategy, driven by rapid technological advancements and supported by Hong Kong's dynamic vitality. These strengths are creating opportunities despite a complex and evolving external environment. Looking ahead to the next five years, China's 15th Five Year Plan formulation provides clear direction and broad opportunity for CITIC Limited Group's development. China's economic structure is undergoing a comprehensive transformation, where "blue ocean" opportunities for new growth are poised to emerge in many leading industries including high-end manufacturing, advanced materials and new energy. The latest wave of technological revolution and industrial transformation is progressing rapidly, with innovations like artificial intelligence accelerating changes in the global economic landscape. Leveraging CITIC Limited Group's inherent spirit of innovation and ongoing commitment to technology investment, it seeks to position itself at the forefront of future competition.

CITIC Limited Group is able to maximise conglomerate synergies and possesses a strong ability to integrate resources

CITIC Limited has established a "1+N+N" regional synergy organisational system, comprising the "Headquarters Synergy Committee+Onshore Regional Branches+Offshore Regional Branches". Through a full-process closed-loop synergy mechanism, it promoted mutually beneficial cooperation with strategic partners including local governments, enterprises and financial institutions, continuously enriching and refining CITIC Limited Group's unique business model and core competitiveness that distinguishes it from other large enterprises and financial institutions.

CITIC Limited Group has formulated the "3-3-5" strategy for high-quality development during the 15th Five Year Plan period to further strengthen and optimise its three core businesses – financial, industry and investment, as well as implement three key initiatives of "Financial Core", "Industrial Starlink" and "Technological Rock". Under this direction, CITIC Limited Group will focus on five key levers, namely, robust management, risk prevention, enhanced synergy, talent cultivation and improved quality and efficiency, striving to open a new chapter in its efforts to build an outstanding, world-class and technologically advanced conglomerate. Notably, investment has been designated as one of CITIC Limited Group's core businesses for its crucial role in fostering new quality productive forces and creating a "second growth curve". CITIC Limited Group will leverage the power of investment to serve as a "national team" for long-term capital and a "multiplier" for reform and transformation. By empowering finance and industry to enhance competitiveness and expanding new growth drivers for value creation, CITIC Limited Group strives to achieve a more optimised structure and deliver even greater multiplier effects for growth.

The "CITIC" brand is one of the PRC's most recognised brands

With stable operation for over 45 years, CITIC Limited Group has established a series of "CITIC" linked and prestigious corporate brands in various business segments. The success of the "CITIC" brand allows its group members to enjoy reputational advantages over their competitors, provides them with strong support in entering new markets and business areas and enhances their acceptance level among customers and business partners. At the same time, the reputation gained by CITIC Limited Group members in their sectors also further strengthens the "CITIC" brand.

CITIC Limited Group has a stable and experienced management team with market-oriented management philosophies, international vision and a corporate culture of pursuing excellence

CITIC Limited Group's senior management team possesses a wealth of experience in managing large conglomerates, with average relevant industry experience of more than 30 years. The senior management team is stable and with management experience encompassing multiple industries and regions. The management team of CITIC Limited Group also has international vision since many members of the senior management team have worked or studied overseas. CITIC Limited Group believes that the stable management and its extensive expertise and operational experience have laid a solid foundation for the success of CITIC Limited Group.

In a long history of its development, CITIC Limited Group, based on its development strategy, business characteristics and management style, has refined and is committed to upholding its own corporate culture with core values of "Compliance, Integrity, Veracity, Innovation, Modesty, Cooperation, Diligence and

Efficiency". The successful development of CITIC Limited Group is attributable to the corporate culture of pursuing excellence, market-oriented positioning and innovative mind-set.

CITIC Limited Group actively fulfils its corporate responsibility and devotes itself in greening, environmental protection, education, poverty alleviation, disaster relief and other social public welfare matters. CITIC Limited Group has and maintains a good social image.

CITIC Limited Group operates a prudent and comprehensive risk management system with a balanced emphasis on both control and efficiency

CITIC Limited Group considers risk management one of its core competitiveness and has devoted resources to further improve the system. CITIC Limited Group has established a prudent and comprehensive risk management system covering all of its business segments and consistently develops and improves its risk management framework and processes.

A substantial portion of CITIC Limited Group's assets are already or were previously listed, with its listed subsidiaries and formerly listed subsidiaries having established their own risk management systems which have withstood challenges from the markets. All the financial subsidiaries of CITIC Limited Group are subject to stringent industry regulations. Non-financial subsidiaries have been required to either establish risk management departments or have designated personnel responsible for risk management according to their business needs.

Strategies of CITIC Limited Group

CITIC Limited Group is committed to being a first-class international conglomerate in the PRC by pursuing strategy-led, innovative and high value-added growth. CITIC Limited Group will (i) leverage the overall strengths that it has accumulated over years of operating its businesses; (ii) seize opportunities brought by the evolution of the Chinese economy and its globalisation; and (iii) adopt a market-led and customer-centric business model to maximise enterprise value.

CITIC Limited's operating principles are as follows:

Enhance existing businesses with focus

- CITIC Limited Group aims to maximise benefits of the CITIC platform, allowing CITIC Limited Group to capture emerging opportunities around the world.
- By anticipating market demand, CITIC Limited Group will develop high value-added products and services through innovation.
- CITIC Limited Group will consolidate similar businesses to maximise synergies within CITIC Limited Group.
- CITIC Limited Group will enhance quality and competitiveness, increase productivity and reduce cost.
- CITIC Limited Group will strive for a balanced development between financial and non-financial industries.
- CITIC Limited Group will continue to consolidate its strengths of having a clear strategy, stable operations, high dividends and strong risk management.
- CITIC Limited Group has set the goal of achieving "excellent products, outstanding brands, leading innovation and modern governance" and will strive towards reaching global or industry leading levels in products, services and market influence.

Focus new investments in areas that align with the PRC's growth trajectory and continue to invest internationally

- CITIC Limited Group will seek opportunities that provide greater integration and connectivity among its businesses.

- CITIC Limited Group will leverage its strong competitive advantage to identify consolidation opportunities in the PRC through mergers and acquisitions.

- CITIC Limited Group will focus on its five business segments of comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation in alignment with the PRC's 15th Five Year Plan.

- CITIC Limited Group will continue to invest internationally to further its businesses in an integrated fashion.

- CITIC Limited Group is committed to implementing the guiding principles set forth by the 20th National Congress of the Chinese Communist Party and the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era to support the new pattern of development in China.

Continue to exercise discipline in capital allocation and maintain a strong credit profile to enhance long-term shareholder value

- CITIC Limited Group will adopt a disciplined approach towards capital planning and allocation, and will continue to optimise its business portfolio.

- CITIC Limited Group will improve its capital efficiency and cash flow, including continued enhancements in fund centralisation to help lower CITIC Limited Group's overall financing costs and leverage ratio.

- CITIC Limited Group will strengthen its funding capability and maintain its strong credit profile.

- CITIC Limited Group will continue to exercise stringent disciplines in capital allocation, in order to maximise the overall value of CITIC Limited Group and realise sustainable growth.

- CITIC Limited Group will continue to seek productivity gains from technological innovation, strengthening original development and promoting leading edge research.

Enhance corporate governance framework to protect shareholder interests by extending CITIC Limited's international standard of corporate governance to CITIC Limited Group

- CITIC Limited's international standard of corporate governance will be extended to CITIC Limited Group.

- CITIC Limited Group will continue to optimise its business structure and further improve the efficiency of resource allocation, including introducing special projects to reduce complexity and improving transparency by reducing the number of business layers and legal entities.

- CITIC Limited will strengthen overall supervision of CITIC Limited Group while providing clear strategies to guide businesses towards greater value creation.

- CITIC Limited will ensure rights of all stakeholders are respected.

Business

The main businesses of CITIC Limited Group include the following:

Comprehensive Financial Services

CITIC Limited Group operates financial services businesses in different segments, including banking, trust, asset management, securities and insurance services. CITIC Limited Group provides domestic and overseas banking services through CITIC Bank and its subsidiaries, securities services through CITIC Securities, trust services through CITIC Trust, and insurance and reinsurance services through CITIC-Prudential Life.

Advanced Intelligent Manufacturing

The advanced intelligent manufacturing business segment of CITIC Limited Group consists mainly of the manufacturing of heavy machineries, specialised robotics, aluminium wheels, aluminium casting parts and other products. CITIC Limited Group strives to become a pioneer in the advanced intelligent manufacturing sector, aiming to achieve operational breakthroughs in critical technologies and reinforce its leading market position. CITIC Limited Group conducts the manufacturing of heavy machinery, key fundamental and spare components, engineering, procurement and construction ("**EPC**") projects, specialised robotics and intelligent equipment through its subsidiary CITIC Heavy Industries, while the manufacturing of automobile aluminium wheels and automobile aluminium castings is conducted through CITIC Dicastal. CITIC Holdings Co., Ltd. focuses on the integration and innovation of industrial intelligence with real-world application scenarios. It has effectively realised domestic substitution in industrial vision inspection systems, and developed an independently controllable panoramic energy and carbon management platform. These efforts collectively drive the high-end, intelligent, and green transformation of the manufacturing sector, advancing high-quality development.

Advanced Materials

The advanced materials business segment of CITIC Limited Group has an extensive global business covering exploration, mining, processing and trading of mineral resources as well as power generation and manufacturing of special steel. CITIC Limited Group predominately operates its advanced materials business segment through CITIC Pacific Special Steel, Nanjing Steel, CITIC Metal Group, CITIC Resources, CITIC Pacific Energy and CITIC Mining International.

CITIC Limited owns 100 per cent. of the Sino Iron Project through CITIC Mining International which is being managed by CITIC Pacific Mining Management Pty Ltd. ("**CITIC Pacific Mining**"). The Sino Iron Project is one of the largest magnetite iron ore mine being developed in the world. It is located at Cape Preston, 100 kilometres southwest of Karratha in Western Australia's Pilbara region. The magnetite concentrate produced is shipped to the steel plant(s) operated by CITIC Pacific Special Steel as well as other third-party steel mills in Chinese mainland and Vietnam.

CITIC Limited Group manufactures special steel through CITIC Pacific Special Steel, which is the largest manufacturer dedicated to the production of special steel in Chinese mainland with five manufacturing bases located in Jiangyin and Jingjiang of Jiangsu province, Huangshi of Hubei province, Qingdao of Shandong province and Tianjin. The acquisition of controlling stakes in TianJin Pipe Corporation and Nanjing Steel in 2023 significantly enhanced the competitiveness of CITIC Limited Group in the field of special steel manufacturing. Major products manufactured by CITIC Pacific Special Steel include bars, plates, seamless steel tubes, wires, forging steel and casting billets. These are widely used in various industries, including auto components, energy, machinery manufacturing, power generation, oil and petrochemicals and industrial sectors.

CITIC Metal Group is primarily engaged in commodities trading and mining investments, and specialises in trading niobium products, iron ore, copper, steel and aluminium, among others. The construction of CITIC Metal's overseas mineral resources projects progressed steadily and generated sound investment returns, and also helped to secure the stable supply of national mineral resources.

New Consumption

The new consumption business segment of CITIC Limited Group includes telecommunications services, publication services, modern agriculture and others. These businesses are mainly operated through CITIC Telecom, CITIC Press and CITIC Agriculture.

New-Type Urbanisation

The new-type urbanisation business segment of CITIC Limited Group is mainly operated through CITIC Construction, CITIC Offshore Helicopter Co., Ltd. ("**COHC**"), CITIC Environment Investment Group Co., Ltd. ("**CITIC Environment**") and CITIC Pacific Properties. CITIC Construction's business scope includes the construction of housing, infrastructure, and industrial facilities, while actively seeking development opportunities in the construction of agriculture, resources, and energy sectors. COHC provides comprehensive general aviation development services, including offshore oil flight services, emergency rescue, general aviation maintenance, port piloting, offshore wind power, onshore flights, and drone flights.

CITIC Environment's businesses include investment, design consulting, manufacturing, engineering contracting, and project operations in fields including ecological environmental protection, urban and rural construction, and environmental protection equipment CITIC Pacific Properties develops and manages premium properties, focusing on the development of urban complexes, commercial real estate, and residential projects.

The following table sets out the revenue of each business segment of CITIC Limited Group for the years ended 31 December 2024 and 2025.

	CITIC Limited Group			
	For the year ended 31 December			
	2024 (restated)		2025 (audited)	
Business Segment	**Revenue**	**%[1]**	**Revenue**	**%[1]**
	(in millions of RMB, except percentages)			
Comprehensive Financial Services	275,705	36.9	292,389	38.0
Advanced Intelligent Manufacturing	50,975	6.8	57,548	7.5
Advanced Materials	325,907	43.6	335,744	43.6
New Consumption	50,004	6.7	48,351	6.3
New-Type Urbanisation	48,411	6.5	38,538	5.0
Operation Management	153	0.0	144	0.0
Elimination	(3,955)	(0.5)	(3,450)	(0.4)
Total	**747,200**	**100.0**	**769,264**	**100.0**

(1) Percentage figures are rounded to the nearest decimal.

The following table sets out the profit before tax (before non-controlling interests) of each business segment of CITIC Limited Group for the years ended 31 December 2024 and 2025.

	CITIC Limited Group			
	For the year ended 31 December			
	2024 (restated)		2025 (audited)	
Business Segment	**Profit before tax**	**%[1]**	**Profit before tax**	**%[1]**
	(in millions of RMB, except percentages)			
Comprehensive Financial Services	115,805	87.3	131,316	90.8
Advanced Intelligent Manufacturing	2,032	1.5	2,030	1.4
Advanced Materials	15,886	12.0	17,333	12.0
New Consumption	858	0.6	1,234	0.9
New-Type Urbanisation	7,238	5.5	162	0.1
Operation Management	(7,896)	(6.0)	(6,349)	(4.4)
Elimination	(1,266)	(0.9)	(1,118)	(0.8)
Total	**132,657**	**100.0**	**144,608**	**100.0**

(1) Percentage figures are rounded to the nearest decimal.

Descriptions of the business segments are set out below.

Comprehensive Financial Services

CITIC Limited Group's comprehensive financial services business spans across the banking, trust, asset management, securities and insurance sectors. CITIC Limited Group offers a full-service platform which provides integrated financial solutions for its customers.

As at 31 December 2024 and 2025, the total assets of CITIC Limited Group's comprehensive financial services business were RMB11,369,787 million and RMB12,324,396 million, respectively, representing 94.2 per cent. and 94.6 per cent. of CITIC Limited Group's total assets, respectively. The revenue generated from CITIC Limited Group's comprehensive financial services business for the years ended 31 December 2024 and 2025 was RMB275,705 million and RMB292,389 million, respectively, representing 36.9 per cent. and 38.0 per cent. of CITIC Limited Group's total revenue, respectively. For the years ended 31 December 2024 and 2025, CITIC Limited Group's profit before tax generated from comprehensive financial services business was RMB115,805 million and RMB131,316 million, respectively, representing 87.3 per cent. and 90.8 per cent. of CITIC Limited Group's profit before tax, respectively.

The following table sets out the respective financial information of the principal operational entities of CITIC Limited Group's comprehensive financial services business for the periods indicated:

	For the year ended 31 December			
	2024		2025	
	Revenue	Net Profit Attributable to Ordinary Shareholders	Revenue	Net Profit Attributable to Ordinary Shareholders
	(in billions of RMB)			
CITIC Bank[(1)]	213.2	68.6	212.6	70.6
CITIC Securities[(2)]	85.9	21.7	104.7	30.1
CSC Financial[(3)]	30.1	7.2	35.0	9.4
CITIC Trust[(4)]	5.4	2.7	6.3	3.1
CITIC-Prudential Life[(5)]	21.1	0.4	23.1	4.95

(1) CITIC Limited and its subsidiaries (including CITIC Corporation Limited and CITIC Financial Holdings) held 65.79 per cent. of CITIC Bank's equity interest as at 31 December 2025.
(2) CITIC Financial Holdings, an indirect wholly-owned subsidiary of CITIC Limited, held 19.84 per cent. of CITIC Securities' equity interest as at 31 December 2025 and was CITIC Securities' largest shareholder.
(3) CITIC Limited held 4.53 per cent. of the shares of CSC Financial through CITIC Financial Holdings as at 31 December 2025.
(4) CITIC Corporation Limited held 100 per cent. of CITIC Trust as at 31 December 2025.
(5) CITIC Corporation Limited held 50 per cent. of CITIC-Prudential Life's equity interest as at 31 December 2025.

CITIC Financial Holdings

In March 2022, the PBoC granted CITIC Corporation Limited the license to establish CITIC Financial Holdings, one of the first two financial holding companies within the PRC. CITIC Limited has transferred equity interest held in its subsidiaries and affiliates engaging in financial services and other related assets to CITIC Financial Holdings in accordance with the regulatory requirements. This reorganisation has further strengthened centralised and unified management of CITIC Limited Group's financial services businesses, promote synergy effect and enhance comprehensive financial services.

CITIC Limited has been steadily advancing its "Financial Core" Initiative. Leveraging the CITIC Financial Holdings platform, it introduces innovative models for comprehensive financial services, promotes the expansion of comprehensive financial service scenarios and continuously optimises its customer base. By strengthening comprehensive risk management and capital management capabilities, CITIC Limited Group has solidified the foundation for high-quality development. Its principal financial subsidiaries targets in key areas, resulting in improving operational performance and stronger growth drivers.

Banking

CITIC Limited Group conducts its domestic and overseas banking business through CITIC Bank and its subsidiaries.

CITIC Bank (SSE Stock Code: 601998; SEHK Stock Code: 0998) was incorporated in 1987. CITIC Limited and its subsidiaries (including CITIC Corporation Limited and CITIC Financial Holdings) held 65.79 per cent. of CITIC Bank's total shares as at 31 December 2025. CITIC Bank is a national joint-stock commercial bank whose main businesses include corporate finance, personal finance and financial market.

The following table sets out the major consolidated financial and regulatory indicators of CITIC Bank and its subsidiaries during the periods indicated:

Major Operational Indicator	For the year ended/ As at 31 December 2024	2025
	(in millions of RMB, except percentages)	
Total Assets	9,532,722	10,131,028
Revenue	213,223	212,636
Profit before tax	80,863	84,043
Net profit attributable to the equity holders of CITIC Bank	68,576	70,618
Return on average assets (ROAA) (%)[(1)]	0.75	0.73
Return on average equity (ROAE) (%)[(2)]	9.92	9.49
Cost-to-income ratio (%)[(3)]	32.71	32.32
Net interest spread (%)[(4)]	1.71	1.60
Net interest margin (%)[(5)]	1.77	1.63

(1) ROAA = net profit/the average of the balances of total assets at the beginning and end of the period
(2) ROAE = net profit attributable to the ordinary shareholders of CITIC Bank/the average of beginning and ending total equity attributable to the ordinary shareholders of CITIC Bank
(3) Cost-to-income ratio = (operating expenses – tax and surcharges)/operating income
(4) Net interest spread = average yield on total interest-earning assets – average cost rate of total interest-bearing liabilities
(5) Net interest margin = net interest income/average balance of total interest-earning assets

The following table sets out the consolidated revenue of CITIC Bank and its subsidiaries for the periods indicated:

Business Segment	For the year ended 31 December 2024 Revenue	2024 % of total	2025 Revenue	2025 % of total
		(in millions of RMB, except percentages)		
Corporate banking	95,245	44.7	98,838	46.5
Retail banking	85,690	40.2	79,381	37.3
Financial markets business	31,973	15.0	34,103	16.0
Others and unallocated	315	0.1	314	0.2
Total	**213,223**	**100.0**	**212,636**	**100.0**

(1) Percentage figures are rounded to the nearest decimal.

Corporate banking

The corporate banking business of CITIC Bank offers a range of financial products and services to corporations, government agencies and non-financial institutions, as well as conducts investment banking businesses and international businesses. The products and services include corporate loans, deposit taking activities, agency services, remittance and settlement services and guarantee services. In 2025, CITIC Bank increased lending to key areas of the real economy, enhanced efforts in the "Five Priorities" of finance, and comprehensively promoted the building of a "Five Leading" bank. Overall, the balance of general RMB corporate loans (excluding discounted bills) amounted to RMB3,061.3 billion, representing an increase of RMB381.6 billion from the end of 2024.

The revenue generated from corporate banking business was RMB95,245 million and RMB98,838 million, for the years ended 31 December 2024 and 2025. Net non-interest income generated from corporate banking business totalled RMB14,084 million and RMB12,659 million, respectively, for the years ended 31 December 2024 and 2025.

Retail banking

In response to market changes and in line with customer needs, CITIC Bank strengthened customer relationships and expanded its wealth management business. A specialised private banking service team was also established to increase the comprehensive customer service capability. By the end of 2025, the number of accounts of individual customers increased by 4.86 per cent. to 152 million.

As at 31 December 2025, CITIC Bank's balance of personal deposits was RMB1,582.0 billion, representing an increase of RMB122.4 billion or 8.38 per cent. compared to 31 December 2024. As at 31 December 2025, CITIC Bank's retail banking business recorded net operating income of RMB74.9 billion, a year-on-year decrease of 8.52 per cent., representing 38.63 per cent. of its net operating income. Net non-interest income from retail banking recorded RMB17.7 billion, a year-on-year decrease of 13.05 per cent., accounting for 30.56 per cent. of CITIC Bank's net non-interest income.

Financial markets business

CITIC Bank's financial markets is made up of financial interbank business, financial market business and asset management business.

CITIC Bank's online platforms such as "CITIC Interbank+", "Happiness+" and "CITIC Forex+" have been continually optimised to improve customer experience. As for financial markets, CITIC Bank continued to give full play to its professional advantages and continuously improved its trading capabilities. In terms of asset management, by emphasising its synergistic advantages with CITIC Limited Group, CITIC Bank has established a comprehensive product system covering the entire market including all categories of assets and all channels.

Innovation and Fintech

Adhering to technology empowerment and innovation as a core driving force, CITIC Bank comprehensively empowers business development and strives to be a top technology-driven bank. The Bank continuously enhances the competitiveness of its products and services, and drives the digital transformation of its management, operation, and operating models. A cloud-native technology and capability system was established, and innovative applications of technologies such as AI, big data, and blockchain are deeply embedded across all business areas. CITIC Bank's overall financial technology empowerment capabilities were significantly strengthened in recent years, making it a key productive force and driving force for its development.

In line with CITIC Bank's commitment to develop and innovate, CITIC AiBank Corporation Limited ("**CITIC AiBank**") launched in November 2017.

For the year ended 31 December 2025, CITIC AiBank's net operating income reached RMB5.9 billion, up by 28.3 per cent. compared to the year ended 31 December 2024. CITIC AiBank continued to innovate new products, including a collaboration with Baidu to launch Baidu QuickPass Card, the first digital card for deposits and loans available in the domestic market. In 2022, CITIC AiBank completed the first "e-CNY + bill discount + green finance" business in China. In 2023, CITIC AiBank also pioneered the artificial intelligence-driven 3D digital banking space named "Zero Space", launched the first 3D digital person livestream platform in the industry, unveiled a new primary customer service hotline, and upgraded the caring edition of mobile banking app. It also launched the industry's first-ever digital maturity evaluation model for commercial banks. In 2024, CITIC AiBank focused on addressing the practical needs of its inclusive customer base by integrating its consumer finance product, "Haohuihua", into residents' daily lives. It also enhanced financial support for small and micro enterprises by leveraging distinctive products such as "Baixingdai" and "Baipiaotie" to effectively implement monetary policy measures and precisely channel financial resources into small and micro enterprises. In 2025, CITIC AiBank remained committed to serving the real economy and focused on addressing financing bottlenecks faced by inclusive small and micro-sized enterprises. It introduced digital products such as "Entrepreneurship Guaranteed Loans" and "Business Loans" to meet the needs of inclusive small and micro-sized enterprises for financial services. It also actively explored innovative applications of digital technologies in financial scenarios and developed "Lingxi", an intelligent agent, which is capable of accurately understanding user needs and covers over 90 per cent. of customer service scenarios. It delivered more intelligent, convenient, user friendly and caring financial services. Its key financial indicators remained healthy and balance sheet was further optimised during the year. As at 31 December 2025, CITIC AiBank recorded total assets of RMB128.09 billion, up by 9.21 per cent. as compared to the year ended 31 December 2024. For the year ended 31 December 2025, it realised net profit of RMB453 million, a year-on-year decrease of 30.52 per cent.

Securities

CITIC Securities (SSE stock code: 600030; SEHK stock code: 6030) was incorporated in 1995. CITIC Corporation Limited and its party acting in concert in aggregate held 19.84 per cent. of CITIC Securities' equity interest, being its largest shareholder, as at the date of this Offering Circular.

CITIC Securities is one of the first comprehensive securities companies approved by the CSRC. Its main businesses include investment banking, wealth management, financial markets, asset management and equity investment.

In August 2023, CITIC Securities' former largest shareholder CITIC Corporation Limited and its party acting in concert CITIC Limited, gratuitously transferred all shares held in CITIC Securities to CITIC Financial Holdings. Since 2023, CITIC Financial Holdings increased its shareholding in CITIC Securities, and its shareholding in CITIC Securities amounted to a total of 19.84 per cent. of the issued shares.

The following table sets out major financial and regulatory indicators of CITIC Securities during the periods indicated:

	For the year ended/ As at 31 December	
Financial Indicator	**2024**	**2025**
	(in millions of RMB)	
Total assets	1,710,711	2,081,903
Equity attributable to ordinary shareholders of CITIC Securities	293,109	319,930
Total revenue and other income	85,890	104,682
Profit before income tax	28,418	39,823
Net profit attributable to ordinary shareholders of CITIC Securities	21,704	30,076

	As at 31 December	
Principal Regulatory Indicator	**2024**	**2025**
	(in millions of RMB, except percentages)	
Net capital	142,486	157,146
Net capital/net assets (%)	60.13	61.26
Net capital/liabilities (%)	18.63	18.51
Net assets/liabilities (%)	30.98	30.22
Value of proprietary equity securities and derivatives held/net capital (%)	25.81	38.89
Value of proprietary non-equity securities and derivatives held/net capital (%)	348.53	343.11
Risk Coverage Ratio (%)	213.06	210.46
Capital Leverage Ratio (%)	15.06	13.83
Liquidity Coverage Ratio (%)	151.18	137.80
Net Stable Funding Ratio (%)	139.14	125.27

The following table sets out the revenue generated from various businesses of CITIC Securities during the indicated period:

	For the year ended 31 December	
Fee and Commission Income	**2024**	**2025**
	(in millions of RMB)	
Brokerage	18,493	25,641
Investment banking	4,223	6,298
Trading	475	544
Asset management	11,008	12,770
Others	678	1,241
Fee and commission expenses	8,795	11,646
Net fee and commission income	26,082	34,848

Investment banking

CITIC Securities provides comprehensive investment banking services via a professional and matrix management structure, such as domestic and overseas equity, bonds, asset-backed securitization and mergers and acquisitions. In Chinese mainland, CITIC Securities is in an advantageous position in serving

leading clients and obtaining large projects and is also committed to meeting the diversified financing needs of small and medium enterprises and emerging enterprises.

- *Equity financing*

  CITIC Securities delivers the full spectrum of equity capital raisings, including initial public offerings and follow-on offerings etc., and has maintained its market leading position for many years. Based on its principle of "being client-oriented with comprehensive services, maximising the efficiency of resources allocation, and improving the quality of customer services", CITIC Securities aims to maximise business opportunities through comprehensive products coverage and professional customer services.

- *Debt financing*

  CITIC Securities provides a broad range of debt financing services by leveraging its strength in transaction execution and sales network.

- *Financial advisory*

  With the improvements to its global network, CITIC Securities provides various types of financial advisory services, including domestic and cross-border mergers and acquisitions, restructurings and spin-offs etc., and assists clients in integrating global quality resources.

Wealth management

CITIC Securities has an integrated solution for entrepreneurs' offices, expanded its offerings from cash and shares to asset and risk management services, and strengthened its capabilities in investment advisory and core wealth allocation.

In 2025, CITIC Securities launched the "CITIC 100" wealth management brand, covering the wealth management needs of individuals and families at different stages of their entire life cycle, and meeting the differentiated and personalized allocation needs of the general public.

As at 31 December 2025, CITIC Securities had over 17 million clients on a cumulative basis, representing a year-on-year increase of 10 per cent., and total client assets under custody surpassed RMB15 trillion, representing a year-on-year increase of 24 per cent.

Financial markets

CITIC Securities operates a comprehensive trading business with service offerings including equity derivatives, fixed-income, commodities and securities financing, in addition to proprietary trading. CITIC Securities' over-the-counter (OTC) derivative operations continued to deepen product innovation and enrich product offerings, and CITIC Securities' OTC product offerings further enriched its coverage and product mix. CITIC Securities' market-making business continued to rank at the top of the market, beginning with the first batch of market-making trading of stocks on the Shanghai Stock Exchange Science and Technology Innovation Board. CITIC Securities also provides clients with cross-time-zone, one-stop investment and trading services in global markets. In the fixed-income business, CITIC Securities recorded steady growth in each business line, having improved product design, enhanced the integrated strength of client service capabilities and explored additional profit models. Sales of interest rate products maintained first place in scale among its peers. CITIC Securities' financing business also offer products that serve the financing needs of CITIC Securities' shareholder clientele as a new impetus for growth, and continued to lead in terms of market share. CITIC Securities' securities financing business is also licensed to conduct market-making activities on the Shanghai Stock Exchange, Shanghai Futures Exchange, Zhengzhou Commodity Exchange and the Dalian Commodity Exchange, further consolidating its competitive advantage.

Asset management

Following the latest regulations on capital management by the PRC government, CITIC Securities has focused on strengthening product innovation in its asset management business and building a strategic product-based platform for CITIC Limited. The AUM of CITIC Securities amounted to RMB1.76 trillion as at 31 December 2025. The market share of CITIC Securities' privately-offered asset management business was approximately 14.02 per cent., ranking first in the industry.

CITIC Securities is also the largest shareholder of China AMC, a leading asset management company with a total AUM of RMB3.0 trillion as at 31 December 2025.

Equity investment

As an alternative investment subsidiary of CITIC Securities, CITIC Securities Investment closely followed the development of the capital markets and the macro situation in China and abroad. It committed itself to serving the real economy, with newly-added investments targeting industries including new energy, semiconductors, new materials, advanced manufacturing, information technology, innovative pharmaceuticals and new-type robotics and devices.

As a private equity platform for raising and managing private equity investment funds of CITIC Securities, GoldStone Investment supported the development of enterprises that are in line with the national strategic plan for emerging industries and have core competitiveness, and continued to invest in technology innovation enterprises. In 2024, GoldStone Investment successfully registered a new fund, raising a total of RMB9.88 billion. It consistently invested in sectors involving new materials, new energy, next-generation information technology, high-end manufacturing, healthcare and modern services. As at 31 December 2025, CITIC GoldStone Fund, a wholly-owned subsidiary of GoldStone Investment, has cumulatively established property private funds of approximately RMB43.37 billion.

CSC Financial

CSC Financial is a large national comprehensive securities company. It 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.

In 2025, CSC Financial completed 33 equity financing projects in the A-share market, with a total underwriting amount of RMB91.8 billion, ranking third in the number of projects and fifth in total underwriting amount within the industry. CSC Financial completed 5,131 bond underwriting projects with an underwriting scale of RMB1.7335 trillion, ranking second in the industry.

In respect of its wealth management business, CSC Financial continuously optimises its integrated online and offline customer acquisition channel system In 2025, it achieved simultaneous growth in customer retention and transaction activity, with 1.73 million new accounts opened, and the average daily holding scale of financial products reaching RMB248.6 billion, a year-on-year increase of 28 per cent.

CSC Financial provides comprehensive trading and institutional client services with enhanced asset allocation service capabilities. CSC Financial promotes the application of several strategic indices, including the "CSC Chinese Assets Risk Parity Index 2.0 (CARP2.WI)", "CSC Global Asset Allocation Index 2.0 (WARP2.WI)", and the multi-strategy indices "CSC Global Asset Allocation Long-short Strategy Index 2.0 (WARPLS2.WI)" and "CSC Global Asset Allocation Macro Hedge Index 2A (WARPMACRO2A.WI)" in wealth management and asset allocation. The independently developed "OctoX", an intellectual FICC integration platform, has made breakthroughs in AI interpretability, and the related paper has been recognised by the China Computer Federation as eligible for presentation at Class A international top conferences.

As at 31 December 2025, the scale of entrusted funds for CSC Financial's client asset management reached RMB524.51 billion, representing a year-on-year increase of 5.99 per cent. Specifically, the scale of collective asset management business was RMB104.563 billion, the scale of single asset management business was RMB179.947 billion, and the scale of specialised asset management business was RMB239.998 billion. There were a total of 1,041 products under management.

Trust

CITIC Limited Group conducts trust business through 100 per cent. indirectly owned CITIC Trust, which was incorporated in 1988. In February 2023, the former CBIRC approved the transfer of 100 per cent. equity interest in CITIC Trust from its existing shareholders to CITIC Financial Holdings, and the transfer has been completed.

CITIC Trust offers a comprehensive range of integrated solutions across its trust, investment, financing and wealth management services. CITIC Trust allocates trust capital across several major industries, which

allows it to align its investment portfolio in line with changing market opportunities. The primary sectors currently targeted by CITIC Trust include infrastructure, energy and resources, manufacturing, agriculture and financial institutions. CITIC Trust has also developed businesses including equity index futures, private equity and special asset management.

The AUM of CITIC Trust totalled RMB 3,793.89 billion as at 31 December 2025.

The following table sets out the principal financial indicators of CITIC Trust for the periods indicated:

	For the year ended/ As at 31 December	
Financial Indicator	**2024**	**2025**
	(in millions of RMB, except percentages)	
Revenue	5,379	6,326
Profit attributable to shareholders	2,653	3,052
Total proprietary assets	54,774	55,907

CITIC Trust's business consists of trust business, proprietary business and professional subsidiary business. The main difference between these business arms is the source of assets. The assets managed in trust business originate from the clients and require the setting up of related arrangements such as trust product design, structural arrangements for trust product transactions, sales of trust products, beneficiary rights management (customer relationship management), information disclosure, trust establishment, trust termination and liquidation. The assets of CITIC Trust's proprietary business originate from funds owned by CITIC Trust itself, and thus have no arrangements related to clients' assets. The professional subsidiary business mainly comprises transaction, financing abroad and other financial consultancy services. CITIC Trust's specialised subsidiaries aim to explore and increase CITIC Trust's exposure to asset management, overseas businesses and consultancy services in order to provide synergies and add value to the core businesses.

The family trust services are operated through the brand "CITIC Family Trust", which has expanded the product line beyond family office trust plans and introduced specialised investment, insurance trust services and other wealth management services to its clients.

CITIC Trust has introduced a number of unique financial products and services and continues to innovate in relation to a wide array of financial solutions. CITIC Trust was one of the first institutions to qualify as an official underwriter of corporate debt financing instruments for non-financial clients. CITIC Trust is the first trust company to launch a consumer finance business. In 2021, CITIC Trust actively followed CITIC Limited's green development roadmap in order to help achieve the national goals of "carbon peaking" and "carbon neutrality". It implemented carbon neutral green renewable bond projects to support the construction of green and environmental protection industry projects. It also issued asset-backed notes to support the development of small and medium-sized enterprises in the supply chain. Leveraging on its flexible trust structure and risk isolation capability, it developed an alternative investment trust business of over RMB15 billion in scale. In 2022, CITIC Trust also established the "Gongniu Group Charitable Trust" with a scale of RMB200 million, establishing the largest charitable trust in China. Additionally, CITIC Trust has also actively expanded its annuity-related business, with the scale of annuity trusteeship service exceeding RMB100 billion. CITIC Trust responded to the Notice on Standardising the Trust Business Classifications of Trust Companies (《關於規範信託公司信託業務分類的通知》) issued in 2023, which clarified the boundaries and service contents of various trust businesses, by taking the initiative to accelerate its business transformation and optimise its asset structure to maintain steady operating results.

Insurance

CITIC-Prudential Life was incorporated in 2000. As at the date of this Offering Circular, CITIC Financial Holdings Co., Ltd. and Prudential Corporation Holdings Limited each held 50 per cent. of its equity interest. CITIC-Prudential Life is primarily engaged in the business of providing life insurance, health insurance and accident insurance, as well as reinsurance of the above categories. CITIC-Prudential Life also provides long-term financial support in areas including infrastructure construction, development of small and medium-sized enterprises, and technological innovation.

On 20 February 2025, the CBIRC approved the capital injections of a total of RMB2.5 billion (in equal proportions of RMB1.25 billion each) from China CITIC Financial Holdings Limited and Prudential

Corporation Holdings Limited into CITIC-Prudential Life. After the capital injections, the registered capital of CITIC-Prudential Life increased from RMB4.86 billion to RMB7.36 billion, with the shareholding proportions of each shareholder remaining unchanged.

The following table sets out the main financial indicators of CITIC-Prudential Life for the periods indicated:

	For the year ended/ As at 31 December	
Financial Indicator	**2024 (Restated)**	**2025**
	(in millions of RMB)	
Revenue	21,110	23,078
Net profit attributable to shareholders	369	4,953
Total assets	265,956	286,784

Products

CITIC-Prudential Life's products mainly include life insurance, pension insurance, health insurance and accident insurance among which life insurance is its major source of revenue. The following is a summary of some of CITIC-Prudential Life's main products:

- *Life insurance*

  Life insurance products include traditional life insurance, participating life insurance, universal life insurance and investment-linked insurance, among which participating life insurance products generate the majority of the GWP of CITIC-Prudential Life. Participating life insurance combines the features of traditional life insurance and investment products and can cater to the client's requirements for insurance, savings and investments in one product.

- *Pension insurance*

  Pension insurance products provide comprehensive pension solutions for elderly customers.

- *Health insurance*

  Health insurance products provide policy holders with insurance for illness and medical treatment and is divided into short-term health insurance and long-term health insurance.

- *Accident insurance*

  Accident insurance products include the provision of compensation for the death, disability and other conditions that have been stated in the policy of policy holders due to an accident or other incident specified by the policy.

Distribution

CITIC-Prudential Life promotes multi-channel development and adopts a differentiated strategy. In particular, the bancassurance channel has in recent years deepened cooperation and synergy with banks, innovating collaboration models to achieve diversified channel development. It focused on key customer segments for differentiated operations, refined product tiered layouts, and matched them with business highlights. Meanwhile, the group insurance channel steadfastly pursued the "customer acquisition on client side + value enhancement on corporate side" strategy, intensively promoting systematic client ecosystem development. The e-commerce channel targets the youth group, focusing on online brokerage and agency business, achieving cost reduction in customer acquisition and quality enhancement. The agency channels adhere to the principles of selective recruitment and refinement, commit to high-quality growth, and aim to be sustained and stable creators of the company’s medium- to long-term core value.

Investment of Insurance Funds

CITIC-Prudential Life actively serves enterprises through issuances of bonds, creditor's rights and equity, supporting major infrastructure and livelihood projects. CITIC-Prudential Life also supports mixed reform of local enterprises, financing of small and medium-sized enterprises, and adheres to government policies, realising positive synergies between insurance funds and the real economy.

Advanced Intelligent Manufacturing

CITIC Limited Group's advanced intelligent manufacturing business mainly comprises manufacturing of lightweight automotive parts and advanced equipment, intelligent heavy equipment and specialised robotics and industrial internet platform.

The following table sets out the respective financial information of the principal operational entities of CITIC Limited Group's advanced intelligent manufacturing business for the periods indicated:

	For the year ended 31 December			
	2024		2025	
	Revenue	Net Profit Attributable to Ordinary Shareholders	Revenue	Net Profit Attributable to Ordinary Shareholders
	(in RMB million)		*(in RMB million)*	
CITIC Heavy Industries[(1)]	8,034	375	8,107	375
CITIC Dicastal[(2)]	42,741	1,505	49,201	1,591

(1) CITIC Limited held 64.38 per cent. equity interest in CITIC Heavy Industries as at 31 December 2025.
(2) CITIC Limited held 42.11 per cent. equity interest in CITIC Dicastal as at 31 December 2025.

The revenue generated from CITIC Limited Group's advanced intelligent manufacturing business for the years ended 31 December 2024 and 2025 was RMB50,975 million and RMB57,548 million, respectively, accounting for 6.8 per cent. and 7.5 per cent. of CITIC Limited Group's total revenue, respectively. Profit before tax generated from CITIC Limited Group's advanced intelligent manufacturing business for the years ended 31 December 2024 and 2025 was RMB2,032 million and RMB2,030 million, respectively, accounting for 1.5 per cent. and 1.4 per cent. of CITIC Limited Group's profit before tax, respectively.

CITIC Heavy Industries

CITIC Limited Group, through CITIC Heavy Industries, engages in the design, manufacturing and sales of large equipment, complete technical equipment and key basic parts of heavy equipment, complete engineering project management (the provision of complete engineering, capital equipment manufacturing and project management services for an entire project, including site assessment and investigation, design, procurement of materials, provision of technical services, manufacturing, installation, training and other services in relation to each stage of the project), robots and intelligent equipment, intelligent manufacturing, energy conservation and environmental protection, new energy power equipment and others. As at 31 December 2025, CITIC Limited held a 64.38 per cent. equity interest in CITIC Heavy Industries. CITIC Heavy Industries (stock code: 601608) is listed on the SSE.

CITIC Heavy Industries adopts a "platform-based development and ecosystem-driven growth" business model with a balance between R&D and marketing services.

CITIC HIC Kaicheng Intelligence Equipment Co., Ltd, a subsidiary of CITIC Heavy Industries, is a large scale special intelligent robot development enterprise in the PRC providing integrated mining automation solutions. It has developed more than 50 special intelligent robot series products, with applications in fields such as coal mining and non-mining, emergency rescue, petrochemicals, and many others.

CITIC Heavy Industries started the Xingbang Manufacturing Industry Fund alongside China Capital Management and China Capital Zhongcai Fund Management, with a mandate of high-end manufacturing, energy conservation and environmental protection technologies, new energy and advanced materials.

In February 2023, CITIC Heavy Industries merged with its wholly-owned subsidiary Lianyungang Zhongzhong Heavy Machinery Co., Ltd to rationalise management and operating costs.

Products and Production

CITIC Heavy Industries' main products include the following:

- *Mining and Heavy Equipment Industry:* integrated and intelligent key equipment including mills, crushers, rolling press, vertical mills, rotatory kilns, hoists, tunnel boring machine and metal

melting and milling machine, as well as key basic parts such as large forging and casting parts and different kinds of spare parts required for the operation of different projects;

- *Complete Engineering Project Management Segment:* the provision of complete engineering, capital equipment manufacturing and project management services for the entire project, including site assessment and investigation, design, procurement of materials, provision of technical services, manufacturing, installation, training and other services in relation to each stage of the project for clients in various sectors such as construction, mining, petrochemical, nonferrous metals, electric power (nuclear power, offshore wind power, hydropower, photovoltaic) and metallurgy;

- *Robots and Intelligent Equipment Industry:* robotic products, intelligent control machines and related services; and

- *Energy Conservation and Environment Protection Industry:* energy conservation and environment protection equipment that perform functions such as waste heat and waste pressure utilisation, waste disposal, liquid-solid separation, coal cleaning and high-efficiency utilisation.

- *Aerospace Engineering Projects:* major national aerospace engineering projects including serving the in-orbit construction of China's space station, in order to facilitate journeys of the Shenzhou-12 and Shenzhou-13 manned spacecraft and the Long March-5B carrier rocket.

Research and Development

CITIC Heavy Industries' core competitive advantages are its strength in product development and unique technologies. Its technical centre in Chinese mainland features the most comprehensive research facilities in the country for mining equipment, while its R&D centre in Australia works closely with international customers to develop new products across the region. CITIC Heavy Industries has established the first national key laboratory for mining equipment, as well as an analysis and testing laboratory for new mining equipment and materials. By focusing on high-end castings and forgings, CITIC Heavy Industries successfully supported the Shenzhou spacecraft series. CITIC Heavy Industries 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.

CITIC Heavy Industries launched an Internet of Things platform that has connected more than 400 items of equipment, covering its multiple core product lines. Through this platform, CITIC Heavy Industries has uploaded to the cloud data from its core equipment, such as gyratory crushers, cone crushers, high-pressure grinding rolls, mills and vertical stirred mills to support its integrated services and marketing initiatives.

Procurement and Supply

The major raw materials for CITIC Heavy Industries' heavy machinery manufacturing include steel, blanks, motors, bearings and spare parts. These materials are mainly procured from domestic and international markets through tendering and are mostly supplied directly by manufacturers with some procurement from distributors or dealers.

Customers, Sales and Marketing

CITIC Heavy Industries is one of the domestic enterprises in Chinese mainland with the capability to design and manufacture cement and mining equipment in accordance with European Union (EU) and US standards. It has more than 60 large customer groups formed by high-end customers in the coal and mining industries, metallurgical industry, construction materials industry, power generation industry, nonferrous metals industry, power electronic industry and the energy-saving and environmental protection industry. These customers include, among others, VALE, CODELCO, Zijin Mining Group Co. Ltd., Shandong Gold Mining Co., Ltd., CMOC, China Shenhua Energy Company Limited, China Huaneng Group, China National Gold Group Corporation, Anhui Conch Cement Company, Lafarge S.A., Holcim Ltd, Heidelberg Cement AG.

CITIC Heavy Industries' sales focus on the domestic market in Chinese mainland and are supplemented by sales to the international market. In the domestic market in China, CITIC Heavy Industries uses a model of

direct sales, winning orders by participating in bidding and negotiations. CITIC Heavy Industries' sales teams market the products nationwide in different industry sectors based on the targets of different products. In its sales to the international market, based on its own circumstances and the market demands, CITIC Heavy Industries targets different countries and regions by adopting different business models including direct sales, agent sales, subcontracting and cooperation with large customers.

CITIC Heavy Industries continues to developing the overseas and domestic markets for EPC projects. CITIC Heavy Industries secured bids for several major engineering and equipment projects, including an engineering, procurement and construction 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.

CITIC Dicastal

CITIC Limited Group engages in the manufacturing of automobile aluminium wheel, automobile aluminium castings, model manufacturing, casting machinery manufacturing, manufacturing of specialised equipment for auto parts through CITIC Dicastal. CITIC Dicastal was incorporated in 1988 and as at 31 December 2025, CITIC Limited Group held a 42.11 per cent. equity interest in CITIC Dicastal.

CITIC Dicastal mainly provides automobile aluminium wheels and automobile aluminium castings to automobile manufacturers. CITIC Dicastal has formed a business model of "headquarters core plus manufacturing bases" with a "one-stop" service from product design to production.

On 18 December 2023, CITIC Limited Group announced the proposed spin-off and separate listing of CITIC Dicastal on the Shanghai Stock Exchange.

Products and Production

- *Automobile aluminium wheels*

  CITIC Dicastal produces three main types of automobile aluminium wheels, namely cast wheels, forged wheels and cast flow-forming wheels. It is currently one of the few manufacturers in the world that is capable of providing all three types of automobile aluminium wheels. Furthermore, it is able to meet all surface treatment requirements of existing automobile aluminium wheels.

  As at 31 December 2025, CITIC Dicastal's automobile aluminium wheel business had 30 major manufacturing bases in a number of regions, including Chinese mainland, Europe, Africa and the Americas.

  CITIC Dicastal operates a plant in Michigan, United States with a designated annual production capacity of 3 million wheels.

  CITIC Dicastal's sixth production line at its Qinhuangdao production facility featuring advanced robotics and smart production systems and with a designated annual production capacity of three million wheels commenced production in 2018, significantly advancing its core competency in wheel manufacturing. To meet international demand, the second phase of CITIC Dicastal's manufacturing bases in Morocco commenced production by the end of December 2020 and doubled production capacity of aluminium wheels in Morocco from 3 million to 6 million units per annum, and has reached production capacity. CITIC Dicastal also revamped its integrated servicing unit to strengthen its relationship with global customers and better cater to their needs, reinforcing CITIC Dicastal's leading market position.

  In 2022, CITIC Dicastal's new Mexican aluminium wheel production facility was launched with a designed production capacity of 3 million aluminium wheel products.

- *Automobile aluminium castings*

  CITIC Dicastal produces three main types of automobile aluminium castings, namely powertrain segment, chassis segment and automobile body parts. CITIC Dicastal conducts automobile aluminium castings through KSM Castings, which was acquired in 2011, and three casting factories in China.

KSM Castings mainly produces chassis and powertrain segments, and is a technology-advanced company in the high-end market of automobile aluminium castings, one of the largest aluminium chassis segment suppliers in the world and one of the leading powertrain segment suppliers in Europe.

CITIC Dicastal has manufacturing bases for automobile aluminium castings in Germany, the Czech Republic, Chinese mainland and the U.S. The manufacturing base in Jinhua, Southern China has been established in 2025, focusing on ultra-large die-casting, high automation, and intelligent control.

CITIC Dicastal's Moroccan aluminium casting production base is located in Kenitra, Morocco and has a designed production capacity of five million lightweight aluminium castings for automobiles. The first batch of products was launched in December 2022.

In 2023, CITIC Dicastal's Moroccan aluminium casting production base which has a designed production capacity of 5 million lightweight aluminium castings for automobiles was completed. In 2025, construction of the aluminum casting production base in Mexico has accelerated, with Phase II designed for an annual capacity of 2.5 million aluminum castings. The first thermal processing unit rolled off the line in December 2025, with full-line operations expected in 2026.

Customers, Sales and Marketing

CITIC Dicastal's major customers for automobile aluminium wheels include leading, global automobile manufacturers such as Ford, General Motors and Stellantis, as well as major Chinese automakers including FAW, SAIC and Dongfeng. Major customers for lightweight aluminium cast components include Daimler, Volkswagen, Nissan and Geely.

R&D and Intellectual Property

CITIC Dicastal owns one state-certified enterprise technology centre in Chinese mainland and R&D institutions in the EU and North America. It is the first domestic automobile aluminium wheels manufacturer that is able to synchronise its manufacturing process with that of foreign automobile manufacturers. It established a national automobile aluminium wheel test centre, which supervises and implements automobile wheel standards approved by the China Association of Automobile Manufacturers.

CITIC Dicastal's headquarters has installed proprietary testing equipment as well as a dedicated mould development centre and an innovation taskforce. The testing facility has set an industry benchmark for crash and stress tests as it is capable of conducting fully simulated in-house wheel and chassis tests, thereby minimising safety concerns. The mould centre has an annual capacity of over 2,000 sets. CITIC Dicastal's new innovation task force has a wide range of sophisticated modelling and processing tools at its disposal and has the mandate of creating a long-standing technological advantage over its peers, with an emphasis on expanding its synchronous design services. At its CITIC Dicastal Engineering Technology Institute, CITIC Dicastal researches integrated solutions for aluminium wheels and cast components design and manufacturing.

CITIC Dicastal is also committed to achieving "Dual Carbon" goals (peak carbon dioxide emissions in 2025 and carbon neutrality in 2050) through its research and development on low-carbon emission technologies throughout the product life cycle.

Advanced Materials

CITIC Limited Group's advanced materials business comprises the exploration, mining, processing and trading of mineral resources as well as power generation and manufacturing of special steel. CITIC Limited Group aims to build competitive advantages in the advanced materials segment through the development of complete vertical industrial value chains jointly with the businesses in the advanced intelligent manufacturing segment.

CITIC Limited Group predominately operates its advanced materials business through CITIC Pacific Special Steel, CITIC Resources, CITIC Mining International, CITIC Metal Group and CITIC Pacific Energy.

The following table sets out the respective financial information of the principal operational entities of CITIC Limited Group's advanced materials business for the periods indicated:

	For the year ended 31 December			
	2024		2025	
	Revenue	Net Profit/ (Loss) Attributable to Ordinary Shareholders	Revenue	Net Profit/ (Loss) Attributable to Ordinary Shareholders
	(in millions)			
CITIC Pacific Special Steel[(1)]	RMB109,203	RMB5,126	RMB107,373	RMB5,929
Nanjing Steel	RMB61,811	RMB2,261	RMB57,994	RMB2,867
CITIC Metal Group	RMB131,452	RMB2,791	RMB142,568	RMB2,631
CITIC Resources[(2)]	HK$9,498	HK$573	HK$14,965	HK$171
CITIC Pacific Energy	HK$11,149	HK$1,258	HK$10,125	HK$1,532
CITIC Mining International	HK$12,745	(HK$4,725)	HK$11,846	(HK$4,993)

(1) CITIC Limited indirectly held 83.85 per cent. equity interests in CITIC Pacific Special Steel through CITIC Pacific Limited as at 31 December 2025.

(2) CITIC Limited held 59.50 per cent. equity interests in CITIC Resources as at 31 December 2025.

Revenue from CITIC Limited Group's advanced materials business for the years ended 31 December 2024 and 2025 amounted to RMB325,907 million and RMB335,744 million, respectively, which was 43.6 per cent. and 43.6 per cent. of CITIC Limited Group's revenue, respectively. The profit before tax of CITIC Limited Group's advanced materials business was RMB15,886 million and RMB17,333 million, for the years ended 31 December 2024 and 2025, respectively.

CITIC Pacific Special Steel

CITIC Pacific Special Steel is the largest manufacturer dedicated to the production of special steel in Chinese mainland with five manufacturing bases located in Jiangyin and Jingjiang of Jiangsu province, Huangshi of Hubei province, Qingdao of Shandong province and Tianjin. Major products manufactured by CITIC Pacific Special Steel include special steel bar, special steel plates, seamless steel tubes, special wires, casting billets and special forging steel. These are widely used in various industries, including auto components, machinery manufacturing, oil, petrochemicals, transportation, energy, railways and shipbuilding. It continues to refine its procurement strategy and to maintain overall raw material costs at below market levels. Its products are sold in China and exported to more than 80 other countries and regions, including the United States, Japan, Europe and Southeast Asia.

Furthermore, in 2021, CITIC Pacific Special Steel acquired a 20.41 per cent. equity interest in Tianjin Pipe Corporation through the acquisition of 40 per cent. of the shares of Shanghai Electric Group Steel Pipe Co., Ltd., thereby obtaining rights to participate in its operation and management. In 2023, CITIC Pacific Special Steel's subsidiary, Jiangyin Xingcheng Special Steel, further acquired 60 per cent. of the equity of Shanghai Electric Group Steel Pipe Co. As a result, CITIC Pacific Special Steel was able to obtain a controlling stake in Tianjin Pipe Corporation by indirectly holding a 51.02 per cent. equity interest. In December 2023, CITIC Limited through its indirect wholly-owned subsidiary, Hubei Xin Yegang Steel Co., Ltd., completed the equity placement in Nanjing Steel, acquiring a 55.25 per cent. stake and became its controlling shareholder.

With a total annual production capacity of approximately 20 million tonnes, CITIC Pacific Special Steel further consolidates its leading position in the global special steel industry. CITIC Pacific Special Steel currently operates five main plants – Xingcheng Special Steel, Daye Special Steel, Qingdao Special Steel, Tianjin Pipe and Jingjiang Special Steel. CITIC Pacific Special Steel also has two raw material processing plants in Tongling and Yangzhou, as well as two industrial extension plants – CITIC Pacific Special Steel Suspension in Ji'nan and Zhejiang Pacific Seamless Steel Tube in Shaoxing.

For the year ended 31 December 2025, CITIC Pacific Special Steel sold 19.54 million tonnes, including 2.30 million tonnes in foreign trade exports. CITIC Pacific Special Steel has established a centralised sales office integrating domestic sales and production capacity planning. It also continued to invest in optimising its product mix, including increased production of higher quality bar steel products and increased focus on high-margin product sales. CITIC Pacific Special Steel, Jiangyin Xingcheng Special Steel, Daye Special

Steel and Qingdao Special Steel jointly conduct new business development and customer relationship management activities.

Nanjing Steel

CITIC Limited Group, through its subsidiaries Nanjing Steel Group Co., Ltd. and Hubei Xin Yegang Steel. Co., Ltd, holds 62.76 per cent. of Nanjing Steel. Nanjing Steel produces specialised plates and long steel products, focusing on high-quality materials for industries such as oil and gas equipment, renewable energy, shipbuilding and marine engineering, automotive bearings and springs, construction machinery and rail transport and high-rise bridge structures.

Nanjing Steel has a strong presence in key sectors, including oil and gas equipment, energy pipelines and marine engineering. Nanjing Steel was the sole material supplier for both the first and second domestically-produced luxury cruise ships, Adora Magic City and Adora Flora City. Nanjing Steel also provided materials for an environmentally friendly Aurora-class transport vessel and received certification from Saudi Aramco for its acid-resistant container steel. Meanwhile, sales of its core advanced steel materials reached 2.827 million tonnes in 2025, accounting for 30.5 per cent. of total steel product sales. The gross profit margin was 20.88 per cent., a year-on-year increase of 3.71 percentage points.

Nanjing Steel has achieved an annual production capacity of over 10 million tonnes. In Indonesia, Nanjing Steel established its first overseas industrial project – a coke production base with an annual capacity of 6.5 million tonnes. All ten coke ovens of the main project have been put into operation.

CITIC Metal Group

CITIC Metal Group, which holds CITIC Metal, was formed to enhance the business' investment strength and trading power in the commodities markets.

CITIC Metal Group was incorporated in 2016. As at the date of this Offering Circular, CITIC Metal Group was a wholly owned subsidiary of CITIC Limited. CITIC Metal Group's principal businesses include resources trade and strategic resources investment in niobium products, iron ore, steel, nonferrous metals and platinum.

Resources development

CITIC Titanium, a subsidiary of CITIC Metal Group, founded in 2002, is a new high-tech enterprise specialised in R&D, production and sale of high-grade chloride process TiO2. CITIC Titanium has a capacity of 120,000 tonnes/year of chloride titanium dioxide, including the new production lines with a capacity of 60,000 tonnes/year, which have achieved full-load production in March 2022. At the same time, it has mastered both fluidised chlorination and molten salt chlorination techniques. Its product quality is among the best in the world. Titanium dioxide, CITIC Titanium's major product, is widely used in industries closely related to the development of the national economy, including coatings, paints, paper, plastic, rubber, chemical fibres, ceramics and electronics.

CITIC Metal has a 33.3 per cent. equity interest in China Niobium Investment Holdings Limited which in turn holds a 5 per cent. equity interest in Companhia Brasileira de Metalurgia e Mineracao ("**CBMM**"), which produces more than 70 per cent. of global niobium products through its mine which contains high-grade pyrochlore ore and has relatively long-term mine life and low mining costs. Niobium product is used in the production of high strength low alloy steel, special alloy steel, stainless steel and superalloy. Due to its investment in the upstream market and good working relationship with CBMM, CITIC Metal Group is able to acquire a sufficient and stable niobium product supply for external sales. It has exclusive distribution rights of CBMM's niobium products in Chinese mainland.

CITIC Metal has a 15 per cent. interest in the Las Bambas copper mine project in Peru. The Las Bambas copper mine project is located between the districts of Challhuahuacho, Tambobamba and Coyllurqui, province of Cotabambas, and the district of Progreso, province of Grau, in the Apurímac Region in Peru and is currently one of the largest copper mine globally based on its copper resources and output. The Las Bambas copper mines achieved commercial production in July 2016, and averagely produces above 300,000 tonnes of copper in concentrate per annum. In 2025, the Las Bambas copper mine project produced copper concentrates containing 410,800 tonnes of copper in concentrate. CITIC Metal has exclusive distribution rights to 26.25 per cent. of the copper concentrates extracted from the site.

CITIC Metal Africa Investment Limited, a subsidiary of CITIC Metal has acquired in aggregate a 21.20 per cent. interest in Ivanhoe Mines Ltd ("**Ivanhoe Mines**"), establishing CITIC Metal as Ivanhoe Mines' single largest shareholder. Ivanhoe Mines is a Canadian mining company focused on advancing the development and operation of the Kamoa-Kakula copper mine discovery in the Democratic Republic of Congo ("**DRC**"), the development of new mines at the Platreef platinum-palladium-nickel-copper-gold discovery in South Africa and the extensive redevelopment and upgrading of the historic Kipushi zinc mine in DRC. The Kipushi Zinc Mine completed its technical transformation, producing 203,000 tonnes of zinc in concentrate in 2025. In 2023, the expansion and technical upgrades of Phase I and II of Kamoa Kakula Copper Mine were completed and in 2024, Phase III concentrator has reached commercial production, with the project achieving total annual copper output of 389,000 tonnes in 2025.

CITIC Metal is CBMM's exclusive distributor in Chinese mainland.

Its sales coverage of niobium products across most of the medium-to large-scale steel enterprises in Chinese mainland and allows CITIC Metal to maintain over 80 per cent. market share in ferroniobium sales annually.

CITIC Metal is one of Chinese mainland's major iron ore importers, importing products from renowned mineral mining enterprises located in Australia, Brazil and South Africa, including VALE, Rio Tinto, BHP Billiton and Anglo American, for national medium-to large-scale steel enterprises.

Procurement and supply

CITIC Metal maintains procurement channels and reduces procurement costs by establishing long-term working relationships and monitoring the procurement admittance mechanism, through selecting domestic partners with similar objectives and comparable skills as its qualified domestic suppliers alongside long-term and stable strategic alliances with large global mineral vendors to ensure a stable supply of bulk imported raw materials. CITIC Metal continues to optimise and evaluate its suppliers to achieve a stable and timely supply of high-quality and low-cost resources.

Customers, Sales and Marketing

CITIC Metal has adopted a technology-driven sales strategy and established the Microalloying Technology Center ("**MTC**") with CBMM, which has an advisory team of metallurgists dedicated to the technological development, promotion and application of niobium technology. CITIC Metal and CBMM jointly fund R&D projects and industry chain cooperation on niobium technology, including joint laboratories established with University of Science and Technology Beijing, China Iron and Steel Research Institute and Shanghai University. CITIC Metal's customer base in Chinese mainland covers most major steel companies, including China Baowu Steel Group Corporation, Ansteel Group Corporation and Shougang Group Corporation.

Spin-off

On 19 November 2021, CITIC Limited announced that it proposes to spin-off CITIC Metal by way of separate listing of its shares on the Shanghai Stock Exchange (the "**Spin-off**"). On 10 April 2023, CITIC Metal completed the Spin-off by way of A-shares offering and listing on the main board of the Shanghai Stock Exchange (SSE stock code: 601061). As a result of the Spin-Off, CITIC Limited indirectly holds 89.77 per cent. of the equity interest in CITIC Metal.

CITIC Resources

As at 31 December 2025, CITIC Limited held a 59.50 per cent. equity interest in CITIC Resources. CITIC Resources is listed on The Stock Exchange of Hong Kong Limited (SEHK stock code: 1205). CITIC Resources principally engages in the exploration, development and production of oil, coal mining, the import and export of commodities as well as investments in bauxite mining, alumina refinery and aluminium smelting.

The following table sets out CITIC Resources' revenue and segment performance attributed to external customers for the periods indicated:

	For the year ended 31 December			
	2024		2025	
	Revenue	Segment Performance[1]	Revenue	Segment Performance[1]
	(in millions of HK$)			
Aluminium smelting[2]	1,364	71	1,729	61
Coal[3]	787	36	695	8
Import and Export of Commodities	5,931	2	11,341	3
Crude oil	1,416	521	1,200	332
Total	**9,498**	**630**	**14,965**	**404**

(1) Management of CITIC Resources monitors the results of its operating segments separately for the purposes of resource-allocation decision-making and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with CITIC Resources' profit/(loss) before tax except that interest income, fair value gain on a financial asset at fair value through profit or loss, finance costs, dividend income, share of profit/(loss) of associates and a joint venture, and impairment on assets as well as head office and corporate expenses are excluded from such measurement.

(2) The aluminium smelting business is located in Australia.

(3) The coal business is located in Australia.

On 1 August 2024, Alcoa Corporation ("**Alcoa**") acquired 100 per cent. of the ordinary shares in issue in Alumina Limited ("**AWC**") in Australia by way of a scheme of arrangement, allowing CITIC Resources to convert its entire equity interest in AWC to shares in Alcoa, generating profit after tax of about HK$110 million for CITIC Resources.

For the year ended 31 December 2025, CITIC Resources' oil and gas business achieved an operating output of approximately 17.21 million barrels, representing a slight year-on-year decrease of approximately 2.5 per cent.

CITIC Pacific Energy

CITIC Pacific Energy invests in, operates, and manages multiple power plants, with ensuring energy security and accelerating green transformation as its core tasks. It focuses on developing new energy businesses, actively expanding wind power, photovoltaic power generation, and energy storage projects, while striving to promote comprehensive resource utilisation and technological innovation.

CITIC Pacific Energy's installed capacity in operation as at 31 December 2025 was approximately 12.15 million kW, of which the new energy installed capacity was 2.05 million kW, accounting for 17 per cent. Meanwhile, total annual power generation reached 42.6 billion kWh, with new energy power generation reaching 3.7 billion kWh, representing a year-on-year increase of 94 per cent. As part of CITIC Pacific Energy's efforts to accelerate expansion of its new energy business, key projects, such as the 400 MW wind power project in Xilinhot, Inner Mongolia, and the Tonglu Phase I 80 MW/120 MWp centralised photovoltaic project, have been successfully connected to the grid.

CITIC Mining International

CITIC Limited owns CITIC Mining International, which in turn owns via its subsidiary Sino Iron Holdings Pty Ltd, 100 per cent. of the Sino Iron Project, which is being managed by CITIC Pacific Mining, a wholly-owned subsidiary of CITIC Mining International.

CITIC Pacific Mining was established to manage the construction and operation of the Sino Iron Project, which is an integrated mining, processing and port operation. The Sino Iron Project is located at Cape Preston, 100 kilometres southwest of Karratha in Western Australia's Pilbara region. It is the largest magnetite iron ore mining and processing operation by production in Australia focused on developing and producing magnetite iron ore.

The Sino Iron Project was granted major project facilitation status by the Australian Federal Government in 2006. CITIC Limited has rights to extract three billion tonnes of resource.

The Sino Iron Project has six production lines with an annual designated capacity of over 20 million tonnes, based on available samples taken from the mine pit. Actual production volume will depend on the characteristics of the rocks being mined. In 2025, Sino Iron delivered resilient operating performance despite a challenging external environment marked by land access constraints, cyclones, labour shortages, softer iron ore prices and rising cost pressures. Annual magnetite concentrate production reached 14.69 million tonnes. In full production, the Sino Iron Project fully meets CITIC Limited's need for high quality iron ore concentrates. The iron ore product produced by the Sino Iron Project will be used in CITIC Limited's special steel mills in Chinese mainland and sold to other steel mills in Chinese mainland. There continues to be financial pressures in relation to the long-term sustainability of the Sino Iron Project.

For further information on the Sino Iron Project, see sections headed "*Risk Factors – Risk relating to Resources and Energy Business*" and "*CITIC Limited Group – Legal and Regulatory Proceedings*".

New Consumption

The following table sets out the respective financial information of the principal operational entities of CITIC Limited Group's new consumption business for the periods indicated:

	For the year ended 31 December			
	2024		2025	
	Revenue	Net Profit/ (Loss) Attributable to Ordinary Shareholders	Revenue	Net Profit/ (Loss) Attributable to Ordinary Shareholders
	(in millions)			
CITIC Telecom	HK$9,573	HK$910	HK$9,567	HK$920
CITIC Press	RMB1,687	RMB119	RMB1,702	RMB130
CITIC Agriculture	RMB0	(RMB548)	RMB0	(RMB145)

Revenue from CITIC Limited Group's new consumption business for the years ended 31 December 2024 and 2025 amounted to RMB50,004 million and RMB48,351 million, respectively, which was 6.7 per cent. and 6.3 per cent. of CITIC Limited Group's revenue, respectively. The profit before tax of CITIC Limited Group's new consumption business was RMB858 million and RMB1,234 million, for the years ended 31 December 2024 and 2025, respectively.

CITIC Telecom

CITIC Telecom is primarily engaged in mobile sales and services, internet services, international telecommunications services, enterprise solutions, and fixed-line services. CITIC Telecom has branches in 22 countries and regions, with nearly 170 points of presence globally and over 60 SD-WAN gateways. Its business covers 160 countries and regions, connecting more than 600 operators worldwide and serving over 3,000 multinational enterprises and more than 40,000 local enterprises.

The following table sets out CITIC Telecom's revenue by services for the periods indicated:

	For the year ended 31 December			
	2024		2025	
	Revenue	%	Revenue	%
	(in millions of HK$, except percentages)			
Sales of mobile handsets and equipment	1,528	16	1,616	17
Mobile services	1,090	11	1,159	12
Internet services	1,499	16	1,436	15
International telecommunications services	2,365	25	2,489	26
Enterprise solutions	2,958	31	2,745	29
Fixed line services	133	1	122	1
Total	**9,573**	**100**	**9,567**	**100**

As at 31 December 2025, CITIC Limited owns 57.54 per cent. of CITIC Telecom, which is a telecommunications operator in Asia providing international telecommunications services (including mobile, Internet, voice and data services), integrated telecommunications services (in Macau), and through its wholly owned subsidiary CITIC Telecom International CPC Limited, provides one-stop information and communications technology solutions (including private network solutions, ethernet private line, internet access, cloud computing, information security, Cloud data centre and a series of value-added services) to multinational corporations. CITIC Telecom's key markets are Chinese mainland, Macau and Hong Kong. CITIC Telecom is listed on the Hong Kong Stock Exchange (SEHK stock code: 1883).

CITIC Telecom also owns 99 per cent. of equity interest in Companhia de Telecomunicações de Macau, S.A. ("**CTM**"), one of the leading integrated telecommunications services providers in Macau, and is the only full telecoms services provider in Macau. CTM was granted a 5G licence in Macau on 7 November 2022 and officially launched its 5G service on 14 November 2022, which further consolidated CTM's leading position in the Macau market. As of the end of 2025, the registered 5G subscribers of CTM exceeded 810,000 and the penetration rate of 5G users reached 100 per cent.

CITIC Press

CITIC Limited Group's publishing business is operated through its subsidiary, CITIC Press. CITIC Press holds all required licenses for publishing, distribution and retail granted by the State Administration of Press, Publication, Radio, Film and Television.

CITIC Press has been listed on the ChiNext board of the Shenzhen Stock Exchange since 5 July 2019. CITIC Press had a total of 190,151,515 shares outstanding after its initial public offering. As at 31 December 2025, CITIC Limited held approximately 73.5 per cent. of CITIC Press. CITIC Press has also deepened its transformation and upgrade, expanded new media channels and enhanced its influence in the book market to respond to changing trends in the book market.

CITIC Press maintained its leading position in the national book retail market in 2025, firmly holding the first place in the categories of economics and management, biography and art, ranking second in the categories of natural science, and ranking third in the category of children's books. CITIC Bookstores operates differentiated retail stores in three different types of locations: city centres, office buildings and major airports. As at 31 December 2025, there are 32 CITIC Bookstores in over nine medium to large cities in China, covering a floor space of 9,280 square metres. It has also established a preliminary online bookstore system and successfully operates the official flagship of CITIC Press and online bookstores on several e-commerce platforms, such as Tmall.com and JD.com.

CITIC Press also explored new modes of offline operation and strengthened the positioning and expansion strategies for different store formats. Business complex stores are dedicated to exploring service opportunities among enterprises in business districts; airport stores function as key showcases for brand presence; and community stores capitalise on policy opportunities promoting nationwide reading initiatives by actively pursuing collaborations with local governments and enterprises.

CITIC Press remains at the forefront of the publishing industry in innovation in the field of artificial intelligence. The self-developed "Kuafu AI" digital intelligence publishing platform covers the entire process of publishing, production, and promotion, helping to increase the detection rate of translation and review errors by 15 percentage points. The generation time for marketing copy was shortened to 10 minutes, and video production efficiency increased by 5-10 times.

CITIC Agriculture

CITIC Agriculture adheres to the advanced concept of industry-finance integration, focusing on crop breeding, promotion and core breeding technology research, and aims to build a leading agricultural technology enterprise with global competitiveness. CITIC Agriculture is committed to building a globally competitive and leading agri-tech business. It has set up platforms for crop breeding, animal breeding and animal health and a financial investment arm, CITIC Agri Fund Management Co., Ltd. ("**CITIC Agri Fund**"). CITIC Agriculture will continue to leverage CITIC Limited's financial capacity, big data and other resources to better serve farmers' demand related to high quality seeds, precision farming and comprehensive agricultural services.

Crop Breeding Platform

CITIC Agriculture is the largest shareholder of Yuan Long Ping High-tech Agriculture Co., Ltd. ("**Long Ping High-Tech**"), the largest crop breeding business in Chinese mainland, which focuses on breeding, producing and distributing high-quality seeds of hybrid rice, corn, vegetables, wheat and sunflowers, among others. Long Ping High-Tech is listed on the Shenzhen Stock Exchange. Long Ping High-Tech and its subsidiaries were selected as the major enterprises in the national crop seed industry in the fields of rice, corn, vegetables, and cereals. Long Ping High-Tech ranks among the world's top seven seed companies in overall strength. Additionally, it was awarded the Fifth China Quality Award, being the only recipient from the agricultural sector. In 2025, CITIC Agriculture contributed RMB1.2 billion to complete the private placement of Long Ping High-Tech, injecting strong momentum into its breeding R&D, industrial integration, and capital structure optimisation.

Through investing in Long Ping High-Tech and other agricultural businesses, CITIC Agriculture aims to accelerate the consolidation of Chinese mainland's seed industry and explore and expand in overseas agricultural markets. In 2019, CITIC Agriculture partnered with Long Ping High-Tech's management to develop its seed corn business in Brazil and take an interest in Higentec Co., Ltd ("**Higentec**"), a company engaged in molecular breeding, germplasm innovation, genome editing, bioinformatics and varietal testing as a national molecular breeding platform. Higentec has an integrated application capability of "Biotechnology + Data Technology" and built up a key generic technology platform in the field of biological breeding. In 2025, CITIC Agriculture further increased its shareholding in Higentec, strengthening its control over and empowerment of the seed industry's shared technology platform.

Financial Investment Platform

In June 2016, CITIC Agri Fund was jointly established by CITIC Agriculture, Long Ping High-Tech, Haid Group and other agricultural industrial and financial investment companies. CITIC Agri Fund mainly focused on investment opportunities in the Agricultural Hi-tech sector and Food & Beverage Industry.

In October 2018, CITIC Agri Fund became the largest shareholder of Ausnutria Dairy Corporation Ltd ("**Ausnutria**") (SEHK:1717), with a shareholding of approximately 23.95 per cent. In January 2022, CITIC Agri Fund sold around three-quarters of its shares in Ausnutria to Inner Mongolia Yili Industrial Group Co., Ltd. ("**Yili Group**") (China's leading diary industry enterprise). With completion of this transaction, Yili Group subsequently accomplished the mandatory takeover bid to purchase majority stake of Ausnutria.

Global Expansion

In November 2017, CITIC Agri Fund, together with Long Ping High-Tech, completed the acquisition of Dow Agrosciences Sementes & Biotecnologia Brasil Ltda's corn seed business in Brazil ("**Long Ping Brazil**") for a purchase price of U.S.$1.1 billion. In November 2018, CITIC Agriculture, in concert with CITIC Agri Fund and Long Ping High-Tech, completed the shareholder re-structuring of Long Ping Brazil by forming a domestic holding entity "**Long Ping Development Co., Ltd**." to purchase the 100 per cent. of shares of Long Ping Brazil. In September 2023, CITIC Agriculture acquired 21.55 per cent of shares in Long Ping Development Co., Ltd, which was held by minority shareholders. After the acquisition, CITIC Agriculture's shareholding in Long Ping Development Co., Ltd increased to a total of 41.07 per cent.

The concerted investment into Long Ping Brazil by CITIC Agriculture, CITIC Agri Fund and Long Ping High-Tech will accelerate global integration plans in order to support Long Ping High-Tech's growth from a domestic Chinese market leader into a global market leading seed company.

Animal Breeding Platform

CITIC Agriculture also acquired 16.67 per cent. of the shares of Beijing Capital Agribusiness Co., Ltd. and became a major shareholder in 2018. Beijing Capital Agribusiness Co., Ltd. is a leading animal breeding company in Chinese mainland.

Animal Health Platform

CITIC Agriculture has acquired 25 per cent. of the shares of China Agricultural Vet. Bio. Science and Technology Co., Ltd. ("**China Agricultural Vet**"). CITIC Agri Fund holds an additional 5 per cent. of the shares of China Agricultural Vet. China Agricultural Vet is a high-tech agriculture science enterprise which is dedicated to developing, manufacturing and supplying biological products for veterinary use as well as

providing consulting services. It is led and supported by the Lanzhou Veterinary Research Institute, the National Foot-and-Mouth Disease Reference Laboratory, and the State Key Laboratory of Veterinary Etiological Biology, and has strong research capabilities in the animal health products industry.

New-Type Urbanisation

In the new-type urbanisation business segment, CITIC Limited Group has positioned itself as builders of smart cities. The CITIC Limited Group will continue to implement the PRC's regional development strategies, providing smart-city solutions that integrate engineering contracting, wastewater treatment and property development and operation.

The revenue generated from CITIC Limited Group's new-type urbanisation business segment for the years ended 31 December 2024 and 2025 was RMB48,411 million and RMB38,538 million, respectively, representing 6.5 per cent. and 5.0 per cent. of CITIC Limited Group's total revenue, respectively. For the years ended 31 December 2024 and 2025, CITIC Limited Group's profit before tax generated from the new-type urbanisation business segment was RMB7,238 million and RMB162 million, respectively.

Construction

CITIC Limited Group's construction and environmental businesses are dedicated to meeting the needs of clients with end-to-end services ranging from feasibility studies, planning, exploration, and financing, to the contracting of EPC projects. Projects undertaken include the development of infrastructure, housing, municipal and industrial facilities as well as environmental protection initiatives in both the PRC and international markets. For several consecutive years, both of CITIC Limited Group's engineering contracting companies have been rated at the top of the industry, as determined by Engineering News-Record (ENR), a global construction industry authority. It ranked CITIC Construction in the Top 250 International Contractors. In 2023, CITIC Construction was awarded with the title of "A-level Enterprise for China's Overseas Contracting Projects" and obtained the AAA-level Enterprise Credit Rating Certificate in the field of complete sets of integrated engineering. 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 Foreign Contracting Industry and recognised as an A-level enterprise in 2024. Both domestic and international businesses of exploration, design and EPC services contributed to CITIC Construction's bottom line. Meanwhile, 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. CITIC Environment also undertook two national-level research projects and obtained over 160 authorised patents and software copyrights. Additionally, CITIC Environment received the 2023 China Industry-University-Research Collaborative Innovation Award, which is the highest honour in China for collaboration between industries, universities and research institutes.

CITIC Construction

CITIC Limited holds 100 per cent. equity interest in CITIC Construction which was incorporated in 2002. CITIC Construction is an integrated engineering services company, providing management and engineering services, as well as procurement and construction services on large industrial and civil infrastructure projects.

CITIC Construction's domestic business mainly focuses on key development regions within China, such as the Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Hainan Free Trade Zone, while its overseas business covers more than 20 countries and regions. In 2025, CITIC Construction secured approximately RMB23.3 billion in new overseas contracts, representing a year-on-year increase of 31 per cent. Meanwhile, new domestic contracts amounted to approximately RMB8.1 billion, a year-on-year decrease of 76 per cent.

The following table sets out the representative domestic and international engineering contracting projects of CITIC Construction:

Project	As at 31 December 2025	
	Contract Value	Progress (Approximate)
	(in millions of stated currency)	
KB Expressway Upgrade, Kazakhstan	U.S.$855	100% completed
Industrial New Town of Linkong Economic Zone, Phase II, Sichuan Province, China	RMB7,690	65% completed
Wuhan Changjiang New Town Project, Hubei Province, China	RMB3,924	72% completed
Chip City Science and Innovation Base, Research and Innovation Park, Jiangsu Province, China	RMB12,277	32% completed
Shenzhen CITIC Financial Center, Guangdong Province, China	RMB3,740	89% completed

CITIC Environment

CITIC Environment specialises in the investment and management of environmental-related businesses. It focuses on three major sectors, namely water treatment, solid waste and hazardous waste disposal and energy saving services. CITIC Environment 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.

CITIC Environment is committed to advancing its technological innovations. CITIC Environment was successfully approved as the "Chain Leader Unit for Dataset Construction in Urban Governance" and the "Pilot Project for High-quality Dataset Construction of Urban Digital Foundations" by the National Data Bureau. Two of its subsidiaries were approved as national-level specialised and sophisticated "little giant" enterprises. The tailwater recycling project of the Nanhu Lake Ecological Living Water Project in Wuhan, led by CITIC Environment, won the "Wastewater Reuse Project of the Year (Municipal & Industrial)" at the 2025 Global Water Awards.

CITIC Environment controls CITIC Envirotech Ltd ("**CITIC Envirotech**"), an integrated water and wastewater treatment solutions provider headquartered in Singapore with a business model covering the whole industrial chain, including EPC, membrane technology and water investment sectors. In addition, CITIC Envirotech has leading technologies in research, production and integration processes of a water purifying membrane that integrates membrane bioreactor, continuous membrane filtration, reverse osmosis and other technologies, and is one of the few companies in the world capable of carrying out membrane research, development and production and offering a complete range of membrane filtration products. The business focus of CITIC Envirotech is on the water and wastewater segment mainly in relation to the industrial and municipal fields in Chinese mainland using its proprietary advanced membrane technologies. It has also expanded its business into the fields of hazardous waste treatment and circular economy. CITIC Envirotech's international operations include a water recycling project in Kazakhstan and a membrane production subsidiary in the United States. CITIC Envirotech has more than 70 water companies in operation, with more than 100 water plants in operation, achieving an average daily water treatment capacity of over two million tonnes, including industrial wastewater, municipal wastewater and water supply projects.

In 2024, CITIC Envirotech won the first prize of the CITIC Group Science and Technology Award for three consecutive years and recognised as one of the "Most professionalized operation service enterprise in China's water industry".

In the solid waste treatment sector, CITIC Environment held 11.12 per cent. equity interest in Chongqing Sanfeng Environmental Group Co., Ltd. ("**Sanfeng Environment**", SHSE:601827). Sanfeng Environment was listed on the Main Board of the Shanghai Stock Exchange in June 2020 and achieved growth that exceeded expectations. Its total profit achieved 1.46 billion, which grew by 5.29 per cent. in 2025 compared with a year earlier. Sanfeng Environment's operational projects are distributed across various regions in China, including Central China, South China, the Yangtze River Delta, the Pearl River Delta, Southwest China, Northeast China, Macau, and other locations nationwide. Meanwhile, its incinerator technology and products have achieved market application in a total of 268 projects and 433 incineration lines across

multiple countries and regions worldwide, with a combined designed processing capacity exceeding 240,000 tonnes per day. Sanfeng Environment has been awarded one of the "Global Top 500 New Energy Enterprises" for the sixth consecutive year since 2020 and was named one of China's "Top 10 Most Influential Enterprises in the Solid Waste Disposal Industry" for nine consecutive years.

CITIC Environment has contracted many key projects domestically, including the Wuhan Jiangxia wastewater treatment plant, the Shenzhen Futian water purification plant, the Lanzhou Qilihe Anning wastewater treatment plant expansion and renovation project and the Hubei Wuhan Optics Valley Cultural Center, internationally including the completion of the world's largest oilfield produced water treatment and reuse project in Kazakhstan, the closure of Asia's largest landfill site 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, among others.

General Aviation

CITIC Limited Group's general aviation business is primarily operated through its subsidiary, COHC, and provides general aviation services (offshore helicopter oil flight services, air emergency rescue, drone operations and other general aviation flight services) and general aviation maintenance services. As at 31 December 2025, CITIC Limited held a 38.63 per cent. equity interest in COHC.

As the leading company in the general aviation sector in China, COHC has the qualification and capability to operate a full service general aviation business. COHC was the first and only main-board listed company in the domestic general aviation industry. COHC provides a full range of services, including offshore flights, onshore industry and forestry-related flights, emergency rescue, maintenance, training, integrated city flight services, sky tours, drone operation and data collection, among other services.

Headquartered in Shenzhen, Guangdong, COHC owns four helicopter airports located in Shenzhen, Zhanjiang, Dongfang and Tianjin, with operational bases covering nationwide locations. Its helicopter airports and bases form a network covering all provinces, cities and autonomous regions (excluding Tibet), maritime areas such as the South China Sea, the East China Sea, the Bohai Sea, the Yangtze River Delta and the Pearl River Delta, and overseas regions such as the North and South Poles.

COHC has the largest civil helicopter fleet in Asia and currently operates 87 helicopters and 3 large fixed-wing drones, with cumulative annual flight hours exceeding 53,000. COHC's offshore oil helicopter service has a leading position in the industry in terms of market share. It is the only general aviation company with a domestic port helicopter pilotage service, the only service provider of helicopters for China's national Arctic and Antarctic scientific expeditions, the first service provider of offshore wind power helicopter operation and maintenance, and the sole helicopter medical services provider for the Beijing 2022 Winter Olympic Games and Paralympic Winter Games. In 2025, COHC successfully completed the ton-class eVTOL trial flight over offshore oil platforms and the inaugural Hefei-Huaining cross-city cargo test route flight. It also completed support missions for the 41st Antarctic Scientific Expedition and the 15th Arctic Scientific Expedition, and commenced support for the 42nd Antarctic Scientific Expedition. Additionally, COHC provided support for the Asian Winter Games filming mission for China Media Group and the aerial photography flight for the Tianjin Marathon. It piloted the torch aerial relay route for the Shenzhen competition zone of the 15th National Games, achieving the first-ever torch aerial relay in the history of the National Games. COHC is also the only general aviation company that engages in offshore oil flights overseas.

Property Development, Operation and Management

The property development, operation and management business of CITIC Limited Group includes development, sales, operation and management of residential, commercial and integrated property projects in Chinese mainland and in Hong Kong. It is predominately operated through CITIC Pacific Properties. CITIC Pacific Properties focuses on developing and investing in mixed-use and commercial properties, and mid to high-end residential properties.

CITIC Limited has been aggressively pursuing new commercial opportunities in first and second tier Chinese mainland cities as well as high-potential urban agglomerations in Chinese mainland, optimised the mix of its property projects and expedited the development of existing projects.

CITIC Urban Development & Operation Co., Ltd. ("**CITIC Urban Development & Operation**") is a first-tier wholly-owned subsidiary of CITIC Limited Group under its new-type urbanisation sector, with a registered capital of RMB13.68 billion and headquartered in Beijing.

As a specialized platform of CITIC Limited Group dedicated to urban development and operation in the new-type urbanisation field, CITIC Urban Development & Operation upholds the philosophy of being grounded in responsibility and guided by mission. It actively implements major national strategic plans, aligns with the trend of high-quality transformation and development in the industry, and strives to become "a leading urban comprehensive development and operation service provider with outstanding value creation capabilities". Guided by its mission "Growing with Cities, Renewing Lives for a Better Future", CITIC Urban Development & Operation continuously empowers urban development.

In 2025, CITIC Pacific Properties achieved over RMB12.5 billion in total annual contract value, achieving a year-on-year increase of over 20 per cent. As of the end of 2025, CITIC Pacific Properties had a land bank of approximately 3.82 million square meters in Chinese mainland, with an attributable area of approximately 2.71 million square meters. Nearly 90 per cent. of this land bank is located in high-tier cities, including first-tier and core second-tier cities. During this period, CITIC Pacific Properties generated rental income of about RMB830.38 million, a 4.6 per cent. decrease from 2024. According to the sales data released by China Real Estate Information Corporation, CITIC Pacific Properties climbed from 78th in 2024 to 54th in 2025.

Employee and Human Resources

CITIC Limited Group employed a total of 193,011 staff as at 31 December 2025.

Intellectual Properties

CITIC Limited Group strongly emphasises the establishment, application, administration and protection of intellectual property rights. Through research, development and application in its ordinary course of business, CITIC Limited Group has obtained various intellectual property rights which add enormous value to CITIC Limited Group's businesses.

CITIC Limited Group's intellectual property rights mainly include trademarks, patents and copyrights. Over a thousand trademarks containing words or patterns of "中信", "CITIC" and "", and trademarks of variant design on words or patterns of "中信", "CITIC" and "", both onshore and offshore, have been applied for registration by CITIC Group.

CITIC Group has entered into trademark licensing agreements with CITIC Limited and its related subsidiaries, pursuant to which CITIC Group has authorised CITIC Limited and its related subsidiaries to use the trademarks above in the names and business activities. The transactions under the trademark licensing agreements will constitute continuing connected transactions of CITIC Limited upon completion. Given that the transactions contemplated under trademark licensing agreements are without consideration, the transaction is exempted from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Legal and Regulatory Proceedings

CITIC Limited Group may be involved in legal and/or regulatory proceedings or disputes in the ordinary course of business. There are also a number of claims currently outstanding by or against the CITIC Limited Group. While the outcome of such claims cannot be readily predicted, CITIC Limited believes that such claims will be resolved without material adverse financial effect on the consolidated financial position or liquidity of the CITIC Limited Group.

CITIC Limited Group's operations in the PRC are subject to review and inspections by relevant governmental authorities, including MOF, the PBoC, NAFR, CSRC, the State Administration of Foreign Exchange, the National Audit Office, State Administration of Taxation and State Administration for Market Regulation. As at the date of this Offering Circular, CITIC Limited Group was not aware of any material administrative penalties caused by the review or inspections conducted by such government departments that would have a material adverse effect on the business, financial condition, results of operations or prospects.

Qualifications

Major domestic subsidiaries of CITIC Limited have acquired all the major licenses, permissions and accords that are necessary to conduct their major business.

Litigation and arbitration

As at the date of this Offering Circular and as part of its ordinary course of business, CITIC Limited Group was involved in a number of unresolved litigations and arbitrations. CITIC Limited Group was a plaintiff or claimant in the significant majority of these material unresolved litigations. Such proceedings mainly relate to disputes on loan agreements, guarantee agreements, bills, agreements of construction projects, bankruptcy reorganisation, loan fraud and other agreements.

CITIC Limited Group was a defendant in a number of other unresolved litigations and due to the nature of litigation, the aggregate amount in dispute involved in such claims is difficult to quantify.

Litigation proceedings in relation to which announcements have been made by CITIC Limited Group (either itself or through the relevant subsidiary) previously which may or may not be material depending on the outcome (which cannot be readily predicted as at the date of this Offering Circular), include the following:

Material Disputes with Mineralogy in relation to the Sino Iron Project

Each of Sino Iron Pty Ltd. ("**Sino Iron**"), Korean Steel Pty Ltd. ("**Korean Steel**") and Balmoral Iron Pty Ltd. ("**Balmoral Iron**"), subsidiary companies of CITIC Limited, has entered into a Mining Right and Site Lease Agreement (each, a "**MRSLA**" and together the "**MRSLAs**") with Mineralogy. Among other things, those agreements, together with other project agreements, provide Sino Iron, Korean Steel and Balmoral Iron the right to develop and operate the 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 CITIC Limited, Sino Iron and Korean Steel (the "**CITIC Parties**") on the one hand, and Mineralogy and Mr. Clive Palmer ("**Mr. Palmer**"), the ultimate beneficial holder of shares in Mineralogy, 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.

Queensland Nickel FCD Indemnity Claim

On 29 June 2017, Mr. Palmer commenced a proceeding against CITIC Limited in the Supreme Court of Western Australia ("**Proceeding CIV 2072/2017**") to pursue claims pursuant to an indemnity given by CITIC Limited under the Fortescue Coordination Deed ("**FCD**"). The claim relates to losses allegedly suffered by Mr. Palmer in relation to a nickel and cobalt refinery business located at Yabulu in North Queensland ("**Yabulu Refinery**"), which was carried out by 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 because Sino Iron and Korean Steel did not pay to Mineralogy royalty on products they produced ("**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 Sino Iron and Korean Steel 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 an equivalent diminution in value of the shares of its joint venture owners, QNI Metals Pty Ltd and QNI Resources Pty Ltd. The shares in those companies are ultimately beneficially owned by Mr.

Palmer. Mineralogy and Mr. Palmer claim that CITIC Limited is liable for those losses pursuant to an indemnity provision in the FCD. In their closing submissions made in the trial of this proceeding, Mr. Palmer and Mineralogy alleged that their loss is in the range of AUD1,800,438,000 and AUD898,000,000.

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. The CITIC Parties deny that they have caused Mr. Palmer and Mineralogy any loss associated with the administration and liquidation of QNI, or the closure of the Yabulu Refinery.

Mineralogy's and Mr. Palmer's amended reply, filed on 3 June 2024, contained allegations that certain conduct of the CITIC Parties, specifically alleged activities of the Fulcrum Group, had the effect of disentitling the CITIC Parties from relying on their defences of Anshun estoppel and abuse of process ("**Fulcrum Allegations**").

In September 2024, Justice Lundberg determined that this proceeding and Proceeding CIV 2336/2023, as described below, would be actively case managed together. By orders of Justice Lundberg made on 3 June 2025, the "Fulcrum Allegations" were deleted from Mineralogy's and Mr. Palmer's amended reply and from Mineralogy's further amended defence in Proceeding CIV 2336/2023, as described below, and cannot be re-pleaded in either proceeding.

The trial of Proceeding CIV 2072/2017 commenced on 9 June 2025 and concluded on 27 June 2025. The Court reserved its decision.

Mine Continuation Proposals Disputes

(a) 2017 Mine Continuation Proposals Proceedings

The continued operation of the Sino Iron Project requires it to extend beyond the footprint it occupied in accordance with proposals approved between 2008 and 2010. The 2017 mine continuation proposals addressed that need, and included proposals to extend the constrained mine pit, and to 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 Sino Iron and Korean Steel 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 ("**Programme of Works**") for the Sino Iron Project to the State of Western Australia.

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

The CITIC Parties commenced a new proceeding ("**Proceeding CIV 2326/2021**") on 8 December 2021, 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, Mineralogy submitted the Programme of Works to the State and, on 28 July 2023, the Programme of Works was approved. That approval allowed Sino Iron and Korean Steel to undertake certain drilling and other investigative works necessary for the extension of the mine pit and the establishment of a new tailings storage facility within areas over which Mineralogy had already provided rights of access and use.

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 described 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. On 7 October 2025, the CITIC Parties paid Mineralogy's costs of the Consolidated 2017 MCPs Proceedings as ordered.

(b) 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.

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 included 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.

The appeals were consolidated and heard together before the Court of Appeal from 12 to 15 August 2024 and 19 to 21 August 2024 (the "**Consolidated 2017 MCPs Appeals**").

On 4 June 2026, the Court of Appeal delivered its judgment on the Consolidated 2017 MCPs Appeals in which it:

- dismissed the CITIC Parties' appeal, finding, among other things, that Mineralogy was not subject to a contractual obligation to make available the additional tenure required for the long-term operation of the Sino Iron Project; and

- dismissed Mineralogy's cross-appeal, confirming that Mineralogy was obliged to submit the Programme of Works when asked to do so by the CITIC Parties in 2018.

The CITIC Parties can now proceed with their damages claim against Mineralogy for the losses caused by Mineralogy's delay in submitting the Programme of Works, as described above.

The CITIC Parties are reviewing the Court of Appeal's judgment and are considering options for further appeal.

(c) 2023 Mine Continuation Proposals Proceeding

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 were a subset of the activities the subject of the 2017 mine continuation proposals, and were confined to areas over which Mineralogy has already provided rights of access and use to Sino Iron and Korean Steel. The CITIC Parties alleged that Mineralogy was obliged to consider and approve the 2023 mine continuation proposals. Approval of the 2023 mine continuation proposals would 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 sought relief including:

- declarations that Mineralogy's failure and refusal to consider, approve and submit the 2023 mine continuation proposals was 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 quantification of any loss and damage suffered by the CITIC Parties is to be heard separately, after the Court determines the issue of liability.

The State of Western Australia was a party to the proceeding because it is a party to the State Agreement, but no relief was sought against it.

Mineralogy's further amended defence included allegations that Mineralogy was not able to approve the 2023 mine continuation proposals because it was not provided with the necessary supporting documentation, including geological and mine planning information. Mineralogy also asserted that, because the CITIC Parties had breached certain project agreements, the CITIC Parties were not entitled to the relief claimed by them in the proceeding. The alleged breaches included that:

- the CITIC Parties had not paid Mineralogy the amounts claimed in Proceeding CIV 2072/2017 (as described above); and
- the CITIC Parties had allegedly failed to permit Mineralogy to observe all measurement, sampling and assaying procedures under the MRSLAs.

In September 2024, Justice Lundberg determined that this proceeding and Proceeding CIV 2072/2017, as described above, would be actively case managed together.

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.

Numerous interlocutory disputes needed to be determined in the lead up to the primary trial. These included an unsuccessful attempt by Mineralogy to further amend its defence and to include a counterclaim (the claims in which subsequently became the subject of Proceeding CIV 1487/2025, and then Proceedings CIV 1990/2025 and CIV 1991/2025, as described below) and an application by Mineralogy to vacate the trial dates. Despite this, the primary trial commenced on 28 April 2025.

Part way through the trial, Mineralogy agreed to the joint submission to the State of the 2023 mine continuation proposals. As a consequence, on 5 May 2025, Sino Iron, Korean Steel and Mineralogy jointly submitted the 2023 mine continuation proposals to the State of Western Australia for approval. The State of Western Australia approved the 2023 mine continuation proposals on 9 June 2025.

As Mineralogy joined with Sino Iron and Korean Steel to submit the 2023 mine continuation proposals, the CITIC Parties did not press for the injunctive or specific performance relief sought in this proceeding. However, they continued to press for the balance of the relief sought, including for a declaration or finding that Mineralogy was in breach of contract, and therefore liable for any damages suffered by the CITIC Parties as a consequence of the breach.

By orders of Justice Lundberg made on 3 June 2025, the "Fulcrum Allegations" pleaded by Mineralogy in this proceeding were deleted from Mineralogy's further amended defence in this proceeding, as well as from Mineralogy's and Mr. Palmer's amended reply in Proceeding CIV 2072/2017, as described above, and cannot be re-pleaded in those proceedings.

The primary trial in this proceeding concluded on 27 June 2025. The Court reserved its decision.

If the Court finds that Mineralogy was in breach of contract by not submitting the 2023 mine continuation proposals at or shortly after the time that they were provided to Mineralogy in late 2023, the quantification of the damages which Mineralogy must pay as a consequence of that breach will be determined in a secondary trial.

Fulcrum Conspiracy Claim

On 5 October 2023, Mineralogy and Mr. Palmer commenced a proceeding against Helen Dillon, Chen Zeng, Sino Iron, Korean Steel and CITIC Limited ("**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, to recoup from Mineralogy certain additional costs of developing the Sino Iron Project and to 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 CITIC Limited (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, as described 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, CITIC Limited is obliged to indemnify Mr. Palmer for the alleged loss suffered by Mr. Palmer said to be in relation to Sino Iron's and Korean Steel's 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.

The CITIC Defendants, Allens and FBIS International Issues Management Pty Ltd. filed applications for summary judgment and to strike out Mineralogy's and Mr. Palmer's statement of claim.

Those applications 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. The application was heard on 9 April 2025 and the Court reserved its decision.

As at the date of this Offering Circular, no trial date has been set for this proceeding.

Unprocessed and Utilised Material Claims

On 8 May 2025, Mineralogy commenced a proceeding against Sino Iron, Korean Steel and CITIC Limited ("**Proceeding CIV 1487/2025**") claiming various breaches of the MRSLAs and other project agreements in relation to the alleged use by Sino Iron and Korean Steel of magnetite ore and/or low grade material and alleged failure to process magnetite ore mined. On 9 June 2025, Mineralogy filed a notice of discontinuance in Proceeding CIV 1487/2025. Mineralogy subsequently commenced two proceedings to pursue claims similar to those pleaded in Proceeding CIV 1487/2025.

(a) Utilised Material Claim

On 2 September 2025, Mineralogy commenced a proceeding against Sino Iron, Korean Steel and CITIC Limited in the Supreme Court of Western Australia ("**Proceeding CIV 1990/2025**") alleging breaches of the MRSLAs and seeking payment of sums by CITIC Limited pursuant to the indemnity in the FCD. The alleged breaches relate to Sino Iron's and Korean Steel's purported use of 134 million tonnes of material they have mined. Mineralogy alleges that Sino Iron and Korean Steel should have stockpiled and mapped the portion that consists of low grade material in a manner which would have permitted it to be accessed for processing at a later time, and processed the portion consisting of magnetite ore and paid Mineralogy royalties on that portion. Mineralogy seeks damages comprising the market value of the material allegedly used by Sino Iron and Korean Steel, said to be AUD44 per tonne, or a total of AUD4,992,948,708.

On 29 October 2025, the CITIC Parties filed their defences. Sino Iron and Korean Steel plead a number of defences, including that there has been no breach of the MRSLAs, that they have the right to use the material and have paid valuable consideration for the alleged benefit, as well as arguments based on Anshun estoppel, estoppel by convention, double recovery and abuse of process, and that the claim (or part of it) is time-barred. CITIC Limited's defence essentially adopts and repeats most of Sino Iron's and Korean Steel's defence.

On 12 November 2025, Justice Lundberg ordered that this proceeding and Proceeding CIV 1991/2025, as described below, would be case managed together.

On 2 December 2025, Mineralogy filed its reply.

On 2 June 2026, Sino Iron and Korean Steel filed an application for the separate determination of a preliminary question in the proceeding. The separate question application will be listed for hearing on or after 3 August 2026.

As at the date of this Offering Circular, no trial date has been set for this proceeding.

(b) Unprocessed Material Claim

Also on 2 September 2025, Mineralogy commenced a proceeding against Sino Iron, Korean Steel and the CITIC Limited in the Supreme Court of Western Australia ("**Proceeding CIV 1991/2025**") alleging breaches of the MRSLAs and seeking payment of sums by CITIC Limited pursuant to the indemnity in the FCD. The alleged breaches relate to Sino Iron's and Korean Steel's purported failure to process approximately 113.5 million dry metric tonnes of magnetite ore mined, and to pay Mineralogy royalties on such magnetite ore. Mineralogy seeks damages estimated to be AUD56,040,175.14 on account of a royalty on magnetite ore taken by Sino Iron and Korean Steel (i.e., Royalty Component A), plus U.S.$556,908,960.88 on account of Royalty Component B.

On 29 October 2025, the CITIC Parties filed their defences. Sino Iron and Korean Steel plead a number of defences, including denying that they were obliged to process the material in question and denying the amounts claimed by Mineralogy, as well as arguments based on Anshun estoppel, estoppel by convention, abuse of process, and that the claim (or part of it) is time-barred. CITIC Limited's defence essentially adopts and repeats most of Sino Iron's and Korean Steel's defence.

On 12 November 2025, Justice Lundberg ordered that this proceeding and Proceeding CIV 1990/2025, as described above, would be case managed together.

On 12 February 2026, CITIC Limited filed an amended defence.

On 18 March 2026, Mineralogy filed its amended reply.

On 2 June 2026, Sino Iron and Korean Steel filed an application for the separate determination of a preliminary question in the proceeding. The separate question application will be listed for hearing on or after 3 August 2026.

As at the date of this Offering Circular, no trial date has been set for this proceeding.

Metallurgical Corporation of China ("MCC") claim

MCC was appointed as the EPC contractor for the processing area and related facilities at the Sino Iron Project in Western Australia. The fixed price contract amount was U.S.$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 U.S.$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 this Offering Circular, 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 CITIC Limited Group believes it has satisfied all of its obligations under the contract.

Under the contract, CITIC Limited 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 per cent. of the value of the main contract (approximately U.S.$5,000,000 per day, with a cap of approximately U.S.$530,000,000 in total). As at the date of this Offering Circular, 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 CITIC Limited'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 the date of this Offering Circular.

Administrative proceedings and penalties

As at the date of this Offering Circular, CITIC Limited Group was not aware of any material ongoing administrative penalties against it.

Risk Management

In accordance with CITIC Limited Group's development strategy, CITIC Limited 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.

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

The risk management and internal control system of CITIC Limited Group comprises "Four Levels" and "Three Lines of Defence" based on 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 Group, 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 Group, (ii) second line of defence comprised by the risk management functions of each level of CITIC Limited Group, and (iii) third line of defence comprised by the internal audit departments or functions of each level of CITIC Limited Group.

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 Group 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 CITIC Limited Group.

Corporate Governance

CITIC Limited is committed to maintaining high standards of corporate governance. The board of directors believes that good corporate governance practices are important to promote investor confidence and protect the interests of its shareholders.

CITIC Limited has applied the principles and complied throughout the year ended 31 December 2025 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, other than code provision B.3.5 with respect to the requirement of having at least one director of a different gender on the nomination committee, as Ms. Yu Yang resigned as a member of the nomination committee of CITIC Limited on 5 December 2025. Effective from 30 December 2025, Ms. Li Yi was appointed as a

member of the nomination committee of CITIC Limited. Since then, CITIC Limited meets the requirement under code provision B.3.5 and is in full compliance with the code provisions of the CG Code.

Looking ahead, CITIC Limited will keep its governance practices under continual review to ensure their consistent application and will continue to improve its practices having regard to the latest developments.

Board composition and changes

On 29 August 2025, Mr. Anthony Francis Neoh, an existing independent non-executive director, was designated as the lead independent non-executive director of CITIC Limited.

On 5 December 2025, Ms. Yu Yang resigned as a non-executive director and a member of both the nomination committee and the strategy and sustainability committee of CITIC Limited.

On 24 December 2025, Mr. Zhang Lin resigned as a non-executive director and a member of both the audit and risk management committee and the remuneration committee of CITIC Limited.

On 30 December 2025, Ms. Li Yi, a non-executive director, was appointed as a member of the nomination committee of CITIC Limited.

On 27 March 2026, Mr. Gregory Lynn Curl resigned as an independent non-executive director of CITIC Limited and a member of the nomination committee of CITIC Limited, and Mr. Chen Yuyu, an independent non-executive director, was appointed as a member of the nomination committee of CITIC Limited.

Board committees

As at the date of this Offering Circular, the board had the following committees:

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 one non-executive director and three independent non-executive directors. The chairman of the committee is Mr. Francis Siu Wai Keung, an independent non-executive director. Mr. Francis Siu Wai Keung 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.

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[1] and the Hong Kong Stock Exchange'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

[1] https://www.citic.com/uploadfile/2022/1230/20221230438469.pdf

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.

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.

Nomination committee

The nomination committee was established by the board with written terms of reference in compliance with the CG Code. For the year ended 31 December 2025, the nomination committee has made certain amendments to the written terms of reference to align with the new requirements of the CG Code. These amendments were approved by the board during the meeting in November 2025. The revised terms of reference are available on CITIC Limited's website[2] and the Hong Kong Stock Exchange'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, assist the board in maintaining a board skills matrix, 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;

[2] https://www.citic.com/uploadfile/2025/1120/20251120756164.pdf

- to make recommendations to the board on the appointment or re-appointment of directors and succession planning for directors;
- to review and assess the time commitment and contribution to the board by each director as well as the director's ability to discharge his or her responsibilities effectively;
- to support regular evaluation of the board's performance; and
- to review the board diversity policy annually and the director nomination policy, and make recommendations on any required changes to the board.

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.

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 CITIC Limited Group, so as to align management incentives with shareholder interests.

The committee currently comprises three independent non-executive directors. 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[3] and the Hong Kong Stock Exchange's website.

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 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;

[3] https://www.citic.com/en/investor_relation/corporate_governance/RC_ToR_Eng.pdf

- 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), two non-executive directors, 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. For the year ended 31 December 2025, 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.

Composition of board committees

The following is the composition of the four board committees:

	Board Committee			
	Audit and Risk Management Committee	**Nomination Committee**	**Remuneration Committee**	**Strategy and Sustainability Committee**
Director				
Xi Guohua		C		C
Zhang Wenwu		M		M
Liu Zhengjun				
Wang Guoquan				
Li Yi (formerly known as Li Ruyi)		M		M
Yue Xuekun				
Yang Xiaoping	M			M
Li Zimin				
Anthony Francis Neoh	M	M	C	M
Francis Siu Wai Keung	C	M	M	
Xu Jinwu	M	M	M	
Toshikazu Tagawa				M
Chen Yuyu		M		M

C Chairman of the relevant board committees
M Member of the relevant board committees

Management Committees

Executive Committee

The executive committee is the highest management body 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 and submit the previous month's report to the board on a monthly basis;
- to manage and monitor CITIC Limited's core activities;
- to appoint and remove mid-level and above key personnel (other than personnel above the level of Assistant to the President, 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. Fang Heying (being vice president of CITIC Limited), Ms. Zeng Qi (being vice president of CITIC Limited) and Mr. Benjamin Bao (appointed since May 2025, 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 Mr. Benjamin Bao (the chairman of the committee, being vice president of CITIC Limited) and Mr. Liang Huijiang (the vice chairman of the committee, 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 department and relevant experts.

Asset and Liability Management Committee

CITIC Limited has established the Asset and Liability Management Committee ("**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, the vice chairman of the committee is Mr. Liang Huijiang, and other members of the ALCO include the relevant responsible persons of the financial management department, the office of the board of directors, strategy and investment management department and risk and compliance department.

Competition

CITIC Limited Group's businesses face intense competition in each of its operating markets. Its financial services business faces competition from domestic and international commercial banks and other financial institutions; its engineering contracting business faces competition from global companies in the industry as well as the challenges from large Chinese state-owned enterprises and private companies; its advanced intelligent manufacturing, advanced materials, new consumption, new-type urbanisation and other businesses face competition in terms of resources, technology, price and service.

Environment

CITIC Limited Group conducts engineering contracting, resource exploration, trading in relation to resources and mining, as well as other businesses in the PRC and overseas. In addition, CITIC Limited Group exports machinery and auto parts and other products. These businesses are subject to the PRC and the relevant country's environmental regulations and rules, and failure to comply with such environmental laws and regulations may adversely affect CITIC Limited Group's business operations.

The environment team within CITIC Limited Group's different subsidiaries are always working closely with and alongside regulators to ensure that all projects obtained all the necessary approvals and fulfil all requirements before operation begins.

Insurance

CITIC Limited Group is covered by a range of insurance policies underwritten by reputable insurance companies for each of its businesses. Save as set out in the Risk Factors (see "*Risk factors – CITIC Limited Group's business may not be adequately insured*"), CITIC Limited Group believes that its operations and assets are covered with adequate insurance provided by reputable independent insurance companies and with commercially reasonable deductibles and limits on coverage.

Notwithstanding CITIC Limited Group's insurance coverage, damage to buildings, facilities, equipment, plants, mills, natural resource sites or other properties or assets as a result of occurrences such as fire, floods, water damage, explosion, power loss, typhoons, earthquakes and other natural disasters could nevertheless have a material adverse effect on CITIC Limited Group's financial condition and results of operations.

DIRECTORS AND SENIOR MANAGEMENT OF CITIC LIMITED

Board of Directors and Senior Management of CITIC Limited

The board of directors of CITIC Limited currently has 13 directors, comprising four executive directors, four non-executive directors and five 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 represent at least one-third of the board as required under Rule 3.10A of the HKSE Rules.

Board of Directors

XI Guohua (Executive Director and Chairman)

Age 62: an executive director of CITIC Limited since 2020, and chairman of the board, chairman of nomination committee, chairman of strategy and sustainability committee and chairman of executive committee of CITIC Limited 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 53: 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 CITIC Limited 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 60: an executive director of CITIC Limited since 2023. Mr. Liu has been the vice president of CITIC Limited 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 and executive director of China CITIC Financial Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Co., Ltd.) ("**CITIC FAMC**"). 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 53: an executive director of CITIC Limited since 2023 and the vice president of CITIC Limited 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.

LI Yi (formerly known as LI Ruyi) (Non-executive Director)

Age 56: a non-executive director and a member of the strategy and sustainability committee of CITIC Limited since 2022, and a member of the nomination committee of CITIC Limited with effect from 30 December 2025. 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 of the publicity and education department of Anyang Municipal Commission for Discipline Inspection, 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, deputy director of the cadre education center of the Ministry of Finance. Ms. Li obtained a Bachelor's degree in literature editing.

YUE Xuekun (Non-executive Director)

Age 59: a non-executive director of CITIC Limited 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's degree in public management.

YANG Xiaoping (Non-executive Director)

Age 62: a non-executive director of CITIC Limited 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 55: a non-executive director of CITIC Limited since 2023. Mr. Li is currently an executive director and president of CITIC FAMC and a non-executive director of Bank of China Limited. 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 CITIC FAMC since 31 October 2022 and an executive director of CITIC FAMC since 19 January 2023.

Anthony Francis NEOH (Lead Independent Non-executive Director)

Age 79: an independent non-executive director of CITIC Limited since 2014 and designated as lead independent non-executive director with effect from 29 August 2025. 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 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.

Francis SIU Wai Keung (Independent Non-executive Director)

Age 72: an independent non-executive director of CITIC Limited 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. Mr. Siu is an independent non-executive director of 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 and retired on 1 October 2025. 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 77: an independent non-executive director of CITIC Limited 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.

Toshikazu TAGAWA (Independent Non-executive Director)

Age 73: an independent non-executive director and a member of the strategy and sustainability committee of CITIC Limited 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's 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 55: an independent non-executive director and a member of the strategy and sustainability committee of CITIC Limited since 2024, and has been appointed as a member of the nomination committee of CITIC Limited with effect from 27 March 2026. Mr. Chen is currently an independent non-executive director of Onewo Inc. and an independent director of Taikang Funds. He has been appointed as an independent non-executive director of Newborn Town Inc. with effect from 29 August 2025. 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 54: a member of the executive committee of CITIC Limited 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's degree in Arts.

FANG Heying

Age 59: vice president of CITIC Limited 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 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 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 56: vice president of CITIC Limited 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 Finance 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.

Benjamin BAO

Age 58: vice president of CITIC Limited and a member of the executive committee since 2025. Mr. Bao is vice president of CITIC Group Corporation and CITIC Corporation Limited. He formerly served as head of Investment Department I of China Investment Corporation (CIC), head of CIC Real Estate Investment, head of CIC Private Equity Investment, member of the executive committee of China Investment Corporation. Mr. Bao obtained a postgraduate degree, a Master's degree in Engineering and is a senior economist.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2025, 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 2025, 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.

SHAREHOLDERS' INTERESTS IN SECURITIES

Substantial Shareholders

As at 31 December 2025, 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[(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**")[(2)]	Beneficial owner	7,446,906,755 (Long position)	25.60% (Long position)
CITIC Polaris Limited ("**CITIC Polaris**")[(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**")[(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**")[(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**")[(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**")[(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**")[(8)]	Beneficial owner	1,419,532,000 (Long position)	4.88% (Long position)
China CITIC Financial AMC[(9)]	Beneficial owner and interests in a controlled corporation	2,876,954,158 (Long position)	9.89% (Long position)

(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 per cent. 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 per cent. 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 per cent. equity interest in CT Bright.

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

(9) China CITIC Financial AMC 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.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law, published practice and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change (which could be made on a retroactive basis), and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations which may be relevant to a decision to purchase, own or dispose of any Notes.

Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction are advised to consult their own professional advisers.

Hong Kong

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

(i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong) (the "**SDO**")).

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes **provided that** either:

(i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Registered Notes constitute loan capital (as defined in the SDO).

If stamp duty applies to the transfer of Registered Notes required to be registered in Hong Kong and which are not otherwise exempt it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) (the "**Inland Revenue Ordinance**") as it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal or redemption of the Notes where such sale, disposal or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest on the Notes may be subject to profits tax in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of Section 16(3) of the Inland Revenue Ordinance).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of the Bearer Notes may be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of Section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or other redemption of the Bearer Notes may be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of the Bearer Notes may be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. Similarly, such sums in respect of Registered Notes received by or accrued to either the aforementioned person, corporation and/or financial institution may be subject to Hong Kong profits tax if such sums have a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Specified Foreign-sourced Income

With effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the "***FSIE Amendments***"), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the **FSIE Amendments**) carrying on a trade, profession or business in Hong Kong is to be regarded as arising in or derived from Hong Kong and chargeable to profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

PRC Taxation

Pursuant to the Enterprise Income Tax Law (the "**EIT Law**") and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose "de facto management body" are within the territory of China shall be PRC tax resident enterprises for the purpose of the EIT Law and they shall pay enterprise income tax at the rate of 25 per cent. in respect of their income sourced from both within and outside China. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the territory of PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to enterprise income tax at the rate of 25 per cent. for its income sourced from both within and outside PRC.

As confirmed by the Issuer, as of the date of the Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law. However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future.

Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without establishment within the PRC or its incomes have no actual connection to its establishment inside the PRC, shall pay enterprise income tax at the rate of 10 per cent. on the incomes sourced inside the PRC, and such

income tax shall be withheld by sources with the PRC payer acting as the obligatory withholder, who shall withhold the tax amount from each payment or payment due. Accordingly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer shall withhold income tax from the payments of interest in respect of the Notes for any non-PRC enterprise Noteholder. However, despite the potential withholding of PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Notes. In addition, if the Issuer is treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future, any gain realised by the non-resident enterprise Noteholders from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 10 per cent. of PRC withholding tax.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Hong Kong) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments made prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional notes (as described under "*Terms and Conditions-Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

PRC CURRENCY CONTROLS

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Current Account Items

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012.

Since July 2013, the procedures for cross-border Renminbi trade settlement under current account items have been simplified and trades through e-commerce can also be settled in Renminbi under the current regulatory regime. A cash pooling arrangement for qualified multinational enterprise group companies was introduced in late 2014, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. In addition, the eligibility requirements for multinational enterprise groups have been lowered and the cap for net cash inflow has been increased in September 2015.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement of capital account items, for example, the capital contribution of foreign investors to foreign invested enterprises in the PRC, were generally required to be made in foreign currencies. Under progressive reforms, foreign enterprises are now permitted to use Renminbi to settle all capital account items that can be settled in foreign currencies. Cross-border Renminbi payment infrastructure and trading facilities are being improved. Approval, registration and filing requirements specifically for capital account payments in Renminbi are being removed gradually.

PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders (which are referred to as "**foreign debt**") and lend Renminbi-denominated loans to foreign borrowers (which are referred to as "**outbound loans**"), as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in Renminbi and make Renminbi payments thereunder to parties in the PRC as well as other jurisdictions (which is referred to as "**cross-border security**"). Under current rules promulgated by the State Administration of Foreign Exchange of the PRC ("**SAFE**") and the PBoC, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. After piloting in the free trade zones, the PBoC and SAFE launched a nation-wide system of macro-prudential management on cross-border financing in 2016, which provides for a unified regime for financings denominated in both foreign currencies and Renminbi.

Since September 2015, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group.

The securities markets, specifically the Renminbi Qualified Foreign Institutional Investor ("**RQFII**") regime and the China Interbank Bond Market ("**CIBM**"), have been further liberalised for foreign investors. The PBoC has relaxed the quota control for RQFII, and has also expanded the list of eligible foreign investors in CIBM, removed quota restriction, and granted more flexibility for the settlement agents to provide the relevant institutions with more trading facilities (for example, in relation to derivatives for hedging foreign exchange risk).

Interbank foreign exchange market is also opening-up. In January 2016, CFETS set forth qualifications, application materials and procedure for foreign participating banks (which needs to have a relatively large scale of Renminbi purchase and sale business and international influence) to access the inter-bank foreign exchange market.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, the CMU or DTC (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer nor the Arrangers or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

The Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by any Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority (the "**HKMA**") for the safe custody and electronic trading between the members of this service ("**CMU Members**") of Exchange Fund Bills and Notes Clearing and Settlement Service securities and capital markets instruments (together, "**CMU Instruments**") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all financial institutions regulated by the HKMA, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU's custodial services, please refer to the CMU Reference Manual.

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or redemption proceeds (collectively, the "**income proceeds**") by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, please refer to the CMU Reference Manual.

An investor holding an interest through an account with either Euroclear or Clearstream in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream each have with the CMU.

DTC

DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Book-Entry Ownership

Bearer Notes

The Issuer has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through the CMU. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream or a sub-custodian for the CMU. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU, Euroclear and Clearstream. Each Global Note will have an International Securities Identification Number ("**ISIN**") and a Common Code or a CMU Instrument Number, as the case may be. Investors in Notes of such Series may hold their interests in a Global Note only through Euroclear or Clearstream or the CMU, as the case may be.

Registered Notes

The Issuer has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Registered Notes to be represented by a Restricted Global Certificate or an Unrestricted Global Certificate. The Issuer may also apply to have Notes represented by a Restricted Global Certificate or an Unrestricted Global Certificate accepted for clearance through the CMU. Each Restricted Global Certificate and Global Certificate deposited with a common depositary for Euroclear and/or Clearstream will have an ISIN and a Common Code or, lodged with a sub-custodian for the CMU, will have a CMU Instrument Number.

The Issuer, and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant, may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by a Restricted Global Certificate. Each such Restricted Global Certificate will have a CUSIP number.

Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under "*Transfer Restrictions*". In certain circumstances, as described below in "*Transfers of Registered Notes*", transfers of interests in a Restricted Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the Custodian, with whom the Restricted Global Certificates are deposited, and DTC, will electronically record the nominal amount of the Restricted Notes held within the DTC system. Investors may hold their beneficial interests in a Restricted Global Certificate directly through DTC if they are participants in the DTC system, or indirectly through organisations which are participants in such system.

Payments of the principal of, and interest on, each Restricted Global Certificate registered in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Restricted Global Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Restricted Global Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Certificate held through such DTC participants will be governed by standing

instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. Neither the Issuer nor any Paying Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating, to or payments made on account of, ownership interests in any Restricted Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of an Unrestricted Global Certificate and/or a Restricted Global Certificate. Individual Certificates will only be available, in the case of Notes initially represented by a Global Certificate, in amounts specified in the applicable Pricing Supplement.

Payments through DTC

Payments in U.S. dollars of principal and interest in respect of a Restricted Global Certificate registered in the name of a nominee of DTC will be made to the order of such nominee as the registered holder of such Note. Payments of principal and interest in a currency other than U.S. dollars in respect of Notes evidenced by a Restricted Global Certificate registered in the name of a nominee of DTC will be made or procured to be made by the Paying Agent in such currency in accordance with the following provisions. The amounts in such currency payable by the Paying Agent or its agent to DTC with respect to Notes held by DTC or its nominee will be received from the Issuer by the Paying Agent who will make payments in such currency by wire transfer of same day funds to the designated bank account in such currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of payments of interest, on or prior to the third business day in New York City after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 business days in New York City prior to the relevant payment date, to receive that payment in such currency. The Paying Agent will convert amounts in such currency into U.S. dollars and deliver such U.S. dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement sets out the manner in which such conversions are to be made.

Transfers of Registered Notes

Transfers of interests in Global Certificates within Euroclear, Clearstream, CMU and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in an Unrestricted Global Certificate may only be held through Euroclear, Clearstream or the CMU. In the case of Registered Notes to be cleared through Euroclear, Clearstream, the CMU and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through a Restricted Global Certificate for the same Series of Notes. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request through Euroclear, Clearstream or the CMU by the holder of an interest in the Unrestricted Global Certificate to the Issuing and Paying Agent of details of that account at DTC, Euroclear, Clearstream or the CMU, as the case may be to be credited with the relevant interest in the Restricted Global Certificate. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear, Clearstream, the CMU or DTC, as the case may be to be credited and debited, respectively, with an interest in each relevant Global Certificate.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under "*Transfer Restrictions*", cross-market transfers among DTC, and directly or indirectly through Euroclear or Clearstream or CMU accountholders, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Issuing and Paying Agent.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear, Clearstream and/or the CMU and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear, Clearstream or the CMU and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear, Clearstream and the CMU, on the other, transfers of interests in the relevant Global Certificates will be effected through the Issuing and Paying Agent, the Custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Issuing and Paying Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear, Clearstream or the CMU accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see "*Transfer Restrictions*".

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for Individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

Although Euroclear, Clearstream, the CMU and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Clearstream, Euroclear and the CMU, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer, nor any Paying Agent nor any Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream, the CMU or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or the Custodian, Restricted Notes represented by Individual Certificates will not be eligible for clearing or settlement through Euroclear, Clearstream, the CMU or DTC.

Individual Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Clearstream, the CMU and Euroclear or for DTC will be permitted only (i) in the case of Restricted Global Certificates in the circumstances set forth in "*Summary of Provisions Relating to the Notes while in Global Form – Exchange – Restricted Global Certificates*" or (ii) in the case of Unrestricted Global Certificates in the circumstances set forth in "*Summary of Provisions Relating to the Notes while in Global Form – Exchange – Unrestricted Global Certificates*". In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

(i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates; and

(ii) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Certificates

issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6- 1 of the Exchange Act, trades in the U.S. secondary market generally are required to settle within three business days ("**T+3**"), unless the parties to any such trade expressly agree otherwise. Accordingly, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers who wish to trade Registered Notes in the United States between the date of pricing and the date that is three business days prior to the relevant Issue Date will be required, by virtue of the fact that such Notes initially will settle beyond T+3, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers of Notes who wish to trade Notes between the date of pricing and the date that is three business days prior to the relevant Issue Date should consult their own adviser.

TRANSFER RESTRICTIONS

Restricted Notes

Each purchaser of Restricted Notes, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a QIB, (b) acquiring such Restricted Notes for its own account, or for the account of one or more QIBs, and (c) aware, and each beneficial owner of the Restricted Notes has been advised, that the sale of the Restricted Notes to it is being made in reliance on Rule 144A.

2. (i) The Restricted Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) in each case in accordance with any applicable securities laws of any State of the United States and (ii) it will, and each subsequent holder of the Restricted Notes is required to, notify any purchaser of the Restricted Notes from it of the resale restrictions on the Restricted Notes.

3. The Restricted Notes, unless the Issuer determines otherwise in accordance with applicable law, will bear a legend (the "**Rule 144A Legend**") in or substantially in the following form:

   THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "**QIB**") THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT ("**RULE 144**"), IF AVAILABLE, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE NOTES.

4. It understands that the Issuer, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

5. It understands that the Restricted Notes will be represented by a Restricted Global Certificate. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate or as the case may be, Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in the amended and restated dealer agreement dated 10 June 2026 made between the Issuer, the Arrangers and the Permanent Dealers (together, the "**Dealer Agreement**"), the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers and otherwise. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer will pay each Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of, and any continuing responsibilities relating to, the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Subscription Agreement. The Issuer may agree, through the relevant Dealers, a rebate or commission to certain private banks based on the principal amount of the Notes purchased by the clients of such private banks. If a rebate or commission is agreed for a particular drawdown it shall be stated in the relevant Pricing Supplement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The relevant Dealers and certain of their respective affiliates may have performed certain investment banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of their business.

The relevant Dealers and certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

The relevant Dealers or certain of their respective affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or its subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

SFC Code of Conduct – Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to

the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except (i) to QIBs in reliance on Rule 144A under the Securities Act; (ii) in accordance with Regulation S under the Securities Act; (iii) or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or, in the case of bearer Notes issued in compliance with the D Rules, to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations thereunder.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer, whether or not participating in the offering, may violate the registration requirements of the Securities Act if such offer and sale is made otherwise than in accordance with Rule 144A or another exemption from the requirements of the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restrictions under the Prospectus Regulation

If the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, **provided that** any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is either one (or both) of the following:

  (a) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (b) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024, and

(ii) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

Prohibition of Offers under the POATRs

If the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the

Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the UK except that it may make an offer:

(i) at any time where the offer is conditional on the admission of the Notes to trading on the London Stock Exchange plc's main market (in reliance on the exception in paragraph 6(a) of Schedule 1 to the POATRs);

(ii) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(iii) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the UK, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;

(iv) at any time if the denomination per Note being offered amounts to at least GBP50,000 (or equivalent); or

(v) at any time in other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes and the expression "**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024.

Other Regulatory Restrictions in the UK

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the UK.

The Netherlands

For selling restrictions in respect of the Netherlands, see *"Prohibition of Sales to EEA Retail Investors"* and *"Public Offer Selling Restrictions under the Prospectus Regulation"* above.

PRC

Each Dealer has represented, warranted and agreed that the offer of the Notes is not an offer of securities within the meaning of the PRC Securities Law or other pertinent laws and regulations of the People's Republic of China and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

*Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all persons (including all relevant persons (as defined in Section 309A(1) of the SFA)), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018).*

General

These selling restrictions may be modified by the agreement of the Issuer and the relevant Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular, any other offering material or any Pricing Supplement and none of the Issuer nor any other Dealer shall have responsibility therefor.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

[This Pricing Supplement is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (the "**Professional Investors**") only.

Notice to Hong Kong investors: The Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this Pricing Supplement, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Pricing Supplement to Professional Investors only have been reproduced in this Pricing Supplement. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the CITIC Limited Group (as defined below) or quality of disclosure in this Pricing Supplement. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This Pricing Supplement, together with the Offering Circular, include particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, its subsidiaries, associated companies and joint ventures (together, the "**CITIC Limited Group**"). The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement and the Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.][1]

[**MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers['s/s'] target market assessment) and determining appropriate distribution channels.][2]

[**UK MIFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")] [distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][3]

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1 Applicable for Notes to be listed on the Hong Kong Stock Exchange only.
2 To be included if there are one or more EU MiFID manufacturers.
3 To be included if there are one or more UK MiFIR manufacturers.

[**PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "**MiFID II**")/**MiFID II**]; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]

[In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018).][4]

Pricing Supplement dated [•]

CITIC Limited

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*] (the "**Notes**")

under the U.S.$9,000,000,000 Medium Term Note Programme (the "**Programme**")

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 10 June 2026 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [•]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [•] [and the supplemental Offering Circular dated [•]] (together, the "**Offering Circular**"), save in respect of the Conditions which are extracted from the Offering Circular dated [•] and are attached hereto.]

[4] For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer. For any Notes to be offered to institutional investors or accredited investors in Singapore only, this notification paragraph to be removed.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1.	(i)	Issuer:	CITIC Limited
2.	[(i)]	Series Number:	[•]
	[(ii)	Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]	[•]
3.	Specified Currency or Currencies:		[•]
4.	Aggregate Nominal Amount:		
	[(i)]	Series:	[•]
	[(ii)	Tranche:	[•]]
5.	[(i)]	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
	[(ii)	Net proceeds:	[•] (*Required only for listed issues*)]
	[(iii)	Private Bank Rebate/Commission:	[Applicable/Not Applicable]] (*For any issuance where paragraph 21 of the Hong Kong SFC Code of Conduct is applicable, also refer to paragraph 48(i) below*)
	[(iv)	Use of proceeds:	[•] (*Required if different from the Offering Circular*)]
6.	(i)	Specified Denominations:	[•][5] [6]
	(ii)	Calculation Amount	[*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor] [Note: There must be a common factor in the case of two or more Specified Denominations*]

[5] Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the UK or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year and must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

[6] If the specified denomination is expressed to be €50,000 (or €100,000, to the extent that Directive 2010/73/EU has been implemented in the relevant Member State) or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording as follows: €50,000 (or €100,000, to the extent that Directive 2010/73/EU has been implemented in the relevant Member State) and integral multiples of [€1,000] in excess thereof up to and including [€99,000]/[€199,000]. No notes in definitive form will be issued with a denomination above [€99,000]/[€199,000].

7.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[Specify/Issue date/Not Applicable]
8.	Maturity Date:		[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*][7]
9.	Interest Basis:		[[●] per cent. Fixed Rate] [[*specify reference rate] +/- [●] per cent. Floating Rate*] [Zero Coupon] [Other (*specify*)] (further particulars specified below)
10.	Redemption/Payment Basis:		[Redemption at par] [Dual Currency] [Instalment] [Other (*specify*)]
11.	Change of Interest or Redemption/ Payment Basis:		[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12.	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	(i)	Status of the Notes:	Senior
	(ii)	Date of Board Resolutions approving the issuance of the Notes:	[●]
14.	Listing:		[Hong Kong Stock Exchange/Other (*specify*)/None] (*For Notes to be listed on the Hong Kong Stock Exchange, insert the expected effective listing date of the Notes*)
15.	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "**Business Day**"]/not adjusted*]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount[8]

[7] Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

[8] For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon

	(iv)	Broken Amount:	[•] per Calculation Amount, payable on the Interest Payment date falling [in/on] [•]
	(v)	Day Count Fraction (Condition 5(i)):	[30/360/Actual/Actual/(ICMA/ISDA)/Actual/ 365 (fixed)/other]
	(vi)	Determination Date(s) (Condition 5(k)):	[•] in each year. [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N. B only relevant where Day Count Fraction is Actual/Actual (ICMA).*]
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
17.	Floating Rate Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i)	Interest Period(s):	[•]
	(ii)	Specified Interest Payment Dates:	[•]
	(iii)	Interest Period Date(s):	[•] (*Not applicable unless different from Interest Payment Date*)
	(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
	(v)	Business Centre(s) (Condition 5(k)):	[•]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/ other (*give details*)]
	(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not [•] as Calculation Agent):	[•]
	(viii)	Screen Rate Determination (Condition 5(b)(ii)(B)):	
		• Reference Rate:	[•] (*Either EURIBOR, HIBOR, SOFR Benchmark or other, although additional information is required if other*)

Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK$0.01, HK$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards".

- Interest Determination Date: [●]

  (*the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, euro or Hong Kong Dollars or first day of each Interest Accrual Period if the Specified Currency is Sterling or Hong Kong dollar or the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro*)

- Relevant Screen Page: [●]

  [(*In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)]

- Party responsible for calculation of Rate of Interest: [●] (*Specify where this is not the Calculation Agent*)

- SOFR: [Applicable/Not Applicable]

  - SOFR Benchmark: [Simple SOFR Average/Compounded Daily SOFR/Compounded SOFR Index]

  - Compounded Daily SOFR: [Not Applicable/SOFR Lag/SOFR Observation Shift/SOFR Payment Delay/SOFR Lockout]

    (*Only applicable in the case of Compounded Daily SOFR*)

  - Lookback Days: [Not Applicable/[●] U.S. Government Securities Business Day(s)]

    (*Only applicable in the case of SOFR Lag*)

  - SOFR Observation Shift Days: [Not Applicable/[●] U.S. Government Securities Business Day(s)]

    (*Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index*)

  - Interest Payment Delay Days: [Not Applicable/[●] U.S. Government Securities Business Day(s)]

    (*Only applicable in the case of SOFR Payment Delay*)

  - SOFR Rate Cut-Off Date: [Not Applicable/The day that is the [●] U.S. Government Securities Business Day(s) prior to the end of each Interest Accrual Period]

    (*Only applicable in the case of Simple SOFR Average, Compounded Daily SOFR: SOFR*

			Payment Delay or Compounded Daily SOFR: SOFR Lockout)
		• SOFR $\text{Index}_{\text{Start}}$	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable in the case of Compounded SOFR Index*)
		• SOFR $\text{Index}_{\text{End}}$	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable in the case of Compounded SOFR Index*)
	(ix)	ISDA Determination (Condition 5(b)(ii)(A)):	
		• Floating Rate Option:	[●]
		• Designated Maturity:	[●]
		• Reset Date:	[●]
		• ISDA Definitions:	2006 (if different to those set out in the Conditions, please specify)
	(x)	Margin(s):	[+/-] [●] per cent. per annum
	(xi)	Minimum Rate of Interest:	[●] per cent. per annum
	(xii)	Maximum Rate of Interest:	[●] per cent. per annum
	(xiii)	Day Count Fraction (Condition 5(k)):	[●]
	(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[Benchmark Discontinuation (General) (Condition 5(n))/Benchmark Discontinuation (SOFR) (Condition 5(o))/*specify other if different from those set out in the Conditions*]
18.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Amortisation Yield (Condition 6(b)):	[●] per cent. per annum
	(ii)	Any other formula/basis of determining amount payable:	[●]
19.	Dual Currency Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate of Exchange/Method of calculating Rate of Exchange:	[*Give details*]
	(ii)	Party, if any, responsible for calculating the Rate(s) of Interest	[●]

	and/or Interest Amount(s) (if not [●] as Calculation Agent):	
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

20.	Call Option:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
(iv)	Notice period:	[●]
21.	Put Option:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
(iii)	Notice period:	[●]
22.	Final Redemption Amount of each Note:	[●] per Calculation Amount
23.	Early Redemption Amount:	
(i)	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	[Bearer Notes/Exchangeable Bearer Notes/ Registered Notes] [*Delete as appropriate*] [temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note] [temporary Global Note exchangeable for Definitive Notes on [•] days' notice][9] [permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note]
25.	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	[Not Applicable/*Give details.*] Financial Centre(s) are: (a) [*give details as per above if applicable*]; (b) [New York City][10] / [Hong Kong][11] / [Singapore][12] / [London][13] / [TARGET Business Day (being a day on which the TARGET System is operating][14] *(Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii) and 17(ii) relate)*
26.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
27.	Details relating to Instalment Notes: amount of each Instalment, date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late repayment:	[Not Applicable/*give details*]
28.	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]

[9] If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: [€50,000]/[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]/[€199,000] the Temporary Global Note shall not be exchangeable on [•] days notice.

[10] For USD denominated drawdowns.

[11] For HKD or CNH denominated drawdowns.

[12] For SGD denominated drawdowns.

[13] For sterling denominated drawdowns.

[14] For euro denominated drawdowns.

29.	Consolidation provisions:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
30.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

31.	(i)	If syndicated, names of Managers:	[Not Applicable/give names] [*include date and description of subscription agreement*]
	(ii)	Stabilisation Manager (if any):	[Not Applicable/*give name(s)*]
32.	If non-syndicated, name of Dealer:		[Not Applicable/*give name*]
33.	Whether TEFRA D/C Rules applicable or TEFRA Rules not applicable:		[TEFRA D/TEFRA C/TEFRA not applicable]
34.	Prohibition of Sales to EEA Retail Investors:		[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.)*
35.	Prohibition of Sales to UK Retail Investors:		[Applicable/Not Applicable] *(If the Notes clearly do not constitute "CCIs" or the Notes do constitute "CCIs" and a disclosure document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "CCIs" and no disclosure document will be prepared in the UK, "Applicable" should be specified.)*
36.	Additional selling restrictions:		[Not Applicable/*give details*]

OPERATIONAL INFORMATION

37.	ISIN Code:	[•]
38.	Common Code:	[•]
39.	CMU Instrument Number:	[•]
40.	LEI:	2549006I3Q3M98KHOT11

41.	Any clearing system(s) other than Euroclear, Clearstream and the CMU and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
42.	Delivery:	Delivery [against/free of] payment
43.	Additional Paying Agent(s) (if any):	[•]

GENERAL

44.	The aggregate principal amount of Notes issued has been translated into [U.S. dollars] at the rate of [•], producing a sum of (for Notes not denominated in [U.S. dollars]):	[Not Applicable/[U.S.$][•]]
45.	In the case of Registered Notes, specify the location of the office of the Registrar if other than New York:	[•]
46.	In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London:	[•]
47.	Ratings:	The Notes to be issued have been rated: [S&P: [•]] [Moody's: [•]] [Other: [•]] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)
48.	Hong Kong SFC Code of Conduct	
	(i) Rebates	[A rebate of [•] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the capital market intermediaries otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
	(ii) Contact email addresses of the Overall Coordinators where underlying investor information in	[*Include relevant contact email addresses of the Overall Coordinators where the underlying*

relation to omnibus orders should be sent:	*investor information should be sent – Overall Coordinators to provide*] / [Not Applicable]
(iii) Marketing and Investor Targeting Strategy	[As indicated in the programme offering circular] or [*describe if different from the programme offering circular*]

[PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and listing on the [Hong Kong Stock Exchange] of the Notes described herein pursuant to the U.S.$9,000,000,000 Medium Term Note Programme of CITIC Limited.]

[STABILISATION

In connection with this issue, [insert name of Stabilisation Manager] (the "**Stabilisation Manager**") (or persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilisation Manager (or persons acting on its behalf) in accordance with all applicable laws and rules.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: .....

Duly authorised

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the following:

(a) each relevant Pricing Supplement;

(b) any interim (whether on a *pro-forma* basis or otherwise) consolidated financial information of CITIC Limited Group published from time to time subsequent to the date of this Offering Circular (if any);

(c) the most recently published annual report and audited consolidated financial statements and any unaudited interim consolidated financial statements of CITIC Limited published from time to time subsequent to the date of this Offering Circular (including any relevant audit reports, if any);

(d) any interim consolidated financial information of CITIC Corporation Limited published from time to time subsequent to the date of this Offering Circular (including any relevant audit reports, if any); and

(e) all amendments and supplements from time to time to this Offering Circular,

each of which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified offices of the Paying Agents (except for documents specified in (d) above, which will be available from the specified office of the Issuer) set out at the end of this Offering Circular. See "*General Information*" for a description of the financial information and statements currently published by CITIC Limited Group.

Any websites of CITIC Limited Group referred to in this Offering Circular or any relevant Pricing Supplement in respect of the issue of any Notes do not form part of this Offering Circular or such Pricing Supplement. Information appearing on such website does not form part of this Offering Circular or any relevant Pricing Supplement in respect of the issue of any Notes and none of the Arrangers, the Dealers, the Trustee or the Agents, nor any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them accepts any responsibility whatsoever that any such information is accurate and/or up-to-date. Any such information should not form the basis of any investment decision by an investor to purchase or deal in the Notes issued under the Programme.

GENERAL INFORMATION

1. Application has been made to the Hong Kong Stock Exchange for the listing of the Programme, under which the Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Separate application will be made for the listing of the Notes on the Hong Kong Stock Exchange. The issue price of Notes to be issued under the Programme and listed on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. Notes to be listed on the Hong Kong Stock Exchange are required to have a denomination of at least HKD500,000 (or equivalent in other currencies).

2. The Issuer has obtained all necessary consents, approvals and authorisations in Hong Kong in connection with the establishment and update of the Programme. The establishment of the Programme was authorised by resolution of the Board of Directors of the Issuer passed on 6 April 2011 and the update of the Programme was authorised by resolution of the Board of Directors of the Issuer and the Executive Committee of the Board of Directors of the Issuer on 20 November 2015 and 24 May 2026, respectively.

3. Save as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position of the Issuer or of CITIC Limited Group since 31 December 2025.

4. None of the Issuer or CITIC Limited Group is involved in any litigation, arbitration or administrative proceedings relating to claims which are material in the context of the issue of the Notes and, so far as the Issuer or any member of CITIC Limited Group is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

5. Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

6. Notes have been accepted for clearance through the Euroclear and Clearstream systems. The Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. In addition, the Issuer may make an application for Registered Notes to be accepted for trading in book-entry form by DTC. The relevant ISIN, the Common Code, CUSIP, and (where applicable) the identification number for any other relevant clearing system for each series of Notes will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

7. For so long as Notes may be issued pursuant to this Offering Circular, copies of the following documents will, when published, be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the head office of the Issuer at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong and (in respect of the documents referred to in sub-paragraphs (i), (ii) and (v)) at the specified office of the Paying Agents:

   (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);

   (ii) the Agency Agreement;

   (iii) the Memorandum and Articles of Association of the Issuer;

   (iv) the audited consolidated financial statements of the Issuer for the year ended 31 December 2025; and

   (v) a copy of this Offering Circular together with any supplement (including any Pricing Supplement save that a Pricing Supplement relating to an unlisted Series of Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of Notes and identity) to this Offering Circular or further Offering Circular.

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(1) The audited consolidated financial statements of CITIC Limited for the year ended 31 December 2025 set out herein are reproduced from CITIC Limited's annual report for the year ended 31 December 2025 including the page numbers and page references set forth in such annual report.

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Consolidated Income Statement

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	For the year ended 31 December 2025	2024 (Restated)
Interest income		**305,312**	329,864
Interest expenses		**(158,379)**	(181,491)
Net interest income	5 (a)	**146,933**	148,373
Fee and commission income		**87,130**	72,979
Fee and commission expenses		**(17,527)**	(13,947)
Net fee and commission income	5 (b)	**69,603**	59,032
Sales of goods and services	5 (c)	**478,412**	473,456
Other revenue	5 (d)	**74,316**	66,339
		552,728	539,795
Total revenue		**769,264**	747,200
Cost of sales and services	6	**(430,028)**	(424,950)
Other net income	7	**8,777**	12,618
Expected credit losses	8	**(63,258)**	(59,383)
Impairment losses	9	**(4,169)**	(1,895)
Other operating expenses	11	**(137,406)**	(136,292)
Net valuation loss on investment properties		**(127)**	(165)
Share of profits of associates, net of tax		**6,861**	4,138
Share of profits of joint ventures, net of tax		**3,659**	2,492
Profit before net finance charges and taxation		**153,573**	143,763
Finance income		**1,989**	2,235
Finance costs		**(10,954)**	(13,341)
Net finance charges	10	**(8,965)**	(11,106)
Profit before taxation	11	**144,608**	132,657
Income tax	12	**(28,795)**	(24,902)
Profit for the year		**115,813**	107,755
Attributable to:			
– Ordinary shareholders of the Company		**58,730**	58,202
– Non-controlling interests		**57,083**	49,553
Profit for the year		**115,813**	107,755
Earnings per share for profit attributable to ordinary shareholders of the Company during the year:			
Basic earnings per share (RMB)	16	**2.02**	2.00
Diluted earnings per share (RMB)	16	**2.01**	1.97

The notes on pages 150 to 299 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

		For the year ended 31 December	
	Note	**2025**	2024
Profit for the year		**115,813**	107,755
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		**(11,770)**	11,133
Change of loss allowance on debt investments at fair value through other comprehensive income		**250**	76
Cash flow hedge: net movement in the hedging reserve		**(49)**	(137)
Share of other comprehensive loss of associates and joint ventures		**(1,728)**	(2,572)
Exchange differences on translation of financial statements and others		**(4,777)**	1,565
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain on owner-occupied property reclassified as investment property		**61**	101
Fair value changes on equity instruments designated at fair value through other comprehensive income		**(339)**	123
Share of other comprehensive income of associates and joint ventures		**108**	59
Other comprehensive income for the year		**(18,244)**	10,348
Total comprehensive income for the year		**97,569**	118,103
Attributable to:			
– Ordinary shareholders of the Company		**46,647**	64,628
– Non-controlling interests		**50,922**	53,475
Total comprehensive income for the year		**97,569**	118,103

The notes on pages 150 to 299 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	31 December 2025	31 December 2024
Assets			
Cash and deposits	19	**648,888**	608,487
Cash held on behalf of customers	20	**433,832**	315,761
Placements with banks and non-bank financial institutions	21	**446,098**	404,801
Derivative financial instruments	22	**80,365**	135,218
Trade and other receivables	23	**319,977**	266,387
Contract assets	24	**21,640**	22,414
Inventories	25	**118,689**	123,637
Financial assets held under resale agreements	26	**223,686**	179,829
Loans and advances to customers and other parties	27	**5,748,227**	5,601,071
Margin accounts	28	**207,652**	138,332
Investments in financial assets	29	**3,937,426**	3,538,851
– Financial assets at amortised cost		**1,301,701**	1,108,159
– Financial assets at fair value through profit or loss		**1,510,835**	1,401,113
– Debt investments at fair value through other comprehensive income		**984,667**	926,931
– Equity investments at fair value through other comprehensive income		**140,223**	102,648
Refundable deposits	30	**102,372**	68,215
Interests in associates	32	**114,345**	107,733
Interests in joint ventures	33	**69,038**	66,955
Fixed assets	34	**245,418**	218,052
Investment properties	34	**40,192**	40,691
Right-of-use assets		**47,129**	49,285
Intangible assets	35	**22,995**	22,640
Goodwill	35	**26,414**	26,744
Deferred tax assets	36	**87,039**	84,972
Other assets		**79,718**	55,350
Total assets		**13,021,140**	12,075,425

Consolidated Statement of Financial Position (Continued)

As at 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	31 December 2025	31 December 2024
Liabilities			
Borrowings from central banks		**204,025**	124,151
Deposits from banks and non-bank financial institutions	37	**883,276**	935,159
Placements from banks and non-bank financial institutions	38	**203,799**	145,644
Financial liabilities at fair value through profit or loss	39	**173,016**	127,140
Customer brokerage deposits	40	**517,630**	361,926
Funds payable to securities issuers		**–**	1,063
Derivative financial instruments	22	**111,762**	134,331
Trade and other payables	41	**477,818**	385,896
Contract liabilities	24	**20,685**	21,099
Financial assets sold under repurchase agreements	42	**885,709**	672,087
Deposits from customers	43	**6,117,527**	5,847,939
Employee benefits payables		**59,875**	57,386
Income tax payable	36	**11,691**	12,376
Bank and other loans	44	**246,167**	245,566
Debt instruments issued	45	**1,526,070**	1,497,138
Lease liabilities		**18,454**	19,049
Provisions	46	**15,532**	13,801
Deferred tax liabilities	36	**17,331**	17,731
Other liabilities		**34,112**	32,929
Total liabilities		**11,524,479**	10,652,411
Equity	47		
Share capital		**307,576**	307,576
Reserves		**474,773**	449,911
Total ordinary shareholders' funds		**782,349**	757,487
Non-controlling interests		**714,312**	665,527
Total equity		**1,496,661**	1,423,014
Total liabilities and equity		**13,021,140**	12,075,425

Approved and authorised for issue by the board of directors on 27 March 2026.

Director: **Xi Guohua** *Director:* **Zhang Wenwu**

The notes on pages 150 to 299 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(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 2025		**307,576**	**(37,442)**	**2,441**	**(3,271)**	**64,827**	**9,176**	**414,180**	**757,487**	**665,527**	**1,423,014**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**58,730**	**58,730**	**57,083**	**115,813**
Other comprehensive loss for the year	17	**-**	**-**	**(81)**	**(9,722)**	**-**	**(2,280)**	**-**	**(12,083)**	**(6,161)**	**(18,244)**
Total comprehensive income for the year		**-**	**-**	**(81)**	**(9,722)**	**-**	**(2,280)**	**58,730**	**46,647**	**50,922**	**97,569**
Transactions with non-controlling interests		**-**	**418**	**-**	**-**	**-**	**-**	**-**	**418**	**(777)**	**(359)**
Appropriation to general reserve		**-**	**-**	**-**	**-**	**6,828**	**-**	**(6,828)**	**-**	**-**	**-**
Dividends paid to ordinary shareholders of the Company	15	**-**	**-**	**-**	**-**	**-**	**-**	**(16,291)**	**(16,291)**	**-**	**(16,291)**
Dividends paid to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(21,707)**	**(21,707)**
Conversion of a subsidiary's convertible corporate bonds		**-**	**(5,892)**	**-**	**-**	**-**	**-**	**-**	**(5,892)**	**12,811**	**6,919**
Other equity instruments issued by subsidiaries	53 (c)	**-**	**(3)**	**-**	**-**	**-**	**-**	**-**	**(3)**	**7,488**	**7,485**
Disposal of equity investments at fair value through other comprehensive income		**-**	**-**	**-**	**987**	**-**	**-**	**(987)**	**-**	**-**	**-**
Share of other comprehensive income of associates and joint ventures that will not be reclassified subsequently to profit or loss		**-**	**-**	**-**	**30**	**-**	**-**	**(30)**	**-**	**-**	**-**
Others		**-**	**(17)**	**-**	**-**	**-**	**-**	**-**	**(17)**	**48**	**31**
Other changes in equity		**-**	**(5,494)**	**-**	**1,017**	**6,828**	**-**	**(24,136)**	**(21,785)**	**(2,137)**	**(23,922)**
Balance at 31 December 2025		**307,576**	**(42,936)**	**2,360**	**(11,976)**	**71,655**	**6,896**	**448,774**	**782,349**	**714,312**	**1,496,661**

Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 December 2025
(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		–	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 a 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

The notes on pages 150 to 299 form part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	For the year ended 31 December 2025	2024 (Restated)
Cash flows from operating activities			
Profit before taxation		**144,608**	132,657
Adjustments for:			
– Depreciation and amortisation	11(b)	**26,718**	27,560
– Expected credit losses	8	**63,258**	59,383
– Impairment losses	9	**4,169**	1,895
– Net valuation loss on investment properties		**127**	165
– Net valuation (profit)/loss on investments		**(1,632)**	532
– Share of profits of associates and joint ventures, net of tax		**(10,520)**	(6,630)
– Interest expenses on debt instruments issued	5(a)	**31,403**	33,256
– Finance income		**(157)**	(291)
– Finance costs		**10,954**	12,902
– Net gain on investments in financial assets		**(32,264)**	(30,329)
– Net gain on disposal/deemed disposal of subsidiaries, associates and joint ventures	7	**(68)**	(3,793)
Changes in working capital		**236,596**	227,307
Decrease in deposits with central banks and non-bank financial institutions		**35,666**	37,317
Increase in placements with banks and non-bank financial institutions		**(70,157)**	(124,278)
Increase in trade and other receivables		**(77,633)**	(57,003)
Decrease in contract assets		**2,672**	1,897
Decrease in inventories		**4,767**	9,423
Increase in financial assets held under resale agreements		**(41,837)**	(15,187)
Increase in loans and advances to customers and other parties		**(180,309)**	(262,820)
(Increase)/decrease in investments in financial assets held for trading purposes		**(49,836)**	2,391
Increase in cash held on behalf of customers		**(118,071)**	(76,742)
Increase in other operating assets		**(72,778)**	(75,948)
(Decrease)/increase in deposits from banks and non-bank financial institutions		**(50,287)**	38,267
Increase/(decrease) in placements from banks and non-bank financial institutions		**52,681**	(9,228)
(Decrease)/increase in financial liabilities at fair value through profit or loss		**(359)**	93
Increase/(decrease) in trade and other payables		**89,437**	(12,683)
Decrease in contract liabilities		**(414)**	(10,383)
Increase/(decrease) in financial assets sold under repurchase agreements		**219,098**	(68,851)
Increase in deposits from customers		**301,023**	355,643
Increase/(decrease) in borrowings from central banks		**79,975**	(148,593)
Increase in customer brokerage deposits		**155,740**	78,428
(Decrease)/increase in other operating liabilities		**(56,357)**	69,220
Increase in employee benefits payables		**2,489**	453
Increase/(decrease) in provisions		**1,181**	(2,329)
Cash generated from/(used in) operating activities		**463,287**	(43,606)
Income tax paid		**(32,738)**	(22,113)
Net cash generated from/(used in) operating activities		**430,549**	(65,719)

Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2025
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	For the year ended 31 December 2025	2024 (Restated)
Cash flows from investing activities			
Proceeds from disposal and redemption of financial investments		**6,384,117**	3,862,555
Proceeds from disposal of fixed assets, intangible assets and other assets		**1,630**	1,568
Net cash received from disposal of subsidiaries		**1,434**	–
Proceeds from disposal of associates and joint ventures		**758**	6,417
Dividends received from equity investments, associates and joint ventures		**7,182**	5,598
Net payments for purchase of financial investments		**(6,668,260)**	(3,952,815)
Payments for additions of fixed assets, intangible assets and other assets		**(55,038)**	(28,647)
Net cash paid for acquisition of subsidiaries		**(29)**	–
Cash outflow on acquisition of associates and joint ventures		**(1,750)**	(851)
Net cash used in investing activities		**(329,956)**	(106,175)
Cash flows from financing activities			
Capital injection received from non-controlling interests		**370**	3,156
Transaction with non-controlling interests		**–**	(2,125)
Proceeds from bank and other loans		**410,127**	309,605
Proceeds from debt instruments issued		**1,961,893**	1,805,627
Repayments of bank and other loans and debt instruments issued		**(2,334,396)**	(1,831,324)
Issuance of other equity instruments by subsidiaries	53(c)	**7,500**	44,000
Principal and interest elements of lease payments		**(5,644)**	(6,087)
Interest paid on bank and other loans and debt instruments issued		**(44,434)**	(49,169)
Dividends paid to non-controlling interests		**(20,250)**	(24,596)
Dividends paid to ordinary shareholders of the Company	15	**(16,291)**	(15,272)
Repayment of perpetual bonds	53(c)	**–**	(39,993)
Net cash (used in)/generated from financing activities		**(41,125)**	193,822
Net increase in cash and cash equivalents		**59,468**	21,928
Cash and cash equivalents at 1 January		**385,399**	359,383
Effect of exchange changes		**(7,310)**	4,088
Cash and cash equivalents at 31 December	53(a)	**437,557**	385,399

The notes on pages 150 to 299 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(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 2025, the equity interests held by CITIC Group in the Company through its overseas wholly-owned subsidiaries was 53.12% (31 December 2024: 53.12%).

2 Material accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") 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 new or amended HKFRS Accounting Standards. The Group has adopted those new or amended HKFRS Accounting Standards issued by the HKICPA that are first effective for the year ended 31 December 2025 (see Note 2 (b)(i)).

(b) Changes in material accounting policies

(i) The amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability ("the amendments to HKAS 21")

The Group has applied the amendments to HKAS 21 which were issued by the HKICPA and became effective in 2025 to the annual financial statements for the current accounting period.

The adoption of the above amendments does not have a material impact on the annual financial statements of the Group.

2 Material accounting policies (Continued)

(b) Changes in material accounting policies (Continued)

(ii) Considering the practical guidance issued by the relevant regulatory authority, the Group made a change in accounting policy related to physical settlement of contracts to buy or sell bulk commodities that fail the own-use exception. Previously, for contracts involving the sale of bulk commodities, the Group recognised sales revenue and cost of sales when the customer obtained the control of the commodity. Effective on 1 January 2025, such transactions are accounted for as settlement of the sales contracts without recognising any sales revenue or cost of sales. The impact of this change in accounting policy has been applied retrospectively, and comparative figures have been adjusted accordingly. The change in accounting policy does not have an impact on the Group's profit before taxation, profit for the year or total assets of comparative period.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(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 millions of RMB.

(d) Basis of measurement

The consolidated financial statements for the year ended 31 December 2025 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)).

2 Material accounting policies (Continued)

(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.

(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.

2 Material accounting policies (Continued)

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

(ii) Business combinations not involving entities under common control (Continued)

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 HKFRSs.

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.

(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.

2 Material accounting policies (Continued)

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

(iii) Consolidated financial statements (Continued)

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.

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 transactions, balances 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 a 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 recognised 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 basis.

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 loss, 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 financial liabilities. 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 associated liabilities.

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

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 from 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 term is 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.

(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).

2 Material accounting policies (Continued)

(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.

(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.

2 Material accounting policies (Continued)

(o) Property, plant and equipment (Continued)

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
–	Aircraft and vessels, etc	20 – 30 years
–	Office and other equipment, vehicles 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.

(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.

2 Material accounting policies (Continued)

(q) Intangible assets (other than goodwill) (Continued)

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.

(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 payments 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 HKFRS 16.

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 rendered, 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 rendering of 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 rendered 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 rendered 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 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 expenses 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 model rules") 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 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 (Continued)

(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. The details of such disputes include those set out below.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

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") to pursue claims pursuant to an indemnity given by the Company under the Fortescue Coordination Deed ("FCD"). The claim 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 out by 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 because Sino Iron and Korean Steel did not pay to Mineralogy royalty on products they produced ("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 Sino Iron and Korean Steel 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 an equivalent diminution in value of the shares of its joint venture owners, QNI Metals Pty Ltd. and QNI Resources Pty Ltd.. The shares in those companies are ultimately beneficially owned by Mr. Palmer. Mineralogy and Mr. Palmer claim that the Company is liable for those losses pursuant to an indemnity provision in the FCD. In their closing submissions made in the trial of this proceeding, Mr. Palmer and Mineralogy alleged that their loss is in the range of AUD1,800,438,000 and AUD898,000,000.

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. The CITIC Parties deny that they have caused Mr. Palmer and Mineralogy any loss associated with the administration and liquidation of QNI, or the closure of the Yabulu Refinery.

Mineralogy's and Mr. Palmer's amended reply, filed on 3 June 2024, contained allegations that certain conduct of the CITIC Parties, specifically alleged activities of the Fulcrum Group, had the effect of disentitling the CITIC Parties from relying on their defences of Anshun estoppel and abuse of process ("Fulcrum Allegations").

In September 2024, Justice Lundberg determined that this proceeding and Proceeding CIV 2336/2023, as described below, would be actively case managed together.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Queensland Nickel FCD Indemnity Claim (Continued)

By orders of Justice Lundberg made on 3 June 2025, the "Fulcrum Allegations" were deleted from Mineralogy's and Mr. Palmer's amended reply and from Mineralogy's further amended defence in Proceeding CIV 2336/2023, as described below, and cannot be re-pleaded in either proceeding.

The trial of Proceeding CIV 2072/2017 commenced on 9 June 2025 and concluded on 27 June 2025. The Court reserved its decision.

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 occupied in accordance with proposals approved between 2008 and 2010. The 2017 mine continuation proposals addressed that need, and included proposals to extend the constrained mine pit, and to 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 Sino Iron and Korean Steel 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.

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").

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 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, Mineralogy submitted the Programme of Works to the State and, on 28 July 2023, the Programme of Works was approved. That approval allowed Sino Iron and Korean Steel to undertake certain drilling and other investigative works necessary for the extension of the mine pit and the establishment of a new tailings storage facility within areas over which Mineralogy had already provided rights of access and use.

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 described 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. On 7 October 2025, the CITIC Parties paid Mineralogy's costs of the Consolidated 2017 MCPs Proceedings as 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

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.

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.

The appeals were consolidated and heard together before the Court of Appeal from 12 to 15 August 2024 and 19 to 21 August 2024. The Court of Appeal's decision remains reserved.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Mine Continuation Proposals Disputes (Continued)

(iii) 2023 Mine Continuation Proposals Proceeding

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 were a subset of the activities the subject of the 2017 mine continuation proposals, and were confined to areas over which Mineralogy has already provided rights of access and use to Sino Iron and Korean Steel. The CITIC Parties alleged that Mineralogy was obliged to consider and approve the 2023 mine continuation proposals. Approval of the 2023 mine continuation proposals would 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 sought relief including:

- declarations that Mineralogy's failure and refusal to consider, approve and submit the 2023 mine continuation proposals was 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 quantification of any loss and damage suffered by the CITIC Parties is to be heard separately, after the Court determines the issue of liability.

The State of Western Australia was a party to the proceeding because it is a party to the State Agreement, but no relief was sought against it.

Mineralogy's further amended defence included allegations that Mineralogy was not able to approve the 2023 mine continuation proposals because it was not provided with the necessary supporting documentation, including geological and mine planning information. Mineralogy also asserted that, because the CITIC Parties had breached certain project agreements, the CITIC Parties were not entitled to the relief claimed by them in the proceeding. The alleged breaches included that:

- the CITIC Parties had not paid Mineralogy the amounts claimed in Proceeding CIV 2072/2017 (as described above); and

- the CITIC Parties had allegedly failed to permit Mineralogy to observe all measurement, sampling and assaying procedures under the MRSLAs.

In September 2024, Justice Lundberg determined that this proceeding and Proceeding CIV 2072/2017, as described above, would be actively case managed together.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Mine Continuation Proposals Disputes (Continued)

(iii) 2023 Mine Continuation Proposals Proceeding (Continued)

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.

Numerous interlocutory disputes needed to be determined in the lead up to the primary trial. These included an unsuccessful attempt by Mineralogy to further amend its defence and to include a counterclaim (the claims in which subsequently became the subject of Proceeding CIV 1487/2025, and then Proceedings CIV 1990/2025 and CIV 1991/2025, as described below) and an application by Mineralogy to vacate the trial dates. Despite this, the primary trial commenced on 28 April 2025.

Part way through the trial, Mineralogy agreed to the joint submission to the State of the 2023 mine continuation proposals. As a consequence, on 5 May 2025, Sino Iron, Korean Steel and Mineralogy jointly submitted the 2023 mine continuation proposals to the State of Western Australia for approval. The State of Western Australia approved the 2023 mine continuation proposals on 9 June 2025.

As Mineralogy joined with Sino Iron and Korean Steel to submit the 2023 mine continuation proposals, the CITIC Parties did not press for the injunctive or specific performance relief sought in this proceeding. However, they continued to press for the balance of the relief sought, including for a declaration or finding that Mineralogy was in breach of contract, and therefore liable for any damages suffered by the CITIC Parties as a consequence of the breach.

By orders of Justice Lundberg made on 3 June 2025, the "Fulcrum Allegations" pleaded by Mineralogy in this proceeding were deleted from Mineralogy's further amended defence in this proceeding, as well as from Mineralogy's and Mr. Palmer's amended reply in Proceeding CIV 2072/2017, as described above, and cannot be re-pleaded in those proceedings.

The primary trial in this proceeding concluded on 27 June 2025. The Court reserved its decision.

If the Court finds that Mineralogy was in breach of contract by not submitting the 2023 mine continuation proposals at or shortly after the time that they were provided to Mineralogy in late 2023, the quantification of the damages which Mineralogy must pay as a consequence of that breach will be determined in a secondary trial.

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, to recoup from Mineralogy certain additional costs of developing the Sino Iron Project and to 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, as described 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 Sino Iron's and Korean Steel's 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.

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.

Those applications 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. The application was heard on 9 April 2025 and the Court reserved its decision.

No trial date has been set for this proceeding.

3 Critical accounting estimates and judgements (Continued)

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Unprocessed and Utilised Material Claims

On 8 May 2025, Mineralogy commenced a proceeding against Sino Iron, Korean Steel and the Company ("Proceeding CIV 1487/2025") claiming various breaches of the MRSLAs and other project agreements in relation to the alleged use by Sino Iron and Korean Steel of magnetite ore and/or low grade material and alleged failure to process magnetite ore mined. On 9 June 2025, Mineralogy filed a notice of discontinuance in Proceeding CIV 1487/2025. Mineralogy subsequently commenced two proceedings to pursue claims similar to those pleaded in Proceeding CIV 1487/2025.

(i) Utilised Material Claim

On 2 September 2025, Mineralogy commenced a proceeding against Sino Iron, Korean Steel and the Company in the Supreme Court of Western Australia ("Proceeding CIV 1990/2025") alleging breaches of the MRSLAs and other project agreements. The alleged breaches relate to Sino Iron's and Korean Steel's purported use of 134 million tonnes of magnetite ore, low grade material and/or waste rock in circumstances where Mineralogy alleges that they should have stockpiled and mapped that material in a manner which would have permitted it to be accessed and processed at a later time, or processed the portion consisting of magnetite ore and paid Mineralogy royalties on that portion. Mineralogy seeks damages comprising the market value of the material allegedly used by Sino Iron and Korean Steel, said to be AUD44 per tonne, or a total of AUD4,992,948,708.

On 29 October 2025, the CITIC Parties filed their defences. Sino Iron and Korean Steel plead a number of defences, including that they have rights to use the material and have paid valuable consideration for the alleged benefit, as well as arguments based on Anshun estoppel, estoppel by convention, abuse of process, and that the claim (or part of it) is time-barred. The Company's defence essentially adopts and repeats most of Sino Iron's and Korean Steel's defence.

On 12 November 2025, Justice Lundberg ordered that this proceeding and Proceeding CIV 1991/2025, as described below, would be case managed together.

On 2 December 2025, Mineralogy filed its reply.

A directions hearing has been listed for 27 March 2026.

No trial date has been set for this proceeding.

3 Critical accounting estimates and judgements **(Continued)**

(k) Mineralogy/Mr. Palmer proceedings (Continued)

Unprocessed and Utilised Material Claims (Continued)

(ii) Unprocessed Material Claim

Also on 2 September 2025, Mineralogy commenced a proceeding against Sino Iron, Korean Steel and the Company in the Supreme Court of Western Australia ("Proceeding CIV 1991/2025") alleging breaches of the MRSLAs and other project agreements. The alleged breaches relate to Sino Iron's and Korean Steel's purported failure to process approximately 113.5 million dry metric tonnes of magnetite ore mined, and to pay Mineralogy royalties on such magnetite ore. Mineralogy seeks damages estimated to be AUD56,040,175.14 on account of a royalty on magnetite ore taken by Sino Iron and Korean Steel (i. e., Royalty Component A), plus US$556,908,960.88 on account of Royalty Component B.

On 29 October 2025, the CITIC Parties filed their defences. Sino Iron and Korean Steel plead a number of defences, including denying that they were obliged to process the material in question and denying the amounts claimed by Mineralogy, as well as arguments based on Anshun estoppel, estoppel by convention, abuse of process, and that the claim (or part of it) is time-barred. The Company's defence essentially adopts and repeats most of Sino Iron's and Korean Steel's defence.

On 12 November 2025, Justice Lundberg ordered that this proceeding and Proceeding CIV 1990/2025, as described above, would be case managed together.

On 12 February 2026, CITIC Parties filed their amended defence.

On 18 March 2026, Mineralogy filed its amended reply.

A directions hearing has been listed for 27 March 2026.

No trial date has been set for this proceeding.

(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.

3 Critical accounting estimates and judgements (Continued)

(l) Metallurgical Corporation of China ("MCC") claim (Continued)

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 2025, 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 2025.

4 Taxation

The statutory income tax rate of the Company and its subsidiaries located in Hong Kong for the year ended 31 December 2025 is 16.5% (2024: 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 2025 is 25% (2024: 25%).

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

5 Revenue

As a multi-industry conglomerate, the Group is principally 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	
	2025	2024
Interest income arising from (note):		
Deposits with central banks, banks and non-bank financial institutions	**14,886**	17,288
Placements with banks and non-bank financial institutions	**11,088**	10,282
Financial assets held under resale agreements	**3,696**	3,488
Investments in financial assets		
– Financial assets at amortised cost	**31,058**	30,258
– Debt investments at FVOCI	**23,314**	25,421
Loans and advances to customers and other parties	**212,850**	235,715
Margin financing and securities lending	**8,218**	7,141
Others	**202**	271
	305,312	329,864
Interest expenses arising from:		
Borrowings from central banks	**(2,641)**	(6,367)
Deposits from banks and non-bank financial institutions	**(11,373)**	(18,305)
Placements from banks and non-bank financial institutions	**(3,823)**	(3,782)
Financial assets sold under repurchase agreements	**(15,307)**	(13,234)
Deposits from customers	**(89,312)**	(102,617)
Debt instruments issued	**(31,403)**	(33,256)
Customer brokerage deposits	**(1,373)**	(1,618)
Lease liabilities	**(522)**	(561)
Others	**(2,625)**	(1,751)
	(158,379)	(181,491)
Net interest income	**146,933**	148,373

Note:

Interest income includes interest income accrued on credit-impaired financial assets of RMB425 million for the year ended 31 December 2025 (2024: RMB760 million).

5 Revenue (Continued)

(b) Net fee and commission income

	For the year ended 31 December	
	2025	2024 (Restated)
Bank card fees	**13,958**	15,550
Trustee commission and fees	**12,724**	10,347
Agency fees and commission	**6,107**	4,876
Guarantee and advisory fees	**5,887**	5,482
Commission on securities brokerage	**19,073**	13,006
Commission on fund management	**9,433**	8,192
Commission on investment banking	**6,548**	4,354
Settlement and clearing fees	**2,820**	2,463
Commission on asset management	**2,885**	2,492
Commission on futures brokerage	**6,651**	4,201
Others	**1,044**	2,016
	87,130	72,979
Fee and commission expenses	**(17,527)**	(13,947)
Net fee and commission income	**69,603**	59,032

(c) Sales of goods and services

	For the year ended 31 December	
	2025	2024 (Restated)
Sales of goods	**436,771**	427,541
Services rendered to customers		
– Revenue from construction contracts	**11,894**	15,918
– Revenue from other services	**29,747**	29,997
	478,412	473,456

5 Revenue (Continued)

(d) Other revenue

	For the year ended 31 December	
	2025	2024 (Restated)
Net trading loss under comprehensive financial services segment (note (i))	**(16,265)**	(23,269)
Net gain on financial investments under comprehensive financial services segment	**82,296**	85,370
Others	**8,285**	4,238
	74,316	66,339

(i) Net trading loss under comprehensive financial services segment

	For the year ended 31 December	
	2025	2024 (Restated)
Net trading gain/(loss):		
– debt securities and certificates of deposit	**52,205**	104
– foreign currencies	**5,755**	4,974
– derivatives and others	**(74,225)**	(28,347)
	(16,265)	(23,269)

6 Costs of sales and services

	For the year ended 31 December	
	2025	2024 (Restated)
Costs of goods sold	**400,928**	392,016
Costs of services rendered		
– Costs of construction contracts	**10,235**	14,193
– Costs of other services	**18,865**	18,741
	430,028	424,950

7 Other net income

	For the year ended 31 December	
	2025	2024
Net gain on disposal/deemed disposal of subsidiaries, associates and joint ventures	**68**	3,793
Net gain on financial investments under non-comprehensive financial services segment	**3,855**	3,262
Net foreign exchange gain/(loss)	**95**	(1,033)
Others	**4,759**	6,596
	8,777	12,618

8 Expected credit losses

	For the year ended 31 December	
	2025	2024
Deposits and placements with banks and non-bank financial institutions	**22**	41
Receivables (excluding prepayments) and others	**10,685**	3,501
Loans and advances to customers and other parties	**50,651**	54,828
Investments in financial assets		
– Financial assets at amortised cost	**951**	2,418
– Debt investments at FVOCI	**558**	777
Impairment provision of credit commitments and guarantees provided	**391**	(2,182)
	63,258	59,383

In 2025, the Group's expected credit losses were RMB63,258 million, an increase of 7% compared with last year. China CITIC Bank Corporation Limited ("CITIC Bank"), accounted for RMB57,939 million, mainly from expected credit loss of loans and advances to customers and other parties.

9 Impairment losses

	For the year ended 31 December	
	2025	2024 (Restated)
Inventories	**2,122**	1,334
Interests in associates	**249**	136
Interests in joint ventures	**152**	233
Fixed assets (note)	**838**	67
Intangible assets	**554**	19
Prepayments	**106**	28
Goodwill (Note 35)	**–**	17
Others	**148**	61
	4,169	1,895

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.

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 2025, 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 2025.

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).

The CGU's fair value hierarchy is Level 3.

10 Net finance charges

	For the year ended 31 December	
	2025	2024
Finance costs		
– Interest on bank and other loans	**9,244**	10,526
– Interest on debt instruments issued	**1,818**	3,190
– Interest on lease liabilities	**275**	253
	11,337	13,969
Less: interest expenses capitalised (note)	**(591)**	(851)
	10,746	13,118
Other finance charges	**208**	223
	10,954	13,341
Finance income	**(1,989)**	(2,235)
	8,965	11,106

In 2025, the Group's finance costs were RMB10,954 million, a decrease of RMB2,387 million or 17.89% compared with last year, mainly due to the decrease in interest on bank and other loans and debt instruments issued. The finance income was RMB1,989 million, a decrease of RMB246 million or 11.01% compared with last year, mainly due to the decrease in interest from deposits.

Note:

In 2025, capitalisation rates applied to funds borrowed are 2.90% ~ 4.20% per annum (2024: 3.64% ~ 4.45%).

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	
	2025	2024
Salaries and bonuses	**68,149**	66,680
Contributions to defined contribution retirement schemes (note (i))	**10,052**	9,276
Others	**14,816**	15,422
	93,017	91,378

Note:

(i) 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 current service cost, interest income or expenses, and remeasurements of the net defined benefit liability, which in combination amounts to RMB22 million was recognised for the year ended 31 December 2025 (2024: RMB112 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.

11 Profit before taxation (Continued)

(b) Other items

	For the year ended 31 December	
	2025	2024
Amortisation	**4,124**	4,450
Depreciation	**22,594**	23,110
Lease charges	**1,339**	1,592
Tax and surcharges	**3,363**	3,164
Property management fees	**1,009**	1,075
Non-operating expenses	**1,895**	1,409
Professional fees (other than auditors' remuneration)	**1,480**	1,424
Auditors' remuneration		
– Audit services	**187**	212
– Non-audit services	**61**	70
	36,052	36,506

12 Income tax expense

(a) Income tax expense in the income statement

	For the year ended 31 December	
	2025	2024
Current tax – Chinese mainland		
Provision for enterprise income tax	**24,414**	26,765
Land appreciation tax	**29**	338
	24,443	27,103
Current tax – Hong Kong		
Provision for Hong Kong Profits tax	**2,299**	1,350
Pillar Two income taxes (note (c))	**75**	–
Current tax – Overseas		
Provision for the year	**838**	814
Pillar Two income taxes (note (c))	**4**	–
	27,659	29,267
Deferred tax		
Origination and reversal of temporary differences	**1,136**	(4,365)
	28,795	24,902

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

In 2025, the Group's income tax was RMB28,795 million, an increase of RMB3,893 million or 15.6% compared with last year. In addition to the increase in profit before taxation, it was mainly due to the decrease in non-taxable income of CITIC Bank compared with last year.

12 Income tax expense (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	For the year ended 31 December	
	2025	2024
Profit before taxation	**144,608**	132,657
Less: share of profits of		
– Associates	**(6,861)**	(4,138)
– Joint ventures	**(3,659)**	(2,492)
	134,088	126,027
Notional tax on profit before taxation calculated at statutory tax rate of 16.5%	**22,125**	20,794
Effect of different tax rates in other jurisdictions	**13,134**	13,188
Tax effect of unused tax losses not recognised	**2,025**	1,024
Tax effect of non-deductible expenses	**5,066**	8,832
Current income tax impact arising from Pillar Two model rules (note (c))	**79**	–
Tax effect of non-taxable income (note)	**(13,387)**	(19,308)
Others	**(247)**	372
Actual tax expense	**28,795**	24,902

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

The Group is subject to the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. Due to the impact of the Domestic Minimum Top-up Tax (DMTT) and Global Anti-Base Erosion (GloBE) rules enacted in the Hong Kong Special Administrative Region and other jurisdictions, where members of the CITIC Group operate, the Group is subject to top-up tax liabilities in certain jurisdictions where the Pillar Two effective tax rate is below 15%. The Group has applied the temporary mandatory exception to the recognition of deferred tax related to Pillar Two top-up taxes. For the current reporting period, Pillar Two top-up taxes have been recognised as current income tax in the consolidated income statement.

13 Benefits and interests of directors

(a) Directors' emoluments

In 2025, 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 2025									
	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)	-	0.36	0.39	-	-	0.17	0.11	-	-	1.03
Zhang Wenwu (i)	-	0.36	0.39	-	-	0.17	0.11	-	-	1.03
Liu Zhengjun (i)	-	0.32	0.34	-	-	0.17	0.10	-	-	0.93
Wang Guoquan (i)	-	0.32	0.34	-	-	0.17	0.10	-	-	0.93
Non-executive Directors										
Li Yi (formerly known as Li Ruyi)	-	-	-	-	-	-	-	-	-	-
Yue Xuekun	-	-	-	-	-	-	-	-	-	-
Yang Xiaoping	0.35	-	-	-	-	-	-	0.14	-	0.49
Li Zimin	-	-	-	-	-	-	-	-	-	-
Independent Non-executive Directors:										
Anthony Francis Neoh (ii)	0.35	-	-	-	-	-	-	0.23	-	0.58
Francis Siu Wai Keung	0.35	-	-	-	-	-	-	0.26	-	0.61
Xu Jinwu	0.35	-	-	-	-	-	-	0.23	-	0.58
Gregory Lynn Curl	0.35	-	-	-	-	-	-	0.05	-	0.40
Toshikazu Tagawa	0.35	-	-	-	-	-	-	-	-	0.35
Chen Yuyu	0.35	-	-	-	-	-	-	-	-	0.35
Name of Former Directors										
Yu Yang (ii)	-	-	-	-	-	-	-	-	-	-
Zhang Lin (ii)	-	-	-	-	-	-	-	-	-	-
	2.45	1.36	1.46	-	-	0.68	0.42	0.91	-	7.28

Notes:

(i) The emoluments for the year ended 31 December 2025 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. A separate disclosure will be provided after final confirmation.

(ii) Changes in directors during the year ended 31 December 2025:

(1) From 29 August 2025, Mr. Anthony Francis Neoh serves as the lead independent non-executive director of the Company.

(2) From 5 December 2025, Ms. Yu Yang resigned as the non-executive director of the Company.

(3) From 24 December 2025, Mr. Zhang Lin resigned as the non-executive director of the Company.

13 Benefits and interests of directors (Continued)

(a) Directors' emoluments (Continued)

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								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)]	-	0.39	0.51	-	-	0.16	0.11	-	-	1.17
Zhang Wenwu [(i)(ii)]	-	0.29	0.38	-	-	0.12	0.07	-	-	0.86
Liu Zhengjun [(i)]	-	0.35	0.45	-	-	0.16	0.10	-	-	1.06
Wang Guoquan [(i)]	-	0.35	0.45	-	-	0.16	0.10	-	-	1.06
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 Director										
Mu Guoxin [(ii)]	-	-	-	-	-	-	-	-	-	-
	2.22	1.38	1.79	-	-	0.60	0.38	0.91	-	7.28

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 has been restated based on the final confirmation results from the relevant national 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.

13 Benefits and interests of directors (Continued)

(b) Other benefits and interests

In 2025, 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 (2024: None). No consideration was provided to or receivable by third parties for making available directors' services (2024: None). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2024: 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 2025 (2024: None).

14 Individuals with highest emoluments

In 2025, none of the five highest paid individuals are directors (2024: None) whose emoluments are disclosed in Note 13. The aggregate of the emoluments in respect of these 5 individuals (2024: five) are as follows:

	For the year ended 31 December	
	2025	2024
Salaries and other emoluments	**16.07**	15.98
Discretionary bonuses	**50.37**	48.52
Retirement scheme contributions	**0.99**	0.99
	67.43	65.49

The emoluments of the 5 individuals (2024: five) with the highest emoluments are within the following bands:

	For the year ended 31 December	
	2025 Number of individuals	2024 Number of individuals
RMB9,500,001 – RMB10,000,000	**–**	1
RMB10,000,001 – RMB10,500,000	**1**	–
RMB11,500,001 – RMB12,000,000	**1**	1
RMB12,000,001 – RMB12,500,000	**1**	1
RMB14,000,001 – RMB14,500,000	**–**	1
RMB14,500,001 – RMB15,000,000	**1**	–
RMB17,500,001 – RMB18,000,000	**–**	1
RMB18,000,001 – RMB18,500,000	**1**	–
	5	5

In 2025, all of the 5 individuals with the highest emoluments are employees of foreign subsidiaries, whose nationalities are not Chinese mainland.

15 Dividends

	For the year ended 31 December	
	2025	2024
2024 Final dividend paid: RMB0.36 (2023 Final: RMB0.335) per share	**10,473**	9,745
2025 Interim dividend paid: RMB0.20 (2024 Interim: RMB0.19) per share	**5,818**	5,527
2025 Final dividend proposed: RMB0.385 (2024 Final: RMB0.36) per share	**11,200**	10,473

16 Earnings per share

Basic earnings per share for the year ended 31 December 2025 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 2025 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	
	2025	2024
Profit attributable to ordinary shareholders of the Company	**58,730**	58,202
Less: impact on profit attributable to ordinary shareholders of the Company assuming above convertible bonds converted	**(263)**	(984)
Profit attributable to ordinary shareholders of the Company (adjusted)	**58,467**	57,218
Weighted average number of ordinary shares (in million)	**29,090**	29,090
Basic earnings per share (RMB)	**2.02**	2.00
Diluted earnings per share (RMB)	**2.01**	1.97

17 Other comprehensive income/(loss)

Components of other comprehensive income/(loss)

	For the year ended 31 December	
	2025	2024
Items that may be reclassified subsequently to profit or loss:		
Fair value changes on debt instruments at FVOCI	**(7,373)**	22,980
Less: net amounts previously recognised in other comprehensive loss transferred to profit or loss in the current year	**(8,249)**	(8,008)
Tax effect	**3,852**	(3,839)
	(11,770)	11,133
Change of loss allowance on debt investments at FVOCI	**495**	652
Less: net amounts previously recognised in other comprehensive loss transferred to profit or loss in the current year	**(208)**	(478)
Tax effect	**(37)**	(98)
	250	76
Loss arising from cash flow hedge	**(48)**	(21)
Less: net amounts previously recognised in other comprehensive loss transferred to profit or loss in the current year	**(1)**	(118)
Tax effect	**–**	2
	(49)	(137)
Share of other comprehensive loss of associates and joint ventures	**(1,728)**	(2,572)
Exchange differences on translation of financial statements and others	**(4,777)**	1,565
Items that will not be reclassified subsequently to profit or loss:		
Reclassification of owner-occupied property as investment property: revaluation gain	**61**	101
Less: tax effect	**–**	–
	61	101
Fair value changes on equity instruments designated at FVOCI	**(534)**	277
Less: tax effect	**195**	(154)
	(339)	123
Share of other comprehensive income of associates and joint ventures	**108**	59
	(18,244)	10,348

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 resources to be allocated to the segment and assess its performance, and for which financial information regarding financial position, financial performance and cash flows is available. The details of these five reportable segments are as follows:

– Comprehensive financial services: this segment includes banking, securities, trust, insurance and asset management services.

– Advanced intelligent manufacturing: this segment includes manufacturing of heavy machineries, specialised robotics, 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 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 and amortisation 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 2025 and 2024 is set out below:

	For the year ended 31 December 2025							
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total
Revenue from external customers	290,880	57,165	335,464	48,153	37,578	24	-	769,264
Inter-segment revenue	1,509	383	280	198	960	120	(3,450)	-
Reportable segment revenue	292,389	57,548	335,744	48,351	38,538	144	(3,450)	769,264
Disaggregation of revenue								
- Net interest income (Note 5 (a))	148,353	-	-	-	-	103	(1,523)	146,933
- Net fee and commission income (Note 5 (b))	69,674	-	-	-	-	7	(78)	69,603
- Sales of goods (Note 5 (c))	46	57,257	332,379	34,997	12,448	8	(364)	436,771
- Services rendered to customers-construction contracts (Note 5 (c))	-	261	171	-	12,387	-	(925)	11,894
- Services rendered to customers-others (Note 5 (c))	-	30	3,194	13,354	13,703	26	(560)	29,747
- Other revenue (Note 5 (d))	74,316	-	-	-	-	-	-	74,316
Share of profits/(losses) of associates, net of tax	2,841	26	2,629	(88)	1,375	78	-	6,861
Share of profits/(losses) of joint ventures, net of tax	2,950	191	837	(2)	(350)	33	-	3,659
Finance income (Note 10)	-	81	1,803	90	863	371	(1,219)	1,989
Finance costs (Note 10)	-	(218)	(2,877)	(473)	(1,999)	(7,517)	2,130	(10,954)
Depreciation and amortisation (Note 11 (b))	(9,935)	(1,457)	(11,266)	(1,684)	(2,145)	(231)	-	(26,718)
Expected credit losses (Note 8)	(60,247)	240	(296)	(132)	(2,824)	1	-	(63,258)
Impairment losses (Note 9)	(233)	(442)	(1,613)	(165)	(1,620)	(96)	-	(4,169)
Profit/(loss) before taxation	131,316	2,030	17,333	1,234	162	(6,349)	(1,118)	144,608
Income tax (Note 12)	(22,955)	(217)	(3,407)	(239)	(383)	(1,568)	(26)	(28,795)
Profit/(loss) for the year	108,361	1,813	13,926	995	(221)	(7,917)	(1,144)	115,813
Attributable to:								
- Ordinary shareholders of the Company	55,815	802	10,549	530	125	(7,921)	(1,170)	58,730
- Non-controlling interests	52,546	1,011	3,377	465	(346)	4	26	57,083

18 Segment reporting (Continued)

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

	As at 31 December 2025							
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total
Reportable segment assets	12,324,396	58,168	367,210	54,905	335,098	46,252	(164,889)	13,021,140
Including:								
Interests in associates (Note 32)	29,962	991	23,221	9,096	50,538	537	-	114,345
Interests in joint ventures (Note 33)	16,148	782	7,341	1,408	41,984	1,375	-	69,038
Reportable segment liabilities	11,066,370	35,769	178,268	24,295	138,565	226,587	(145,375)	11,524,479
Including:								
Bank and other loans (Note 44) (note)	26,706	5,138	85,763	11,021	54,468	123,204	(60,590)	245,710
Debt instruments issued (Note 45) (note)	1,437,557	-	5,000	-	1,000	80,458	(4,114)	1,519,901

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 2024							
	Comprehensive financial services (Restated)	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	Total (Restated)
Revenue from external customers	273,799	50,793	325,615	49,872	46,987	134	–	747,200
Inter-segment revenue	1,906	182	292	132	1,424	19	(3,955)	–
Reportable segment revenue	275,705	50,975	325,907	50,004	48,411	153	(3,955)	747,200
Disaggregation of revenue:								
– Net interest income (Note 5 (a))	150,158	–	–	–	–	85	(1,870)	148,373
– Net fee and commission income (Note 5 (b))	59,112	–	–	–	–	4	(84)	59,032
– Sales of goods (Note 5 (c))	78	50,360	323,795	36,102	17,597	–	(391)	427,541
– 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))	66,357	–	–	–	–	–	(18)	66,339
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)	(90)	(26)	(543)	(222)	(1,013)	(1)	–	(1,895)
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

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.

(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**	
	2025	2024 (Restated)	**2025**	2024
Chinese mainland	**623,762**	633,528	**11,691,121**	10,921,472
Hong Kong, Macau and Taiwan	**59,860**	54,989	**1,151,882**	1,031,159
Overseas	**85,642**	58,683	**178,137**	122,794
	769,264	747,200	**13,021,140**	12,075,425

19 Cash and deposits

	As at 31 December	
	2025	2024
Cash	**4,509**	5,200
Bank deposits	**102,689**	125,243
Balances with central banks (note (i)):		
– Statutory deposit reserve funds (note (ii))	**300,359**	323,523
– Surplus deposit reserve funds (note (iii))	**75,805**	6,833
– Fiscal deposits (note (iv))	**3,987**	3,699
– Foreign exchange reserves (note (v))	**4,645**	4,178
Deposits with banks and non-bank financial institutions	**155,398**	138,373
	647,392	607,049
Accrued interest	**1,561**	1,498
	648,953	608,547
Less: allowance for impairment losses on deposits with banks and non-bank financial institutions (Note 48)	**(65)**	(60)
	648,888	608,487

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 2025, the statutory deposit reserve funds placed by CITIC Bank with the People's Bank of China was calculated at 5.5% (31 December 2024: 6%) of eligible RMB deposits for domestic branches of CITIC Bank and at 5.5% (31 December 2024: 6%) 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 2024: 4%) of its foreign currency deposits from domestic branch customers as statutory deposit reserve funds.

As at 31 December 2025, 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 5.5% (31 December 2024: 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 2025, the statutory deposit reserve funds placed by CITIC Finance with the People's Bank of China was calculated at 5% (31 December 2024: 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 2024: 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 a deposit made by CITIC Bank with the People's Bank of China in accordance with the related notice ("Notice") issued by the People's Bank of China. The reserve is provided at 20% of customers-driven foreign exchange forward transactions volume on a monthly basis. Such foreign exchange reserve is non-interest bearing and will be repayable in 12 months according to the Notice.

(vi) In addition to the statutory deposit reserve funds, fiscal deposits and foreign exchange reserves, RMB15,239 million (31 December 2024: RMB13,107 million) included in cash and deposits as at 31 December 2025 were restricted in use, mainly including guaranteed pledged bank deposits, guaranteed deposits and risk reserve.

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	
	2025	2024
Banks (note (a))	**104,907**	133,785
Non-bank financial institutions	**339,700**	269,971
	444,607	403,756
Accrued interest	**1,691**	1,230
	446,298	404,986
Less: allowance for impairment losses (Note 48)	**(200)**	(185)
	446,098	404,801
Analysed by remaining maturity:		
– Within 1 month	**90,657**	93,695
– Between 1 month and 1 year	**292,056**	251,297
– Over 1 year	**61,894**	58,764
	444,607	403,756
Accrued interest	**1,691**	1,230
	446,298	404,986
Less: allowance for impairment losses (Note 48)	**(200)**	(185)
	446,098	404,801

(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 2025, the carrying amount of leased gold was RMB15,802 million (as at 31 December 2024: RMB22,789 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					
	2025			2024		
	Nominal amount	**Assets**	**Liabilities**	Nominal amount	Assets	Liabilities
Hedging instruments						
Fair value hedge						
– Interest rate derivatives	**11,581**	**265**	**51**	9,789	398	29
– Commodity derivatives	**12,734**	**–**	**796**	5,846	142	–
– Currency derivatives	**551**	**–**	**53**	2,695	31	20
Cash flow hedge						
– Interest rate derivatives	**5,573**	**34**	**226**	3,056	38	–
– Currency derivatives	**170**	**10**	**23**	3,454	4	12
– Other derivatives	**113**	**110**	**–**	95	83	12
Non-hedging instruments						
– Interest rate derivatives	**10,310,907**	**23,966**	**24,709**	7,512,931	39,394	41,274
– Currency derivatives	**5,567,856**	**30,845**	**28,494**	5,160,905	72,936	64,833
– Equity derivatives	**697,674**	**15,372**	**39,366**	541,205	17,201	19,954
– Precious metals derivatives	**205,714**	**2,729**	**9,675**	168,706	1,081	4,157
– Credit derivatives	**10,087**	**51**	**16**	18,195	22	67
– Other derivatives	**1,161,597**	**6,983**	**8,353**	740,687	3,888	3,973
	17,984,557	**80,365**	**111,762**	14,167,564	135,218	134,331

22 Derivative financial instruments (Continued)

(a) Nominal amount analysed by remaining maturity

	As at 31 December	
	2025	2024
Within 3 months	**6,645,158**	4,624,972
Between 3 months and 1 year	**6,232,062**	6,033,749
Between 1 year and 5 years	**4,836,980**	3,266,288
Over 5 years	**270,357**	242,555
	17,984,557	14,167,564

(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 2025, the credit risk weighted amount for counterparty was RMB21,630 million (31 December 2024: RMB24,307 million).

23 Trade and other receivables

	As at 31 December	
	2025	2024
Account and bills receivables (note (a))	**89,201**	88,884
Advanced payments and settlement accounts (note (b))	**80,078**	43,533
Accounts due from brokers	**34,745**	28,128
Prepayments, deposits and other receivables (note (c))	**143,098**	128,958
	347,122	289,503
Less: allowance for impairment losses (Note 48)	**(27,145)**	(23,116)
	319,977	266,387

As at 31 December 2025, 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 RMB1,190 million (31 December 2024: RMB1,523 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 2025, 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 2025		
	Expected credit loss rate	**Gross carrying amount**	**Loss allowance provision**
Current	**4%**	**53,990**	**(2,113)**
Up to 3 months overdue	**4%**	**1,692**	**(68)**
3 months to 1 year overdue	**7%**	**4,807**	**(322)**
Over 1 year overdue	**51%**	**18,534**	**(9,400)**
		79,023	**(11,903)**

	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)

Note:

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

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	
	2025	2024
Within 1 year	**50,097**	52,198
Over 1 year	**28,926**	26,547
	79,023	78,745
Less: allowance for impairment losses (Note 48)	**(11,903)**	(10,774)
	67,120	67,971

(iii) As at 31 December 2025, the carrying amount of bills receivables at FVOCI was RMB10,178 million (31 December 2024: RMB10,139 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	
	2025	2024
Advanced payments and settlement accounts	**80,078**	43,533
Less: allowance for impairment losses (Note 48)	**(157)**	(141)
	79,921	43,392

(c) Prepayments, deposits and other receivables

	As at 31 December	
	2025	2024
Prepayments, deposits and other receivables	**143,098**	128,958
Less: allowance for impairment losses (Note 48)	**(15,399)**	(12,201)
	127,699	116,757

24 Contract assets and contract liabilities

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December	
	2025	2024
Contract assets	**22,072**	22,664
Less: allowance for impairment losses (note (a))	**(432)**	(250)
Total contract assets	**21,640**	22,414
Advances from contracts with customers	**20,685**	21,099
Total contract liabilities	**20,685**	21,099

(a) Assessment of allowance for impairment losses of contract

	As at 31 December	
	2025	2024
ECL rate (note)	**1.96%**	1.10%
Gross carrying amount	**22,072**	22,664
Loss allowance provision	**(432)**	(250)

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	
	2025	2024
Revenue from contracts with customers	**12,713**	21,868

(c) Revenue to be recognised in relating to unsatisfied performance obligations

As at 31 December 2025, transaction price allocated to unsatisfied contracts of the Group amounted at RMB53,082 million (31 December 2024: RMB60,609 million), of which RMB33,467 million is expected to be recognised as revenue within one year (31 December 2024: RMB29,627 million) and the remaining RMB19,615 million is expected to be recognised after more than one year (31 December 2024: RMB30,982 million).

25 Inventories

	As at 31 December	
	2025	2024
Raw materials	**14,419**	15,609
Work-in-progress	**11,815**	10,868
Finished goods	**38,530**	36,826
Properties:		
– Properties under development	**18,846**	30,146
– Properties held-for-sale	**24,573**	20,440
– Others	**6,316**	6,248
Others	**4,190**	3,500
	118,689	123,637

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	
	2025	2024
Carrying amount of inventories sold	**400,928**	397,554
Write-down of inventories (Note 48)	**2,383**	2,463
Reversal of write-down of inventories (Note 48)	**(272)**	(997)
	403,039	399,020

As at 31 December 2025, the Group's inventories included an amount of RMB26,479 million expected to be recovered after more than one year (31 December 2024: RMB36,338 million).

26 Financial assets held under resale agreements

	As at 31 December	
	2025	2024
Analysed by counterparties:		
– Banks	**122,430**	106,026
– Non-bank financial institutions	**59,385**	65,807
– Others	**45,742**	12,051
	227,557	183,884
Accrued interest	**102**	112
	227,659	183,996
Less: allowance for impairment losses	**(3,973)**	(4,167)
	223,686	179,829

Analysed by types of collateral:

As at 31 December 2025, the collateral of the Group's financial assets held under resale agreements are securities or others (31 December 2024: securities or others).

Analysed by remaining maturity:

As at 31 December 2025, the Group's financial assets held under resale agreements will expire between 0 year and 5 years (31 December 2024: between 0 year and 5 years).

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	
	2025	2024
Loans and advances to customers and other parties at amortised cost		
Corporate loans		
– Loans	**3,104,925**	2,766,421
– Discounted bills	**1,267**	2,182
– Finance lease receivables	**49,915**	49,579
	3,156,107	2,818,182
Personal loans		
– Residential mortgages	**1,123,729**	1,067,339
– Business loans	**488,061**	488,898
– Credit cards	**463,091**	488,716
– Personal consumption	**294,514**	321,324
– Finance lease receivables	**9,781**	6,151
	2,379,176	2,372,428
	5,535,283	5,190,610
Accrued interest	**24,121**	21,889
	5,559,404	5,212,499
Less: allowance for impairment losses (Note 48)	**(144,656)**	(146,013)
Carrying amount of loans and advances to customers and other parties at amortised cost	**5,414,748**	5,066,486

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	
	2025	2024
Loans and advances to customers and other parties at FVPL		
Corporate loans:		
– Loans	**14,908**	11,243
Personal loans:		
– Finance lease receivables	**359**	369
Carrying amount of loans and advances to customers and other parties at FVPL	**15,267**	11,612
Loans and advances to customers and other parties at FVOCI		
– Loans	**117,842**	76,022
– Discounted bills	**200,370**	446,951
Carrying amount of loans and advances to customers and other parties at FVOCI	**318,212**	522,973
Carrying amount of loans and advances	**5,748,227**	5,601,071
Allowance for impairment losses on loans and advances to customers and other parties at FVOCI (Note 48)	**(518)**	(549)

27 Loans and advances to customers and other parties (Continued)

(b) Assessment method of allowance for impairment losses

	As at 31 December 2025			
	Stage 1	**Stage 2**	**Stage 3 (note)**	**Total**
Loans and advances at amortised cost	**5,335,182**	**128,140**	**71,961**	**5,535,283**
Accrued interest	**16,644**	**6,243**	**1,234**	**24,121**
Less: allowance for impairment losses	**(63,910)**	**(27,718)**	**(53,028)**	**(144,656)**
Carrying amount of loans and advances at amortised cost	**5,287,916**	**106,665**	**20,167**	**5,414,748**
Carrying amount of loans and advances at FVOCI	**317,954**	**258**	**–**	**318,212**
Total carrying amount of loans and advances for which allowance for impairment losses is recognised	**5,605,870**	**106,923**	**20,167**	**5,732,960**
Allowance for impairment losses of loans and advances at FVOCI	**(516)**	**(2)**	**–**	**(518)**

	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)

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	
	2025	2024
Secured portion	**37,861**	34,281
Unsecured portion	**34,100**	39,058
Total loans and advances that are credit-impaired	**71,961**	73,339
Allowance for impairment losses	**(53,028)**	(53,924)

As at 31 December 2025, the maximum exposure covered by fair value of pledge and collateral held against these loans and advances amounted to RMB35,729 million (31 December 2024: RMB33,233 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 2025				
	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	**17,204**	**11,255**	**2,129**	**4,487**	**35,075**
Guaranteed loans	**2,067**	**3,257**	**3,350**	**2,585**	**11,259**
Secured loans					
– Loans secured by collateral	**12,197**	**11,737**	**9,138**	**3,457**	**36,529**
– Pledged loans	**2,135**	**1,056**	**2,269**	**179**	**5,639**
	33,603	**27,305**	**16,886**	**10,708**	**88,502**

	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

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

28 Margin accounts

	As at 31 December	
	2025	2024
Margin accounts	**210,777**	140,626
Less: allowance for impairment losses	**(3,125)**	(2,294)
Total	**207,652**	138,332

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

As at 31 December 2025, the Group received collateral with fair value amounted to RMB646,457 million (31 December 2024: RMB411,308 million) in connection with its margin financing business.

29 Investments in financial assets

(a) Analysed by types

	As at 31 December	
	2025	2024
Financial assets at amortised cost		
Debt securities	**1,119,677**	920,106
Investment management products	**27,092**	20,162
Trust investment plans	**162,806**	176,543
Certificates of deposit and certificates of interbank deposit	**1,048**	1,095
Investments in creditor's rights on assets	**1,900**	1,900
Others	**4,097**	3,354
	1,316,620	1,123,160
Accrued interest	**11,320**	12,727
	1,327,940	1,135,887
Less: allowance for impairment losses (Note 48)	**(26,239)**	(27,728)
	1,301,701	1,108,159
Financial assets at FVPL		
Debt securities	**529,981**	493,650
Investment management products	**17,987**	11,415
Trust investment plans	**18,862**	10,340
Certificates of deposit and certificates of interbank deposit	**26,076**	75,593
Wealth management products	**14,971**	9,114
Investment funds	**547,263**	519,063
Equity investments	**304,239**	237,300
Others	**51,456**	44,638
	1,510,835	1,401,113

29 Investments in financial assets (Continued)

(a) Analysed by types (Continued)

	As at 31 December	
	2025	2024
Debt investments at FVOCI (note (i))		
Debt securities	**946,197**	889,068
Certificates of deposit and certificates of interbank deposit	**31,381**	29,868
	977,578	918,936
Accrued interest	**7,089**	7,995
	984,667	926,931
Equity investments at FVOCI (note (i))	**140,223**	102,648
	3,937,426	3,538,851
Allowance for impairment losses on debt investments at FVOCI (Note 48)	**(3,489)**	(3,285)

Note:

(i) Financial assets measured at FVOCI

	As at 31 December 2025		
	Equity instruments	**Debt instruments**	**Total**
Cost/amortised cost	**138,752**	**979,322**	**1,118,074**
Accumulative fair value change in other comprehensive income	**1,471**	**(1,744)**	**(273)**
Accrued interest	**–**	**7,089**	**7,089**
Carrying amount	**140,223**	**984,667**	**1,124,890**
Allowance for impairment losses (Note 48)	**Not applicable**	**(3,489)**	**(3,489)**

	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)

29 Investments in financial assets (Continued)

(b) Analysed by counterparties

	As at 31 December	
	2025	2024
Issued by:		
– Government	**1,569,891**	1,587,428
– Policy banks	**180,178**	41,628
– Banks and non-bank financial institutions	**1,643,065**	1,457,653
– Corporates	**513,009**	423,230
– Public entities	**12,874**	8,216
	3,919,017	3,518,155
Accrued interest	**18,409**	20,696
	3,937,426	3,538,851
– Listed in Hong Kong	**104,300**	81,978
– Listed outside Hong Kong	**3,158,770**	2,970,179
– Unlisted	**655,947**	465,998
	3,919,017	3,518,155
Accrued interest	**18,409**	20,696
	3,937,426	3,538,851

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 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount of investments in financial assets at amortised cost	**1,261,281**	**11,577**	**43,762**	**1,316,620**
Accrued interest	**9,591**	**1,612**	**117**	**11,320**
Less: allowance for impairment losses	**(2,161)**	**(2,376)**	**(21,702)**	**(26,239)**
Carrying amount of investments in financial assets at amortised cost	**1,268,711**	**10,813**	**22,177**	**1,301,701**
Gross carrying amount of debt investments in financial assets at FVOCI	**977,204**	**44**	**330**	**977,578**
Accrued interest	**7,084**	**3**	**2**	**7,089**
Carrying amount of debt investments in financial assets at FVOCI	**984,288**	**47**	**332**	**984,667**
Total carrying amount of investments in financial assets for which allowance for impairment losses is recognised	**2,252,999**	**10,860**	**22,509**	**2,286,368**
Allowance for impairment losses on debt investments in financial assets at FVOCI	**(2,087)**	**(6)**	**(1,396)**	**(3,489)**

29 Investments in financial assets (Continued)

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

	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)

30 Refundable deposits

	As at 31 December	
	2025	2024
Trading deposits	**95,988**	62,418
Performance deposits	**6,126**	5,625
Credit deposits	**258**	172
	102,372	68,215

31 Subsidiaries

The particulars of the principal subsidiaries are set out in Note 59.

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	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Listed in:	**Hong Kong and Shanghai**		**Hong Kong and Shanghai**		**Shanghai**		**Hong Kong**		**Hong Kong**	
Percentage of non-controlling interests	**34.21%**	32.70%	**80.16%**	80.16%	**35.62%**	35.62%	**42.46%**	42.46%	**40.50%**	40.50%
Total assets	**10,131,028**	9,532,722	**2,084,326**	1,713,362	**20,045**	19,677	**15,343**	16,150	**13,194**	11,736
Mainly including:										
Cash and deposits	**528,113**	469,108	**116,567**	116,494	**2,197**	2,061	**1,756**	1,492	**3,184**	1,881
Cash held on behalf of customers	**-**	-	**433,832**	315,761	**-**	-	**-**	-	**-**	-
Placements with banks and non-bank financial institutions	**446,098**	404,801	**-**	-	**-**	-	**-**	-	**-**	-
Derivative financial instruments	**41,026**	85,929	**39,594**	48,997	**-**	-	**-**	4	**111**	103
Financial assets held under resale agreements	**169,640**	136,265	**54,362**	44,268	**-**	-	**-**	-	**-**	-
Loans and advances to customers and other parties	**5,746,871**	5,601,450	**-**	-	**-**	-	**-**	-	**-**	-
Margin accounts	**-**	-	**207,652**	138,332	**-**	-	**-**	-	**-**	-
Investments in financial assets	**2,926,825**	2,620,870	**958,325**	861,773	**490**	505	**-**	-	**-**	-
Fixed assets	**74,534**	46,516	**9,204**	8,931	**4,135**	3,907	**1,621**	1,788	**3,252**	3,416
Right-of-use assets	**10,337**	11,035	**2,474**	2,166	**6**	31	**422**	427	**45**	52

31 Subsidiaries (Continued)

	As at 31 December									
	CITIC Bank		CITIC Securities		CITIC Heavy Industries		CITIC Telecom International		CITIC Resources	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Total liabilities	**(9,283,398)**	(8,725,357)	**(1,758,796)**	(1,414,713)	**(10,512)**	(10,439)	**(5,280)**	(6,138)	**(5,115)**	(4,130)
Mainly including:										
Borrowings from central banks	**(204,025)**	(124,151)	**-**	-	**-**	-	**-**	-	**-**	-
Deposits from banks and non-bank financial institutions	**(936,672)**	(968,492)	**-**	-	**-**	-	**-**	-	**-**	-
Placements from banks and non-bank financial institutions	**(159,013)**	(88,550)	**(27,720)**	(45,493)	**-**	-	**-**	-	**-**	-
Customer brokerage deposits	**-**	-	**(518,683)**	(362,449)	**-**	-	**-**	-	**-**	-
Trade and other payables	**-**	-	**(252,579)**	(198,183)	**(2,996)**	(2,897)	**(764)**	(780)	**(153)**	(691)
Derivative financial instruments	**(44,364)**	(81,162)	**(65,690)**	(53,954)	**-**	-	**(4)**	-	**-**	(12)
Financial assets sold under repurchase agreements	**(477,502)**	(278,003)	**(407,352)**	(390,169)	**-**	-	**-**	-	**-**	-
Deposits from customers	**(6,127,012)**	(5,864,311)	**-**	-	**-**	-	**-**	-	**-**	-
Bank and other loans	**-**	-	**(27,009)**	(14,232)	**(1,984)**	(2,032)	**(2,942)**	(3,618)	**(3,105)**	(1,823)
Lease liabilities	**(10,249)**	(10,861)	**(2,565)**	(2,262)	**(9)**	(36)	**(271)**	(300)	**(41)**	(40)
Net assets	**847,630**	807,365	**325,530**	298,649	**9,533**	9,238	**10,063**	10,012	**8,079**	7,606
Equity attributable to										
– Ordinary shareholders of subsidiaries	**723,865**	683,765	**319,638**	292,990	**9,344**	9,043	**9,956**	9,924	**7,940**	7,485
– Non-controlling interests in subsidiaries	**123,765**	123,600	**5,892**	5,659	**189**	195	**107**	88	**139**	121
Carrying amount of non-controlling interests	**371,399**	346,820	**269,705**	246,504	**3,517**	3,416	**4,326**	4,302	**3,355**	3,152

31 Subsidiaries (Continued)

	For the year ended 31 December									
	CITIC Bank		CITIC Securities		CITIC Heavy Industries		CITIC Telecom International		CITIC Resources	
	2025	2024	**2025**	2024 (Restated)	**2025**	2024	**2025**	2024	**2025**	2024
Revenue	**212,636**	212,223	**74,854**	58,251	**8,107**	8,034	**8,765**	8,725	**13,711**	8,656
Profit for the year	**71,490**	69,468	**31,166**	22,428	**366**	355	**856**	845	**176**	554
Total comprehensive income for the year	**57,511**	82,382	**29,742**	22,590	**421**	310	**934**	830	**858**	339
Profit attributable to non-controlling interests	**25,030**	23,317	**25,271**	18,572	**125**	114	**371**	368	**83**	243
Dividends paid to non-controlling interests	**11,037**	14,071	**8,406**	9,887	**47**	52	**280**	375	**-**	-
Net cash generated from/(used in) operating activities	**443,082**	(181,032)	**(43,966)**	95,821	**850**	816	**2,076**	1,422	**626**	803
Net cash used in investing activities	**(308,085)**	(29,532)	**(6,989)**	(74,264)	**(488)**	(340)	**(277)**	(273)	**(890)**	(469)
Net cash (used in)/generated from financing activities	**(59,792)**	220,803	**55,083**	(15,362)	**(243)**	391	**(1,486)**	(1,205)	**906**	(77)

32 Interests in associates

	As at 31 December	
	2025	2024
Carrying value	**122,471**	115,759
Less: allowance for impairment losses (Note 48)	**(8,126)**	(8,026)
	114,345	107,733

The particulars of the principal associates are set out in Note 59.

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.	
	2025	2024	**2025**	2024	**2025**	2024
Listed in:	**Hong Kong**		**Hong Kong, Shanghai**		**Canada**	
Gross amount of the associates						
Total assets	**936,142**	931,267	**676,816**	566,418	**62,358**	50,247
Total liabilities	**(495,798)**	(506,804)	**(557,665)**	(459,899)	**(13,819)**	(6,953)
Net assets	**440,344**	424,463	**119,151**	106,519	**48,539**	43,294
Equity attributable to:						
– Associates' shareholders	**408,393**	403,244	**119,102**	106,469	**49,416**	44,004
– Non-controlling interests in associates	**31,951**	21,219	**49**	50	**(877)**	(710)
	440,344	424,463	**119,151**	106,519	**48,539**	43,294

	For the year ended 31 December					
	China Overseas Land & Investment Limited		CSC Financial Co., Ltd.		Ivanhoe Mines Ltd.	
	2025	2024	**2025**	2024 (Restated)	**2025**	2024
Revenue	**168,089**	185,154	**34,985**	30,140	**3,154**	291
Profit for the year	**13,386**	17,701	**9,454**	7,236	**1,826**	1,577
Other comprehensive income/(loss) for the year	**132**	(801)	**475**	598	**(557)**	498
Total comprehensive income for the year	**13,518**	16,900	**9,929**	7,834	**1,269**	2,075
Dividends received from associates	**552**	749	**179**	210	**–**	–
Reconciled to the Group's interests in associates						
Net assets of associates attributable to the associates' ordinary shareholders	**408,393**	403,244	**82,957**	76,643	**49,416**	44,004
The Group's effective interest	**10.01%**	10.01%	**9.47%**	9.47%	**21.20%**	22.34%
The Group's share of net assets of associates attributable to the ordinary shareholders	**40,880**	40,365	**7,856**	7,258	**10,476**	9,830
Goodwill and others	**1,582**	1,452	**6,235**	6,085	**(137)**	(151)
Impairment of interests in associates	**(3,578)**	(3,669)	**–**	–	**–**	–
Carrying amounts in the consolidated statement of financial position	**38,884**	38,148	**14,091**	13,343	**10,339**	9,679
Quoted fair value	**14,859**	14,608	**19,545**	18,913	**24,110**	26,965

32 Interests in associates (Continued)

Note:

Aggregate information of associates that are not individually material:

	As at 31 December	
	2025	2024
Aggregate carrying amount of individually immaterial associates in the consolidated statement of financial position	**51,031**	46,563
Aggregate amount of the Group's share of those immaterial associates:		
Profit for the year	**4,340**	1,725
Other comprehensive (loss)/income for the year	**(341)**	126
Total comprehensive income for the year	**3,999**	1,851

33 Interests in joint ventures

	As at 31 December	
	2025	2024
Carrying value	**70,932**	68,738
Less: allowance for impairment losses (Note 48)	**(1,894)**	(1,783)
	69,038	66,955

The particulars of the principal joint ventures are set out in Note 59.

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.**	
	2025	2024	**2025**	2024	**2025**	2024
Gross amount of the joint ventures						
Total assets	**286,784**	265,586	**15,295**	16,645	**28,843**	31,420
Total liabilities	**(272,078)**	(253,285)	**(7,644)**	(9,022)	**(20,450)**	(22,241)
Net assets	**14,706**	12,301	**7,651**	7,623	**8,393**	9,179
Equity attributable to:						
– Joint ventures' shareholders	**14,705**	12,301	**7,651**	7,623	**8,393**	9,179
– Non-controlling interests in joint ventures	**1**	–	**–**	–	**–**	–
	14,706	12,301	**7,651**	7,623	**8,393**	9,179

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.	
	2025	2024	**2025**	2024	**2025**	2024
Revenue	**23,078**	15,345	**198**	281	**1,908**	2,362
Profit/(loss) for the year	**4,953**	96	**28**	181	**(786)**	181
Other comprehensive loss for the year	**(5,048)**	(664)	**–**	–	**–**	–
Total comprehensive (loss)/income for the year	**(95)**	(568)	**28**	181	**(786)**	181
Dividends received from joint ventures	**–**	–	**–**	–	**–**	–
Reconciled to the Group's interests in joint ventures						
Net assets of joint ventures attributable to joint ventures' ordinary shareholders	**14,705**	12,301	**7,651**	7,623	**8,393**	9,179
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	**7,353**	6,151	**3,826**	3,812	**4,197**	4,590
Goodwill and others	**1,124**	1,124	**910**	892	**305**	298
Carrying amount in the consolidated statement of financial position	**8,477**	7,275	**4,736**	4,704	**4,502**	4,888

Aggregate information of joint ventures that are not individually material:

	As at 31 December	
	2025	2024
Aggregate carrying amount of individually immaterial joint ventures in the consolidated statement of financial position	**51,323**	50,088
Aggregate amount of the Group's share of individually immaterial joint ventures		
Profit for the year	**1,537**	2,200
Other comprehensive income/(loss) for the year	**24**	(150)
Total comprehensive income for the year	**1,561**	2,050

34 Fixed assets

	Property, plant and equipment								
	Plant and buildings	Machinery and equipment	Construction in progress	Aircraft and vessels, etc	Office and other equipment	Vehicles	Others	Total	Investment properties
Cost or valuation:									
At 1 January 2025	112,598	183,980	17,661	16,841	26,134	10,001	9,124	376,339	40,691
Exchange adjustments	13	(801)	(8)	(302)	(43)	(60)	(170)	(1,371)	(338)
Additions	4,039	7,791	3,037	32,063	3,219	434	2,121	52,704	1,399
Disposals	(561)	(3,410)	(176)	(1,440)	(1,344)	(530)	(1,010)	(8,471)	(2,697)
Transfers	146	729	(2,848)	85	125	4	36	(1,723)	1,264
Changes in fair value of investment properties	–	–	–	–	–	–	–	–	(127)
At 31 December 2025	116,235	188,289	17,666	47,247	28,091	9,849	10,101	417,478	40,192
Accumulated depreciation, amortisation and impairment losses:									
At 1 January 2025	(30,970)	(96,201)	(509)	(2,075)	(16,353)	(4,930)	(7,249)	(158,287)	–
Exchange adjustments	95	886	–	7	44	26	134	1,192	–
Charge for the year	(3,825)	(9,389)	–	(1,416)	(3,443)	(586)	(598)	(19,257)	–
Disposals	329	3,004	–	272	1,015	398	112	5,130	–
Impairments losses (Note 48)	(459)	(311)	(28)	–	(1)	(21)	(18)	(838)	–
At 31 December 2025	(34,830)	(102,011)	(537)	(3,212)	(18,738)	(5,113)	(7,619)	(172,060)	–
Net book value:									
At 31 December 2025	81,405	86,278	17,129	44,035	9,353	4,736	2,482	245,418	40,192
Represented by:									
Cost	116,235	188,289	17,666	47,247	28,091	9,849	10,101	417,478	Not applicable
Valuation	–	–	–	–	–	–	–	–	40,192
	116,235	188,289	17,666	47,247	28,091	9,849	10,101	417,478	40,192

34 Fixed assets (Continued)

	Property, plant and equipment								
	Plant and buildings	Machinery and equipment	Construction in progress	Aircraft and vessels, etc	Office and other equipment	Vehicles	Others	Total	Investment properties
Cost or valuation:									
At 1 January 2024	106,038	192,063	20,046	7,485	25,001	10,762	10,849	372,244	38,153
Exchange adjustments	91	1,149	7	54	40	55	197	1,593	252
Business combinations	4	–	–	–	–	–	–	4	–
Additions	3,290	2,862	9,848	9,682	2,856	641	112	29,291	4,956
Disposals	(4,023)	(17,954)	(439)	(439)	(1,965)	(1,459)	(2,592)	(28,871)	(427)
Transfers	7,198	5,860	(11,801)	59	202	2	558	2,078	(2,078)
Changes in fair value of investment properties	–	–	–	–	–	–	–	–	(165)
At 31 December 2024	112,598	183,980	17,661	16,841	26,134	10,001	9,124	376,339	40,691
Accumulated depreciation, amortisation and impairment losses:									
At 1 January 2024	(30,244)	(102,531)	(537)	(1,563)	(14,344)	(4,948)	(7,358)	(161,525)	–
Exchange adjustments	(108)	(249)	–	(1)	(40)	(20)	(103)	(521)	–
Charge for the year	(4,157)	(10,663)	–	(580)	(3,559)	(708)	(524)	(20,191)	–
Disposals	3,576	17,386	6	69	1,590	768	622	24,017	–
Impairments (losses)/reversals (Note 48)	(37)	(144)	22	–	–	(22)	114	(67)	–
At 31 December 2024	(30,970)	(96,201)	(509)	(2,075)	(16,353)	(4,930)	(7,249)	(158,287)	–
Net book value:									
At 31 December 2024	81,628	87,779	17,152	14,766	9,781	5,071	1,875	218,052	40,691
Represented by:									
Cost	112,598	183,980	17,661	16,841	26,134	10,001	9,124	376,339	Not applicable
Valuation	–	–	–	–	–	–	–	–	40,691
	112,598	183,980	17,661	16,841	26,134	10,001	9,124	376,339	40,691

As at 31 December 2025, the Group was in the process of applying the ownership certificates in respect of certain premises of RMB943 million (31 December 2024: RMB967 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 2025
Chinese mainland and Hong Kong	China Alliance Appraisal Co., Ltd.
	Zhonghe Appraisal Co., Ltd.
	Pan-China Assets Appraisal Co., Ltd.
	China Enterprise Appraisals Consultation Co., Ltd.
	ChungRui World Union Appraisal Group Co., Ltd.
	Knight Frank Petty Limited
	China Tong Cheng Assets Appraisal Co., Ltd.
	Centaline Surveyors Limited
	Shanghai Orient Appraisal Co., Ltd.
	Tianjin Huaxia Jinxin Asset Appraisal Co., Ltd.
	Tongling Jinjian Certified Public Accountants LLP
	Bowen Real Estate Appraisal Building Cost Group Co., Ltd.
Overseas	Jones Lang LaSalle Corporate Appraisal and Advisory Company Limited
	Network Real Estate Appraisal Co., Ltd.

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.

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**	
	2025	2024
Recurring fair value measurement		
Investment properties – Chinese mainland		
At 1 January	**28,101**	25,954
Exchange adjustments	**(23)**	(2)
Additions	**1,197**	4,799
Disposals	**(2,656)**	(421)
Transfers	**1,217**	(2,031)
Changes in fair value of investment properties	**121**	(198)
At 31 December	**27,957**	28,101

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	
	2025	2024
Recurring fair value measurement (Continued)		
Investment properties – Hong Kong		
At 1 January	**12,106**	11,706
Exchange adjustments	**(330)**	280
Additions	**202**	136
Disposals	**(35)**	–
Transfers	**34**	(47)
Changes in fair value of investment properties	**(256)**	31
At 31 December	**11,721**	12,106
Investment properties – Overseas		
At 1 January	**484**	493
Exchange adjustments	**15**	(26)
Additions	**–**	21
Disposals	**(6)**	(6)
Transfers	**13**	–
Changes in fair value of investment properties	**8**	2
At 31 December	**514**	484

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 2025, there were no Level 1 and Level 2 fair value hierarchy (2024: nil) and no transfers into or out of Level 3 (2024: 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 with 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.

35 Intangible assets and goodwill

(a) Intangible assets

The Group's intangible assets mainly include concession rights, mining exploration rights, computer software and data resources. As at 31 December 2025, in accordance with the *Notice on Promulgation of the Interim Provisions on Accounting Treatment for Enterprise Data Resources* issued by the Ministry of Finance ("MOF"), the original value of data resources recognised as intangible assets was RMB58.06 million (31 December 2024: RMB16.15 million), the accumulated amortisation was RMB5.55 million (31 December 2024: RMB0.89 million), and the net carrying amount was RMB52.51 million (31 December 2024: RMB15.26 million).

(b) Goodwill

	For the year ended 31 December	
	2025	2024
Cost:		
At 1 January	**32,881**	32,236
Disposals	**(6)**	–
Exchange differences and others	**(342)**	645
At 31 December	**32,533**	32,881
Accumulated impairment losses:		
At 1 January	**(6,137)**	(6,160)
Additions (Note 48)	**–**	(17)
Disposals	**6**	–
Exchange differences and others	**12**	40
At 31 December	**(6,119)**	(6,137)
Net book value:		
At 31 December	**26,414**	26,744

Goodwill is allocated to the Group's cash-generating units identified in segments as follows:

	As at 31 December	
	2025	2024
Comprehensive financial services	**12,768**	12,838
Advanced intelligent manufacturing	**992**	975
Advanced materials	**891**	954
New consumption	**11,193**	11,371
New-type urbanisation	**570**	606
	26,414	26,744

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 since April 2022, generating goodwill of RMB11,430 million. As at 31 December 2025, 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 13.28%, 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.

For the new consumption segment, among the total book value of the Group's goodwill, an amount of RMB8,795 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:

	2025	2024
Telecom services revenue growth rates	**1.1% ~ 3.4%**	0.1% ~ 2.8%
Profit margins	**20.0% ~ 48.6%**	20.7% ~ 49.3%
Long-term growth rates	**2.5%**	3.0%
Pre-tax discount rates	**7.7% ~ 9.7%**	9.2% ~ 10.5%

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 2025, 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 2025.

36 Income tax in the statement of financial position

(a) Current income tax in the statement of financial position represents:

	As at 31 December	
	2025	2024
Income tax payable	**11,691**	12,376

(b) Deferred tax assets/(liabilities) recognised:

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements, 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 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
At 1 January 2025	14,147	11,156	61,405	3,306	1,694	3,971	95,679
Charged to profit or loss	(656)	498	(1,774)	2,767	(247)	1,590	2,178
Charged to other comprehensive income	–	(43)	–	(40)	(3)	33	(53)
Exchange adjustments and others	(268)	2	4	(2)	(12)	115	(161)
At 31 December 2025	13,223	11,613	59,635	6,031	1,432	5,709	97,643

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, 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 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)
At 1 January 2025	(10,857)	(2,855)	(3,713)	(11,013)	(28,438)
Charged to profit or loss	(3,552)	(55)	(122)	415	(3,314)
Charged to other comprehensive income	3,405	(26)	–	(13)	3,366
Business combinations	–	–	106	–	106
Exchange adjustments and others	6	(592)	436	495	345
At 31 December 2025	(10,998)	(3,528)	(3,293)	(10,116)	(27,935)

As at 31 December 2025, the deferred tax assets/liabilities offset by the Group were RMB10,604 million (31 December 2024: RMB10,717 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	
	2025	2024
Deductible temporary differences	**9,535**	13,673
Tax losses	**19,931**	23,257
	29,466	36,930

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 2025, tax losses amounting to RMB12,515 million (31 December 2024: RMB14,854 million) that can be carried forward against future taxable income are expiring within 5 years.

37 Deposits from banks and non-bank financial institutions

	As at 31 December	
	2025	2024
Banks	**224,321**	349,456
Non-bank financial institutions	**657,147**	583,403
	881,468	932,859
Accrued interest	**1,808**	2,300
	883,276	935,159

38 Placements from banks and non-bank financial institutions

	As at 31 December	
	2025	2024
Banks	**202,337**	144,748
Non-bank financial institutions	**751**	771
	203,088	145,519
Accrued interest	**711**	125
	203,799	145,644
Analysed by remaining maturity:		
– Within 3 months	**143,419**	99,229
– Between 3 months and 1 year	**53,594**	42,636
– Over 1 year	**6,075**	3,654
	203,088	145,519
Accrued interest	**711**	125
	203,799	145,644

39 Financial liabilities at fair value through profit or loss

	As at 31 December	
	2025	2024
Financial liabilities at fair value through profit or loss		
Debt instruments	**10,967**	24,253
Stocks	**18,119**	9,528
Non-controlling interests in consolidated structured entities and others	**1,197**	463
	30,283	34,244
Financial liabilities designated at fair value through profit or loss		
Beneficiary certificates and structured notes	**139,225**	88,014
Non-controlling interests in consolidated structured entities and others	**3,508**	4,882
	142,733	92,896
	173,016	127,140

In 2025, 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 (2024: None).

40 Customer brokerage deposits

	As at 31 December	
	2025	2024
Customer brokerage deposits	**517,630**	361,926

Customer brokerage deposits represent the amount received from and repayable to customers arising from the ordinary course of the Group's securities brokerage activities.

41 Trade and other payables

	As at 31 December	
	2025	2024
Financial liabilities		
Trade and bills payables	**105,893**	106,231
Settlement accounts	**84,333**	42,571
Client deposits payable	**152,030**	134,310
Dividends payable	**5,609**	4,639
Other payables	**119,861**	89,877
	467,726	377,628
Non-financial liabilities		
Advances	**1,067**	264
Other taxes payables	**9,025**	8,004
	10,092	8,268
	477,818	385,896

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	
	2025	2024
Within 1 year	**83,877**	82,196
Between 1 and 2 years	**6,685**	7,278
Between 2 and 3 years	**4,990**	2,809
Over 3 years	**10,341**	13,948
	105,893	106,231

42 Financial assets sold under repurchase agreements

	As at 31 December	
	2025	2024
By counterparties		
The People's Bank of China	**358,122**	196,732
Banks	**257,147**	210,420
Non-bank financial institutions	**199,640**	56,250
Others	**69,337**	208,451
	884,246	671,853
Accrued interest	**1,463**	234
	885,709	672,087
By types of collateral		
Debt securities	**724,614**	483,566
Stocks	**36,595**	46,493
Precious metals	**30,557**	13,524
Discounted bills	**2,524**	76,732
Others	**89,956**	51,538
	884,246	671,853
Accrued interest	**1,463**	234
	885,709	672,087

The Group did not derecognise financial assets transferred as collateral in connection with repurchase agreements. As at 31 December 2025, legal title of these collateral pledged has not been transferred to counterparties (31 December 2024: Not been transferred).

43 Deposits from customers

(a) Types of deposits from customers

	As at 31 December	
	2025	2024
Demand deposits		
Corporate customers	**1,974,729**	1,965,191
Personal customers	**473,380**	439,965
	2,448,109	2,405,156
Time and call deposits		
Corporate customers	**2,186,503**	2,066,876
Personal customers	**1,320,869**	1,221,680
	3,507,372	3,288,556
Outward remittance and remittance payables	**84,261**	68,167
Accrued interest	**77,785**	86,060
	6,117,527	5,847,939

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

	As at 31 December	
	2025	2024
Bank acceptances	**440,829**	465,680
Letters of credit	**46,061**	43,450
Guarantees	**28,352**	21,411
Others	**42,373**	30,284
	557,615	560,825

44 Bank and other loans

(a) Types of loans

	As at 31 December	
	2025	2024
Bank loans		
Unsecured loans	**185,611**	177,750
Loan pledged with assets (note (d))	**18,712**	24,503
	204,323	202,253
Other loans		
Unsecured loans	**38,684**	39,352
Loan pledged with assets (note (d))	**2,703**	3,250
	41,387	42,602
	245,710	244,855
Accrued interest	**457**	711
	246,167	245,566

(b) Maturity of loans

	As at 31 December	
	2025	2024
Bank loans		
– Within 1 year or on demand	**113,665**	97,500
– Between 1 and 2 years	**42,167**	45,055
– Between 2 and 5 years	**30,123**	36,892
– Over 5 years	**18,368**	22,806
	204,323	202,253
Other loans		
– Within 1 year or on demand	**1,230**	1,616
– Between 1 and 2 years	**7,719**	32,827
– Between 2 and 5 years	**29,898**	5,546
– Over 5 years	**2,540**	2,613
	41,387	42,602
	245,710	244,855
Accrued interest	**457**	711
	246,167	245,566

44 Bank and other loans (Continued)

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

	As at 31 December	
	2025	2024
RMB	**129,409**	122,112
US$	**51,770**	55,846
HK$	**63,103**	65,400
Other currencies	**1,428**	1,497
	245,710	244,855
Accrued interest	**457**	711
	246,167	245,566

(d) As at 31 December 2025, the Group's bank and other loans of RMB21,415 million (31 December 2024: RMB27,753 million) are pledged with cash and deposits, trade and other receivables, inventories, financial assets held for trading, fixed assets, ROU assets and intangible assets with an aggregate carrying amount of RMB82,328 million (31 December 2024: RMB92,096 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 2025, none of the covenants relating to drawn down facilities have been breached (31 December 2024: nil).

(f) The Group has entered into supplier financing arrangements with financial institutions to obtain financing facilities thereunder. As at 31 December 2025, the balances of the financial liabilities under these arrangements amounted to RMB1,075 million (31 December 2024: RMB880 million), and since the payments 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 RMB5,843 million in 2025 (31 December 2024: RMB6,885 million).

45 Debt instruments issued

	As at 31 December	
	2025	2024
Certificates of interbank deposit issued	**930,618**	930,954
Corporate bonds issued	**260,736**	217,194
Notes issued	**220,865**	226,962
Subordinated bonds issued	**78,174**	83,120
Beneficiary certificates	**25,159**	19,166
Convertible corporate bonds (note (a))	**4,349**	11,246
Certificates of deposit issued	**–**	1,460
	1,519,901	1,490,102
Accrued interest	**6,169**	7,036
	1,526,070	1,497,138
Analysed by remaining maturity:		
– Within 1 year or on demand	**1,119,178**	1,098,235
– Between 1 and 2 years	**135,852**	99,482
– Between 2 and 5 years	**131,362**	154,731
– Over 5 years	**133,509**	137,654
	1,519,901	1,490,102
Accrued interest	**6,169**	7,036
	1,526,070	1,497,138

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 2025 (2024: 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 "CITIC Bank convertible bonds") on 4 March 2019. CITIC Corporation Limited, 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. at nil consideration on 22 June 2022. On 4 March 2025, the CITIC Bank convertible bonds were delisted in the Shanghai Stock Exchange.

As approved by the relevant regulatory authorities in China, CITIC Special Steel, the Group's subsidiary, made a public offering of RMB5,000 million A-share convertible corporate bonds (the "CITIC Steel convertible bonds") on 25 February 2022. The CITIC Steel convertible bonds have a term of 6 years from 25 February 2022 to 24 February 2028, at coupon rates of 0.2% for the first year, 0.4% for the second year, 0.9% for the third year, 1.3% for the fourth year, 1.6% for the fifth year and 2.0% for the sixth year. The conversion of these convertible bonds begins on the first trading day (3 March 2022) after six months upon the completion date of the offering until the maturity date (from 3 September 2022 to 24 February 2028). As at 31 December 2025, RMB4,403 million (31 December 2024: RMB4,178 million) of the CITIC Special Steel convertible bonds (including accrued interest) were recognised in debt instruments issued, and RMB693 million (31 December 2024: RMB693 million) were recognised in non-controlling interests.

46 Provisions

	Environmental restoration expenditures	Others	Total
Provisions (excluding impairment provision of credit commitments and guarantees provided)			
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
At 1 January 2025	1,524	1,675	3,199
Exchange differences and others	34	(266)	(232)
Charge for the year	14	2,460	2,474
Payments made during the year	–	(884)	(884)
At 31 December 2025	1,572	2,985	4,557

Impairment provision of credit commitments and guarantees provided	Total
At 1 January 2024	12,496
Exchange differences and others	329
Reversals for the year	(2,223)
At 31 December 2024	10,602
At 1 January 2025	10,602
Exchange differences and others	(18)
Charge for the year	391
At 31 December 2025	10,975
Total	
At 31 December 2024	13,801
At 31 December 2025	15,532

47 Share capital and reserves

(a) Share capital

As at 31 December 2025, the number of ordinary shares in issue of the Company was 29,090,262,630 (31 December 2024: 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 Limited, 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 2025 (31 December 2024: nil).

48 Movement of allowances for impairment losses

	For the year ended 31 December 2025				
	At 1 January	Charge	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)	**245**	**22**	**–**	**(2)**	**265**
Receivables (excluding prepayments) and others (note (ii))	**26,673**	**10,685**	**(5,420)**	**232**	**32,170**
Loans and advances to customers and other parties (Note 27)	**145,935**	**50,651**	**(67,556)**	**13,294**	**142,324**
Investments in financial assets (Note 29)					
– Financial assets at amortised cost	**27,691**	**951**	**(4,082)**	**1,338**	**25,898**
– Debt investments at FVOCI	**3,285**	**558**	**(277)**	**(77)**	**3,489**
Credit commitments and guarantees provided (Note 46)	**10,602**	**391**	**–**	**(18)**	**10,975**
	214,431	**63,258**	**(77,335)**	**14,767**	**215,121**
Allowances for impairment losses					
Inventories (Note 25)	**10,729**	**2,122**	**(2,310)**	**631**	**11,172**
Interests in associates (Note 32)	**8,026**	**249**	**(17)**	**(132)**	**8,126**
Interests in joint ventures (Note 33)	**1,783**	**152**	**–**	**(41)**	**1,894**
Fixed assets (Note 34)	**43,462**	**838**	**(82)**	**(678)**	**43,540**
Intangible assets	**15,469**	**554**	**–**	**(375)**	**15,648**
Prepayments (Note 23)	**133**	**106**	**(10)**	**–**	**229**
Goodwill (Note 35)	**6,137**	**–**	**(6)**	**(12)**	**6,119**
Other assets	**2,334**	**148**	**(47)**	**(77)**	**2,358**
	88,073	**4,169**	**(2,472)**	**(684)**	**89,086**
	302,504	**67,427**	**(79,807)**	**14,083**	**304,207**

48 Movement of allowances for impairment losses (Continued)

	At 1 January	For the year ended 31 December 2024 (Restated) 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)	9,913	1,334	(546)	28	10,729
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
	86,472	1,895	(1,821)	1,527	88,073
	298,622	61,278	(73,421)	16,025	302,504

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.

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	
	2025	2024
Contractual amount		
Loan commitments		
With an original maturity of within 1 year	**5,025**	16,885
With an original maturity of 1 year or above	**58,423**	37,179
	63,448	54,064
Credit card commitments	**792,650**	812,562
Acceptances	**830,989**	852,758
Letters of credit	**367,176**	322,670
Guarantees	**250,949**	272,468
	2,305,212	2,314,522

49 Contingent liabilities and commitments (Continued)

(b) Credit commitments analysed by credit risk weighted amount

	As at 31 December	
	2025	2024
Credit risk weighted amount on credit commitments	**684,030**	679,525

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 MOF and the People's Bank of China. The redemption price may be different from the fair value of similar instruments traded at the redemption date.

The redemption obligations below represent the nominal value of treasury bonds underwritten and sold by CITIC Bank, but not yet matured at the financial position date:

	As at 31 December	
	2025	2024
Redemption commitment for treasury bonds	**2,904**	2,615

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 MOF will not timely pay the treasury bonds which are accepted in advance, but will pay the principal and interest according to the issuance agreement when the treasury bonds mature.

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	
	2025	2024
Related parties	**5,591**	6,835
Third parties	**647**	2,153
	6,238	8,988

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	
	2025	2024
Related parties	**568**	1,600

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	
	2025	2024
Contracted for	**14,854**	15,110

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 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 2025, 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, currency in circulation 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 with other scenarios. Positive scenario and negative scenario represent the likely scenario that is better off or worse off as compared with the neutral scenario.

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	
	2025	2024
Deposits with central banks, banks and non-bank financial institutions	**644,379**	603,287
Placements with banks and non-bank financial institutions	**430,296**	382,012
Trade and other receivables	**319,977**	208,369
Financial assets held under resale agreements	**223,686**	179,829
Loans and advances to customers and other parties	**5,732,960**	5,589,459
Refundable deposits	**102,372**	68,215
Margin accounts	**207,652**	138,332
Investments in financial assets		
– At amortised cost	**1,301,701**	1,108,159
– Debt investments at FVOCI	**1,510,835**	926,931
Cash held on behalf of customers	**433,832**	315,761
Contract assets	**21,640**	22,414
Other financial assets	**9**	3,063
	10,929,339	9,545,831
Credit commitments and guarantees provided	**2,311,450**	2,323,510
Maximum credit risk exposure	**13,240,789**	11,869,341

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	
	2025	2024
Derivative financial instruments	**80,365**	135,218
Placements with banks and non-bank financial institutions	**15,802**	–
Loans and advances to customers and other parties at FVPL	**15,267**	11,612
Investments in financial assets		
– Financial assets at FVPL (debt instruments)	**1,091,526**	1,042,778
Maximum credit risk exposure	**1,202,960**	1,189,608

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 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2025	**5,539,939**	**121,240**	**74,293**	**5,735,472**
Movements:				
Net transfers out from stage 1	**(105,062)**	**–**	**–**	**(105,062)**
Net transfers into stage 2	**–**	**26,519**	**–**	**26,519**
Net transfers into stage 3	**–**	**–**	**78,543**	**78,543**
Net increase/(decrease) during the year (note (i))	**243,462**	**(14,006)**	**(13,763)**	**215,693**
Write-offs	**–**	**–**	**(65,870)**	**(65,870)**
Others (note (ii))	**(8,559)**	**888**	**(8)**	**(7,679)**
Balance at 31 December 2025	**5,669,780**	**134,641**	**73,195**	**5,877,616**

	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

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 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2025	**2,002,353**	**10,540**	**49,925**	**2,062,818**
Movements:				
Net transfers out from stage 1	**(2,791)**	**–**	**–**	**(2,791)**
Net transfers into stage 2	**–**	**1,177**	**–**	**1,177**
Net transfers into stage 3	**–**	**–**	**1,614**	**1,614**
Net increase/(decrease) during the year (note (i))	**264,500**	**1,193**	**(3,328)**	**262,365**
Write-offs	**–**	**–**	**(4,025)**	**(4,025)**
Others (note (ii))	**(8,902)**	**326**	**25**	**(8,551)**
Balance at 31 December 2025	**2,255,160**	**13,236**	**44,211**	**2,312,607**

	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

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 include 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 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2025	**63,090**	**29,548**	**53,924**	**146,562**
Movements (note (i)):				
Net transfers out from stage 1	**(2,947)**	**–**	**–**	**(2,947)**
Net transfers into stage 2	**–**	**1,542**	**–**	**1,542**
Net transfers into stage 3	**–**	**–**	**27,899**	**27,899**
Net increase/(decrease) during the year (note (ii))	**7,684**	**(2,506)**	**(6,109)**	**(931)**
Write-offs	**–**	**–**	**(65,870)**	**(65,870)**
Parameters change for the year (note (iii))	**(3,319)**	**(961)**	**29,968**	**25,688**
Others (note (iv))	**(82)**	**97**	**13,216**	**13,231**
Balance at 31 December 2025	**64,426**	**27,720**	**53,028**	**145,174**

	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

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 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January 2025	**4,441**	**1,112**	**25,460**	**31,013**
Movements (note (i)):				
Net transfers out from stage 1	**(396)**	**–**	**–**	**(396)**
Net transfers out from stage 2	**–**	**(65)**	**–**	**(65)**
Net transfers into stage 3	**–**	**–**	**461**	**461**
Net increase during the year (note (ii))	**526**	**637**	**7**	**1,170**
Write-offs	**–**	**–**	**(4,025)**	**(4,025)**
Parameters change for the year (note (iii))	**(306)**	**523**	**1,112**	**1,329**
Others (note (iv))	**(17)**	**175**	**83**	**241**
Balance at 31 December 2025	**4,248**	**2,382**	**23,098**	**29,728**

	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

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					
	2025			2024		
	Gross balance	**%**	**Loans and advances secured by collateral**	Gross balance	%	Loans and advances secured by collateral
Corporate loans						
– Manufacturing	**670,597**	**11.4%**	**219,271**	556,303	9.7%	197,564
– Rental and business services	**630,312**	**10.7%**	**177,986**	563,056	9.8%	156,726
– Water, environment and public utility management	**435,375**	**7.4%**	**91,220**	435,579	7.6%	95,727
– Real estate	**300,324**	**5.1%**	**208,544**	284,749	5.0%	195,332
– Wholesale and retail	**262,771**	**4.5%**	**90,427**	225,211	3.9%	93,242
– Transportation, storage and postal services	**169,136**	**2.9%**	**69,030**	148,943	2.6%	62,888
– Production and supply of electric power, gas and water	**149,170**	**2.5%**	**51,417**	118,007	2.1%	46,539
– Construction	**137,879**	**2.3%**	**32,897**	117,996	2.1%	37,087
– Financial industry	**107,896**	**1.8%**	**10,720**	91,519	1.6%	8,896
– Others	**424,130**	**7.2%**	**117,549**	361,902	6.2%	107,616
	3,287,590	**55.8%**	**1,069,061**	2,903,265	50.6%	1,001,617
Personal loans	**2,379,535**	**40.4%**	**1,656,013**	2,372,797	41.2%	1,593,382
Discounted bills	**201,637**	**3.4%**	**–**	449,133	7.8%	–
	5,868,762	**99.6%**	**2,725,074**	5,725,195	99.6%	2,594,999
Accrued interest	**24,121**	**0.4%**	**165**	21,889	0.4%	161
	5,892,883	**100%**	**2,725,239**	5,747,084	100%	2,595,160

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					
	2025			2024		
	Gross balance	**%**	**Loans and advances secured by collateral**	Gross balance	%	Loans and advances secured by collateral
Chinese mainland	**5,637,032**	**95.7%**	**2,627,556**	5,507,313	95.8%	2,497,806
Excluding Chinese mainland	**231,730**	**3.9%**	**97,518**	217,882	3.8%	97,193
	5,868,762	**99.6%**	**2,725,074**	5,725,195	99.6%	2,594,999
Accrued interest	**24,121**	**0.4%**	**165**	21,889	0.4%	161
	5,892,883	**100%**	**2,725,239**	5,747,084	100%	2,595,160

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

	As at 31 December	
	2025	2024
Unsecured loans	**1,782,277**	1,632,232
Guaranteed loans	**1,159,774**	1,048,643
Secured loans		
– Loans secured by collateral	**2,260,628**	2,195,865
– Pledged loans	**464,446**	399,322
	5,667,125	5,276,062
Discounted bills	**201,637**	449,133
	5,868,762	5,725,195
Accrued interest	**24,121**	21,889
Gross loans and advances	**5,892,883**	5,747,084

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			
	2025		2024	
	Gross balance	**% of total loans and advances**	Gross balance	% of total loans and advances
Rescheduled loans and advances	**37,986**	0.64%	29,866	0.52%
– Rescheduled loans and advances overdue more than 3 months	**4,525**	0.08%	1,891	0.03%

(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 2025, 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 2024: 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.

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 2025					
	Repayable on demand (note (i))	**Within 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Undated (note (ii))**	**Total**
Total financial assets	**934,644**	**4,248,140**	**2,983,103**	**2,696,691**	**1,274,721**	**12,137,299**
Total financial liabilities	**(4,177,260)**	**(5,407,969)**	**(1,567,002)**	**(174,491)**	**(28,439)**	**(11,355,161)**
Financial asset-liability (gap)/surplus	**(3,242,616)**	**(1,159,829)**	**1,416,101**	**2,522,200**	**1,246,282**	**782,138**

	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

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 2025					
	Repayable on demand (note (i))	**Within 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Undated (note (ii))**	**Total**
Total financial assets	**934,644**	**4,477,138**	**3,428,874**	**3,142,153**	**1,279,505**	**13,262,314**
Total financial liabilities	**(4,177,260)**	**(5,600,781)**	**(1,667,085)**	**(189,111)**	**(28,477)**	**(11,662,714)**
Financial asset-liability (gap)/surplus	**(3,242,616)**	**(1,123,643)**	**1,761,789**	**2,953,042**	**1,251,028**	**1,599,600**

	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

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 represents 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 are 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 2025			
	Within 1 year	**Between 1 and 5 years**	**More than 5 years**	**Total**
Loan commitments	**8,037**	**30,872**	**24,539**	**63,448**
Guarantees	**164,335**	**86,287**	**327**	**250,949**
Letters of credit	**366,415**	**761**	**–**	**367,176**
Acceptances	**830,989**	**–**	**–**	**830,989**
Credit card commitments	**785,295**	**7,335**	**20**	**792,650**
Total	**2,155,071**	**125,255**	**24,886**	**2,305,212**

	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

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 2025				
	Non-interest bearing	**Within 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
Total financial assets	**1,418,030**	**7,812,006**	**1,639,172**	**1,268,091**	**12,137,299**
Total financial liabilities	**(1,271,701)**	**(8,366,706)**	**(1,506,751)**	**(210,003)**	**(11,355,161)**
Financial asset-liability surplus/(gap)	**146,329**	**(554,700)**	**132,421**	**1,058,088**	**782,138**

	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

50 Financial risk management and fair values (Continued)

(c) Interest rate risk (Continued)

(ii) Effective interest rate

	As at 31 December			
	2025		2024	
	Effective interest rate	**RMB million**	Effective interest rate	RMB million
Assets				
Cash and deposits	**0.35% ~ 1.61%**	**648,888**	0.35% ~ 2.22%	603,287
Placements with banks and non-bank financial institutions	**2.29%**	**446,098**	3.14%	404,801
Financial assets held under resale agreements	**1.62%**	**223,686**	1.81%	179,829
Loans and advances to customers and other parties	**3.67%**	**5,748,227**	4.24%	5,601,071
Investments in financial assets	**2.43% ~ 2.67%**	**3,937,426**	2.80% ~ 2.93%	3,538,851
Others		**2,016,815**		1,747,586
		13,021,140		12,075,425
Liabilities				
Borrowings from central banks	**1.90%**	**204,025**	2.48%	124,151
Deposits from banks and non-bank financial institutions	**1.41%**	**883,276**	2.01%	935,159
Placements from banks and non-bank financial institutions	**2.46%**	**203,799**	3.15%	145,644
Financial assets sold under repurchase agreements	**1.78%**	**885,709**	2.10%	672,087
Deposits from customers	**1.52%**	**6,117,527**	1.89%	5,847,939
Bank and other loans	**0.31% ~ 6.50%**	**246,167**	0.03% ~ 9.80%	245,566
Debt instruments issued	**0.50% ~ 6.00%**	**1,526,070**	0.05% ~ 6.19%	1,497,138
Others		**1,457,906**		1,184,727
		11,524,479		10,652,411

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 2025, it is estimated that a general increase or decrease of 100 basis points in interest rates, with all other variables held constant, the Group's profit before taxation would decrease or increase by RMB6,150 million (31 December 2024: decrease or increase by RMB5,930 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 2025				
	RMB	**HK$**	**US$**	**Others**	**Total**
Total financial assets	**10,960,865**	**347,493**	**685,377**	**143,564**	**12,137,299**
Total financial liabilities	**(10,103,551)**	**(362,090)**	**(782,224)**	**(107,296)**	**(11,355,161)**
Financial asset-liability surplus/(gap)	**857,314**	**(14,597)**	**(96,847)**	**36,268**	**782,138**

	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

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 2025 would decrease or increase the Group's total comprehensive income by RMB752 million (31 December 2024: decrease or increase by RMB532 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 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Bills receivable at FVOCI	**–**	**10,178**	**–**	**10,178**
Loans and advances to customers and other parties at FVOCI	**–**	**318,212**	**–**	**318,212**
Loans and advances to customers and other parties at FVPL	**–**	**–**	**15,267**	**15,267**
Derivative financial assets	**2,194**	**73,972**	**4,190**	**80,356**
Investments in financial assets	**699,082**	**1,773,367**	**166,354**	**2,638,803**
Other assets	**–**	**7,500**	**–**	**7,500**
	701,276	**2,183,229**	**185,811**	**3,070,316**
Liabilities				
Financial liabilities at FVPL	**(16,781)**	**(136,174)**	**(20,061)**	**(173,016)**
Derivative financial liabilities	**(6,429)**	**(91,041)**	**(14,292)**	**(111,762)**
	(23,210)	**(227,215)**	**(34,353)**	**(284,778)**

	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
Other assets	–	2,660	–	2,660
	561,737	2,417,890	133,667	3,113,294
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)

50 Financial risk management and fair values (Continued)

(e) Fair values (Continued)

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

In 2025, there were no significant transfers among instruments in three levels (2024: nil) and no significant changes in valuation techniques for determining the fair values of the Group's financial instruments (2024: nil).

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 2025						
	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 2025	11,612	3,971	118,084	133,667	(19,328)	(5,803)	(25,131)
Total profit/(losses):	(29)	9,508	6,787	16,266	2,273	(29,264)	(26,991)
– in profit or loss	(29)	9,508	6,758	16,237	(1,492)	(29,264)	(30,756)
– in other comprehensive income	–	–	29	29	3,765	–	3,765
Net settlements and others	3,684	(9,289)	41,483	35,878	(3,006)	20,775	17,769
At 31 December 2025	15,267	4,190	166,354	185,811	(20,061)	(14,292)	(34,353)

	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 and others	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)

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 2025				
	Carrying amount	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets					
Investments in financial assets					
– Financial assets at amortised cost	**1,301,701**	**1,311,155**	**2,071**	**1,130,799**	**178,285**
Financial liabilities					
Debt instruments issued					
– Corporate bonds issued	**260,788**	**262,918**	**74,466**	**188,452**	**–**
– Notes issued	**223,339**	**240,418**	**26,233**	**211,214**	**2,971**
– Subordinated bonds issued	**78,740**	**80,050**	**3,495**	**76,555**	**–**
– Certificates of interbank deposit issued	**933,559**	**933,783**	**12,468**	**921,315**	**–**
– Convertible corporate bonds issued	**4,404**	**5,054**	**–**	**–**	**5,054**
– Beneficiary certificates	**25,240**	**25,239**	**–**	**25,239**	**–**
	1,526,070	**1,547,462**	**116,662**	**1,422,775**	**8,025**

	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

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 2025			
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	Total
Sales of goods	–	296	3,216	3,512
Purchase of goods	–	773	28,865	29,638
Interest income (note (2))	89	113	2,432	2,634
Interest expenses	13	1,426	511	1,950
Fee and commission income	23	7	103	133
Fee and commission expenses	–	20	4	24
Income from other services	12	214	2,687	2,913
Expenses for other services	–	145	972	1,117
Interest income from deposits and receivables	–	–	335	335
Other operating expenses	–	1,294	1,137	2,431

	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

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.

51 Material related parties (Continued)

(b) Related party transactions (Continued)

(ii) Outstanding balances with related parties

	As at 31 December 2025			
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	Total
Assets				
Cash and deposits	–	–	16,691	16,691
Placements with banks and non-bank financial institutions	–	4,743	59,719	64,462
Derivative financial instruments	–	–	283	283
Trade and other receivables	7	1,249	25,426	26,682
Contract assets	–	8	3,056	3,064
Financial assets held under resale agreements	–	1,078	526	1,604
Loans and advances to customers and other parties (note (2))	1,001	8,887	14,499	24,387
Investments in financial assets				
– Financial assets at FVPL	–	74	3,618	3,692
– Debt investments at FVOCI	1,616	130	957	2,703
– Equity investments at FVOCI	–	–	454	454
– Financial assets at amortised cost	1,037	–	1,070	2,107
ROU assets	–	653	39	692
Liabilities				
Deposits from bank and non-bank financial institutions	–	25	25,633	25,658
Derivative financial instruments	–	–	254	254
Trade and other payables	605	11,057	8,140	19,802
Contract liabilities	50	5	332	387
Deposits from customers	3,696	19,129	11,439	34,624
Bank and other loans	226	35,532	2,807	38,565
Debt instruments issued	–	200	1,770	1,970
Lease liabilities	–	648	30	678
Off-balance sheet items				
Guarantees provided (note (3))	–	–	5,591	5,591

51 Material related parties (Continued)

(b) Related party transactions (Continued)

(ii) Outstanding balances with related parties (Continued)

	As at 31 December 2024			
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	Total
Assets				
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
ROU assets	–	68	27	95
Liabilities				
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

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) For the year ended 31 December 2025, CITIC Bank transferred loans and other financial assets with an original book value of RMB4,850 million (2024: RMB2,920 million) to China CITIC Financial Asset Management Co., Ltd. Among these, the transferred non-performing loans had an original book value of RMB2,532 million (2024: RMB1,400 million), and the transferred non-performing structured financing had a book value of RMB2,318 million (2024: RMB1,520 million). 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 2025, the aggregate amount of the remuneration before tax paid to directors and executive officers of the Company amounted to RMB8.51 million (2024: RMB6.54 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 investment plans, asset-backed securities and investment funds and the Group does not consolidate these structured entities.

The following table sets out an analysis of the carrying amounts of interests held by the Group as at the 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 2025 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	–	14,971	–	14,971	14,971
Investment management products	27,092	17,987	–	45,079	45,079
Trust investment plans	162,806	18,862	–	181,668	181,668
Asset-backed securities	109,230	37,736	16,664	163,630	163,630
Investment funds	–	547,263	–	547,263	547,263
Total	299,128	636,819	16,664	952,611	952,611

	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 investment 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

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 investment 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 investment plans, investment funds and investment management products

As at 31 December 2025, the aggregate amount of assets held by the unconsolidated wealth management products, trust investment plans, investment funds and investment management products which are sponsored by the Group was RMB10,042,782 million (31 December 2024: RMB8,291,602 million).

In 2025, the amount of fee and commission income and net interest income recognised from the above-mentioned structured entities sponsored by the Group was RMB19,699 million (2024: RMB15,468 million) and RMB129 million (2024: RMB303 million).

(c) Transfers of financial assets

The Group entered into transactions which involved securitisation transactions and transfers of 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 financial assets transfer transactions conducted by the Group for the year ended 31 December 2025 totaled RMB107,840 million (2024: RMB90,980 million).

52 Interests in structured entities (Continued)

(c) Transfers of financial assets (Continued)

Securitisation transactions

In 2025, the original book value of financial assets transferred by the Group through asset securitisation transactions was RMB42,516million (2024: RMB28,760 million), which qualified for full de-recognition.

Transfer of loans and other financial assets

In 2025, the Group transferred loans and other financial assets by other means with original book value of RMB65,324 million (2024: RMB62,220 million), including RMB14,084 million (2024: RMB8,434 million) of non-performing loans, RMB2,318 million (2024: RMB3,362 million) of non-performing structured investments and RMB48,922 million (2024: RMB50,424 million) of bills receivable and 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	
	2025	2024
Cash	**4,509**	5,200
Bank deposits on demand	**85,893**	108,456
Surplus deposit reserve funds	**75,805**	6,833
Investments in debt securities and others with original maturities of three months or less	**78,619**	61,868
Deposits with banks and non-bank financial institutions due within three months	**134,319**	103,308
Placements with banks and non-bank financial institutions due within three months	**58,412**	99,734
Cash and cash equivalents in the consolidated cash flow statement	**437,557**	385,399

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 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**
Cash flows	**(43,641)**	**81,265**	**(44,434)**	**(5,644)**	**(12,454)**
Foreign exchange adjustments	**(2,679)**	**(1,079)**	**848**	**42**	**(2,868)**
Bank loans arising from supplier finance arrangement	**4,883**	**–**	**–**	**–**	**4,883**
Other non-cash movements	**42,292**	**(50,387)**	**42,465**	**5,007**	**39,377**
At 31 December 2025	**245,710**	**1,519,901**	**6,626**	**18,454**	**1,790,691**

(c) Issuance and redemption of other equity instruments by subsidiaries

In 2025, CITIC Bank, a subsidiary of the Group, did not issue or redeemed capital debentures without fixed terms (2024: issued RMB30,000 million of capital debentures without fixed terms, redeemed RMB39,993 million of capital debentures without fixed terms).

In 2025, CITIC Securities, a subsidiary of the Group, issued RMB7,500 million of capital debentures without fixed terms (2024: issued RMB14,000 million of capital debentures without fixed terms).

54 Financial position and reserve movement of the Company

	As at 31 December	
	2025	2024
Non-current assets		
Interests in subsidiaries	**438,621**	444,263
Interests in joint ventures	**–**	32
Investments in financial assets		
– Financial assets at fair value through profit or loss	**3,329**	3,238
– Derivative financial instruments	**8**	–
	441,958	447,533
Current assets		
Amounts due from subsidiaries	**66,170**	70,537
Trade and other receivables	**137**	155
Cash and deposits	**1,835**	1,438
	68,142	72,130
Total assets	**510,100**	519,663
Current liabilities		
Bank and other loans	**14,735**	17,284
Amounts due to subsidiaries and other related parties	**15,568**	15,514
Trade and other payables	**11**	10
Employee benefits payables	**228**	227
Income tax payable	**1,949**	1,729
Debt instruments issued	**5,346**	2,191
	37,837	36,955
Non-current liabilities		
Long term borrowings	**69,478**	68,775
Debt instruments issued	**34,504**	40,800
	103,982	109,575
Total liabilities	**141,819**	146,530
Equity		
Share capital	**307,576**	307,576
Reserves	**60,705**	65,557
Total ordinary shareholders' funds	**368,281**	373,133
Total liabilities and equity	**510,100**	519,663

The financial position of the Company was approved and authorised for issue by the board of directors on 27 March 2026.

Director: **Xi Guohua** *Director:* **Zhang Wenwu**

54 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 2025	**307,576**	**505**	**23**	**18,022**	**47,007**	**373,133**
Other comprehensive income	**–**	**–**	**8**	**–**	**(9,319)**	**(9,311)**
Profit attributable to shareholders of the Company	**–**	**–**	**–**	**18,941**	**–**	**18,941**
Dividends paid to ordinary shareholders of the Company	**–**	**–**	**–**	**(16,291)**	**–**	**(16,291)**
Others	**–**	**1,809**	**–**	**–**	**–**	**1,809**
As at 31 December 2025	**307,576**	**2,314**	**31**	**20,672**	**37,688**	**368,281**
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

55 Post balance sheet events

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

56 Comparative figures

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

57 Approval of the consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 27 March 2026.

58 Possible impact of amendments, new standards and interpretations issued but not yet adopted for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, *Financial instruments and* HKFRS 7, *Financial instruments: disclosures – Contracts referencing nature-dependent electricity*	1 January 2026
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 HKFRS Accounting Standards – 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.

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

59 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	5,047,158,005	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	3,700,891,382	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	90,645,162,264	65.79%	0%	65.79%

59 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%

59 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%

59 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:

Name of company	Place of incorporation	Principal activity	Shares issued	Proportion of ownership interest		
				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	1,424,585,516	21.20%	0%	21.20%

(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:

Name of company	Place of incorporation	Principal activity	Shares issued	Proportion of ownership interest		
				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 142 to 299, which comprise the consolidated statement of financial position as at 31 December 2025, 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 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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") as 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"), as applicable to audits of financial statements of public interest entities. We have also 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 2025, 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 RMB5,877,616 million, for which management recognised an impairment allowance of RMB145,174 million; the gross balance of investments in financial assets and accrued interest included for the purpose of expected credit loss assessment amounted to RMB2,312,607 million, for which management recognised an impairment allowance of RMB29,728 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 (continued)

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 (continued)

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 regard 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 (continued)

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	How the matter was addressed in our audit
As at 31 December 2025, 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 interest 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.	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 (continued)

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 2025, 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 indicator existed for the Project as at 31 December 2025. 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 as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the *Independent auditor's assurance report on Continuing Connected Transactions* that forms part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

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 HKFRS Accounting Standards as 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 responsibilities 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 skepticism 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 consolidated 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 (practising certificate number: P04535).

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