

Our Businesses

COMPREHENSIVE FINANCIAL SERVICES



Our comprehensive financial services segment aims to be a leader in financial integration. We are deepening the synergy between our businesses through the formation of a financial holding company, enhancing the competitiveness of each individual business and their ability to serve the real economy.

Major Subsidiaries



CITIC Financial Holdings,

established in March 2022, is one of the financial holding companies first licensed by the People's Bank of China, and a comprehensive financial services company holding a complete set of licences in the financial industry with a wide range of businesses.



CITIC Bank

is a leading national commercial bank with highly integrated capabilities and strong brand recognition in China, and its core businesses include corporate banking, retail banking and financial markets services.



CITIC Trust

is the market leader in its field in China, providing integrated financial services including financing, wealth management, trust services, charitable trusts, and other integrated financial products.



CITIC-Prudential Life

is a joint venture between CITIC Financial Holdings and Prudential plc offering life, health and accident insurance, as well as reinsurance services.



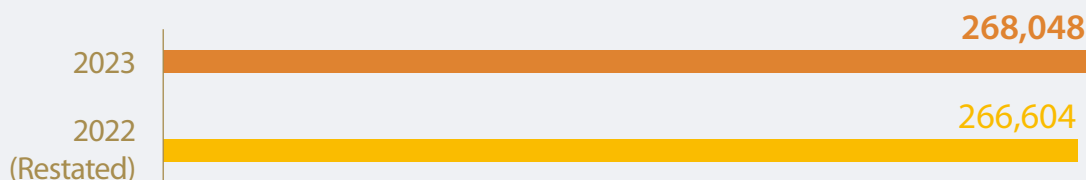
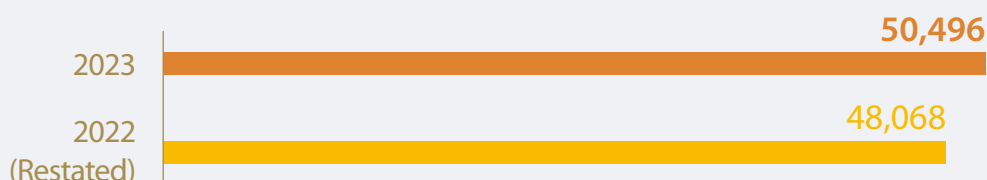
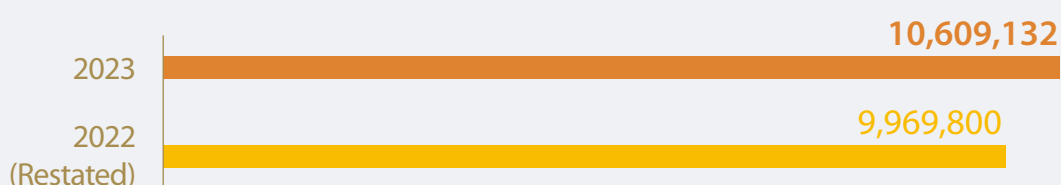
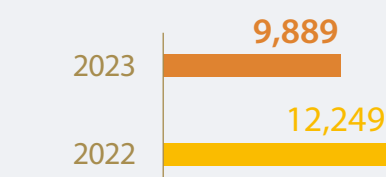
CITIC Securities

is a premium securities company in China with businesses spanning securities, funds, futures, direct investments, equity funds and commodities. All respective businesses maintain a leading position in the market.



CSC Financial

is a national comprehensive securities company. Its main businesses include investment banking, wealth management, trading and institutional client services, and asset management.

REVENUE*RMB million***+0.5%****PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS***RMB million***+5.1%****TOTAL ASSETS***RMB million***+6.4%****CAPITAL EXPENDITURE***RMB million***-19%**

The comprehensive financial services segment focused on serving the real economy and strengthening its role as a strategic support for state-owned enterprises. Profit attributable to ordinary shareholders increased by 5.1%. CITIC Bank continued to optimise its loan structure and enhance its asset quality, achieving a 7.9% increase in net profit attributable to the bank's shareholders. CITIC Securities accelerated its drive in establishing a world-class investment bank and maintained a leading position in its core business domestically. Its profit remained the first among the peers although it declined due to the market turndown. CITIC Trust focused on developing trust and asset management businesses. Its trust assets under management increased by 34% compared to the beginning of the year, and asset quality continued to improve. CITIC-Prudential Life actively responded to the new regulatory requirements and made continuous improvements to its product structure. This led to the increase in the value of new business.

Our Businesses



FINANCIAL HOLDINGS

CITIC Financial Holdings

Year in Review

In 2023, CITIC Financial Holdings completed its first full year of operation. As one of the pioneering financial holding companies to receive regulatory licences, CITIC Financial Holdings plays a vital role in charting the development path of a financial holding group with unique Chinese characteristics. Adhering to a balanced and progressive approach with a focus on high-quality development, CITIC Financial Holdings effectively tackled the complex challenges arising from both the internal and external environment and made solid progress on various fronts. During the reporting year, CITIC Financial Holdings achieved total operating income of RMB272 billion and net profit of RMB91.9 billion, reflecting year-on-year growth of 1% and 9% respectively. Total assets surpassed the RMB10 trillion milestone, reaching RMB10.5 trillion by the end of the year, a 7% increase. Non-performing assets decreased by RMB2.56 billion from the beginning of the year to RMB78.41 billion, resulting in a 0.13 percentage point decrease in the non-performing loan ratio to 1.15%.

Business Operations

Corporate Governance: CITIC Financial Holdings upheld and strengthened the comprehensive leadership of the Communist Party of China, promoting the deep integration of Party leadership and corporate governance. The company clearly defined decision-making matters and processes for each governance entity and focused on building a solid foundation for corporate governance by completing the transfer in of equity in over six financial subsidiaries by the end of August 2023. These included CITIC Bank, CITIC Securities, CITIC Trust, CITIC-Prudential Life, CITIC Consumer Finance, and Tianjin OTC. CITIC Financial Holdings enhanced its governance framework, with an

emphasis on strengthening the composition of the board of directors. Two specialized committees were established within the board of directors. The company explored the establishment of a mechanism for nominating and managing directors and supervisors. The company strived to ensure the compliant and efficient operation of corporate governance mechanisms, while providing support for the performance of directors and supervisors, and ensuring the smooth implementation of major corporate governance decisions.

Risk Management: CITIC Financial Holdings fully implemented regulatory requirements and strengthened its risk and compliance management functions. It emphasised the role of the headquarters in providing management, guidance, and support while overseeing the risk management responsibilities of the financial subsidiaries. The company continuously enhanced its risk and compliance management system, ensuring smooth and standardised functioning of risk management committees at the board and management levels. The coordination and consultation mechanism among experts in risk management, compliance, internal control, and management operated smoothly. To establish a robust risk management framework, CITIC Financial Holdings implemented three lines of defence: early warning, control, and coordinated resolution. It continuously improved seven major risk management mechanisms, including risk warning, risk preference and compliance control supervision, risk reporting, unified credit control, risk segregation, coordinated risk management and resolution, and recovery and disposal. Special attention was given to effective risk warning, strengthening the role of risk preference guidance, and thus gradually creating a centralised closed-loop mechanism to address and control risks. The company strengthened risk control

in key areas such as real estate and local government debt, establishing special task forces to enhance policy analysis and coordinate business development and risk mitigation in these two sectors. As a result, the non-performing loan ratios in these two areas decreased by 0.62 and 0.11 percentage points respectively compared to the beginning of the year. The company's overall risk profile ameliorated as the customer base continued to improve. The company effectively resolved risks through synergy between CITIC's industrial and financial operations. CITIC Financial Holdings promoted collaboration between industry and finance, resulting in risk resolution exceeding RMB30 billion in 2023, yielding positive economic and social benefits. Furthermore, the company focused on enhancing its compliance and internal control management levels by implementing a three-year action plan for improvement. It also launched the "Five Ones" initiative to support financial subsidiaries in optimising the quality and efficiency of their compliance and internal control management.

Capital Management: CITIC Financial Holdings concentrated on strengthening coordinated management and enhancing its comprehensive, refined, and cross-functional capital management system, with an aim to transition capital management towards a proactive, efficient, and value-creating approach. It focused on critical aspects such as institutional foundations, organisational structure, information systems, and policy research to strengthen management effectiveness to ensure proactive planning, precise and scientific measurement, dynamic and timely evaluation, as well as effective assessment and incentivisation. During the year, CITIC Financial Holdings conducted a thorough review of its systems, involving optimising measurement processes to ensure compliance with regulatory guidance. It led its financial subsidiaries in reviewing and improving their organisational structures, clearly defining roles and responsibilities, improving capital planning, and strengthening operational foundations. In line with the "cloud-based management and data integration" requirements, CITIC Financial Holdings developed innovative solutions by building seven key functional modules

and integrating seven of its business operations. This enhanced the seamless integration of entire processes and online operations, and facilitated the launch and operation of the industry's first capital management system. The company closely monitored and adapted to evolving capital regulatory policies, continuously conducting assessments and analysis, developing forward-looking strategies and enhancing the support of capital for sustainable business growth. Furthermore, it implemented refined capital management practices within financial subsidiaries, focusing on cost reduction and efficiency improvement across all aspects of operations. Through comprehensive assessments and optimisation of product structures, CITIC Financial Holdings achieved capital savings of RMB21.3 billion throughout the year, significantly enhancing its capacity for organic development.

Wealth Management: CITIC Financial Holdings strengthened the mechanism of the CITIC Wealth Management Committee, fully leveraging the advantages of its comprehensive financial licences. The company integrated channels, clients, and products across its financial subsidiaries in the areas of wealth management, asset management, and comprehensive financing. The aim of integration was to achieve seamless coordination and the effective utilisation of resources throughout the value chain. As of the end of 2023, the wealth management business of financial subsidiaries reached RMB23.1 trillion, a year-on-year increase of 5.2%. The asset management business exceeded RMB7.5 trillion, with a growth rate of 6.7%. Comprehensive financing reached nearly RMB13.8 trillion, demonstrating a significant annual growth rate of 8.1% and outperforming the market. The concept of "One CITIC, One Customer" was vigorously implemented, resulting in a cross-selling scale of RMB207.4 billion across corporate, retail, and group insurance areas. The combined financing scale surpassed the major threshold of RMB2 trillion, while the collaborative private equity investment funds exceeded RMB22 billion. These accomplishments demonstrated the increasing synergistic contribution of CITIC Financial Holdings in customer service, product innovation, platform

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development, and intellectual support. Firstly, the company has been actively driving synergistic customer service by implementing innovative models such as the “N+1+1” integrated service and the “People–Home–Enterprise–Society” framework for entrepreneur offices. These efforts have benefited 39 strategic clients and 100 entrepreneur clients, resulting in a substantial increase of over RMB260 billion in assets under management (AUM). Moreover, its coverage of services for national-level specialised and sophisticated enterprises reached 60%, showing an improvement of 12.4 percentage points. It took the lead in introducing the “Pension Ledger” programme, serving over three million households. Secondly, CITIC Financial Holdings promoted collaboration in driving integrated and innovative product development by leveraging its comprehensive financial licences, full product lifecycle capabilities, and comprehensive service advantages. It constructed a multi-product landscape consisting of “CITIC Prime Products,” “CITIC Innovative Products,” and a “Wealth Boutique Pool.” The annual sales volume of “CITIC Prime Products” reached RMB66.8 billion. Innovation played a crucial role in unlocking the potential of existing assets and expanding effective investments. CITIC Financial Holdings implemented 13 public REITs projects, ranking first in terms of both size and quantity in the market. Moreover, it introduced the market’s first comprehensive financial solution for special assets, enabling the successful implementation of special asset projects exceeding RMB70 billion. Additionally, its pension management business surpassed RMB1 trillion, solidifying its market brand presence. Thirdly, CITIC Financial Holdings focused on promoting the seamless integration of its system platforms with the aim of building a “Digital Financial Holdings” framework. Its goal is to create a comprehensive financial service gateway and introduce the “CITIC Wealth Plaza.” With compliance as a priority, it successfully centralised the digital applications of 12 CITIC Group subsidiaries, enabling cross-channel interactions, user recognition, and data sharing. As a result, it attracted 12.48 million new registered users throughout the year, with 1.32 million monthly active users. It also directed over 800,000 customers to its subsidiary companies, expanding the value and impact of its platform. Fourthly, CITIC Financial Holdings actively promoted “Intelligent Integration” by leveraging the expertise of over 100 think tank experts and a research team of over 1,000 professionals. It provided comprehensive and all-

encompassing consulting support to both internal and external clients, including foreign exchange guidance, capital operations, merger and acquisition strategies, and tailored CITIC comprehensive solutions. Its services have benefited over 140,000 clients. It also published industry-leading think tank reports such as the “White Paper on Central Enterprise Treasury System Construction,” the “1030 Action Plan for Financial Support to Qianhai,” and the “Top Ten Trends in Artificial Intelligence Development.” These think tank achievements have greatly contributed to enhancing the quality and efficiency of CITIC Financial Holdings’ comprehensive financial services.

Fintech: The launch of core functionalities of CITIC Financial Holdings’ Digitisation 2.0 project has supported the company in establishing a comprehensive management system and extending platform capabilities to its financial subsidiaries. The project, known for its distinctive advantages in “comprehensive business, multiple legal entities, integration, and innovation,” was awarded second prize in the “Financial Technology Development Awards” by the People’s Bank of China. CITIC Financial Holdings continued to enhance promotion of its operations through its Financial Shared Service Centre and Procurement Platform. By implementing initiatives including empowering the management of financial subsidiaries and applying intelligent technologies, the company improved risk control and efficiency. The Financial Shared Service Centre was honoured with first place in the CGMA Global Management Accounting 2023 China Awards. A Treasury Management System was developed and tailored to the characteristics of the financial holding industry, boosting the digitalisation of treasury information. In addition, a cross-sector, multi-legal entity risk management system was also established in line with domestic financial holdings characteristics, focusing on the core functions of the financial holding company and strictly adhering to regulatory requirements. In pursuit of the objective of “cloud-based management and data integration”, CITIC Financial Holdings completed integration of risk data from financial subsidiaries, enabling T+5 reporting of risk data. The improvement of the Smart Office Platform and the Management Dashboard Data System facilitated process integration, providing better support for comprehensive management.



BANKING

CITIC Bank is a leading national commercial bank with strong integrated capabilities and brand competitiveness in China. With over 65,000 staff and total assets exceeding RMB9 trillion, CITIC Bank's core businesses include corporate banking, retail banking, and financial markets. In 2023, CITIC Bank ranked 20th in the "Top 500 World Banking Brands Leaderboard" and its Tier 1 capital ranked 19th in the "Top 1000 World Banks" as published by British financial magazine The Banker.

Year in Review

<i>RMB million</i>	2023	2022	Change
Revenue	205,570	211,109	-2.6%
Profit attributable to shareholders	67,016	62,103	7.9%
Total assets	9,052,484	8,547,543	5.9%
Return on equity	10.80%	10.80%	On par

In 2023, CITIC Bank remained committed to sustainable and high-quality development. The company continued to deepen its operational transformation, optimising the overall structure of the business. As a result, it experienced accelerated growth and improved risk management. Overall, the Bank maintained a stable and upward trend of development marked by enhanced quality. During the period, it recorded operating revenue of RMB205.6 billion, a 2.6% decrease year-on-year, of which net interest income was RMB143.5 billion, a 4.7% decrease year-on-year. Non-interest income increased by 2.6% year-on-year to RMB62.0 billion. The proportion of non-interest income rose by 1.6 percentage points to 30.2%. Despite a challenging environment, the year witnessed significant strides in the transition toward light risk-weighted assets. CITIC Bank achieved RMB67.0 billion in profit attributable to its shareholders, up 7.9% year-on-year.

During the reporting period, CITIC Bank steadily expanded the scale of its business, improved service quality and enhanced efficiency to support the real economy. By the end of 2023, total assets amounted

to RMB9,052.5 billion, an increase of 6% compared to the previous year end. Customer loans increased by 7% and customer deposits grew by 6% from the beginning of the period. During the year, CITIC Bank closely followed the direction of national policies to serve the real economy. The growth rates of loans in key areas such as green finance and strategic emerging industries outpaced the overall loan growth rate.

CITIC Bank recorded declines in both non-performing loans (NPL) and the NPL ratio in 2023, and consolidated and strengthened its risk resilience capabilities. By the end of 2023, the balance of NPL fell 0.63% to RMB64.8 billion and the NPL ratio declined 0.09 percentage point to 1.18% from the end of the previous year. The provision coverage ratio increased 6.40 percentage points to 207.59% by year end.

During the period, CITIC Bank maintained its focus on capital management under the guidance of "light risk-weighted assets with higher return" to improve capital allocation efficiency. Its capital adequacy ratio fulfilled all regulatory requirements.

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Business Highlights

<i>RMB million</i>	Operating income 2023	By percentage 2023	Operating income 2022	By percentage 2022
Corporate banking	91,557	44.5%	94,436	44.7%
Retail banking	86,425	42.1%	84,677	40.1%
Financial markets	25,988	12.6%	30,312	14.4%
Other	1,600	0.8%	1,684	0.8%

Three Core Strengths

Guided by the “342 Action Plan for Developing Core Business Capabilities”, CITIC Bank accelerated the improvement of its market competitiveness by focusing on three core businesses: wealth management, asset management, and comprehensive financing. During the period, the mark-to-market value of retail assets under management increased by 8.3% from the end of the previous year to RMB4.24 trillion. Wealth management assets reached RMB1.73 trillion, increasing by 9.6% from the end of the previous year. The balance of comprehensive financing increased by 6.9% from the end of the previous year to RMB13.15 trillion.

Corporate Banking¹

CITIC Bank continued to implement national macroeconomic policies in its corporate banking business, with a core focus on serving the real economy. The Bank has expanded efforts to organise and allocate high-quality credit assets while providing increased support to critical sectors such as inclusive financing for small and micro enterprises (SMEs), green lending, strategic emerging industries, and rural revitalisation. The balance of general RMB corporate loans amounted to RMB2,479.6 billion, representing an increase of RMB180.2 billion from the end of the previous year. Loans for green finance, inclusive finance, medium-to-long-term manufacturing industries, strategic emerging industries, and agriculture-related sectors increased by 37.4%, 22.2%, 27.8%, 25.4% and 15.1% year-on-year, respectively. CITIC Bank adhered to a customer-centric approach and enhanced its tiered and categorised customer

management system. By the end of 2023, CITIC Bank recorded a total of 1,157,600 corporate clients, maintaining steady growth in its various corporate businesses:

Inclusive Financial Services: CITIC Bank actively supported the growth of SMEs. Catering to the diversified financial needs of clients, it enhanced the specialised product system of “CITIC Easy Loan”, optimised online service channels, and intensified targeted lending for key sectors. As of the end of 2023, the outstanding balance of loans to SMEs² reached RMB1,465.3 billion, an increase of RMB217.1 billion compared to the end of the previous year. The number of customers with loan balances stood at 300,300, with an increase of 57,200 accounts compared to the end of the previous year.

Investment Banking: Guided by the principles of “professional empowerment, innovation, and efficiency,” CITIC Bank made significant efforts to drive business transformation and innovation, while continuously strengthening its core operations’ position in the market. It maintained a leading position in bond underwriting, with underwriting volume reaching RMB711.2 billion, ranking second in the market. During the period, the Bank was committed to implementing national strategic initiatives aimed at accelerating the development of a technological and financial powerhouse. It continuously optimised its technological and financial systems and mechanisms, achieving significant milestones in areas such as organisational structure, product innovation, ecosystem development, and

¹ The numbers disclosed in the corporate banking, retail banking and financial markets are data of the Bank.

² Including small-size enterprise loans, micro-enterprises loans, and business loans for self-employed and microenterprise owners.

risk control. As at the end of 2023, the balance of loans under the Technology and Innovation Financial Services³ was RMB415.7 billion, representing an increase of 20.5% over the previous year end.

International Business: In line with the strategic direction of high-level financial openness, CITIC Bank ramped up its support for the Belt and Road Initiative and the development of free trade zones, including ports, by driving the establishment of a comprehensive cross-border treasury services system. It actively supported the real economy by collaborating with the All-China Federation of Industry and Commerce to issue the “Work Plan to Support the Outbound Expansion of Private Enterprises.” Additionally, CITIC Bank participated in the 133rd China Import and Export Fair, providing financing assistance to both private enterprises and small and medium-sized foreign trade companies.

Transaction Banking: CITIC Bank continued to improve its transaction banking ecosystem, which revolves around its core elements of “Chain Ecosystem, Finance Ecosystem and e-Ecosystem”. It focused on driving innovation in supply chain products to offer comprehensive financial services for clients. The Bank introduced the “Tianyuan Intelligent Treasurer” service system and published the “White Paper on the Construction of Central Enterprise Treasury System.” With a customer-centric approach, the Bank undertook dedicated efforts to enhance the online channels for its corporate banking services. By the end of 2023, CITIC Bank served a total of 1,094,400 transaction banking clients, an increase of 13.87% over the year. CITIC Bank registered transaction financing volume of RMB1,446.2 billion, an increase of 19.4% over the previous year.

Custody Business: During the period, CITIC Bank actively developed key businesses such as mutual funds, annuities, and cross-border custody, with total custody assets exceeding RMB14 trillion. The custodial services for public funds cover a range of categories, including yield-oriented funds, public REITs, mixed valuation funds, equity funds, fund-of-funds, bond

funds, and more. The pension business maintained steady growth, with full coverage of custodial qualifications for occupational pensions in central government departments, institutions, and 32 provinces, autonomous regions, and municipalities directly under the central government. The custodial scale for enterprise annuities reached RMB159.2 billion, ranking second among joint-stock commercial banks⁴.

Retail Banking

CITIC Bank continued to enhance its retail operations system and achieved continuous growth in the number of customers. By the end of 2023, the number of individual customers increased by 7.47% to 137 million. The number of private banking clients⁵ amounted to 74,000, an increase of 10.64% from the end of the previous year. The Bank offers specialised and differentiated comprehensive financial services to key customer segments, such as retirees, individuals planning to go abroad, and Generation Z. During this period, the Bank launched the upgraded version 2.0 of the “Happiness+” pension account book, providing a one-stop retirement planning platform for elderly customers. It also organised the “CITIC Bank Building Dreams Far and Wide” event to celebrate the 25th anniversary of its overseas financial services, establishing a comprehensive overseas financial service system for customers who plan to go abroad. Additionally, CITIC Bank continuously developed innovative products and services tailored to the younger generation through its “Five Focuses” strategy, continuously improving a service system to cater to the needs of this demographic.

By the end of 2023, the balance of individual deposits was RMB1,305.0 billion, an increase of 12.6% year-to-date. The balance of individual loans (excluding credit cards) was RMB1,710.9 billion, up 10.1% from the end of the previous year; among these, the balance of mortgage loans was RMB971.2 billion, an increase of 2.9% from the end of the previous year. As one of the earliest commercial banks in China to introduce exclusive services for senior clients, CITIC Bank continuously upgraded its “Happiness+”

³ It is classified according to the S70 statement of National Financial Regulatory Administration (NFRA).

⁴ The size and ranking of corporate annuities are derived from the latest data published by the Ministry of Human Resources and Social Security at the end of the third quarter of 2023.

⁵ Customers with an average monthly balance of personal assets under management of \$6 million or more.

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pension financial service system to meet the lifelong retirement planning needs of its customers. As of the end of 2023, it had opened a total of 927,100 individual pension accounts. CITIC Bank effectively leveraged the positive role of credit cards in national policies focused on expanding domestic demand, stimulating consumption, and improving people's livelihoods. It continued to make significant efforts in fueling the continuous release of consumer potential to deepen the ecosystem operation and cultivating the brand image of "credit cards with a human touch". By the end of 2023, a total of 115.52 million credit cards had been issued, up 8.4% from the end of the previous year, and the total credit card loan balance reached RMB520.7 billion. During the reporting period, the total trade turnover of credit cards was RMB2,716.0 billion.

Financial Markets

CITIC Bank's financial markets business closely follows the national policies, continuously optimises its business structure, and strengthens the synergies with CITIC Group. With the "CITIC Interbank+" platform as the carrier, the Bank continued to strengthen integrated operations for interbank customers. During the period, the Bank continued to intensify its efforts to serve the real economy by directly discounting notes of RMB1,547.1 billion, serving 16,777 corporate clients, of which 11,687 were SMEs, accounting for 69.66% of the total. In financial markets, the Bank continued to give full play to its professional advantages and continuously improved its trading capabilities. During the period, it continued to provide liquidity to the interbank foreign exchange market, with a trading volume of US\$2.6 trillion in foreign exchange market making, maintaining a leading position in the market. Performing its duties as an underwriter of treasury bonds, the Bank has ranked first among joint-stock banks in terms of comprehensive underwriting performance for two consecutive years, and has actively supported the high-quality development of the bond market through investment and market-making. By emphasising its synergistic advantages with CITIC Group in asset

management, the Bank has established an all-weather product system covering the entire market including all categories of assets and all channels. By the end of 2023, the number of wealth management clients served exceeded 10 million, reaching 14,064,900 clients.

Innovation and Fintech

Empowered by Fintech, CITIC Bank strengthened its comprehensive digital capabilities in operations and management. The Bank strived to enhance overall competitiveness and market value by supporting high-quality implementation of the Business Core Strengthening Initiative. During the reporting period, the Bank invested RMB12,153 million⁶ in Fintech, a year-on-year increase of 38.9%. The number of Fintech staff reached 5,626⁶, a year-on-year increase of 9.93%, accounting for 8.41% of the total staff count.

CITIC Bank accelerated the transformation of innovative achievements into productivity. In the retail business sector, the Retail M+ platform, which incorporates tools such as customer segmentation management, centralised management of personal loans, layered client asset allocation and investment advisory services. These efforts provided strong support for comprehensive customer operations. In the corporate business sector, CITIC Bank continued to construct and promote the industry's first self-developed Tianyuan Intelligent Treasurer Management System. Through iterative upgrades to the standard version and the launch of the ecological version, the Bank provided professional and customised diversified treasury management solutions for its customers. In particular, it offers a one-stop, data-intelligent global treasury management system for central state-owned enterprises and large state-owned enterprises. In the financial market business sector, the new-generation of the "Interbank+" platform builds three functional pillars, namely "Boutique Sales Mall", "Market Making and Trading Cloud Hall" and "Intelligent Digital Exchange Platform", realising the full coverage of interbank clients, with a cumulative total of more than 2,700 contracted clients.

⁶ The number is disclosed based on CITIC Bank's consolidated financial reporting standard.



TRUST

CITIC Trust is a national non-bank financial institution regulated by the National Administration of Financial Regulation. Its business scope covers trust business, proprietary business and asset management business for specialist subsidiaries.

Year in Review

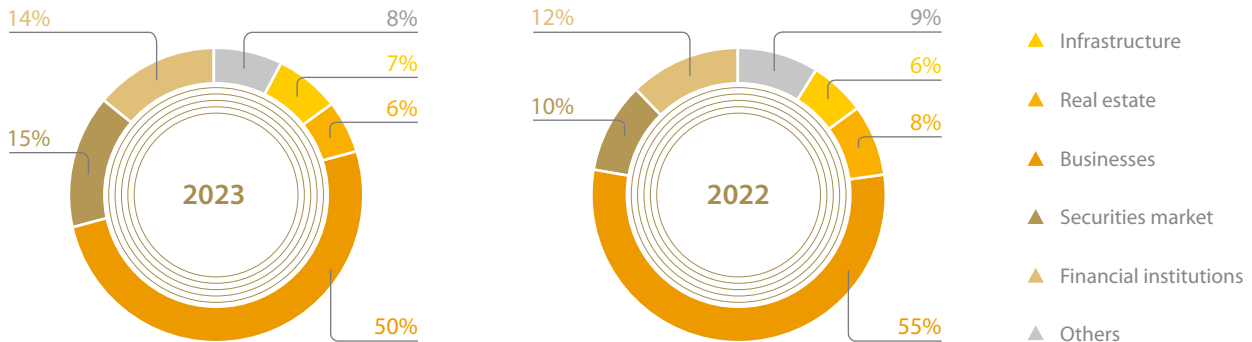
<i>RMB million</i>	2023	2022	Change
Revenue	4,976	6,438	-23%
Profit attributable to shareholders	2,628	3,012	-13%
Total proprietary assets	49,496	49,895	-1%
Trust assets under management	2,059,335	1,540,851	34%
Return on equity	6.88%	8.24%	-1.36pp

In 2023, the regulatory authority issued 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》), which clarified the boundaries and service contents of various trust businesses and further guided trust companies to leverage their advantages in the trust system in a standardised manner. In response to these regulatory requirements, CITIC Trust actively took the initiative to accelerate its business transformation and continued to optimise its asset structure, thus maintaining steady operating results. During the period, total operating revenue amounted to RMB4.976 billion, net profit amounted to RMB2.628 billion and trust assets under management increased by 34% from the end of last year to RMB2.06 trillion to year end.

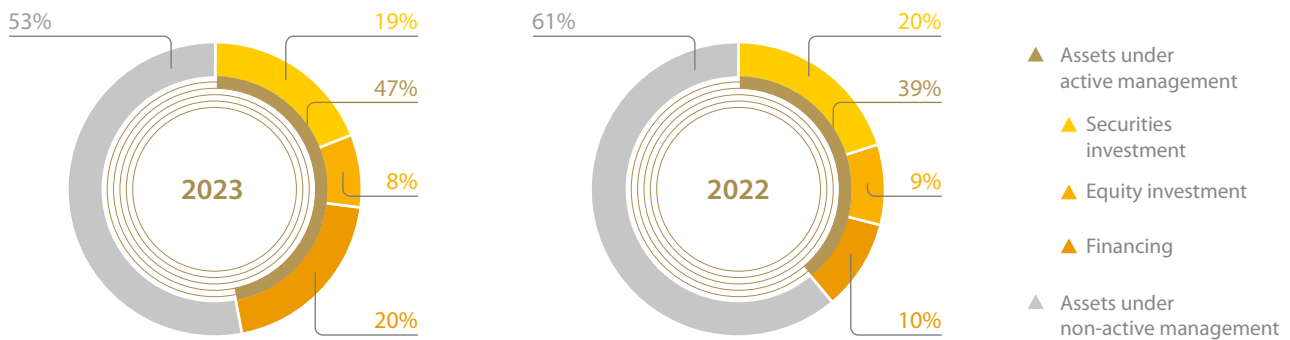
Guided by the market-oriented principle and differentiation strategy, CITIC Trust adheres to its mission to serve the real economy. By developing distinctive products, capabilities, business, efficiency and management, CITIC Trust strives to build an excellent trust company that wins the support of the State, the trust of customers and brings happiness to employees. During the reporting period, CITIC Trust continued to optimise its trust business structure, and achieved transformation and innovation business scale of RMB1.38 trillion, accounting for 67% of total business, representing significant growth.

Our Businesses

ALLOCATION OF TRUST ASSETS – BY INDUSTRY



ALLOCATION OF TRUST ASSETS – BY TYPE



Business Development

Trust Business

Asset Trust Service: Based on legal relationships of trust services, CITIC Trust accepts the entrustment of principals and customises professional trust services such as wealth planning, intergenerational inheritance, custody, bankruptcy isolation, and risk disposal according to the needs of the principal. By the end of 2023, the scale of trust asset services by CITIC Trust gradually increased to RMB1.19 trillion, delivering good performance in many aspects. In terms of the trust service for risk resolution, CITIC Trust secured various projects from multiple large institutions, with its existing business scale ranking

first in the industry. The scale of enterprise annuity/ occupational annuity services reached a total value of RMB71.786 billion, as it is the only trust company in the industry with a trustee qualification for annuities. CITIC Trust has officially undertaken CITIC Group's enterprise annuity plan and established CITIC's first fully licensed enterprise annuity collection plan. Building on its occupational annuity business carried out in Guangdong, Zhejiang, and Liaoning, CITIC Trust secured the occupational annuity plan in Guangxi, greatly enhancing its market influence and industry competitiveness in the sector. CITIC Trust has been cultivating the field of trust services for wealth management for nine years, maintaining a leading position in the family trust and insurance

trust industries in multiple core dimensions such as its trustee scale, customer base, and innovative services. CITIC Trust has built a comprehensive trust-based home service system, focusing on dimensions of people, family, enterprise and society under CITIC Entrepreneur Office advocated by CITIC Financial Holdings. It has successively launched various trust businesses for wealth management, covering family, elderly care and other personal wealth management services.

Asset Management Trust: An asset management trust refers to a self-benefit trust selling trust products and providing investment and management financial services to trust product investors in accordance with a fiduciary relationship. As of the end of 2023, CITIC Trust's assets under management amounted to RMB750,287 million. During the period, it continued to enhance its professional capabilities, in fields such as asset management, investment research and operation services, to build product portfolios featuring different risks and yields. In terms of capital, CITIC Trust actively satisfied the wealth management needs of both individual and institutional clients. Regarding assets, CITIC Trust encouraged and ensured that funds were invested into the real economy through multiple channels with the implementation of the "Plan for Promoting Major Policy-Driven Businesses". In the field of active management of securities investment, CITIC Trust won the "Honest Trust-Best Securities Investment Trust Product Award" jointly selected by Shanghai Securities News and CSC Financial Journal for the fourth time for its "CITIC Trust-Assembled Funds Trust Plan on Rui Xin Steady Allocation TOF Financial Investment".

Charitable Trust: This is a business for public interest in which trust companies manage and dispose of property entrusted to them by clients seeking to carry out charitable activities in accordance with relevant laws. During the period, CITIC Trust registered three new charitable trusts and one additional subscription, with an increase of RMB112 million in actual trust value. CITIC Trust has now registered RMB1.053 billion in its charitable trusts and remained industry-leading in terms of business scale and development quality. "CITIC Trust-2021 Fangmei Education Charitable Trust" was awarded the 12th "China Charity Award" by the Ministry of Civil Affairs of the PRC in 2023. In addition, "CITIC Trust-2023 Xin Xing Yuan Donor-Advised Charitable Trust" that registered in the year has demonstrated the new model of charitable trusts, which allows donors' charitable donations to be handled in a more planned, systematic and flexible manner.

Proprietary Business

The principles of the proprietary business are to achieve proprietary asset growth targets and to support the development of businesses in CITIC Trust and its subsidiary companies through the optimisation of asset allocation, according to compliance requirements in net capital coverage and leverage ratios. In 2023, pursuant to CITIC Trust's high-quality transformation and development strategy, standard asset products continued to increase share in proprietary assets whilst improving investment efficiency. Coupled with increased allocation of bond assets, this segment contributed to a significant rise in the proportion of fixed income assets and substantial revenue from bond investments.

Our Businesses

Professional Subsidiary Business

CITIC Trust established professional subsidiaries, including CITIC Trust PE, CTI Capital, and CITIC-Prudential Fund, to build a comprehensive asset management platform covering businesses in private equity funds, mutual funds, and overseas asset management among others.

CITIC Trust PE focused on investing in the primary equity market, with its advanced manufacturing investment funds achieving remarkable results. Several of its invested companies have already been listed on the STAR Market. CTI Capital actively pursued the cross-border market, with purchased USD-denominated bonds of central state-owned enterprises achieving good investment returns during the period. In addition, CITIC Bank successfully launched the first overseas family trust plan for a domestic client, which assisted CITIC Bank International in benchmarking against the world's top-tier private banks. CITIC-Prudential Fund is mainly engaged in the management of mutual funds and specific assets. During the period, the annual performance of CITIC-Prudential's multi-strategy fund ranked among the top 1% in its category, and its medium and long-term investment performance was

excellent. CITIC-Prudential Fund was awarded the "5A Rating for Three-Year Active Equity Mixed Fund" by TX Investment Consulting and was honoured with awards such as the "Exemplary Fund Manager for Characteristic Development of Demonstration Cases of the Mutual Fund in the China Fund Industry for 25 Years-Yinghua Award" issued by China Fund News.

Risk and Capital

Adhering to the principle of "leveraging risk management to serve business development and promote value enhancement", CITIC Trust pays special attention to risk prevention and safeguarding risk thresholds. The company greatly values net capital management, having accelerated the establishment of a refined capital management system, utilising capital in a highly efficient manner. It also optimised its capital structure whilst expanding the scale of its trust assets. As of the end of 2023, the registered capital of CITIC Trust reached RMB11.3 billion, the net capital coverage ratio reached 207% and the balance of net capital reached RMB27.9 billion, with its capital strength building a solid foundation for sustainable growth.

Indicator	Year End 2023 (RMB billion)	Year End 2022 (RMB billion)	Change	Regulatory Requirement
Net capital	27.9	22.4	24%	≥RMB200 million
Total risk capital	13.5	11.7	15%	N/A
Net capital adequacy ratio	207%	191%	16pp	≥100%
Net capital/Net asset	80%	66%	14pp	≥40%



INSURANCE

CITIC-Prudential Life is a 50-50 joint venture between CITIC Financial Holdings Limited and Prudential Corporation Holdings Limited, which offers life, health and accident insurance and reinsurance services. By the end of 2023, CITIC-Prudential Life operated a total of 23 branches in 102 cities across China. The credit rating of CITIC-Prudential Life continued to be AAA in 2023 with a stable outlook. The fifth shareholders' meeting of the company taking place in the year approved a resolution, whereby China CITIC Financial Holdings Limited and Prudential Group Limited from the UK will contribute increased capital totaling RMB2.5 billion in equal proportions of RMB1.25 billion each. After the increase, the registered capital of the company will increase from RMB2.36 billion to RMB4.86 billion, with the shareholding proportions of each shareholder remaining unchanged. This matter was approved by the China Banking and Insurance Regulatory Commission on 2 February 2024 (as indicated in the official document with reference number Jin Fu (2024) No. 58.)



Year in Review

In 2023, the Chinese life insurance industry entered a phase of high-quality transformation in a challenging environment characterised by low interest rates, high market volatility, and scarcity of high-quality assets. Regulatory authorities actively guided the industry to reduce the cost of liabilities and implement new regulations such as lowering the target interest rate and integrated written premium transformation. These initiatives aimed to facilitate the high-quality development of the banking and insurance industry.

Faced with a complex and ever-changing external environment, CITIC-Prudential Life consistently adhered to the fundamental operational principles of the life insurance industry and regulatory policy guidance. It is committed to achieving long-term

stable operations and high-quality development by focusing on the principles of capital saving, risk preference and structural optimisation. As of the end of 2023, it maintained a comprehensive solvency adequacy ratio of 188% and a core solvency adequacy ratio of 94%.

Risk Management

CITIC-Prudential Life steadfastly aligns its operations with the guiding principle of "seeking progress while maintaining stability." It diligently implemented the decisions and directives of the Party Central Committee, regulatory authorities, and shareholders, while continuously strengthening solvency and capital management. Additionally, the company further strengthened the development of a comprehensive

Our Businesses

risk management system. It targeted key areas for enhanced risk monitoring through analysis of early warning signals and risk preference indicator threshold breaches. Adopting a problem-oriented approach, it implemented robust specialised systems and long-term management mechanisms in areas such as asset-liability management, product portfolio management, interest rate risk management, equity price risk management, credit risk management, comprehensive budget management, expense management, and individual account liquidity risk management. In 2023, its regulatory indicators complied with regulatory requirements, and showed a full commitment to striking a balance between risk management and business growth.

Products

CITIC-Prudential Life is committed to continuously enhancing its expertise and leveraging the insurance industry's role as both an economic and social stabiliser. It focuses on meeting the health, retirement, and personal wealth management needs of customers by establishing a diversified product portfolio with a focus on health insurance, life insurance, pension insurance, and annuities. It continuously optimises its business structure, balances sources of profit, and achieves sustainable growth in value and quality. During the year, it launched its first individual pension insurance product and service, with a particular emphasis on developing comprehensive retirement solutions for the elderly. In 2023, CITIC-Prudential Life achieved a 1% year-on-year growth in premium income.

By product type (RMB million)	2023	2023 proportion	2022	Change
Life insurance	25,132	80%	25,094	0.2%
Health insurance and accident insurance	6,450	20%	6,096	6%
Total premium income	31,582	100%	31,189	1%

Note: The product types listed follow the classification of the Statistics and Risk Monitoring Department of National Financial Regulatory Administration (formerly the Banking and Insurance Regulatory Commission), and the data are based on the standards of "Enterprise Accounting Standard No. 25 – Primary Insurance Contracts" (Caihui [2006] No. 3) and "Enterprise Accounting Standard No. 26 – Reinsurance Contracts" (Caihui [2006] No. 3).

Distribution

CITIC-Prudential Life follows a strategy of diversified and differentiated channel development. With a focus on customer-centricity, it employs a dual approach of optimisation and innovation in its Agency Channel. By prioritising channel transformation of key projects, it has achieved an 8% year-on-year growth in premium income. Within the Bancassurance Channel, adherence to regulatory principles is paramount while the Agency Channel

primarily focuses on optimising product structures and implementing tailored customer management with its strong commitment to achieving high-quality development goal of "effectively improving quality and attaining reasonable growth". Strengthening and implementation of the five-fold "channels+customers+talent+technology+product" strategy has led to significantly improvement of the quality of business development, and a steady increase the new business value.

By distribution channel (RMB million)	2023	2023 proportion	2022	Change
Agency	14,069	45%	13,038	8%
Bancassurance	15,787	50%	16,942	-7%
Others	1,725	5%	1,209	43%
Total premium income	31,582	100%	31,189	1%

Note: The listed channels follow the classification of the Statistics and Risk Monitoring Department of National Financial Regulatory Administration (formerly the Banking and Insurance Regulatory Commission). "Others" include professional agents, other multi-agency agents, direct sales, online sales, and insurance brokers. Group insurance products are primarily sold through the company's direct sales. The data are calculated on the standards of "Enterprise Accounting Standard No. 25 – Primary Insurance Contracts" (Caihui [2006] No. 3) and "Enterprise Accounting Standard No. 26 – Reinsurance Contracts" (Caihui [2006] No. 3).

Investment of Insurance Funds

CITIC-Prudential Life centres its operations around three key objectives: "serving the real economy, controlling financial risks, and deepening financial reforms". It adheres to the principles of insurance fund utilisation while maintaining compliance and risk control, offering strong support to aid and facilitate the company's overall operational goals and channel transformation. On one hand, it continues to strengthen its strategic core holdings, with a rising proportion of long-term government bonds/local bonds. On the other hand, it implements rational

tactical operations to actively respond to market changes. Meanwhile, financial income declined due to downward-trending market interest rates and stock market turbulence, which imposed pressure on investment income and returns. Nevertheless, CITIC-Prudential Life leveraged its advantages in insurance funds, actively pursued national strategies and invested in infrastructure, high-end manufacturing and other real economic sectors through bond financing and equity investments, successfully driving positive synergies between insurance funds and the real economy.

Our Businesses



SECURITIES

CITIC Securities is a leading securities company in China, with businesses covering investment banking, wealth management, financial markets, and asset management.

Year in Review

In 2023, CITIC Securities remained committed to improving its business structure and enhancing the effectiveness of services to the real economy. The company made substantial advancements across a range of operational and management tasks, resulting in significant achievements. The company continued to lead the industry in terms of performance and market rankings across key business sectors.



<i>RMB million</i>	2023	2022	Change
Revenue	83,725	85,941	-2.58%
Profit attributable to shareholders	19,721	21,317	-7.49%
Total assets	1,453,359	1,308,603	11.06%
Return on equity	7.81%	8.67%	-0.86pp

Investment Banking

In the domestic equity financing business, CITIC Securities completed a total of 140 A-share lead underwriting transactions, with an aggregate value of approximately RMB277.913 billion (including cash and asset private placements), representing a market share of 24.50% and ranking first in the market. In overseas equity financing (calculated based on an even distribution of the total offering size among all bookrunner roles), CITIC Securities completed 32 overseas equity transactions with an aggregate underwriting amount of approximately US\$1.782 billion. It ranked second among Chinese securities companies within the equity financing business in the Hong Kong market. In the reporting year, CITIC Securities debt financing business continued

to maintain a leading position in the industry, underwriting a total of 4,200 debentures and ranking first among its peers. The underwriting amount increased by 21.01% year-on-year to RMB1,909.992 billion, accounting for 6.85% of the total market underwriting amount and ranking first in the market. It also represented 14.14% of the total underwriting amount across securities companies, ranking first in the industry.

In the financial advisory business, CITIC Securities topped the market in A-share material asset restructuring, undertaking RMB118.070 billion in deals. It completed transactions totaling US\$51.795 billion in global mergers and acquisitions involving Chinese enterprises, ranking second among Chinese securities companies.

In the New OTC Market business, CITIC Securities continued to capitalise on deepening reforms of the capital markets, increasing its coverage of innovative small and medium-sized enterprises and meeting the core objective of expanding its customer base. As the nominated adviser and broker of the New OTC Market, CITIC Securities completed seven listing projects in the reporting period, facilitating targeted financing of RMB561 million for the listed companies. It conducted continuous supervision of 24 listed companies, 13 of which have entered the innovation tier.

Wealth Management

CITIC Securities placed a strong focus on customising client management in domestic wealth management, optimising its organisational structure, and enhancing the headquarters' ability to enable and guide business development at branch offices. The company established a diverse team of experts and introduced innovative wealth management service models. This enabled the company to offer comprehensive financial solutions covering the entire life cycle of "individuals–families–businesses–society". Additionally, the company accelerated its global presence in wealth management by establishing the CITIC Securities Entrepreneur Office (Hong Kong) service brand and launching the Singapore wealth management platform. These initiatives aimed to enhance and expand the scope of international services, better serving both domestic and international clients with global asset allocation and trading services.

As of the end of the reporting period, CITIC Securities had accumulated over 14.2 million clients with total client assets under custody reaching RMB10 trillion, representing a year-on-year increase of 4%. The total assets under management (AUM) of the non-monetary market public mutual fund reached RMB190.2 billion, ranking first in the industry.

Financial Markets

CITIC Securities operates a comprehensive trading business with service offerings including equity derivatives, fixed-income, commodities, securities financing, and proprietary trading. The equity derivatives business continued to innovate its products, enhance its business structure and expand its application scenarios. It maintained a strong presence with a wide client base, diverse product offerings, excellent trading capabilities, and relatively stable returns. Additionally, the market-making business consistently ranked among the top global market in the market. The overseas equity derivatives business covers mainstream international markets, providing clients with cross-border, one-stop global market investment and trading services. In the fixed income business, the company continued to enhance its profit models, improve its product design capabilities and trading services, and provide clients with integrated financial services. Additionally, CITIC Securities' sales volume for interest rate products has ranked first in the industry for several consecutive years. In the financing business, the company operates with a customer-centric philosophy, focusing on meeting client needs. It strengthened its presence among core customer segments, expanding its business scope and maintaining a leading market share. The stock pledge business remained committed to serving the real economy, continuously improving the quality of credit assets, and achieving market-leading growth in scale. The overseas business segment continued to grow, supported by an expanding product portfolio and business model. This growth was accompanied by enhanced business management capabilities, contributing to the overall success of the segment.

Our Businesses

Asset Management

CITIC Securities seamlessly transferred its asset management business to CITIC Securities Asset Management, officially established in 2023. This transition allowed the company to operate multiple licensed businesses effectively. On the domestic front, the company attained an A-rating for its fundamental performance in the National Council for Social Security Fund assessment. It actively pursued the transformation and establishment of a professional, systematic, and customised framework for proactive management. In addition, it optimised its banking business structure, intensified efforts in developing corporate clientele, and achieved significant growth in both the number and scale of corporate clients. The scale of overseas asset management steadily increased, marked by the successful issuance of two public funds and the introduction of cross-border wealth management products. As of the end of the reporting period, the company's AUM amounted to RMB1,388.461 billion (excluding pension products). The company's private equity management business (excluding pension funds, public offering products and asset securitisation products) attained a market share of approximately 13.71%, ranking first in the industry.

CITIC Securities is the largest shareholder of China Asset Management Company Limited (ChinaAMC). By the end of 2023, the AUM of ChinaAMC reached approximately RMB1,823.564 billion of which mutual funds accounted for RMB1,317.644 billion, and institutional and overseas business accounted for RMB505.92 billion.

Equity Investment

As an alternative investment arm of CITIC Securities, CITIC Securities Investment actively supported national strategic initiatives. It systemically positioned itself within strategic emerging industries by identifying and investing in high-quality enterprises, operating in areas such as new industrialisation, manufacturing transformation and upgrading, independent innovation, and cutting-edge technologies. It prioritised enterprises with strong growth potential, as well as leading product and technological advantages. Through synergy and collaborations, CITIC Securities supported its invested enterprises in achieving sustainable growth and steadily expanded its investment presence in advanced manufacturing, new energy, information technology, new materials, biotechnology, and other related sectors.

As the private equity platform to raise and manage funds for CITIC Securities, GoldStone Investment capitalises on its fundraising advantages. In 2023, it successfully registered a new fund, raising a total of RMB16.79 billion. Serving as a fund manager, GoldStone Investment supported the national strategic plan for emerging industries through equity investments. It consistently invested in technology-driven enterprises that contributed to the real economy, participated in major national projects, and placed emphasis on supporting enterprises that played an important role in breakthrough of key technological barriers. These approaches ensured the stability of the industrial supply chain and implemented the "dual carbon" strategy. GoldStone Investment also made equity investments in a portfolio of enterprises excelling in key sectors including new materials, new energy, next-generation information technology, high-end manufacturing, healthcare, and modern services. By utilising equity investments, the company actively supported the national strategy of technological innovation.

CSC Financial primarily engages in investment banking, wealth management, trading and institutional client services and asset management.

Year in Review

Despite a complex and ever-changing market environment in 2023, CSC Financial worked hard and maintained momentum in high-quality development. In 2023, the company achieved revenue of RMB33.979 billion and profit attributable to shareholders of RMB7.034 billion.



<i>RMB million</i>	2023	2022	Change
Revenue	33,979	36,471	-6.83%
Profit attributable to shareholders	7,034	7,519	-6.45%
Total assets	522,752	509,206	2.66%
Return on equity	8.61	10.05	-1.44pp

Investment Banking

In 2023, CSC Financial completed equity financing projects for 67 companies with a total underwriting value of RMB94.776 billion, both ranking second in the industry. The company acted as the lead underwriter for 33 initial public offerings (IPOs) with a total underwriting value of RMB40.754 billion, ranking second and third in the industry, respectively. CSC Financial served as the sponsor for IPOs of four central state-owned enterprises, maintaining its position as the industry leader for five consecutive years. During the year, CSC Financial remained committed to supporting the real economy through financial services. It facilitated 30 IPO projects in strategic emerging industries and 15 IPO projects for national specialised and sophisticated “little giant” enterprises. CSC Financial achieved the top position in the

market by being the leading sponsor for IPOs on the STAR Market, the ChiNext Board, and of “little giant” enterprises.

CSC Financial continued to maintain strong momentum in its debt financing business, completing a total of 3,280 lead underwriting projects with an aggregate value of RMB1,545.706 billion, both ranking second among its peers. The company topped the market with 1,007 lead underwriting projects for corporate bonds with a total underwriting value of RMB417.967 billion, ranking second in the industry. In 2023, the company diligently implemented significant national strategic policies by taking the lead in underwriting 105 green bonds. The total underwriting value amounted to RMB62.621 billion, including 21 individual bonds specifically for carbon neutral projects with a total underwriting value of RMB7.702 billion.

Our Businesses

In the financial advisory business, CSC Financial completed nine projects of the acquisition of assets through issuance of shares and major asset restructuring, ranking third in the industry. The total transaction amount was RMB69.609 billion, ranking second in the industry.

Wealth Management

As of the end of 2023, CSC Financial's securities brokerage business added 1.22 million new customers out of 13.37 million in aggregate, representing an increase of 10.20%, with a total client assets under custody of RMB5.14 trillion. The revenue from the agency sale of financial products increased by 3.97% over the year and the scale of financial product was up 2.37%. The monthly average of active customers on the "Qingting Dianjin" mobile app ranked seventh in the industry. China Futures, a subsidiary of CSC Financial, recorded its best-ever performance in terms of both operating revenue and net profit. It achieved total turnover of RMB20.69 trillion in agency transactions, representing year-on-year growth of 39.18%. The number of new clients increased by 28.78% compared to the previous year. Additionally, the scale of client equity grew by 17.08% year-on-year. By the end of the year, China Futures secured the second position in the industry in terms of asset management scale.

Trading and institutional client services

CSC Financial's trading and institutional client services business includes equity, fixed income, investment research and prime brokerage services. The company provides liquidity market-making services for stocks, funds, options, futures, and

other instruments listed on exchanges. In order to provide diversified products and trading services, the company has continually enhanced its product offerings, including the "CSC World Asset Risk Parity Macro Hedge Index (WARPMACRO)" and other strategy index products. CSC Financial continued to maintain its leading position in the bond sales business, with its credit bond sales volume ranking second among domestic financial institutions. CSC Financial ranks among the top in terms of forex and gold trading volumes. The company has established a comprehensive market-making presence across the interbank market, Shanghai and Shenzhen Stock Exchanges, and the government bond futures market. Its proprietary market-making system facilitated nominal principal turnover of over RMB3 trillion in government bond futures trading throughout the year. CSC Financial also expanded its market-making business to exchange-traded bonds, with turnover exceeding RMB2 trillion, while its interbank market trading volume surpassed RMB11 trillion. It has been recognised as an "Northbound Top Market Maker" by Bond Connect Company Limited for two consecutive years. In the first half of 2023, CSC Financial ranked second in the industry with a market share of 5.12% in commission income from its Public Offering Fund. The number of clients in the company's prime brokerage system reached 12,953 households, representing a year-on-year increase of 38.71%. CSC Financial served as the custodian for 88 public funds, ranking first industrywide in terms of the number of funds under custody. Its subsidiary, China Securities Investment, completed investments in 26 projects. These included 10 follow-on investments in IPO projects on the STAR Market, bringing the total investment amount to RMB1.335 billion.

Asset Management

As of the end of 2023, CSC Financial had RMB469.4 billion in total assets under custody, including a total of 648 products of collective asset management business, targeted asset management business and specialised asset management business, with a scale of RMB120.736 billion, RMB160.423 billion and RMB188.242 billion respectively. CSC Financial's subsidiary, China Fund Management, managed a total of 54 mutual funds (including seven newly established products in 2023). Among its 47 funds included in the ranking, 30 funds ranked in the top 50%, with 19 funds ranking in the top 20% and 10 funds ranking in the top 10%. Its another subsidiary, China Capital Management, as of the end of 2023, ranked fifth among securities brokerage subsidiaries in the scale of its average monthly paid-in capital.

China Securities (International), a subsidiary of CSC Financial, participated in and completed eight IPO sponsorship projects in the Hong Kong market, with a total equity financing scale of HK\$8.327 billion. In the offshore market, the company participated in and completed 105 bond underwriting projects with a total underwriting scale of HK\$223.8 billion. Among them, 44 global coordinator projects achieved a total underwriting value of HK\$71.9 billion. In the third quarter of 2023, the company's agency stock trading volume secured a position in the B group ranking of securities firms on the Hong Kong Stock Exchange for the first time, reinforcing its standing in the market.

Our Businesses

ADVANCED INTELLIGENT MANUFACTURING



We strive to be a pioneer in the advanced intelligent manufacturing sector, aiming to achieve operational breakthroughs in critical technologies and reinforce our leading market position.

Major Subsidiaries



CITIC Dicastal

is the world's leading aluminium automotive wheels manufacturer.



CITIC Heavy Industries

is a leading manufacturer of heavy machinery and specialised robotics in China.



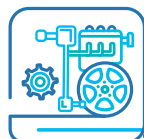
CITIC Holdings

is a leading integrated industrial intelligent solution provider in China.

REVENUE*RMB million***-2.3%**2023
2022
(Restated)**50,434****51,599****PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS***RMB million***+56%**2023
2022
(Restated)**827****531****TOTAL ASSETS***RMB million***+2.5%**2023
2022
(Restated)**60,415****58,955****CAPITAL EXPENDITURE***RMB million***+13%**2023
2022**2,032****1,805**

The advanced intelligent manufacturing segment achieved revenue of RMB50.434 billion and profit attributable to ordinary shareholders of RMB827 million, decreasing by 2.3% and increasing by 56% respectively. CITIC Dicastal's sales volume of aluminium wheels and castings increased by 10% and 20% respectively, with overseas orders accounting for nearly half of total sales, and its market share continued to expand. CITIC Heavy Industries' revenue grew 8%, while its profit attributable to ordinary shareholders increased by 164%. Overseas orders experienced significant growth, surpassing RMB3 billion in value for the first time.

Our Businesses



LIGHTWEIGHT AUTOMOTIVE COMPONENTS

CITIC Dicastal is the world's largest producer of automotive aluminium wheels. Its products include wheels and lightweight cast components for powertrains, chassis, and body systems for the automotive industry. Total annual production capacity amounts to 89 million wheels and 200,000 tonnes of castings.

CITIC Dicastal has 29 major manufacturing facilities across China, the United States, Europe, and Africa.

Year in Review

As the global pandemic eases and supply chains stabilise, global automotive demand is gradually recovering. In 2023, the global automotive industry reflected a moderate growth trend. According to statistics from the China Association of Automobile Manufacturers, China's cumulative automobile production and sales reached 30.161 million units and 30.094 million units respectively, representing a year-on-year increase of 11.6% and 12%. On 18 December 2023, CITIC Limited announced the proposed spin-off and separate listing of CITIC Dicastal on the Shanghai Stock Exchange. CITIC Limited believes that the proposed spin-off will bolster the capital strength of CITIC Dicastal, enhance its financing efficiency and flexibility, optimise corporate governance and enhance investors' understanding of the company.

Customers

Major customers of CITIC Dicastal's aluminium wheels include 12 leading global automakers, among them Ford, General Motors and Chrysler, as well as major Chinese automakers including FAW, SAIC and Dongfeng. Major customers for lightweight aluminium cast components include Daimler, Volkswagen, Nissan and Geely.

Project Construction

To advance the company's international business development, CITIC Dicastal has been constructing



aluminium casting production bases in Morocco and Mexico.

Located in Kenitra, Morocco, the Moroccan aluminium casting production base has a designed production capacity of 5 million lightweight aluminium castings for automobiles. On 25 January 2023, the production facility was completed, and on 9 March 2023, it passed the customer audit and was ready for production. The project accomplished planned milestones as scheduled, from design and construction to full process integration, enhancing the brand influence and international competitiveness of Chinese automotive component manufacturing companies.

Located in Saltillo in the state of Coahuila, Mexico, the first phase of the Mexican aluminium casting production base is designed with a production capacity of five million aluminium casting products. The project commenced construction on 26 October 2023, with equipment procurement and preparations for production operation progressing on schedule.

R&D

With the rapid development of new energy vehicles, the demand for lightweight automotive components has been increasing. CITIC Dicastal, through continuous industrial innovation in areas of material properties, production technology, simulation analysis and

testing, has established a distinctive ecosystem with Dicastal characteristics. This has resulted in a series of proprietary intellectual property rights providing customers with systematic lightweight solutions.

In order to capture the opportunity in the transformation of the automotive manufacturing industry, CITIC Dicastal has been diligently investing in the R&D of technology and equipment involved in the formation of large-scale integrated structural components. The company has successfully mastered the capability for integrated die-casting, and subsequently launched its first product, for which it has applied for more than 20 patents. These efforts and successes have enhanced the company's overall competitiveness in the market.

To implement the "green dual carbon" development strategy, CITIC Dicastal has been carrying out R&D on low-carbon emission technologies throughout the product life cycle. The company has established a carbon emission assessment system and developed

a platform for managing carbon emissions across the entire product life cycle. In addition, it has formulated two industry standards, five corporate standards, and applied for three patents, thereby setting an example as a pioneer in the industry, consequently enhancing its influence on the industry as a whole.

Addressing the problem of insufficient flexibility when processing casting products, CITIC Dicastal successfully developed a flexible sawing technology and completed automation and integration upgrades. This made possible flexibility during the production of casting products, which significantly improved production efficiency.

CITIC Dicastal conducted in-depth research in areas such as the intelligent identification of microstructures, full-cycle simulation, and the aggregation and integration of R&D data. The company also achieved interim progress in the building of data models and acceleration of digital transformation.



INTELLIGENT HEAVY EQUIPMENT & SPECIALISED ROBOTICS

CITIC Heavy Industries is a globally competitive manufacturer and service provider of mining and cement equipment. It is also one of the few high-tech enterprises worldwide that possesses unique capabilities in the research, development, and manufacturing of key equipment and special materials. CITIC Heavy Industries is a leading high-end equipment manufacturer with the ability to manufacture with extreme precision. It is considered a leader in the domestic specialised robotics industry and has one of the largest research and development and industrialisation bases for special robots in China.

CITIC Heavy Industries specialises in the development, research, manufacturing, and sales of large-scale equipment, EPC, integrated solutions and associated services of technological equipment, and key components for various sectors, including mining,



heavy machinery, robotics and intelligent equipment, and new energy equipment. The company's major manufacturing facilities are located in Luoyang, Henan; Tangshan, Hebei; Zhangzhou, Fujian; Beijing and Vigo, Spain.

Our Businesses

Year in Review

<i>RMB million</i>	2023	2022	Change
Revenue	9,557	8,827	8.26%
Profit attributable to shareholders	384	146	163.51%
Total assets	18,351	19,502	-5.92%
Return on equity	4.92%	1.92%	3pp

In 2023, CITIC Heavy Industries recorded revenue of RMB9,557 million, up 8.26% year-on-year. Profit attributable to ordinary shareholders was RMB384 million, a jump of 163.51% year-on-year. The company also saw a steady improvement in return on equity, which increased by 3 percentage points year-on-year. CITIC Heavy Industries maintained over 7% of total investment for research and development (R&D) investment. Over the year, CITIC Heavy Industries focused on development and worked diligently to deliver results. The company achieved remarkable growth in its key performance indicators and significant improvement in operational efficiency, fruitful results in technological innovation and a continuous increase in brand value.

CITIC Heavy Industries' mining and heavy equipment segment remained focused on strengthening its core operations during the year. The main mining business experienced steady growth, while traditional sectors such as building materials, metallurgy and coal continued to advance steadily. The successful acquisition of new orders in the main equipment segment yielded positive results. The company successfully secured turnkey projects for cement production lines in its EPC division, significantly enhancing the company's brand presence in the overseas market. International business has doubled in volume, with overseas market orders surpassing RMB3 billion for the first time.

The robotics and intelligent equipment segment continued to increase its focus on technological innovation. Through efficient management, detailed planning, and optimised development, the company devised tailored strategies under the "one mine, one plan" framework. This approach led to the successful completion of a number of intelligent mining projects and the signing of new product orders including foreign object sorting robots, tunnel inspection robots, and emergency energy storage equipment. In the field of emergency response, the company secured contracts for firefighting robot projects with four provincial and municipal level departments. In the petrochemical sector, the company actively promoted strategic collaborations with users and technology partners, resulting in the widespread adoption of related products.

With its positioning as "supplier of new energy development solutions", the new energy equipment segment adhered to a business model that combines energy development solutions with equipment research, development and manufacturing. Following an integrated approach of "Source–Network–Load–Storage", the company established a dual-driven platform fueled by both industry and capital. In 2023, CITIC Heavy Industries achieved significant milestones bolstering the development of its new energy equipment business. These included securing orders for offshore wind power projects from prominent entities such as China Three Gorges Corporation and

China Energy Engineering Corporation. Additionally, successful applications were made for a 200MW wind and photovoltaic integrated grid project. The special materials division played an important role in driving the company's development of high-end products. After securing of a major contract for high-temperature gas-cooled reactor forgings, the company successfully delivered large-scale martensitic stainless steel rotor forgings for a 500MW-class hydro turbine with the world's largest single-unit capacity.

Innovation-driven development

In 2023, CITIC Heavy Industries followed its innovation-driven strategy, leveraging technological innovation to empower its high-quality development. The company maintained an investment level of 7% in R&D, focusing on high-end, intelligent, and green initiatives. Through specialised R&D projects in ten breakthrough equipment, CITIC Heavy Industries strived to achieve breakthroughs in domestically produced heavy equipment to surpass the world's highest standards, reach a leading technological position and transition from being a follower to a leader in the industry. During the year, CITIC Heavy Industries made significant achievements, including supporting 17 consecutive launches of the Shenzhou spacecraft, contributing to China's national manned space programme. The company played a crucial role in the commercial operation of the world's first 4th generation nuclear power plant by providing vital forgings for nuclear steam generators. The development of the Hydraulic Pile Hammer for Offshore Operations project passed the pre-acceptance inspection, while two key R&D projects, namely the Development and Application of Explosion-Proof Robots for Petrochemical Explosion Environments and the Hot Working Database for General Manufacturing, passed rigorous performance evaluations. In addition, the company continuously set new records in the mining industry by pushing the boundaries of grinding mill specifications. It delivered the largest domestically exported overflow ball mill, measuring 8.2m in diameter and 12.7m in length. Furthermore, CITIC

Heavy Industries made history by successfully casting the world's largest 5600mm roughing mill housing in one go, setting a new benchmark for the largest single steel casting in terms of single-use molten steel volume.

Digital Transformation

CITIC Heavy Industries has been committed to the product life cycle management and digitalisation of the business processes. Focused on platform establishment and ecological development, the company deepened the integration and application of information technology and operations. This integration has empowered the company to implement effective management practices and undergo a successful digital transformation, contributing to the advancement of Digital Heavy Industries. Building on the stable operation of its integrated business and finance platform, CITIC Heavy Industries strived to enhance application integration and optimise system functionality. The company promoted the application of "digital lean manufacturing platform" and implemented the digitalisation of production management. In addition, the company undertook research on intelligent scheduling algorithms for discrete manufacturing and commenced the development of an APS (Advanced Planning and Scheduling) system. Moreover, the company has been constructing an enterprise-level big data analytics, with a strong focus on data governance and improvement of data quality. Additionally, CITIC Heavy Industries made significant progress in three CITIC Group initiatives: "cloud-based management, scientific research projects, and company technological modification projects". The company has also been enhancing its network and information security capabilities and leveraging data analysis to facilitate informed decision-making. During the reporting year, two projects from CITIC Heavy Industries were recognised as Excellent Use Cases for Intelligent Manufacturing at the national level, while another project received second prize in the national 5G application competition.

Our Businesses



INTEGRATED SOLUTIONS PROVIDER FOR INDUSTRIAL INTELLIGENCE

CITIC Holdings is a digital transformation business platform of CITIC Group dedicated to serving national and industrial needs. CITIC Holdings aims to deeply integrate artificial intelligence, big data and intelligent equipment technologies with industrial use cases to innovate, serve and enable industries to achieve high-end, intelligent, and green transformation.

In 2023, CITIC Holdings continued to make significant contributions to the transformation and upgrade of the special steel industry. Following the establishment of the world's first Factory Lighthouse in the global aluminium wheel industry in collaboration with CITIC Dicastal, CITIC Holdings supported Xingcheng Special Steel, a subsidiary of CITIC Pacific Special Steel, in successfully being selected as part of the 11th batch of Global Lighthouse Network. Xingcheng Special Steel thus became the world's first Factory Lighthouse in the special steel industry, leading the industry towards transformation and upgrade. As a result of this accomplishment, CITIC Limited has emerged as a central enterprise with two Lighthouses operating under its umbrella.

CITIC Holdings has successfully developed its first set of intelligent industrial equipment, which helped address several industry-level challenges. Filling a gap in the domestic automotive manufacturing market, the "Complex Surface Defect Detection Robot" solves the challenge of flexible inspection for the steering knuckle's exterior, achieving precise inspection and ultimate flexibility. The "AI Intelligent X-ray Inspection Special Machine" excels in the areas of accuracy and cost-effectiveness, attaining industry-leading standards while achieving utmost safety and enhanced efficiency. With its key performance indicators surpassing those of similar foreign products, the machine has now entered the phase of industrialisation.



Leveraging its two major advantages in data and algorithms, CITIC Holdings has independently developed a comprehensive and panoramic precision carbon management platform. This platform enables industrial-level lifecycle management of "product carbon", while facilitating data collection, organisation, calculation, analysis, and disclosure management of corporate emissions of "organisational carbon". The independently developed "Dual Carbon Digital Management System" has been certified by the China Classification Society.

CITIC Holdings actively explores an enterprise-led, collaborative innovation consortium between industries, universities and research institutes. In June 2023, the CITIC-Pengcheng Joint Laboratory was unveiled through collaborative efforts with national strategic, scientific and technological entities. Centring on CITIC Holding's common, cutting-edge and key core technologies, the two parties jointly pursued technological breakthroughs, combining core technology with computing resources to co-develop an industrial multimodal foundational model.

CITIC Holdings possesses industry-leading core technologies in the field of industrial artificial intelligence. By the end of 2023, it has obtained a total of 168 national invention patents, with over 50% of them related to AI technologies and over 10% related to large-scale modeling technologies. Its subsidiary, CRF UNION Digital Technology Co., Ltd in Shenzhen, received accolades throughout the year, including being recognised as a “National High-tech Enterprise”, and awarded the title of “Specialised New Enterprise Striving for Excellence” in Shenzhen. Its industrial intelligent application benchmark cases were selected for the research report “China Digital Factory Leader Practices” released by the IDC, a world-renowned market research organisation. Its Carbon Neutrality Key Technologies and Industrialisation for the Automotive Industry project received the “First Prize of Computer Application Product Technology” awarded by the China Computer Federation, and its Industrial Chain Carbon Management Platform for Key Industries was honored with the Excellence Award at the 5th China Industrial Internet Competition (Leading Group). The Tianshu (AstraOS) Industrial Internet Platform was shortlisted as one of the “Top 50 Featured Professional Industrial Internet Platforms in 2023”.

CITIC New Future Investment, a subsidiary of CITIC Holdings, specialises in providing support for the advancement of intelligent manufacturing. It follows a dual-powered development approach that combines industry-focused funds and key project funds, with the goal of becoming a trailblazer in technological innovation and development. The business concentrates on establishing a comprehensive investment ecosystem in the technology sector, specifically in critical bottleneck areas such as advanced manufacturing and “hard” technology. Its investments cover various fields including foundational digital technologies, core digital chips, key electronic materials, the new energy industry and intelligent automotive industry chain.

Our Businesses

ADVANCED MATERIALS



Our advanced materials segment aims to ensure supply chain stability and to build competitive advantages through the development of complete vertical industrial value chains jointly with the businesses of the advanced intelligent manufacturing segment.

Major Subsidiaries



CITIC Pacific Special Steel

is a global leader in the manufacture of specialty steel.



CITIC Metal

is primarily engaged in commodities trading including iron ore, copper and niobium, as well as mining investments.



CITIC Resources

is listed on The Stock Exchange of Hong Kong Limited. Its principal business is the exploration, development and production of oil. It also invests in coal mining, the import and export of commodities, electrolytic aluminium, bauxite mining, and alumina smelting.



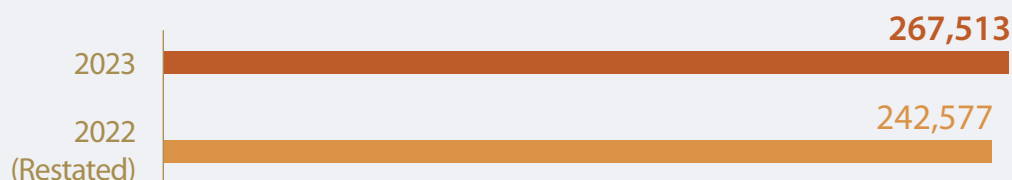
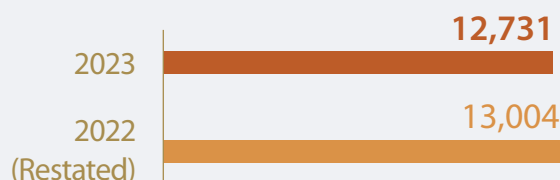
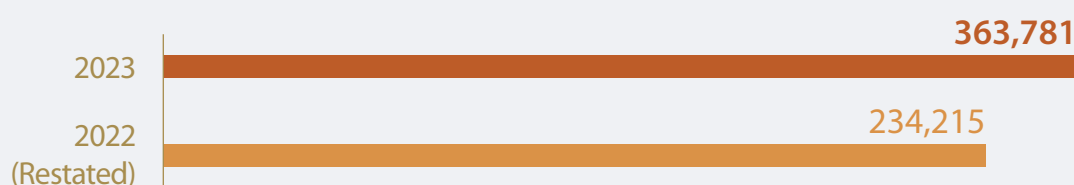
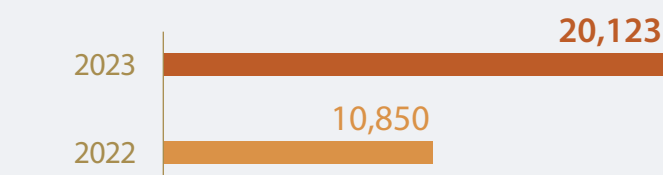
CITIC Mining International

through its Australian subsidiary, CITIC Pacific Mining, has developed and operates the Sino Iron project, the largest magnetite operation in Australia.



CITIC Pacific Energy

invests in and manages power plants as well as green energy businesses in China.

REVENUE*RMB million***+10%****PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS***RMB million***-2.1%****TOTAL ASSETS***RMB million***+55%****CAPITAL EXPENDITURE***RMB million***+85%**

The advanced materials segment achieved revenue of RMB267.513 billion, an increase of 10%. Due to declines in commodity prices, the profit attributable to ordinary shareholders decreased by 2.1% to RMB12.731 billion. CITIC Pacific Special Steel achieved revenue of RMB114 billion, an increase of 16%. However, the company experienced a decline in net profit of 19% to RMB5.721 billion due to weakened demand and falling prices. In December 2023, CITIC Pacific completed the equity placement in Nanjing Iron and Steel Group and became its controlling shareholder. CITIC Pacific Mining achieved net profit of US\$540 million, an increase of 14%, against a volatile market environment. It produced over 20 million wet tonnes of concentrate for the fifth consecutive year, remaining the largest seaborne supplier of magnetite concentrate to China. CITIC Metal's expansion of its overseas resource business yielded exceptional results. Its revenue grew 4.9% to RMB125 billion and profit attributable to shareholders of the listed company decreased 7.1% to RMB2.1 billion. CITIC Resources was affected by negative events including falling crude oil and aluminium prices, resulting in reduced operating revenue of HK\$3.8 billion and net profit of HK\$550 million, declines of 35% and 59% respectively. CITIC Pacific Energy achieved net profit of RMB1.05 billion, an increase of 11%. Its traditional businesses were profitable across the board, and new energy witnessed a twofold increase in power generation year-on-year.

Our Businesses



SPECIALTY NEW MATERIALS

CITIC Pacific Special Steel is a global leader specialising in the manufacture of specialty steel, with an approximate annual production capacity of 20 million tonnes. The company has five dedicated and specialised production bases including Xingcheng Special Steel in Jiangsu, Daye Special Steel in Hubei, Qingdao Special Steel in Shandong, Tianjin Pipe, and Jingjiang Special Steel in Jiangsu. It has also operated two raw material processing facilities, Tongling Special Materials in Anhui and Yangzhou Special Materials in Jiangsu, as well as two professional mills, Pacific Special Steel Suspension in Shandong and Zhejiang Pacific Special Steel Tube. This strategic network enables the company to maintain a strong presence along the Yangtze River and Yellow Sea.



CITIC Pacific Special Steel mainly produces bars, plates, seamless steel tubes, forged steel, wires and casting billets for customers in the auto components, energy, machinery manufacturing, oil and petrochemicals, transport, shipbuilding and other industrial sectors. Its products are sold in China and exported to more than 60 other markets, including the US, Japan, Europe and Southeast Asia.

Year in Review

<i>RMB million</i>	2023	2022 (Restated)	Change
Revenue	114,019	98,345	15.94%
Profit attributable to ordinary shareholders	5,721	7,105	-19.48%
Total assets	116,507	90,775	28.35%
Return on equity	15.54%	20.96%	-5.42pp

In 2023, the steel industry experienced a widespread downturn cycle and faced various economic challenges. These included a lacklustre recovery in downstream demand, declining steel prices, and soaring raw material costs. The industry continued to operate in a challenging environment characterised by high costs and low profits against a backdrop of strong supply and weak demand. Overall, the industry's performance remained at an historically low level, and the business outlook was highly challenging. According to statistics from the Special Steel Enterprises Association of China, the total profit of key special steel enterprises in 2023 fell 32.40%.

During the year, CITIC Pacific Special Steel faced increasingly challenging market conditions and responded by strengthening synergies and committing to a development strategy focused on variety, quality and profitability. Faced with changing market demand and landscape, the company quickly adjusted its approach to seize opportunities in sectors such as oil, natural gas, power, petrochemicals, wind power, solar energy, and new energy vehicles, to mitigate the impact of declining demand in mid- to high-end markets for bearing and automotive steels. Guided by the principles of excellence and distinction, CITIC Pacific Special Steel steadily increased its production and sales volume. Its stable and robust operation demonstrated the company's resilience against the impact of market and industry volatility. In 2023, CITIC Pacific Special Steel's operating revenue was RMB114.019 billion, a year-on-year increase of 15.94%, and profit attributable to ordinary shareholders was RMB5.721 billion, a year-on-year decrease of 19.48%.

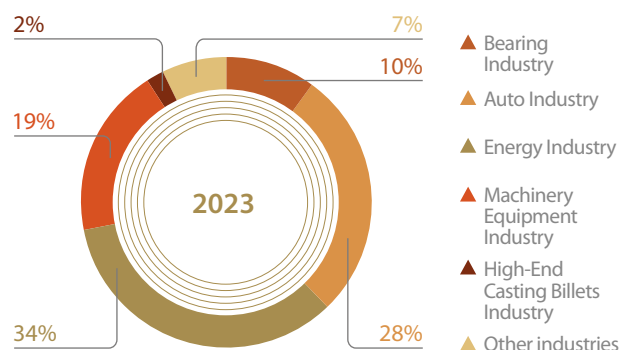
In addition, CITIC Pacific Special Steel is making significant efforts to drive the deep integration of digital technology into the real economy. Through digital transformation, it has spearheaded comprehensive reforms, accelerated the development of data assets and harnessed the value of data. The company has achieved remarkable results in its digital transformation journey by actively working towards advancing intelligent operations and maintenance. As such, Xingcheng Special Steel was recognised as a Factory Lighthouse by the World Economic Forum, becoming the first-ever Lighthouse in the global special steel industry.

Sales and Products

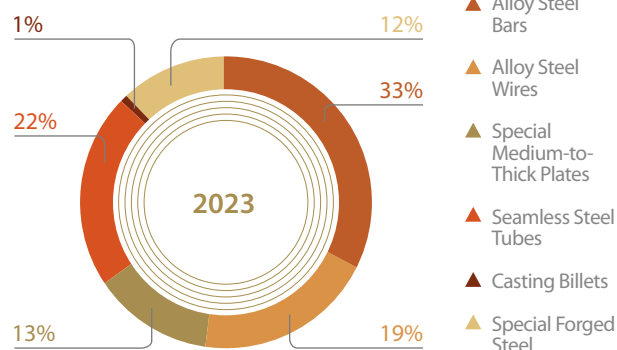
In 2023, CITIC Pacific Special Steel maintained steady operations throughout economic fluctuations. In the face of challenging market conditions with a substantial decline in demand, the company quickly adapted and implemented a set of strategies to overcome the adverse effects of the market downturn and seize the opportunities presented by the government's Dual Carbon policy. Capitalising on the emerging sectors of wind power and new energy vehicles, the company expanded its offering in energy and automotive steels to deliver 56% and 20% more sales respectively. During the reporting period, the company realised a record high total sales volume of 18.89 million tonnes, a year-on-year growth of 24.4%. Export sales reached 2.38 million tonnes, with a strong growth rate of 50.1%, which incurred a higher gross profit than domestic sales.

Our Businesses

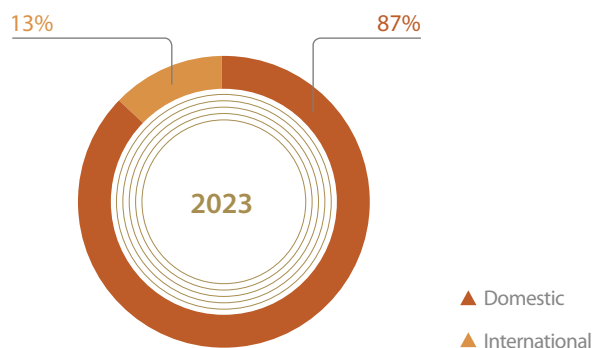
SALES BY INDUSTRY



SALES BY PRODUCTS



SALES BY GEOGRAPHY



R&D and Innovation

On 22 December 2023, the Ministry of Industry and Information Technology released the First Batch of Applied Demonstration Guidance Catalogue for New Key Materials (2024 Edition) (《重點新材料首批次應用示範指導目錄(2024年版)》). The Advanced Steel Materials section under the category of Advanced Basic Materials topped the list, which reflects promising prospects for the industry.

In 2023, CITIC Pacific Special Steel was granted a total of 472 authorised patents, including 122 invention patents. It also took on 29 projects at the provincial and ministerial levels or above and received 16 science

and technology awards. Additionally, the company participated in the development, revision, and release of 21 standards, including two ISO international standards.

The company nurtured more than 80 Little Giant projects, with a combined sales volume surpassing 6.68 million tonnes, while Jingjiang Special Steel was officially recognised as a 2023 National Specialised and Sophisticated Little Giant and certified National High-Tech Enterprise. CITIC Pacific Special Steel was also recognised with an A+ rating for competitiveness among Chinese steel enterprises and 2023 Global Influential Brand in the Steel Industry.



SPECIALTY RAW MATERIALS

CITIC Metal is primarily engaged in commodities trading and mining investments and aspires to become a top-tier trader and investor in the field. CITIC Metal specialises in trading a wide range of products, including iron ore, steel, chrome ore and manganese ore, as well as copper, aluminium, niobium and nickel. The company's investment portfolio includes Ivanhoe Mines (IVN.TO; 24.81% shareholding), Las Bambas Copper Mine in Peru, Brazilian niobium miner CBMM, Western Superconducting Technologies (688122.SH; 11.89% shareholding), China Platinum Company and others.

In 2023, CITIC Metal achieved revenue of RMB125 billion, an increase of 4.9% year-on-year, and profit attributable to the shareholders of the listed company of RMB2.1 billion, a decrease of 7.1% year-on-year.

In 2023, CITIC Metal proactively pursued national strategies of becoming a "Trade Powerhouse" and "Going Global," while focusing on the development of its commodity trading business. The company made significant progress in investment project construction, maintaining a healthy and stable growth trajectory. In the niobium products sector, CITIC Metal solidified its position as an industry leader, with a market share of over 80%. Iron ore trading volume remained stable, surpassing 50 million tonnes and maintaining industry leadership. The company steadily developed its trade in copper concentrate and expanded trade in blister copper and electrolytic copper, resulting in rapid growth of its copper products business and increased industry influence. In other trading businesses such as steel and aluminium, the company adhered to risk management principles ensuring favourable operating performance, steady progress and growth in the business overall.



CITIC Metal's overseas mineral resource projects progressed smoothly, yielding good investment returns. The expansion and technical upgrades of Phase I and II of KK Copper Mine, which is owned by its associate, Ivanhoe Mines, were completed and Phase III progressed smoothly. The mine's annual production of copper metal reached nearly 400,000 tonnes, setting a new record. At Peru's Las Bambas Copper Mine, appropriate measures were taken to address community and roadblock issues. Following the resumption of stable production in the first quarter, all operations proceeded smoothly and in an organised manner, successfully achieving operational targets. The production of annual copper concentrate reached 300,000 tonnes. Production and operations of Brazilian niobium miner CBMM remained stable. China Niobium achieved a significant milestone in its distribution of shareholder dividends for the first time, contributing strong investment returns to CITIC Metal and actively contributing to the stable supply of national mineral resources.

Our Businesses

CITIC Metal made a significant effort over the year to establish a capital operations platform. In April 2023, CITIC Metal became one of the first group of enterprises that officially listed on the A-share stock market under the main board registration system. This accomplishment not only strengthened the foundation for sustainable development, but also contributed to enhancing the market value of CITIC Limited.

Sino Iron, developed by CITIC Mining International (CMI) through its Australian subsidiary CITIC Pacific Mining, is Australia's leading magnetite concentrate operation and a major supplier of premium feedstock to Chinese and other Asian steel mills.

Located on the coast of Western Australia's Pilbara region, the fully integrated mining, processing and export facility has been producing a premium, low impurity 65% Fe concentrate for more than a decade. CITIC has an aggregate entitlement to three billion tonnes of magnetite ore, via mining right acquisitions in 2006, 2008 and 2021, supporting a mine life of more than 40 years.

Utilising conventional drill and blast open pit mining techniques, ore is conveyed from in-pit crushers to a six-line concentrator where it is fed into some of the world's biggest grinding mills and then undergoes further separation from waste material. Concentrate is then pumped in slurry form to a purpose-built port and prepared for transhipment to CITIC's ocean-going vessels.

Supporting infrastructure includes a 480MW combined cycle gas-fired power station, 40% more efficient than open cycle equivalents, and a large-scale reverse osmosis desalination plant. Independent life cycle analysis (commissioned by CMI) demonstrates a lower carbon emissions benefit across the steel cycle (mine pit to ironmaking) when using *Cape Preston Concentrate*

With a commitment to "green, low-carbon and innovative" development principles, CITIC Metal will continue to advance its core business in commodity trading and mining investment to make positive contributions to the stability and security of supply chains for national resources industries.



in the blast furnace compared to typical Platts 62% Fe Pilbara hematite fines.

In 2023 Sino Iron achieved exports 21.04 million wet metric tonnes of concentrate to CITIC's special steel plants and other steel mills, despite challenging weather conditions late in the year. It achieved a net profit attributable to the parent company of US\$540 million. Sino Iron remains the world's largest seaborne supplier of magnetite concentrate to China.

CITIC has finalised its transition to a Mine Safety Management System (MSMS) in line with new Work, Health and Safety (WHS) legislation and also redesigned its framework to manage critical risks and controls for the operation.

Sino Iron still faces several challenges to sustainability. Commodity prices remain volatile and the Australian mining industry continues to experience labour shortages and cost pressures.

Continued operation requires extension of current operations beyond the project's existing approved footprint. This is driven by the need to extend the mine pit and accommodate waste rock and tailings, which are necessary by-products of the mining and beneficiation processes.

The mining tenements upon which the Sino Iron Project is currently conducted, and those into which the CITIC Parties wish to extend in order to continue

operation, are held by an unrelated third-party tenement holder, whose cooperation is required for the extensions.

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

It remains the case that that Sino Iron requires the support of all stakeholders to reach its full potential and secure the project's long-term future.

CITIC Resources, listed on the Hong Kong Stock Exchange, conducts its principal business in the exploration, development and production of oil. It also invests in coal mining, the import and export of commodities, electrolytic aluminium, bauxite mining and alumina smelting.

In 2023, CITIC Resources recorded operating revenue of approximately HK\$3.83 billion, a year-on-year decrease of 34.8%. Profit attributable to ordinary shareholders was approximately HK\$550 million, a year-on-year decrease of 58.7%.

Oil and Gas Business

Operating revenue from the oil and gas segment reached HK\$1.5 billion, a year-on-year decrease

of 20.5%. The three oilfields under the segment produced a total of 9.15 million barrels of crude oil, a decrease of 5.3% compared with 2022. Although crude oil production has undergone multiple tests and challenges, the company demonstrated unity, worked together and overcame all difficulties. Through the implementation of a comprehensive safety management system, the adoption of various measures to increase storage and production, and embracing new technologies and processes, the company was able to harness its development potential and has achieved safe and environmentally friendly production, ensuring overall stability in production output.

Oilfields	CITIC Resources' interest	Daily oil production in 2023 (share of the output, barrels)	Change compared to 2022 (barrels)	Proven oil reserve estimates as of 31 December 2023 (share of the output)
KBM Oilfield (Kazakhstan)	50%	18,800	-800	65.2 million barrels
Yuedong Oilfield (China)	90%	5,882	-529	21.9 million barrels
Seram Block (Indonesia)	41%	409	-57	1.1 million barrels

Our Businesses

In 2023, KBM Oilfield faced a series of severe challenges including widespread power outages in the external power grid and inflation in the host country. These challenges had a significant impact on crude oil production. However, KBM Oilfield implemented remedial measures and continuously carried out adaptive measures to stabilise production, making every effort to protect and safeguard its crude oil output.

In 2023, Yuedong Oilfield achieved output of approximately 459,300 tonnes of crude oil through the implementation of its development adjustment programme. During the year, Yuedong Oilfield commissioned 15 new oil wells. As of 31 December 2023, a total of 83 adjustment oil wells were put into operation, with annual oil production of approximately 189,000 tonnes, forming an effective capacity replacement.

The Seram Oilfield in Indonesia made significant progress in the Lofin-2 gas trial work and effectively reduced overall costs through rigorous management. By applying new technologies and processes, the oilfield was able to successfully mitigate the impact of its gradual depletion, and extended its economic production lifespan.

To unlock the potential of the oilfield, CITIC Resources undertook oil testing and trial extraction operations, conducting in-depth research to formulate drilling plans. The company implemented effective measures to steadily improve production levels and enhanced reservoir dynamics studies. Additionally, the managements took optimised measures to achieve increased oil reserves and production. CITIC Resources was committed to advancing research projects, ensuring the practical application of research findings, which provided a material foundation to bolster development of the oilfield.



During the year, CITIC Resources focused on the core mission of “improving quality and efficiency” by actively demonstrating scientific and technological innovation. The company also improved its financial management, risk prevention and control capabilities. Planning with scientific foresight, it took the initiative to optimise management systems through top-level design, fostered reform momentum, and stimulated enthusiasm in the workplace to unleash business potential. The above initiatives have contributed to a favourable corporate atmosphere, where efficiency is maximised in both management and technology, leading to the achievement of satisfactory results in both production operations and business performance.

Other Businesses

CITIC Resources Australia Pty Ltd continued to maintain stable sales volume and recorded satisfactory performance in each business line despite a volatile commodities market environment in 2023. Annual sales of aluminium ingots reached 67,000 tonnes, while that of PCI coal reached 640,000 tonnes. Due to the impact of declining aluminium prices and rising production costs, Alumina Limited (AWC.ASX), in which CITIC Resources holds a 9.6% stake, was unable to distribute dividend payments in 2023.

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

CITIC Pacific Energy's coal-fired power stations have a total installed capacity of 8,050MW. The Ligang Power Plant in Jiangsu Province is currently one of the largest thermal power plants in China, with an installed capacity of 4,040MW. CITIC Pacific Energy has also implemented an integrated strategy for its power generation business that incorporates shipping, bulk cargo terminal logistics and the comprehensive utilisation of resources (CUR). The expansion project of Ligang Phase V, consisting of 2×1,000MW clean and efficient coal-fired units, has already started construction. The Ligang Phase V project, which emphasises transparency, safety, efficiency and high quality, will continue to serve the local economy during the 15th Five-Year Plan period, providing safe and reliable electricity and industrial steam. The Inner Mongolia Shenglu Power Plant, an ultra-supercritical air-cooling power generation project with an installed capacity of 2×1,000MW, is the first million-kW-unit project in Inner Mongolia commissioned under the West-East Power Transmission scheme, providing over 10 billion kWh of electricity to Shandong Province per annum. The company has invested in Xin Julong coal mine in Shandong Province, with an approved production capacity of six million tonnes per year, producing high-quality coking coal with a competitive edge in the market.

In 2023, CITIC Pacific Energy generated a total of 42.2 billion kWh of electricity. In the face of a complex external environment, the company focused on growing its core business during the reporting period, including progressing its transformation and



development, operational management, cost reduction and efficiency, and risk mitigation. Ligang Power Plant generated 21.79 billion kWh of power while ensuring the demand for electricity and energy. Shandong Xin Julong Coal Mine maintained stable production and operations with an annual commercial coal output of 3.75 million tonnes, yielding an excellent operational result for the year and benefiting from economic recovery and stable coking coal prices. CITIC Pacific Energy continued to strengthen the development of green energy projects. These include projects under construction and completed projects, with a total capacity of 1,601 MW, with 1,436MW connected to the power grid by the end of 2023. The project in Xilinhote City, Inner Mongolia with a centralised wind power capacity of 1,000MW has been successfully connected to the power grid at the end of 2023. Adopting a comprehensive green energy development strategy in mainland China, the company is investing in energy transition systematically, including onshore wind power, offshore wind power, solar power and energy storage with reserved projects of over 5GW of wind power, including over 4GW of photovoltaic and 1GW of offshore wind power distributed throughout most provinces in China.

Our Businesses

NEW CONSUMPTION



Driven by the principle of putting customers first, our new consumption segment aims to embrace opportunities created by an increase in domestic digital and lifestyle consumption, driving new trends in the consumer market.

Major Subsidiaries



CITIC Telecom International

is a leading international integrated telecommunications and information and communications technologies service provider in Asia.



CITIC Press

is a major provider of integrated content and cultural services in China.



Dah Chong Hong

is an Asian motor and consumer products distributor.

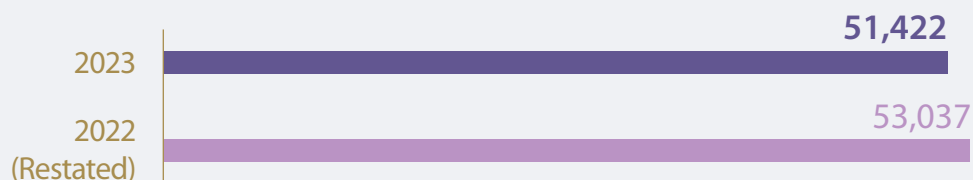


CITIC Agriculture

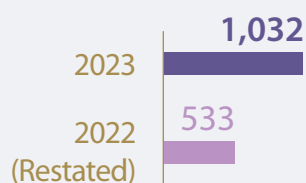
focuses on the latest developments in agricultural science and technology.

REVENUE

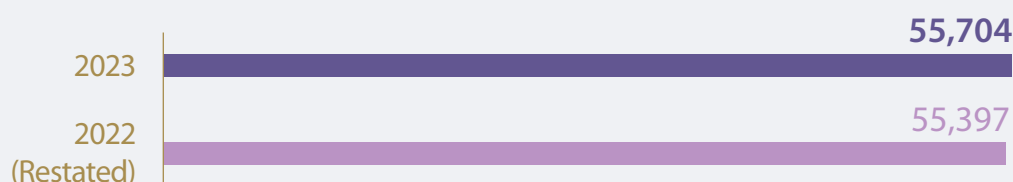
RMB million

-3%**PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS**

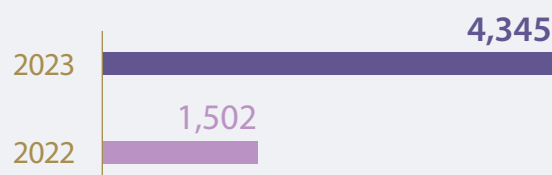
RMB million

+94%**TOTAL ASSETS**

RMB million

-0.6%**CAPITAL EXPENDITURE**

RMB million

+189%

The new consumption segment achieved revenue of RMB51.422 billion, a decline of 3.0% due to insufficient domestic consumer demand. However, it achieved a profit attributable to ordinary shareholders of RMB1.032 billion, an increase of 94%. CITIC Press recorded net profit attributable to shareholders of the listed company of RMB120 million, down by 7.7%. Its market share by sales in book publishing increased by 0.22 percentage points to 3.25%, maintaining its position as the top domestic publishing institution. CITIC Telecom International grew profit attributable to ordinary shareholders by 3.4% to HK\$1.2 billion. Its subsidiary Companhia de Telecomunicações de Macau, S.A.R.L. was fully committed to the constructions for Digital Macau, achieving a 75% market share in the 5G sector. Dah Chong Hong's net profit dropped by 74% to RMB140 million as a result of the narrowing gross profit margin of conventional vehicles and weaker consumer demand for food products in Hong Kong. CITIC Agriculture made significant efforts to drive the integration of Longping High-Tech and Longping Agriscience, significantly enhancing its industry status and international influence. Longping High-Tech achieved double-digit growth in operating revenue and made a turnaround profit.

Our Businesses



INFORMATION SERVICES

CITIC Telecom is an internet-based telecommunications enterprise that operates mobile sales and services, internet services, international telecommunications services, enterprise solutions, and fixed-line voice services. CITIC Telecom holds a 99% equity interest in Companhia de Telecomunicações de Macau, S.A.R.L. (CTM). CITIC Telecom has established branches in 22 countries and regions with more than 2,500 employees and has deployed nearly 170 points of presence worldwide serving 160 countries and regions, connecting to over 600 carriers globally, serving over 3,000 multinational companies and 40,000 local enterprises.

In 2023, CITIC Telecom reported a record-high HK\$1,231 million in net profit attributable to the parent company, as it advanced its high-quality development.

As of the end of 2023, CTM had registered over 500,000 5G users, cementing its dominant position in Macau's 5G market with a market share of approximately 75%. To actively empower 5G applications, the company launched Macau's first 5G private network project in association with the Macau University of Science and Technology, whilst providing support for the Macau Science Satellite-1 experimental project. CTM also won first prize in the Special International Invitational, and the "Best International Application Award" of the sixth "Blooming Cup" 5G application competition hosted by the Ministry of Industry and Information Technology for second consecutive year. The goal of "introducing optical fibre and phasing out copper wire" has been successfully achieved with the fibreisation rate reaching 100%, officially ushering in the era of a full optical-fibre network for all CTM Internet broadband users. CTM completed the first trial of the 5G SA+VoNR roaming service between Hong Kong and Macau in collaboration with a world-class mobile carrier via CITIC Telecom's international roaming hub (IPX) platform, making contributions to smart city 5G integration in the Guangdong-Hong Kong-Macao Greater Bay Area.



CITIC Telecom has optimised the product structure of its corporate messaging service by becoming a technical solution provider to Meta-owned WhatsApp Business, thereby entering the business ecosystem of Meta. The company also expanded its data centre business and secured a major customer for its internet services and high-grade data centre in Hong Kong.

CITIC Telecom enhanced its cloud service capabilities as it became the first managed service provider in Hong Kong to obtain VMware Sovereign Cloud certification. In close tandem with the national strategy, the company continued to optimise its network presence with the construction of a TrueCONNECT™ PoP in Qingyuan, Guangdong. It also added new service gateways in Dubai, Mumbai and Sao Paulo, to improve its service coverage in the Belt and Road regions, the Middle East and the BRICS.

Continuing to expand markets in Southeast Asia, CITIC Telecom provided data centre management and disaster recovery services to government authorities in Singapore and digital telephony system migration service to government authorities in Malaysia.

CITIC Telecom has continued to enhance its competence in technological innovation. CTM has teamed up with the University of Macau to cooperate in a scientific research project titled "Big Data Service

Algorithm R&D for the Tourism Industry” to optimise big data service applications. The company’s wholly-owned subsidiary, CITIC Telecom International CPC Limited (CPC), has completed R&D of the augmented reality corporate digital twin platform with the Hong Kong Applied Science and Technology Research Institute. The platform was successfully demonstrated, showcasing its effectiveness at major international exhibitions, including the Solutions Day of CPC Annual Ecosystem Conference, World Artificial Intelligence Conference in Shanghai, MWC Shanghai and others.

China Enterprise ICT Solutions Limited (CEC), a subsidiary of CPC, has been recognised on the “One Belt One Road Digital Pioneer List” by www.ccidcom.com, leveraging its ample global ICT resources, numerous case projects along the Belt and Road, and its contributions to network infrastructure development and digital transformation in Belt and Road regions.

AsiaSat is a joint venture between CITIC and the Carlyle Group, whose business includes leasing and selling satellite transponders, and providing managed services to customers in the media, data and mobile sectors.

In its media business, AsiaSat provides services to leading international broadcasters and content providers. It transmits over 400 C-band television channels, with more than 160 of these available in ultra-high-definition and high-definition formats, reaching more than 860 million TV households and over 520,000 hotel guest rooms in the Asia-Pacific region.

AsiaSat additionally delivers high-quality services for satellite news gathering to renowned news broadcasters and video service providers, and offers telecommunications links for point-to-point and point-to-multipoint transmission of live sports, general news,

In 2024, CITIC Telecom will reinforce its position as the core hub of international telecommunications services in the region. The company will also foster its capabilities in “cloud, network, intelligence, security”, forging a “Cloud-Network Convergence” digital foundation for 5G+. It will continue to play to its strengths in specialised development, globalised service, quality customer engagement, and create synergies in business ecosystems. It will persist in innovation and adopt a technology-driven approach as it accelerates business transformation and maintains competitiveness in the industry by expanding into new frontiers such as Internet of Things, artificial intelligence, information security, and new 5G applications. CITIC Telecom will continue to enhance its core competitiveness while striving to become a world-class international internet-based telecommunications enterprise.



and breaking news. Through its high-powered, focused satellite beams, AsiaSat also provides secure and reliable data connectivity for the communications and business networks of governments and enterprises, and for service industries such as maritime, aviation, banking and finance, offshore energy, mining, mobile backhaul, public and emergency services.

Our Businesses

In 2023, AsiaSat continued its transformation efforts in diversifying its service and product portfolio to become a customer-centric, end-to-end satellite solutions provider. During the year, AsiaSat successfully completed the acquisition of Lightning International Limited (LIL), a content distribution and media solutions company. By incorporating LIL, together with its live streaming subsidiary One Click Go Live Limited (OCGL), AsiaSat further expanded its capabilities in content syndication and aggregation, channel management, and distribution. This expansion helped broadcast clients connect to consumers more directly and quickly through hybrid solutions, from traditional linear TV transmitted via cable or satellite to new distribution platforms such as over-the-top services, free ad-supported streaming TV and internet-connected TV.

The synergy created through this service integration has enabled AsiaSat to deliver a comprehensive,

end-to-end solution enabling customers to reach a global audience anywhere and on any device. This was evidenced by the successful global broadcasting of the Macau Grand Prix for the third consecutive year in November 2023, demonstrating the seamless combination of satellite broadcasting and IP-based live streaming solutions.

Since its launch in July 2021, AsiaSat's maritime service SAILAS has been providing high-speed broadband connectivity to commercial ship, cruise ship, fishery, and offshore energy sectors. During the year, SAILAS enhanced its global network capability that was built upon AsiaSat's fleet of satellites and through partnerships with other satellite and teleport operators. It continued to expand its portfolio of value-added services that now includes VoIP, 4G LTE/5G, Out-of-Band Management (OBM), L-band Backup, CCTV monitoring, crew management, hotspots, cybersecurity, video streaming, and antenna system solutions.



LIFESTYLE CONSUMPTION

CITIC Press is a major provider of integrated cultural content and associated services in mainland China. Holding all government-issued book publishing and distribution licences, CITIC Press is principally engaged in book publication and distribution, knowledge services, and cultural consumption.

In 2023, CITIC Press recorded operating revenue of RMB1.7 billion, down by 4.7% year-on-year. Profit attributable to ordinary shareholders was RMB116 million, down by 7.7% year-on-year.

During the reporting period, CITIC Press continued to increase its market share to 3.25% in mass-market book retail, solidifying its top position among Chinese publishing houses. It continued to lead in the categories of business management, self-help psychology, and biographies, while making a



significant leap to second position in the children's books category. The company's groundbreaking publication, "The Future of Globalization: Fission vs. Fusion," received one of China's three prestigious national publishing awards, namely the "China Excellent Publication Award." In 2023, the company

exported copyrights to over 30 countries and regions, totaling 404 items, and was once again selected as a “Key Enterprise for National Cultural Exports.” For three consecutive years, the company has co-hosted the ESG Global Leaders Conference, with the participation of seven Nobel laureates, 34 top experts and scholars, 48 entrepreneur representatives, and 56 representatives from international organisations. The conference has become a leading ESG voice in China, with continuously growing international influence. Furthermore, the company was selected for the High-

Quality Publishing Think Tank Program of the State Press and Publication Administration of the Central Publicity Department for 2023. CITIC Press remains at the forefront of the publishing industry in innovation in the field of artificial intelligence. It led the way by developing and implementing the AIGC Smart Publishing Platform, which significantly improved publishing efficiency and enhanced targeted marketing capabilities.

Dah Chong Hong (DCH) is a leading motor and consumer products distributor in Asia with operations in 13 economies. In its motor business, DCH represents more than 20 passenger and commercial vehicle brands with over 100 4S shops and a wide range of supporting services. DCH’s consumer products business includes brand development, food manufacturing, distribution, logistics and retail in the food and fast-moving consumer goods, healthcare and electrical products industries.

In 2023, the global economy remained sluggish with consumer spending below pre-pandemic levels. DCH’s annual profit was RMB140 million, a 74% decrease compared to the previous year, mainly affected by the performance of the motor business, which faced heavy pricing competition, the continued market share expansion of new energy vehicles and enhanced regional connectivity impacting consumption patterns in Hong Kong.

As DCH’s largest segment, the motor business has operations in mainland China, Hong Kong, Macau, Taiwan, Singapore and Myanmar. In mainland China, DCH operates 4S shops for a wide range of brands including Bentley, Mercedes-Benz, Audi, Lexus, Toyota and Honda. In 2023, the implementation of tax reductions for the purchase of new energy vehicles led



to an increase in electric vehicle demand in mainland China. At the same time, domestic brands increased competition with new energy vehicle model launches and the mid-year full implementation of new emission standards created pressure for inventory clearance. These factors depressed pricing and demand for traditional vehicles, particularly for Japanese brands. To mitigate these challenges, the mainland China motor business focused on reducing expenses and developing motor-related products while it continues to expand its new energy vehicle portfolio to address changing market preferences. The strong performance of its overseas automotive operations partially offset the decline.

Our Businesses

DCH is a leading consumer products distributor in Asia representing over 1,000 domestic and international brands in the food, FMCG, healthcare and electrical products categories with operations in mainland China, Hong Kong, Macau, Japan, Singapore, Thailand, Malaysia, Indonesia, the Philippines, Vietnam and Brunei. Primarily based in Hong Kong with much of its distribution business focused on wholesale and catering, DCH Foods faced rising costs, weak consumer sentiment and systematic changes in the shopping behaviour of both cross-border tourists and locals related to enhanced connectivity. Revenue and profit of DCH Foods were impacted by market conditions and fierce competition.

In order to diversify its range of products, strengthen processing services and expand the network of customers in the food and beverage industry, DCH has made a strategic investment to acquire approximately 21% of the ordinary shares of Tsit Wing International Holdings (2119.HK) for a total of HK\$133 million. The strategic partnership between DCH and Tsit Wing was established in mid-April and will contribute to the growth of DCH Foods by enhancing its systems and capabilities in terms of product offerings, services and distribution channels.

Its healthcare distribution business, DCH Auriga continued to grow its portfolio, adding over 60 international pharmacy and health-related brands, while DCH Logistics delivered an improved performance following infrastructure upgrades and cost-control measures.

Across the business, DCH continued to enhance product competitiveness by optimising supply chains, attracting new principals and expanding into growing segments such as healthier food options, pre-owned and new energy vehicles. Simultaneously, the company advanced its digital development, improving e-commerce capabilities and fostering synergy.



AGRICULTURAL TECHNOLOGY

CITIC Agriculture upholds an integrated business approach combining production and financing, with a strategic focus on crop breeding, promotion, and core breeding technology research. It is committed to establishing itself as a globally competitive agricultural technology company.

In 2023, CITIC Agriculture actively refined its operations management as part of its strategy for global expansion in the crop seed industry. Having successfully integrated domestic and international operations, strengthened management and controls, and expanded industrial cooperation, the company achieved substantial growth in its operational scale, consistently maintaining its leading position in the domestic seed industry. CITIC Agriculture has attained significant achievements in scientific research. The company received multiple qualifications and honours, and achieved breakthroughs in key common technologies, driving the transformation and upgrading of the agricultural industry supply chain and supporting the high-quality development of the seed industry.

With a substantial asset restructuring, Longping High-tech (000998.SZ), a subsidiary of CITIC Agriculture, achieving financial consolidation of LongPing Agriscience, further enhanced its control over germplasm resources and reinforced its capabilities in independent research and development, which has significantly improved its industry status and brand influence. Longping High-tech obtained the highest number of approvals from national authorities for its genetically modified corn varieties. All of its



major corn varieties have successfully undergone the modification, covering the main corn-producing regions in China. The quality management model “Shuangquan Shuangling” (whole industry chain, whole business process, no defect), created by the company and unique to the Chinese operating environment, was honoured with the 5th China Quality Award. Three two-line hybrid japonica rice varieties developed by Longping High-tech have been recognized as super rice varieties in 2023 by the National Agricultural Technology Extension Service Center, setting a new national record for high yields in hybrid rice. Longping Agriculture Science Co., based on its high-quality germplasm resources and advanced breeding system, has successfully expanded its footprint in the Brazilian seed industry. It prioritised optimisation of supply chain management, strengthening of cost controls, ensuring autonomous and controllable production operations. These strategic initiatives have resulted in steady progress in its business performance.

Our Businesses

NEW-TYPE URBANISATION



In the new-type urbanisation segment, we have positioned ourselves as the builders of smart cities. We continue to implement China's regional development strategies, providing smart-city solutions with integrated capabilities in engineering contracting, urban operations, property development and management.

Major Subsidiaries



CITIC Construction

is a leading international engineering contracting services provider.



CITIC Environment

is a specialised investment and operational platform for environmental protection.



CITIC Industrial Investment

is a capital operations platform and manages businesses including healthcare, logistics and infrastructure.



CITIC Offshore Helicopter

is a leading general aviation company in China.



CITIC Pacific Properties

focuses on investing, developing, operating and managing mixed-use and commercial properties, and mid- to high-end residential properties.

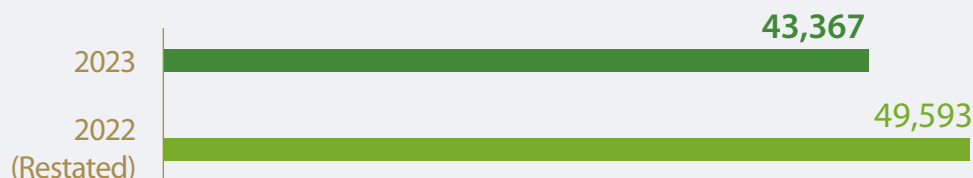


CITIC Urban Development & Operation

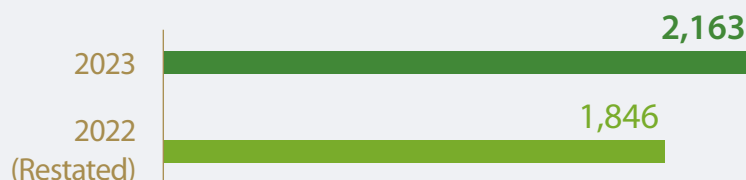
specialises in urban renewal and development operations.

REVENUE

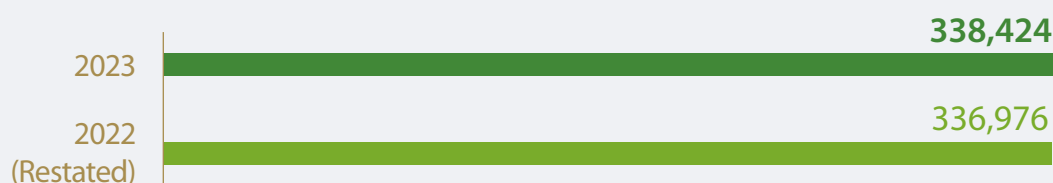
RMB million

-13%**PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS**

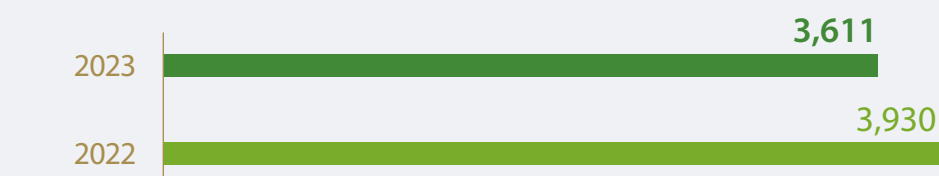
RMB million

+17%**TOTAL ASSETS**

RMB million

+0.4%**CAPITAL EXPENDITURE**

RMB million

-8%

In 2023, the new-type urbanisation segment achieved profit attributable to ordinary shareholders of RMB2.163 billion, an increase of 17%. Excluding the impact of provisions, the operating profit declined by 12%. The sales of real estate projects have been progressing well with key development such as the second phase of Jinan CBD project's residential part and Guangzhou Harbour City being delivered successfully. Projects like Jiuzhu in Wuxi and Wuhan Harbour City ranked among the top in terms of signed contracts in their respective regions. The integration of real estate and finance continued to be promoted, with the implementation of five projects, including Yalong in Shanghai and Zhongxinli in Shenzhen. Due to the impact of the external operating environment, the construction and engineering and urban operation companies experienced a decline in operating profit. The year-on-year decrease amounted to 45%, reaching RMB1.1 billion. It seized market opportunities along the Belt and Road and deeply integrated itself into the nation's regional development strategy. It realised newly signed contracts with an effective value of RMB21.3 billion.

Our Businesses



CONSTRUCTION AND URBAN OPERATION

CITIC Construction is a well-known international integrated engineering service provider, with the top A+ qualification for general contracting of housing construction in China and the National High-Tech Enterprises Certification. The company engages in the construction of housing, infrastructure, and industrial facilities, and proactively seeks further development in areas such as agriculture, ecological management, resources, and energy. In its overseas market that covers over 20 countries or regions, it focuses on promoting win-win cooperation with countries along the Belt and Road and expansion of third-party markets with renowned companies in the United Kingdom, Japan, South Korea, Singapore and other countries. The company's domestic business is mainly concentrated in key national development regions such as the Jingjinji Metropolitan Region, the Yangtze River Economic Belt, the Guangdong-Hong Kong-Macao Greater Bay Area, the Chengdu-Chongqing Economic Circle, the Hainan Free Trade Zone and the Yellow River Basin for Ecological Protection and High Quality Development. The company has completed several large-scale urban-industry integrated public-private partnership projects to build a brand of central state-owned enterprises in the field of new urbanisation.

Tapping into CITIC's extensive resources and network, CITIC Construction provided clients with comprehensive services for the entire industry chain in addition to engineering contracting services, including project planning, design, investment, financing, construction and operation. These supporting services are crucial for projects to achieve expected revenues.

Through the successful delivery of large-scale livelihood projects important to the communities in which it operates, CITIC Construction has established a strong brand image and reputation over the years. It is widely regarded today as a highly successful Chinese engineering contracting enterprise within the industry. CITIC Construction has achieved top rankings among the Global Top 250 International Contractors by Engineering News-Record (ENR) of the United States for many years. 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. The company was also shortlisted as one of the Top 100 Enterprises for Overseas Contracting Projects, receiving full recognition from the industry.

Year in Review

<i>RMB Million</i>	2023	2022	Change
Revenue	17,647.65	23,987.18	-26%
Profit attributable to shareholders	685.94	1,085.82	-37%
Total assets	52,307.45	53,125.82	-2%

In 2022, CITIC Construction recorded revenue of RMB17,648 million, a decrease of 26% over the same period last year, with the profit attributable to shareholders of RMB686 million.

In 2023, CITIC Construction took advantage of the 10th anniversary of the Belt and Road Initiative to further deepen its engagement in key markets along the Belt and Road route, actively integrating into the national regional development strategy. It focused on advancing project construction with high quality and efficiency. The company has also been expanding into new markets and new business areas.

CITIC Construction has been seizing development opportunities in markets along the Belt and Road, and strengthening its presence in key markets. The 84km eastern section of the East-West Highway in Algeria has been completed and opened to traffic, marking the completion of the “Century Project” in Algeria. The Iraq Missan Combined Cycle Power Plant project has started commercial operation. CITIC Construction has been progressing on the social housing project in Riyadh, Saudi Arabia, optimising the business model and design to adapt to the local market, striving to create a new model of China-Saudi cooperation. The asphalt road surface of the highway reconstruction project in Kazakhstan has been completed. The final acceptance of the last 19 trains for the Buenos Aires Metro Vehicle project in Argentina has also been completed.

The company has been strengthening its competitiveness in the segmented construction sector, solidifying its core capabilities in the domestic market. In addition, it has been consolidating and improving the management capabilities of its fund business, continuously enhancing the efficiency of investment-driven operations. CITIC Construction has been innovative in developing light asset business models through the continuation of Phase II construction of the Henan Luoyang Comprehensive Free Trade Zone. The Lincang–Qingshui Expressway project has been completed and opened to traffic, connecting an important section of the China–Myanmar–India Oceanic Passage. Both the Nanjing Green Water Bay Road project and China-Europe Intelligent Technology

Industry Innovation Center at the Ji’nan Ecological Port have started construction. During the year, the structural construction of a number of projects have been completed, including Block 09, Phase 1 of the Nanjing Science and Technology Innovation Base project, an apartment building for Sino-Japanese staff at Dalian Ecological City, the main structure of Buildings 3 and 4 of Lingshui Wenluo Agricultural Products Market, and Tower 2 of the CITIC Financial Center in Shenzhen, while several projects have passed completion inspection, including the CITIC Bank Information Technology Research and Development Base project, Phase 2 of the Ziyang Standardized Plant, the Ziyang Leijiagou Sewage Treatment Plant, the Cultural Activity Center at the Neijiang Science and Technology City, and the Jingli Road of Jingzhou Haizi Lake project. Key projects such as Wuhan Yangtze River New Town and Yancheng High-Speed Rail New Town commenced construction. The Jinzhan resettlement housing project has delivered 2,457 housing units, and section 1 of the contract has been awarded the Gold Award of Beijing Construction (Structure) Great Wall Cup.

In the overseas market, the company continues to deepen international industrial capacity cooperation. In 2023, the signed contracts include the second phase of the geological survey project in Angola, the supply and SMPP installation project for the Kipushi Zinc Mine in the Democratic Republic of Congo, and the third phase expansion project of the Kungrad Alkali Plant in Uzbekistan. Domestically, the company has signed contracts for a series of projects, including the municipal project from Zhongshan North Road to Shugang Avenue in Lingshui County, Hainan Province, the continuation of Phase II of Luoyang Comprehensive Free Trade Zone project, and Building C of the Frontier Interdisciplinary Science Research Institute at Beijing Institute of Technology Liangxiang Campus. The total value of new contracts signed throughout the year amounted to approximately RMB16.35 billion.

Our Businesses

Major projects



TKU National Expressway Upgrade, Kazakhstan

Contract value: US\$935mn

Contract period: 85 months

General information: Located in Kazakhstan, the TKU expressway stretches from Taldykorgan, the capital of Almaty oblast to Ust-Kamenogorsk, the capital of East Kazakhstan oblast. After the upgrade, the expressway will be 7,637km in length.

Progress as of the end of 2023: The project has been completed. 97% of base course surface has opened to traffic and 38% of upper course surface has been finished.



KB Expressway Upgrade, Kazakhstan

Contract value: US\$856mn

Contract period: 66 months

General information: The Karagandy to Balkhash road (1,492.4-1,855km) upgrade is 362.6km in length. After work is completed, the expressway will be qualified with I-b grade conditions, having four lanes in total and a speed limit of 120km/h.

Progress as of the end of 2023: The project has been completed with 97% of single-lane road surface and 29% of upper course surface finished.



East Section Of The 84km East-West Highway, Algeria

Contract value: Approx. US\$680mn

Contract period: 75.5 months

General information: The project stretches from the interchange of Dréan in southern Annaba to the Tunisian border in the east, including nine interchanges. The highway will be 84km long.

Progress as of the end of 2023: The project has been completed and inaugurated with a road opening ceremony.



Sunsuria Headquarters, Malaysia

Contract value: MYR489mn

Contract period: 36 months

General information: Located in Shah Alam, Selangor Darul Ehsan, Malaysia, the project is the construction of the second phase of Sunsuria headquarters, which is a commercial and residential complex with a total GFA of about 330,000m². It consists of 3 towers, including a 31-storey office tower, a 33-storey SOHO tower and a 41-storey apartment building, which are connected by a 9-storey podium.

Progress as of the end of 2023: The SOHO tower has been completed and delivered, with the shopping mall reaching 67%, the parking building reaching 84%, and the apartment building reaching 91% completion respectively.



Phase II, Industrial New Town of Linkong Economic Zone, Ziyang, Sichuan Province, China

Contract value: RMB7.690bn

Contract period: 1,095 days

General information: This project is a continuation of the initial batch of road network engineering projects, consisting of a total of 29 sub-projects, including municipal roads, building construction, water resources, tunnel engineering, as well as earthwork balance project, power relocation, and oil pipeline relocation.

Progress as of the end of 2023: The westward extension section A of Jiaozai Road and section B of Zixi Avenue have achieved functional opening. The community roads in the Three Central District (Phase One), Yanqi Lake scenic shoreline section, Chengzi Linkong Avenue (north section), 220kV power reconstruction project, and Laixiao Road construction have all been completed.



Linqing Province, Yunnan Province, China

Contract value: RMB6.217bn

Contract period: 58 months

General information: The project is the second phase of the Linxiang to Qingshui River Expressway in Lincang, Yunnan Province. The total length of the road section is 41.1km. The entire route is being constructed according to the two-way, four-lane expressway standard, with a designed speed of 80km/h and a roadbed width of 5.5m.

Progress as of the end of 2023: The construction of the contract section has been completed and opened to traffic by the end of August 2023.



Chip City Science And Innovation Base, Research And Innovation Park, Jiangbei New Area, Nanjing, Jiangsu Province, China

Contract value: RMB12.277bn

Contract period: 6 years

General information: This project is an important vehicle in the development of high-tech industries in Jiangbei New Area, Nanjing, Jiangsu Province. The project covers an area of 2.25km² with a total construction area of 1.65mn m². The first phase of the project covers an area of 420,000m², the second phase 770,000m², and the third phase 460,000m² respectively. The main construction includes the science and innovation center and apartment buildings, as well as municipal infrastructure.

Progress as of the end of 2023: Phase 1 of the project: The civil construction of the building structure has been completed. The curtain wall of the five main buildings is 70% complete. The installation of above-ground mechanical and electrical pipelines is mostly completed. The interior decoration of the model floor is under construction. The assembly and installation of the 10A/10B steel walkway have been completed. Phase 2 of the project: The pile foundation and excavation support projects of Plot 07A have been completed. A total of seven piles have been tested, completing 50% of the testing. The pile foundation of Plot 05A has been completed, and the excavation support project is 20% complete.



Ji'nan Ecological Port, Ji'nan, Shandong Province, China

Contract value: RMB6.032bn

Contract period: 60 months

General information: This project is located within 22km² of Ji'nan International Merchants Industrial Park, with 308 National Highway in the north, Xiaoqing River in the south, Jiaxuan West Road in the west and Linkong East Road in the east. The scope of work consists of the Aerospace Avenue Project, Aerospace Avenue Comprehensive Pipe Gallery Project, Tianji Road Project, Tianji Road Comprehensive Pipe Gallery Project, Jiangxu Road Comprehensive Upgrade Project, Comprehensive Sewage Treatment Plant and High-end Equipment Industry National Lab, etc.

Progress as of the end of 2023: The main structure of the apartment buildings has reached a cumulative completion rate of 85%, with the first one topped out on 10 December and currently, six out of 14 buildings have been topped out. The comprehensive sewage treatment plant commenced operation on 30 October 2022. The municipal road project is progressing steadily.



Wuhan Changjiang New Town Project, Wuhan, Hubei Province, China

Contract value: RMB3.924bn

Contract period: 1,033 days

General Information: This project consists of Chenjiaji Avenue and New District Avenue, with the total length of the Chenjiaji Avenue being about 4.7km. The comprehensive pipe gallery project (excluding the cross-Zhujia River section of the pipe gallery and comprehensive drainage system) is 9,061.59m, and the tunnel project is 2,200m; the total lengths of the New District Avenue and comprehensive pipe gallery project are 3.97km and 2.42km respectively.

Progress as of the end of 2023: The construction of the main structure of the tunnel and pipe gallery continues to progress, and the main structure of the monitoring center project has been completed.

Our Businesses

CITIC Environment is the sole investment and operational platform of CITIC Limited for environmental protection. With its leading comprehensive service capabilities and core technological advantages across the environmental protection industry chain, the company is committed to becoming a world-class environmental industry group. Its business covers ecological environmental protection, urban and rural construction, membrane manufacturing, intelligent construction, and clean energy, among other fields, through five major sectors: investment, design consultation, production manufacturing, engineering contracting, and project operations. CITIC Environment has established business operations throughout the country, while internationally it has executed numerous projects in the United States, Southeast Asia, and countries and regions along the Belt and Road. The company has three subsidiaries that are well-known firms in China, namely Central and Southern China Municipal Engineering Design and Research Institute Co., Ltd (CSMEDI), CITIC Envirotech and CITIC General Institute of Architecture Design and Research Co., Ltd (CADI).

In 2023, CITIC Environment fully implemented the integration and development strategy for CITIC Limited's environmental businesses. The company continuously improved its business model, which focuses on planning and leadership, technical support, digital empowerment, and the integration of investment, construction, equipment, and operation throughout the business life cycle, all enabled by digitalisation. Consequently, it has positioned itself as a domestic environmental enterprise with distinctive advantages across the entire industry value chain. Throughout the year, the company and its subsidiaries received considerable recognition. Central and Southern China Municipal Engineering Design and Research Institute Co., Ltd (CSMEDI) ranked ninth in terms of revenue in the field of engineering survey and design in China. CITIC Envirotech was recognised as one of the "Top 50 Environmental Enterprises in China for 2023." Additionally, CITIC General Institute of Architecture Design and Research Co., Ltd (CADI) continued to be listed as one of the "Top 60 Engineering Design Companies in China" by global construction industry authority Engineering News-Record (ENR).

CITIC Environment achieved significant results in digital transformation. Phase I of a major Building Information Modelling (BIM) project of the Ministry of Industry and Information Technology (MIIT) has successfully passed the acceptance inspection and is currently engaged in proactive efforts to drive the transformation of project outcomes. The research and development work for Phase II of MIIT's BIM project is progressing. This project holds significance in maximising achievements under Phase I of the MIIT project by continuously enhancing the overall digitalisation capabilities and influence of the company. CITIC Environment is experiencing ongoing growth in the digital sector, such as in smart water management, intelligent transportation, intelligent construction, and smart buildings. In the reporting year, the company has achieved nearly RMB500 million in newly signed digital service contracts.

In terms of technological innovation, 2023 was another highly successful year for CITIC Environment. It launched nearly 110 scientific research projects, including four national projects, obtained 245 authorised patents, including 34 invention patents, and edited or co-edited a set of six standards and specifications, among which two were national level.

CITIC Environment made unique contributions by actively implementing national strategic goals during 2023. Phase II of the Futian Water Purification Plant, the largest semi-underground water purification plant in Asia, was successfully completed. Operations for the National Network Security Talents and Innovation Base Project and the Hangzhou Sanyu Line Road and Landscape Enhancement Project, a key project for the Asian Games, commenced. The Zhuhai Shizimen Tunnel, the first underwater tunnel in China with both vehicle and pedestrian functions, was officially opened. Phase I of the first domestic submerged reclaimed water plant integrating overground and underground development in Xiabei District, Ningbo, was put into operation.

Major Projects



The Clean Water Project In Jiangxia District, Wuhan, China

Contract value: RMB5.110bn;

(Phase I: RMB1.05bn;

Phase II: RMB650mn;

Phase III: RMB3.293bn)

Contract date: October 2016

Contract period: Phase I: 45 months;

Phase II: 22 months; Phase III: 36

months

Commencement of construction:

Phase I: September 2015; Phase II:

December 2016; Phase III: August 2020

General information: This comprehensive project provides systemic integrated solutions for the regional water environment and comprises the third batch of national Public-Private Partnership (PPP) demonstration projects. The project involves a range of water-related processes, including sewage collection and treatment, flood control and drainage, water supply, the treatment of water from lakes and rivers, creation of water environments, and water information management. CITIC's involvement in this PPP project includes investment and financing, planning, design, construction and operation. The entire project will be completed in four phases.

Progress as of the end of 2023: 95% of Phase I, 100% Phase II, 84% of Phase III completed



Qilihe Anning Sewage Treatment Plant Expansion And Renovation Project, Lanzhou, China

Contract value: RMB2.562bn

Contract date: 14 August 2019

Contract period: 29 months

Commencement of construction:

20 September 2019

General information: This project is a major initiative in Gansu Province aimed at improving people's livelihoods. It adopts a fully buried Membrane Bioreactor (MBR) treatment process. The current sewage treatment capacity is 300,000 tonnes/day, with a future capacity of 400,000 tonnes/day. It is currently the largest fully buried MBR sewage treatment plant in the northwest region of China.

Progress as of the end of 2023: The project has been completed.



Phase I Jiangbei Reclaimed Water Plant, Ningbo, China

Contract value: RMB964mn

Contract date: May 2020

Contract period: 31 months

Commencement of construction:

May 2020

General information: Located in Jiangbei District, Ningbo, this plant is designed to purify 150,000 tonnes of wastewater per day. Unlike traditional sewage plants, this plant adopts a fully buried main structure. The top floor is being developed for an industrial park, while the bottom floor serves as a treatment structure and operational layer. It will be built into a new type of modern water reclamation plant.

Progress as of the end of 2023: The project has been completed.

Our Businesses



Beijian Park Water Purification Project, Wuxi, China

Contract value: RMB1.008bn

Contract date: March 2022

Contract period: 24 months

Commencement of construction:
May 2022

General information: This project is Wuxi's first underground water purification plant with a daily sewage treatment capacity of 150,000 tonnes. It will be built as a domestic demonstration benchmark for submerged water purification with underground sewage treatment facilities and an aboveground wetland park.

Progress as of the end of 2023: 87% of the project has been completed.



New Construction Of Xiaohongshan Science Town, Wuhan, China

Contract value: RMB1.224bn

Contract date: October 2021

Contract period: 36 months

Commencement of construction:
September 2021

General information: This project covers 4.07 hectares of land with a total Gross Floor Area (GFA) of 150,000m². Xiaohongshan Science Town will be developed into a leading hub for life sciences, health, and information technology industries in central China. It is envisioned to be a demonstration base for China's achievements and transformations in science and technology, a centre for the exchange and distribution of cutting-edge technologies, and an innovative experiential park for shared technology experiences.

Progress as of the end of 2023: 29% of the project has been completed.



Quality And Efficiency Improvement Project Of Sewage Treatment, Yunxiao County, Zhangzhou, Fujian

Contract value: RMB1.330bn

Contract date: November 2022

Contract period: 36 months

Commencement of construction:
November 2022

General information: This project includes a sewage treatment plant, a sewage pipe network, river ecological restoration work, and smart waterworks. It will be built into a "smart and efficient, resource-saving" sewage collection and treatment system with "advanced standards and complete functions" that can achieve full coverage, collection and processing of the sewage pipe network.

Progress as of the end of 2023: 41% of the project has been completed.



Wuhan Optics Valley Cultural Centre Project

Contract value: RMB1.699bn

Contract date: December 2022

Contract period: 20 months

Commencement of construction:
January 2023

General information: The project comprises an international communication centre, a library, an art gallery, and a youth activity centre. Its total land area spans 6.33 hectares boasting a GFA of approximately 264,000m². Once completed, it will become a new cultural and business landmark of the Optics Valley in Wuhan.

Progress as of the end of 2023: 60% of the project has been completed.



Phase II Shenzhen Futian Water Purification Plant Project

Contract value: RMB1.976bn

Contract date: December 2022

Contract period: 37 months

Commencement of construction:
January 2023

General information: This project is Asia's largest double-layer semi-underground water purification plant with a daily sewage treatment capacity of 400,000 tonnes. It will be built as a new urban landmark integrating ecological education, sports and leisure activities, and social media photo opportunities.

Progress as of the end of 2023: 27% of the project has been completed.

Infrastructure: CITIC Industrial Investment invests in and manages infrastructure projects such as ports, port terminals, and regional development operations in China. The port and terminal business mainly focuses on the investment in and independent operation of liquefied petroleum terminals and storage facilities, as well as the operation of other types of berths, such as containers. At present, CITIC Industrial Investment has a combined handling capacity of about 32 million tonnes and a storage capacity of about 1.32 million cubic metres of liquefied petroleum. In the future, CITIC Industrial Investment intends to focus on liquefied petroleum products from its base in Ningbo. The company will accelerate the construction of liquefied petroleum terminals and storage projects,



striving to become an influential and comprehensive logistics and warehousing service provider of liquid chemicals in domestic market segments.

Project	Ownership	Designed handling capacity/ storage capacity
Port storage		
Xinrun Petrochemical Storage Transport	90%	6 million tonnes/600,000m ³
PetroChina Fuel Oil Port	51%	12 million tonnes
Guanwai Liquefied Products Port	51%	1.8 million tonnes
Xinyuan Port	51%	7.2 million tonnes
Xinhai Oil Terminal	30%	720,000m ³
Gangfa Crude Oil Port	20%	5 million tonnes
Ningbo Daxie Container Terminal	20%	2.4 million TEU

The regional development business refers to the Xidian New Town Project in Ningbo, with construction projects involving reclamation engineering, land consolidation and urban infrastructure. The company also develops supporting projects involving water engineering and green land development, with a planned development land area of approximately 6,480mu, and a gross construction area of approximately 4 million square metres. In 2023, the company acquired 378mu of collective land and 56mu of vacated land reserve for the Xidian

New Town Project, obtaining continuous results in land acquisition and demolition. Despite pressure from real estate market adjustments, the company successfully completed the transfer of 54mu of land. With a strategic focus on constructing a commercial and cultural centre in the new town, the project team efficiently and effectively completed the development of comprehensive supporting facilities, which helped to enhance the brand value and attractiveness of Xidian New Town.

Our Businesses

Healthcare: CITIC Limited operates and manages its healthcare business through CITIC Pacific and CITIC Industrial Elderly Care.

CITIC Pacific mainly engages in the operation of medical and elderly care services, as well as medical equipment distribution. The medical services business comprises four hospitals with 1,229 beds including Jiangyin Lingang Hospital, as well as Hangzhou Chengdong Hospital, Shaoxing Chengdong Hospital and Shaoxing Shangyu Third Hospital, which are operated via Hong'en Medical Group. Among them, Jiangyin Lingang Hospital was acquired by CITIC Pacific in 2018 and is located centrally in the Lingang Economic Development Zone of Jiangyin in Jiangsu Province. Since the acquisition, the hospital has rapidly improved its diagnostic treatment and service standards with the introduction of experts and upgrading of equipment, and it has been elevated to a Grade II Level A general hospital. In 2023, Jiangyin Lingang hospital successfully signed a medical consortium agreement with Tongji University Affiliated Dongfang Hospital, aiming to enhance the level of medical management, technological expertise, and comprehensive service capabilities. The hospital is currently constructing a new campus with a capacity of 650 beds, following the standards of a tertiary general hospital. The progress of the new campus construction is on schedule, and it is expected to be delivered in the second quarter of 2024. In 2023, Hangzhou Chengdong Hospital, which is under the management of Hong'en Medical Group, was incorporated into the Hangzhou City 120 Emergency Network, thereby enhancing its abilities to respond to emergencies. Shangyu Third Hospital, in collaboration with Shaoxing People's Hospital, has entered into agreements with collaborative organisations, partner hospitals and orthopedic expert groups, which brought its medical disciplinary capabilities to a new level.

CITIC Pacific has extended its elderly care business to Jiangyin, Zhenjiang, Yancheng and Fuzhou. With 887 elderly care/nursing care beds in 5 elderly care homes and 3 nursing institutions, it provides elderly care services to approximately 46,000 households



through various operations. It actively promotes a business model of integrated medical and elderly care, making use of its rich medical resources. Through its operational model, the company provides diversified services including nursing home operations, intensive care services, and community and in-home care for seniors.

Haoan Health and Shanghai Youhe Medical, both subsidiaries of CITIC Pacific, provide medical equipment and consumables sales, marketing, distribution, and professional services across the country, mainly focusing on the Jiangsu, Zhejiang and Shanghai markets. Notably, Haoan Health has been deeply involved in the Zhejiang Province market for a long time. At present, it provides high-quality medical equipment and consumables for nearly 400 hospitals in Zhejiang Province in the fields of gastroenterology, urology, neurology and neurosurgery, covering more than 20 major product categories, and maintains a leading position in the medical device industry in the fields of gastroenterology and urology in Zhejiang Province. Shanghai Youhe Medical's business footprint spreads across four major markets in Shanghai, Jiangsu, Zhejiang and Henan, as well as multiple medical-centre-cities in South China, Southwest China and North China. It has cooperated with more than 700 medical institutions to provide professional solutions for clinical intervention, diagnosis and treatment in the fields of gastroenterology and early-stage respiratory cancer. With over 30 high-quality national and international medical equipment product lines, Shanghai Youhe Medical has established itself as an influential and trusted provider in the industry.

CITIC Industrial Elderly Care strategically focuses on market-driven, high-quality, and centralised elderly care services. With a positioning that is “urban, comprehensive, and healthcare and wellness-oriented”, the company offers three main product offerings: lively residences, elderly care facilities, and Skilled Nursing Facility. This approach has led to the development of three brands rooted in the Chinese word Xin (信): “Xinlan, Xinfu & Xinyue, and Xinyang”. The company’s primary focus is on the major cities of Shanghai and Hangzhou. Currently, it has been providing a total of 3,300 beds, successfully operating 8 premium projects.

In 2023, CITIC Industrial Elderly Care successfully launched two major projects with a capacity of over 1,000 beds each: Youyou Xinfu in Pudong and Xinlan Tianti in Chongming. Throughout the year,

the company’s three main product lines witnessed a net increase of approximately 600 occupied beds, with over 1,000 elderly residents by the year end. The annual operating revenue experienced a year-on-year growth of 35%.

Moving forward, CITIC Industrial Elderly Care will maintain its focus on market-driven, chain-based, centralised elderly care services. With Shanghai as its central base in the Yangtze River Delta region, the company plans to gradually expand its business nationwide. Through internal expansion, acquisitions, and capital operations, it strives to become a leading enterprise in the Chinese elderly care industry with distinctive features, excellent capabilities, and leading scale.

Key Projects in Operation

Project	Category	Location & Capacity
Xinlan Tiandi, Chongming	Resort-style cultural and tourism-based elderly care community	Located in Chongming District, Shanghai, the facility covers approximately 216 acres with a building area of around 160,000m ² , accommodating over 1,000 beds.
Youyou Xinfu, Pudong	Urban integrated healthcare and wellness community	Located in Pudong New Area, Shanghai, the facility covers approximately 70,000m ² with over 1,000 beds.
Xinyue 88, Hangzhou	Urban integrated healthcare and wellness community	Located in Shangcheng District, Hangzhou, Zhejiang Province, the facility covers approximately 20,000m ² with over 260 beds.
Xinyang Home Baoshan Dachang Elderly Care Home	Elderly nursing care facility	The facility has over 260 beds, located in Baoshan District, Shanghai,
Xinyang Home Jinxiu Elderly Care Home, Pudong	Elderly nursing care facility	The facility has over 170 beds, located in Pudong New Area, Shanghai
Xinyang Home Xinjiangwan Elderly Care Home, Yangpu	Elderly nursing care facility	The facility has over 160 beds, located in Yangpu District, Shanghai
Xinyang Home Aiqinren Nursing Home	Skilled Nursing Facility	The facility has over 170 beds, located in Yangpu District, Shanghai
Xinyang Home Zhenyue Nursing Home	Skilled Nursing Facility	The facility has over 300 beds, located in Yangpu District, Shanghai

Our Businesses

General Aviation: As a leading company in the aviation industry, CITIC Offshore Helicopter (COHC) operates a full-service general aviation business with comprehensive capabilities and is the first and only mainboard-listed company in the general aviation industry in China (000099.SZ). COHC's range of offshore and onshore services spans offshore oil air services, air emergency rescue, aircraft maintenance, port navigation-support, offshore wind power, and drone operation. In late July 2023, the company participated in an emergency assistance to Zhuozhou City in Hebei province, in which 49 individuals were rescued through aerial operations, and approximately 2.6 tonnes of relief supplies were air-dropped. Additionally, COHC successfully completed flight support missions for the 39th Antarctic scientific expedition and the 13th Arctic scientific expedition, organised by the country.

Headquartered in Shenzhen, Guangdong Province, COHC owns four heliports in Shenzhen, Hainan, Tianjin, and Zhanjiang. Its bases, take-off and landing points form a network covering all provinces, municipalities, and autonomous regions within the country, except Tibet; in overseas areas such as the North and South



Poles; and in Myanmar. COHC has the largest civil helicopter fleet in Asia and operated 89 helicopters comprising 15 world-class helicopter models as of the end of 2023. During the year, COHC maintained its leading market share in offshore oil helicopter flight services. It is the sole provider of helicopter pilots to ports across the country, and the only supplier of helicopters for China's national arctic scientific expeditions. COHC is also the sole general aviation company in the country that engages in offshore oil flight services overseas.



PROPERTY DEVELOPMENT, OPERATION AND MANAGEMENT

CITIC Pacific Properties, positioned as a developer and manager of premier properties, is focused on mixed-use, commercial, and residential projects with operations that extend across the commercial lifecycle to include investment, project development, marketing, and property management. It currently owns and manages properties in regions including the Yangtze River Delta, the Greater Bay Area, the Yangtze River Economic Belt, and the Bohai Rim Economic Circle.

During the reporting period, CITIC Pacific Properties successfully delivered high-quality projects in mainland China, such as portions of Wuhan Harbour City and Optics Valley Innovation Tiandi, Phase II of



CBD project's residential part and Nove Mansion in Jinan, as well as the residential part of Guangzhou Harbour City Phase I, all of which received recognition

from the market. In 2023, CITIC Pacific Properties successfully navigated the challenges posed by the ongoing market downturn, achieving a remarkable 44% increase in annual sales and a significant 56% increase in collection amounts compared to the previous year. In addition, CITIC Pacific Properties acquired three new projects in Shanghai, Nanjing, and Wuxi. As of the end of 2023, CITIC Pacific Properties had a land reserve area of approximately 5.3 million square metres in mainland China, of which the area of its equity interest amounted to around 3.87 million square metres. As for the investment property business, CITIC Pacific Properties maintained its momentum by expanding its operational scale. During this period, both Dream Gala and T Center in Shanghai were officially unveiled in the third quarter, leading regional commercial development and injecting new vitality into CITIC Pacific Properties' brand image. Leveraging its core business, CITIC Pacific Properties made significant strides in the fields of development and construction outsourcing, as well as commercial asset-light management. These breakthroughs resulted in successful project acquisitions in Shanghai, Tianjin, Chongqing, and Yangzhou.

In Hong Kong, the Jardine's Lookout project located at Tai Hang Road has been officially named "JARDINI". The construction of the superstructure of this high-end residential development, with a total gross floor area of about 12,000 square metres, is currently in progress. The project located at Lai Kong Street in Kwai Chung

has commenced preliminary work for site leveling and foundation construction. The project encompasses a total construction area of approximately 23,000 square metres, including development of a public transport terminus and community facilities, and is set to be developed into a premium residential area. The Discovery Bay development is a 50-50 joint-venture between CITIC Pacific and HKR International. Construction for the residential development with a total gross floor area of about 124,000 square metres in the northern part of Discovery Bay is progressing in phases. The foundation work of the first portion of Phase 19, with a total gross floor area of about 44,000 square metres, has been completed. The existing residential projects for sale are Poggibonsi and IL PICCO comprising 196 residential units and 21 garden houses respectively. By the end of 2023, a total of 192 units and 8 houses had been sold. During the period, the redevelopment of Skyway House was initiated. The project is adjacent to the MTR Olympic Station and is planned to build a 21 storey high quality commercial building with a total gross area of approximately 32,000 square metres. In 2023, the Hong Kong real estate market experienced a slow recovery due to uncertain global economic factors and a high-interest rate environment. Rental activity was low, and commercial rents were under pressure. However, the average occupancy rate of the company's investment properties remained at approximately 96%.

CITIC Urban Development & Operation

continued to work on its key projects in 2023. A number of major milestones have been achieved in the construction of supporting public facilities of the urban development project in CITIC Coastal City in Shantou. The Shantou Bay Tunnel has been completed and opened to traffic. The municipal public facilities in the expropriation area have been largely completed and are operational, showcasing a modern urban image. The Ningbo Fenghua Innovation Industrial Complex project has made steady progress in land consolidation and industrial upgrading. With a focus on "biopharmaceutical+intelligent manufacturing", construction of approximately 180,000 square metres of modern factories have been completed. As a result, it has successfully attracted high-quality industrial projects to establish a presence in the area. In 2023, the project was selected as one of the top ten demolition



and conversion industry demonstration projects in Zhejiang Province and was included in the first list of iconic incubation projects under the "2070" initiative in Ningbo City.

Our Businesses

Key Development Projects

CITIC Pacific Properties



87% owned

Yangpu District Badaitou Project, Shanghai

The project is located in the central area of Yangpu District, Shanghai, adjacent to the north bank of Huangpu River and stands across the river from the Harbour City project, together with which forms a collaborative linkage as "Two Banks, Twin Stars". The project plan is to develop historical and cultural style villas, as well as upscale high-rise buildings on the eastern waterfront of Shanghai. It also aims to develop Grade A office buildings and a commercial block which will facilitate a high-end lifestyle featuring local Shanghai culture and art. Currently, it is in the early planning and design stage.



50% owned

Harbour City, Guangzhou, Guangdong province

The project is located in the key riverfront area of Liwan District, Guangzhou, with a rare first-class view of the Pearl River. It will be developed into an international waterfront metropolis consisting of residential, retail, and office properties. After completion, the project will become a new landmark for commercial, cultural and recreational activities along the riverfront area of Guangzhou, and a new integrated urban centre. Part of Phase I has been completed, while part of the construction remains to be finalised. Meanwhile, construction of the initial batch of phase II is currently underway.



85% owned

Harbour City, Wuhan, Hubei province

This project is located between the first and second ring roads of Wuhan in the Riverside Commercial Zone of the CBD, which has the highest growth potential and a convenient location in the city. Currently some lots of the project have been completed, while construction is underway on others.



50% owned

Optics Valley Innovation Tiandi, Wuhan, Hubei province

This large-scale mixed-use project is being co-developed with Shui On Group. It is located in the heart of the East Lake High-tech Development Zone in Wuhan. Parts of the project have been completed and delivered. Construction is currently underway for the remaining lots.



100% owned

T Center, Nanjing, Jiangsu province

This site will be developed into a mixed-use urban complex above a subway station, consisting of office towers, serviced apartments, and retail shops. Construction of the project is currently underway.



55% owned

Southern New City Project, Nanjing, Jiangsu province

The project is a premium residential development jointly developed by the company and a state-owned enterprise in Nanjing. Located in the core area of the Southern New Town in Nanjing, the project aims to create high-comfort residences with energy efficient technology. It strives to become a benchmark project in the Southern New Town. Currently, it is in the stage of conceptual design.



50% owned

CBD Project, Jinan, Shandong province

This mixed-use project is jointly developed by the company and a state-owned enterprise in Jinan, Shandong province, which will be developed into a new landmark in the CBD area. Construction for the residential portion has been completed and delivered, while construction of the office buildings is currently underway.



50% owned

Nove Mansion, Jinan, Shandong province

The project is situated in the central area of Jinan's CBD, and stands as one of the best examples of high-end boutique residences in the city. The project has been completed and is ready for delivery.



50% owned

Jade Mansion, Jinan, Shandong province

The project is located in the Science and Technology City district, which is the northern expansion area of Jinan's CBD. It is planned to be developed into a high-quality residential area with an international park ambience. Currently, it is in the construction phase.



80% owned

Harbour City, Qingdao, Shandong Province

The project is located in the waterfront area of Happy Marina City, the main district in the north of Qingdao, offering picturesque and panoramic sea views. The project is intended to be developed into a coastal city complex consisting of boutique residences, offices, and retail properties. Currently, it is in the construction phase.

Our Businesses



100% owned

Taihu New City Project, Suzhou, Jiangsu province

This large-scale mixed-use project is located at the core of Taihu New City, a CBD of Suzhou with a rare view of Taihu Lake and access to convenient public transport. The residential segment has been completed and construction of the office buildings is currently underway.



98% owned

Jade Mansion Wuxi, Jiangsu province

The project is located in the Binhu District of Wuxi and is positioned as a high-end quality residential project. It is currently in the construction phase.



100% owned

In Lake Villa, Wuxi, Jiangsu province

The project is located in the central area of the Li Lake section of Wuxi Economic Development Zone. It boasts an outstanding landscape and is positioned as a high-end upgraded residential development in Wuxi. Currently, it is in the construction phase.



100% owned

Maison De Verre, Yangzhou, Jiangsu province

The project is an upgraded residential development situated in the Jiangwang section of the western district of Yangzhou. The project has been completed and is ready for occupancy.

CITIC Urban Development & Operation



Regional development project

CITIC Coastal City, Shantou, Guangdong province

The project is the largest integrated urban and regional development project since the establishment of the Shantou Special Economic Zone. It is a new type of urbanisation project jointly developed by CITIC Urban Development & Operation and the Shantou Municipal Government. The collaboration includes primary development and consolidation of land, construction of infrastructure including a cross-harbour tunnel and municipal roads, provision of ancillary public service facilities such as schools and hospitals, and construction of large-scale venues including convention centres, museums, and exhibition centres.



90% owned

Fenghua Industrial Complex, Ningbo, Zhejiang province

This development is a demonstration project for urban renewal in Ningbo's Yongjiang Innovation Corridor. The project is being developed by CITIC Urban Development & Operation with a multi-faceted investment, financing, and construction model that integrates land development, industrial investment promotion, and industrial operation. The completed residential and commercial community, along with the industrial park, will be able to accommodate over 30,000 people to live and work there, and has potential to become a model for new urbanisation in the Yangtze River Delta region.

Major Investment Properties

**CITIC Tower,
Beijing**



Purpose: Office
Ownership: 100%
Approx.
gross area: 437,000m²

**CITIC Mansion,
Beijing**



Purpose: Office
Ownership: 100%
Approx.
gross area: 140,200m²

**CITIC Building,
Beijing**



Purpose: Office
Ownership: 100%
Approx.
gross area: 62,200m²

**Harbour City,
Shanghai**



Purpose: Office & Retail
Ownership: 50%
Approx.
gross area: 472,600m²

**CITIC Square,
Shanghai**



Purpose: Office & Retail
Ownership: 100%
Approx.
gross area: 132,300m²

**CITIC Pacific
Tower, Wuhan**



Purpose: Office
Ownership: 100%
Approx.
gross area: 55,100m²

**CITIC Tower,
Hong Kong**



Purpose: Office & Retail
Ownership: 100%
Approx.
gross area: 52,000m²

Our Businesses

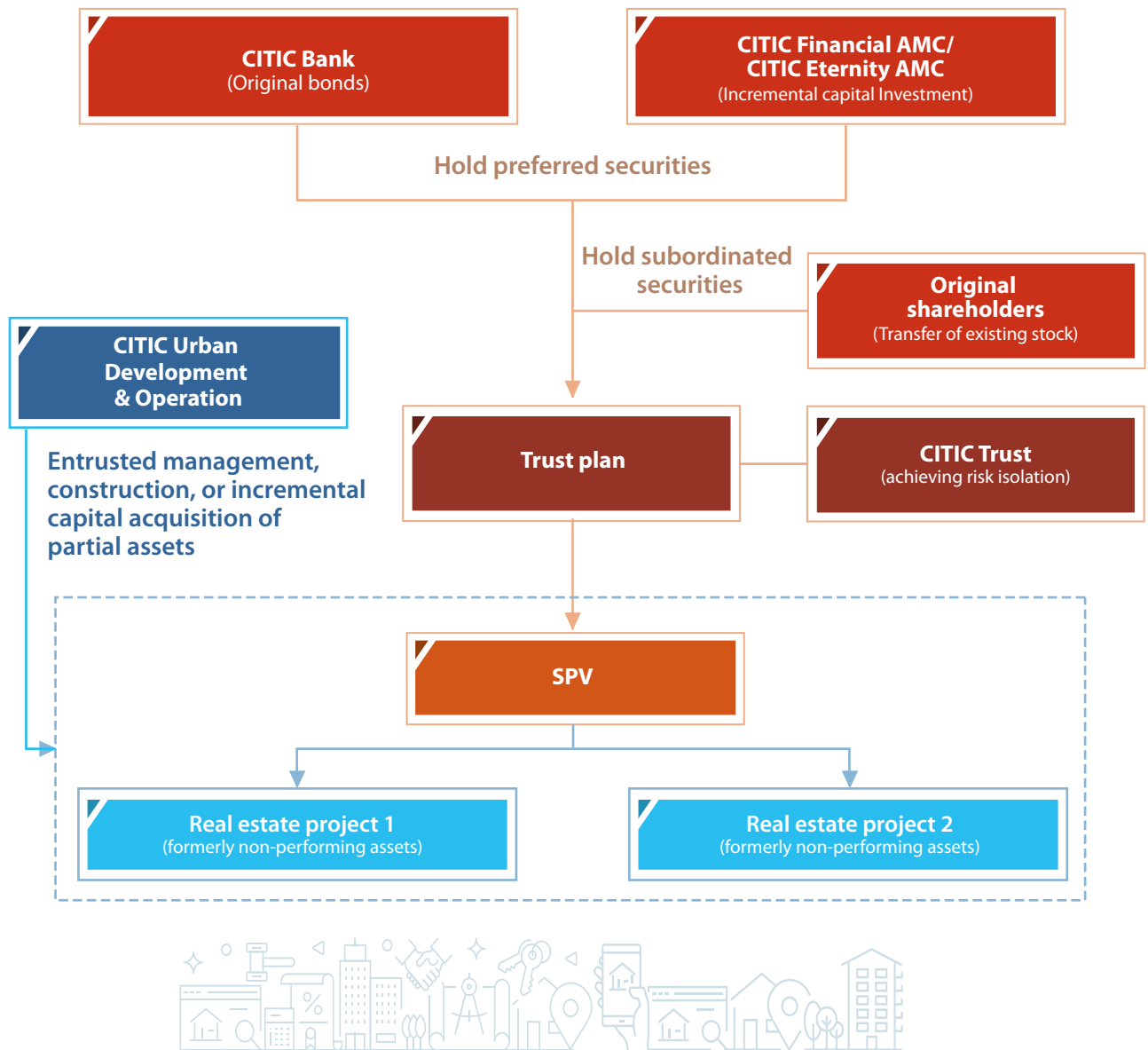
RISK MITIGATION THROUGH COLLABORATION

In 2023, the company diligently implemented the national policy requirements regarding the prevention and mitigation of major financial risks. Leveraging its integrated operational advantages, the company made significant strides in promoting collaborative risk resolution, yielding tangible results.

The company adopted an innovative and collaborative risk resolution model with CITIC's unique characteristics. Capitalising on its advantages of extensive industry coverage and comprehensive financial licences, the company established a collaborative risk resolution "joint fleet", engaging in countercyclical operations. Through synergies between its industrial and financial sectors, as well as within the financial sector itself, the company broadened its operational scope for non-performing assets, extended the value creation chain, and facilitated the preservation, appreciation, and realisation of distressed assets. In terms of industry-finance collaboration, the company's industrial subsidiaries utilised market-oriented approaches to acquire and restructure problem assets from its financial subsidiaries. This approach not only facilitated the efficient disposal of financial risks but also enhanced the company's industrial structure and competitiveness. Leveraging its strengths in real estate development and operation, the company employed various models such as entrusted management and construction to revitalise real estate risk projects of financial subsidiaries, thereby providing professional support and driving its own transformational development. In terms of finance-finance collaboration, the company capitalised on CITIC Financial AMC and CITIC Trust's expertise in countercyclical operations and asset isolation respectively. The company harnessed its collective resources and professional advantages to create a joint effort for addressing and resolving risks. To effectively mitigate existing risks, it implemented various measures, including injecting additional capital, strengthening safeguard measures, and implementing risk isolation strategies. The collaborative model for resolving risks, characterised by its unique CITIC attributes, has developed over time, facilitating a transition from risk asset disposition to risk asset management and operation.

The company has been enhancing the mechanism for synergistic risk management. It upholds the principles of legal compliance, substantive risk mitigation, and maximising group interests. The company strengthened the coordinated efforts of the entire group, continuously improving supporting mechanisms, standardising workflow, and harnessing the potential of collaborative risk mitigation. Guided by the principle of "One CITIC, One Customer", the company fostered a culture of resource sharing, information sharing, and experience sharing to harness collective strength. By capitalising on the benefits of strategic decision-making, the company actively sought policy support from local governments.

With a focus on achieving economic and social benefits, the company successfully mitigated risks in a diverse portfolio of major projects, amounting to RMB30 billion, through collaborative risk management, effectively reducing the non-performing loan levels of financial subsidiaries and expediting the revitalisation of distressed assets. Moreover, more than 20 real estate relief projects were implemented, resulting in the delivery of over 50,000 housing units and facilitating the restart of key projects in cities such as Shenzhen, Shanghai, and Nanning. These endeavors not only generated profits for the company but also supported local governments in ensuring the timely completion of housing projects, safeguarding livelihoods, and maintaining stability. CITIC made valuable contributions to the prevention and resolution of systemic financial risks through its intelligence and robust capabilities.



By adhering to integrity and innovation, creating a unique CITIC model for mitigating real estate risks.



By providing support to ensure the delivery of housing projects and well-being of the people, we can achieve significant social benefits.