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# Consolidated Income Statement

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

		For the year ended 31 December	
	Note	2025	2024 (Restated)
Interest income		305,312	329,864
Interest expenses		(158,379)	(181,491)
<b>Net interest income</b>	5 (a)	<b>146,933</b>	148,373
Fee and commission income		87,130	72,979
Fee and commission expenses		(17,527)	(13,947)
<b>Net fee and commission income</b>	5 (b)	<b>69,603</b>	59,032
Sales of goods and services	5 (c)	478,412	473,456
Other revenue	5 (d)	74,316	66,339
		<b>552,728</b>	539,795
<b>Total revenue</b>		<b>769,264</b>	747,200
Cost of sales and services	6	(430,028)	(424,950)
Other net income	7	8,777	12,618
Expected credit losses	8	(63,258)	(59,383)
Impairment losses	9	(4,169)	(1,895)
Other operating expenses	11	(137,406)	(136,292)
Net valuation loss on investment properties		(127)	(165)
Share of profits of associates, net of tax		6,861	4,138
Share of profits of joint ventures, net of tax		3,659	2,492
<b>Profit before net finance charges and taxation</b>		<b>153,573</b>	143,763
Finance income		1,989	2,235
Finance costs		(10,954)	(13,341)
<b>Net finance charges</b>	10	<b>(8,965)</b>	(11,106)
<b>Profit before taxation</b>	11	<b>144,608</b>	132,657
Income tax	12	(28,795)	(24,902)
<b>Profit for the year</b>		<b>115,813</b>	107,755
<b>Attributable to:</b>			
– Ordinary shareholders of the Company		58,730	58,202
– Non-controlling interests		57,083	49,553
<b>Profit for the year</b>		<b>115,813</b>	107,755
<b>Earnings per share for profit attributable to ordinary shareholders of the Company during the year:</b>			
Basic earnings per share (RMB)	16	2.02	2.00
Diluted earnings per share (RMB)	16	2.01	1.97

The notes on pages 150 to 299 form part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024
<b>Profit for the year</b>		<b>115,813</b>	107,755
<b>Other comprehensive income for the year</b>	17		
Items that may be reclassified subsequently to profit or loss:			
Fair value changes on debt instruments at fair value through other comprehensive income		(11,770)	11,133
Change of loss allowance on debt investments at fair value through other comprehensive income		250	76
Cash flow hedge: net movement in the hedging reserve		(49)	(137)
Share of other comprehensive loss of associates and joint ventures		(1,728)	(2,572)
Exchange differences on translation of financial statements and others		(4,777)	1,565
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain on owner-occupied property reclassified as investment property		61	101
Fair value changes on equity instruments designated at fair value through other comprehensive income		(339)	123
Share of other comprehensive income of associates and joint ventures		108	59
<b>Other comprehensive income for the year</b>		<b>(18,244)</b>	10,348
<b>Total comprehensive income for the year</b>		<b>97,569</b>	118,103
<b>Attributable to:</b>			
– Ordinary shareholders of the Company		46,647	64,628
– Non-controlling interests		50,922	53,475
<b>Total comprehensive income for the year</b>		<b>97,569</b>	118,103

The notes on pages 150 to 299 form part of these consolidated financial statements.

# Consolidated Statement of Financial Position

As at 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	31 December 2025	31 December 2024
<b>Assets</b>			
Cash and deposits	19	648,888	608,487
Cash held on behalf of customers	20	433,832	315,761
Placements with banks and non-bank financial institutions	21	446,098	404,801
Derivative financial instruments	22	80,365	135,218
Trade and other receivables	23	319,977	266,387
Contract assets	24	21,640	22,414
Inventories	25	118,689	123,637
Financial assets held under resale agreements	26	223,686	179,829
Loans and advances to customers and other parties	27	5,748,227	5,601,071
Margin accounts	28	207,652	138,332
Investments in financial assets	29	3,937,426	3,538,851
– Financial assets at amortised cost		1,301,701	1,108,159
– Financial assets at fair value through profit or loss		1,510,835	1,401,113
– Debt investments at fair value through other comprehensive income		984,667	926,931
– Equity investments at fair value through other comprehensive income		140,223	102,648
Refundable deposits	30	102,372	68,215
Interests in associates	32	114,345	107,733
Interests in joint ventures	33	69,038	66,955
Fixed assets	34	245,418	218,052
Investment properties	34	40,192	40,691
Right-of-use assets		47,129	49,285
Intangible assets	35	22,995	22,640
Goodwill	35	26,414	26,744
Deferred tax assets	36	87,039	84,972
Other assets		79,718	55,350
<b>Total assets</b>		<b>13,021,140</b>	<b>12,075,425</b>

# Consolidated Statement of Financial Position (Continued)

As at 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

	Note	31 December 2025	31 December 2024
<b>Liabilities</b>			
Borrowings from central banks		204,025	124,151
Deposits from banks and non-bank financial institutions	37	883,276	935,159
Placements from banks and non-bank financial institutions	38	203,799	145,644
Financial liabilities at fair value through profit or loss	39	173,016	127,140
Customer brokerage deposits	40	517,630	361,926
Funds payable to securities issuers		–	1,063
Derivative financial instruments	22	111,762	134,331
Trade and other payables	41	477,818	385,896
Contract liabilities	24	20,685	21,099
Financial assets sold under repurchase agreements	42	885,709	672,087
Deposits from customers	43	6,117,527	5,847,939
Employee benefits payables		59,875	57,386
Income tax payable	36	11,691	12,376
Bank and other loans	44	246,167	245,566
Debt instruments issued	45	1,526,070	1,497,138
Lease liabilities		18,454	19,049
Provisions	46	15,532	13,801
Deferred tax liabilities	36	17,331	17,731
Other liabilities		34,112	32,929
<b>Total liabilities</b>		<b>11,524,479</b>	<b>10,652,411</b>
<b>Equity</b>			
Share capital	47	307,576	307,576
Reserves		474,773	449,911
<b>Total ordinary shareholders' funds</b>		<b>782,349</b>	<b>757,487</b>
Non-controlling interests		714,312	665,527
<b>Total equity</b>		<b>1,496,661</b>	<b>1,423,014</b>
<b>Total liabilities and equity</b>		<b>13,021,140</b>	<b>12,075,425</b>

Approved and authorised for issue by the board of directors on 27 March 2026.

Director: Xi Guohua

Director: Zhang Wenwu

The notes on pages 150 to 299 form part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

		Share capital	Capital reserve	Hedging reserve	Investment related reserves	General reserve	Exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Note	Note 47 (a)	Note 47 (b)(i)	Note 47 (b)(ii)	Note 47 (b)(iii)	Note 47 (b)(iv)	Note 47 (b)(v)				
<b>Balance at 1 January 2025</b>		307,576	(37,442)	2,441	(3,271)	64,827	9,176	414,180	757,487	665,527	1,423,014
Profit for the year		-	-	-	-	-	-	58,730	58,730	57,083	115,813
Other comprehensive loss for the year	17	-	-	(81)	(9,722)	-	(2,280)	-	(12,083)	(6,161)	(18,244)
<b>Total comprehensive income for the year</b>		-	-	(81)	(9,722)	-	(2,280)	58,730	46,647	50,922	97,569
Transactions with non-controlling interests		-	418	-	-	-	-	-	418	(777)	(359)
Appropriation to general reserve		-	-	-	-	6,828	-	(6,828)	-	-	-
Dividends paid to ordinary shareholders of the Company	15	-	-	-	-	-	-	(16,291)	(16,291)	-	(16,291)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(21,707)	(21,707)
Conversion of a subsidiary's convertible corporate bonds		-	(5,892)	-	-	-	-	-	(5,892)	12,811	6,919
Other equity instruments issued by subsidiaries	53 (c)	-	(3)	-	-	-	-	-	(3)	7,488	7,485
Disposal of equity investments at fair value through other comprehensive income		-	-	-	987	-	-	(987)	-	-	-
Share of other comprehensive income of associates and joint ventures that will not be reclassified subsequently to profit or loss		-	-	-	30	-	-	(30)	-	-	-
Others		-	(17)	-	-	-	-	-	(17)	48	31
<b>Other changes in equity</b>		-	(5,494)	-	1,017	6,828	-	(24,136)	(21,785)	(2,137)	(23,922)
<b>Balance at 31 December 2025</b>		307,576	(42,936)	2,360	(11,976)	71,655	6,896	448,774	782,349	714,312	1,496,661

# Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

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

The notes on pages 150 to 299 form part of these consolidated financial statements.

# Consolidated Cash Flow Statement

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024 (Restated)
<b>Cash flows from operating activities</b>			
Profit before taxation		144,608	132,657
Adjustments for:			
– Depreciation and amortisation	11(b)	26,718	27,560
– Expected credit losses	8	63,258	59,383
– Impairment losses	9	4,169	1,895
– Net valuation loss on investment properties		127	165
– Net valuation (profit)/loss on investments		(1,632)	532
– Share of profits of associates and joint ventures, net of tax		(10,520)	(6,630)
– Interest expenses on debt instruments issued	5(a)	31,403	33,256
– Finance income		(157)	(291)
– Finance costs		10,954	12,902
– Net gain on investments in financial assets		(32,264)	(30,329)
– Net gain on disposal/deemed disposal of subsidiaries, associates and joint ventures	7	(68)	(3,793)
<b>Changes in working capital</b>		<b>236,596</b>	<b>227,307</b>
Decrease in deposits with central banks and non-bank financial institutions		35,666	37,317
Increase in placements with banks and non-bank financial institutions		(70,157)	(124,278)
Increase in trade and other receivables		(77,633)	(57,003)
Decrease in contract assets		2,672	1,897
Decrease in inventories		4,767	9,423
Increase in financial assets held under resale agreements		(41,837)	(15,187)
Increase in loans and advances to customers and other parties		(180,309)	(262,820)
(Increase)/decrease in investments in financial assets held for trading purposes		(49,836)	2,391
Increase in cash held on behalf of customers		(118,071)	(76,742)
Increase in other operating assets		(72,778)	(75,948)
(Decrease)/increase in deposits from banks and non-bank financial institutions		(50,287)	38,267
Increase/(decrease) in placements from banks and non-bank financial institutions		52,681	(9,228)
(Decrease)/increase in financial liabilities at fair value through profit or loss		(359)	93
Increase/(decrease) in trade and other payables		89,437	(12,683)
Decrease in contract liabilities		(414)	(10,383)
Increase/(decrease) in financial assets sold under repurchase agreements		219,098	(68,851)
Increase in deposits from customers		301,023	355,643
Increase/(decrease) in borrowings from central banks		79,975	(148,593)
Increase in customer brokerage deposits		155,740	78,428
(Decrease)/increase in other operating liabilities		(56,357)	69,220
Increase in employee benefits payables		2,489	453
Increase/(decrease) in provisions		1,181	(2,329)
<b>Cash generated from/(used in) operating activities</b>		<b>463,287</b>	<b>(43,606)</b>
Income tax paid		(32,738)	(22,113)
<b>Net cash generated from/(used in) operating activities</b>		<b>430,549</b>	<b>(65,719)</b>

# Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2025

(Expressed in millions of Renminbi, unless otherwise stated)

	Note	For the year ended 31 December	
		2025	2024 (Restated)
<b>Cash flows from investing activities</b>			
Proceeds from disposal and redemption of financial investments		6,384,117	3,862,555
Proceeds from disposal of fixed assets, intangible assets and other assets		1,630	1,568
Net cash received from disposal of subsidiaries		1,434	–
Proceeds from disposal of associates and joint ventures		758	6,417
Dividends received from equity investments, associates and joint ventures		7,182	5,598
Net payments for purchase of financial investments		(6,668,260)	(3,952,815)
Payments for additions of fixed assets, intangible assets and other assets		(55,038)	(28,647)
Net cash paid for acquisition of subsidiaries		(29)	–
Cash outflow on acquisition of associates and joint ventures		(1,750)	(851)
<b>Net cash used in investing activities</b>		<b>(329,956)</b>	<b>(106,175)</b>
<b>Cash flows from financing activities</b>			
Capital injection received from non-controlling interests		370	3,156
Transaction with non-controlling interests		–	(2,125)
Proceeds from bank and other loans		410,127	309,605
Proceeds from debt instruments issued		1,961,893	1,805,627
Repayments of bank and other loans and debt instruments issued		(2,334,396)	(1,831,324)
Issuance of other equity instruments by subsidiaries	53(c)	7,500	44,000
Principal and interest elements of lease payments		(5,644)	(6,087)
Interest paid on bank and other loans and debt instruments issued		(44,434)	(49,169)
Dividends paid to non-controlling interests		(20,250)	(24,596)
Dividends paid to ordinary shareholders of the Company	15	(16,291)	(15,272)
Repayment of perpetual bonds	53(c)	–	(39,993)
<b>Net cash (used in)/generated from financing activities</b>		<b>(41,125)</b>	<b>193,822</b>
<b>Net increase in cash and cash equivalents</b>		<b>59,468</b>	<b>21,928</b>
Cash and cash equivalents at 1 January		385,399	359,383
Effect of exchange changes		(7,310)	4,088
<b>Cash and cash equivalents at 31 December</b>	53(a)	<b>437,557</b>	<b>385,399</b>

The notes on pages 150 to 299 form part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

## 1 General information

CITIC Limited (the “Company”) was incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited. The address of its registered office is 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption, new-type urbanisation, etc.

The parent and the ultimate holding company of the Company is CITIC Group Corporation (“CITIC Group”). As at 31 December 2025, the equity interests held by CITIC Group in the Company through its overseas wholly-owned subsidiaries was 53.12% (31 December 2024: 53.12%).

## 2 Material accounting policies

### (a) Basis of preparation

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

The HKICPA has issued certain new or amended HKFRS Accounting Standards. The Group has adopted those new or amended HKFRS Accounting Standards issued by the HKICPA that are first effective for the year ended 31 December 2025 (see Note 2 (b)(i)).

### (b) Changes in material accounting policies

#### (i) **The amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability (“the amendments to HKAS 21”)**

The Group has applied the amendments to HKAS 21 which were issued by the HKICPA and became effective in 2025 to the annual financial statements for the current accounting period.

The adoption of the above amendments does not have a material impact on the annual financial statements of the Group.

## 2 Material accounting policies (Continued)

### (b) Changes in material accounting policies (Continued)

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

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### (c) Functional currency and presentation currency

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

### (d) Basis of measurement

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries and the Group's interest in associates and joint ventures.

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

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

### 2 Material accounting policies (Continued)

#### (e) Use of estimates and judgement

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

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

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

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

##### (i) Business combinations involving entities under common control

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

##### (ii) Business combinations not involving entities under common control

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

## 2 Material accounting policies (Continued)

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

#### (ii) Business combinations not involving entities under common control (Continued)

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

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

#### (iii) Consolidated financial statements

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

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

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

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

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

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

### 2 Material accounting policies (Continued)

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

##### (iii) Consolidated financial statements (Continued)

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

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

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

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

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

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

##### (iv) Investment in subsidiaries

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

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

## 2 Material accounting policies (Continued)

### (g) Associates and joint ventures

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

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

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

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

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

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 2 Material accounting policies (Continued)

#### (h) Goodwill

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

Impairment losses on goodwill cannot be reversed in the future.

#### (i) Translation of foreign currencies

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

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

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

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

## 2 Material accounting policies (Continued)

### (j) Financial instruments

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

#### (i) Financial assets

##### (1) Classification and Measurement

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

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income ("FVOCI");
- Financial assets at fair value through profit or loss ("FVPL").

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

##### *Debt instruments*

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

- Amortised cost:

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 2 Material accounting policies (Continued)

#### (j) Financial instruments (Continued)

##### (i) Financial assets (Continued)

##### (1) Classification and Measurement (Continued)

###### *Debt instruments (Continued)*

###### – FVOCI:

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

###### – FVPL:

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

###### *Equity instruments*

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

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

## 2 Material accounting policies (Continued)

### (j) Financial instruments (Continued)

#### (i) Financial assets (Continued)

##### (2) Impairment

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

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

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

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

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

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 2 Material accounting policies (Continued)

#### (j) Financial instruments (Continued)

##### (i) Financial assets (Continued)

##### (3) Derecognition

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

- The contractual rights to receive the cash flows from the financial asset expire;
- The financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of such financial asset;
- The financial asset has been transferred, the Group has not retained any control over the financial asset, even if the Group neither transfers nor retains substantially all the risks and rewards of ownerships of the financial asset.

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

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

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

## 2 Material accounting policies (Continued)

### (j) Financial instruments (Continued)

#### (i) Financial assets (Continued)

##### (4) Modification

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

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

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

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

### 2 Material accounting policies (Continued)

#### (j) Financial instruments (Continued)

##### (ii) Financial liabilities

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

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

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

##### (iii) Financial guarantee contracts

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

- the amount determined in accordance with the expected credit loss model under HKFRS 9 *Financial Instruments* ("HKFRS 9") with Note 3 (b); and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15") (if applicable).

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

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

## 2 Material accounting policies (Continued)

### (j) Financial instruments (Continued)

#### (iv) Fair value measurement principles

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

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

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

#### (v) Offsetting

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

#### (vi) Derivatives

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

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

- Their economic characteristics and risks are not closely related to those of the host contract;
- A separate instrument with the same terms would meet the definition of a derivative; and
- The hybrid contract is not measured at fair value through profit or loss.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 2 Material accounting policies (Continued)

#### (j) Financial instruments (Continued)

##### (vi) Derivatives (Continued)

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the statement of profit or loss unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged.

#### (k) Hedging

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items as well as risk management goals and strategies of various hedging transactions. When a hedge no longer meets the criteria for hedge accounting or the Group's risk management goals, the Group terminates the use of hedge accounting prospectively. Situations for the Group to terminate the use of hedge accounting include hedging instrument expires, or is sold, terminated and settled.

##### (i) Fair value hedge

A fair value hedge refers to a hedge of the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or a component of any such item. Such changes in fair value are attributable to a particular risk and could affect profit or loss or other comprehensive income. Among them, the circumstances affecting other comprehensive income are limited to the hedge of the exposure to changes in the fair value of equity instruments designated at FVOCI not held for trading.

The gain or loss on the hedging instrument is recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges a non-trading equity instrument at FVOCI or a component thereof). The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the recognised hedged item not measured at fair value and is recognised in profit or loss. However, if the hedged item is a non-trading equity instrument at FVOCI or a component thereof, those amounts remain in other comprehensive income.

## 2 Material accounting policies (Continued)

### (k) Hedging (Continued)

#### (ii) Cash flow hedge

A cash flow hedge refers to a hedge of the exposure to changes in cash flow. Such changes in cash flow are attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income as cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial item or becomes a firm commitment for which fair value hedge accounting is applied, the amount that has been accumulated in the cash flow hedge reserve is removed and included directly in the initial cost or other carrying amount of the asset or the liability. In other cases, the amount that has been accumulated in the cash flow hedge reserve is reclassified to profit or loss in the same period(s) as the hedged cash flows affect profit or loss.

If the cash flow hedge reserve recognised in other comprehensive income is a loss, and all or part of the loss is not expected to be reversed in the future. The portion that is not expected to be reversed will be transferred from other comprehensive income and recognised in profit or loss.

When an entity discontinues the use of hedge accounting for a cash flow hedge, if the hedged future cash flows are still expected to occur, the amount that has been accumulated in the cash flow hedge reserve remains there until the period that the hedged item has the impact in profit or loss; otherwise, that amount is immediately reclassified to profit or loss.

#### (iii) Hedge of a net investment in a foreign operation

A hedge of net investment in a foreign operation refers to hedge of the foreign exchange exposure arising from net investment in a foreign operation. The “net investment in a foreign operation” refers to an enterprise’s equity proportion in the net assets in a foreign operation.

Hedge of a net investment in a foreign operation is accounted for similarly to cash flow hedges. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income; and the ineffective portion is recognised in profit or loss. The cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge is reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

### 2 Material accounting policies (Continued)

#### (k) Hedging (Continued)

##### (iv) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group continuously evaluate whether the hedging relationship is effective from the hedge date and after.

The hedge relationship meets hedging effectiveness requirements if the hedging meets the following conditions:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is equal to the ratio between the actual number of hedged items and the actual number of hedging instruments.

#### (l) Financial assets held/sold under resale/repurchase agreements

Financial assets held under resale agreements are transactions that the Group acquires financial assets which will be resold at a predetermined price in the future date under resale agreements. Financial assets sold under repurchase agreements are transactions that the Group sells financial assets which will be repurchased at a predetermined price in the future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under the resale and repurchase agreements in the statement of financial position. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under repurchase agreements continue to be recognised in the statement of financial position.

The difference between the resale and repurchase consideration, and that between the purchase and sale consideration, are amortised over the period of the respective transaction using the effective interest method and are included in interest income and interest expense respectively.

#### (m) Margin financing and securities lending services

Margin financing and securities lending services refer to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers, for which the customers provide the Group with collateral.

The Group recognises margin accounts at initial recognition, and recognises interest income accordingly. Securities lent are not derecognised, but still accounted for as the original financial assets, and interest income is recognised accordingly.

Securities trading on behalf of margin financing or securities lending customers are accounted for as securities brokerage business.

For impairment of financial assets arising from margin financing and securities lending, refer to Note 2 (j).

## 2 Material accounting policies (Continued)

### (n) Investment properties

Investment properties are interests in land and/or buildings which are held to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost. Land held under operating leases is classified and accounted for as investment property when the rest of the definition of investment property is met.

Subsequent expenditures related to investment properties are recognised in the cost of investment properties provided it is probable that the economic benefits will flow to the Group and the costs can be measured reliably; otherwise, subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Investment properties transfer to property, plant and equipment or intangible assets at the commencement of owner-occupation. The carrying amount of property, plant and equipment and intangible assets are based on the fair value of investment properties on the day of conversion. The difference between the fair value and the previous carrying amount is recognised in profit or loss for the current period. When owner-occupied properties transfer to investment properties that will be carried at fair value, if the fair value at the date of conversion is less than the previous carrying amount, the difference is recognised in profit or loss for the current period; if the fair value at the date of conversion is greater than the previous carrying amount, the difference is recognised directly in equity, unless there was an impairment loss recognised for the same property in prior years and a portion of the increase is recognised in profit or loss to the extent of that impairment loss.

Investment properties are stated in the statement of financial position at fair values which are reviewed annually. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss.

### (o) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses (Note 2 (u)).

Assets in the course of construction for production, rental or administrative purposes are carried at cost, less any impairment losses. Cost includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of overheads and borrowing costs capitalised (see Note 2 (cc)).

Construction-in-progress represents property, plant and equipment under construction and is transferred to fixed assets when ready for its intended use.

No depreciation is made on construction-in-progress until it is ready for its intended use. Depreciation policies are set out below.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 2 Material accounting policies (Continued)

#### (o) Property, plant and equipment (Continued)

Property, plant and equipment are depreciated at rates sufficient to write off their cost, less impairment losses, if any, to their estimated residual values, over their estimated useful lives on a straight line basis as follows:

– Plant and buildings	4 – 50 years
– Machinery and equipment	2 – 33 years
– Aircraft and vessels, etc	20 – 30 years
– Office and other equipment, vehicles and others	2 – 33 years

Assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### (p) Land use rights

Land use rights are presented under right-of-use ("ROU") assets.

Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses (if any). Land use rights are amortised on a straight-line basis over the respective periods of grant, usually within 10 to 50 years.

Impairment losses on land use rights are accounted for in accordance with the accounting policies as set out in Note 2 (u).

#### (q) Intangible assets (other than goodwill)

Intangible assets acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and if any, impairment losses (see Note 2 (u)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss over the assets' estimated useful lives. The following intangible assets are amortised from the date they are available for use as follows:

– Mining assets	Over the estimated useful lives using the unit-of-production method
– Franchise rights	Over the estimated useful lives of the Franchise right
– Software and others	Over the estimated useful lives

Both the period and method of amortisation of intangible assets are reviewed annually.

## 2 Material accounting policies (Continued)

### (q) Intangible assets (other than goodwill) (Continued)

An intangible asset with an indefinite useful life shall not be amortised. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

### (r) Inventories

#### (i) **Advanced intelligent manufacturing, advanced materials**

Inventories of the advanced intelligent manufacturing and advanced materials segments are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in first-out, specific identification or weighted average cost formula as appropriate, and comprises all costs of purchase, costs of conversion (including systematically allocated production overhead based on normal capacity) and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised in profit or loss in the period in which the reversal occurs.

#### (ii) **New-type urbanisation**

Inventories in respect of property development activities under the new-type urbanisation segment are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

##### – **Property under development**

The cost of properties under development, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see Note 2 (cc)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

##### – **Completed property held for sale**

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 2 Material accounting policies (Continued)

#### (s) Leases

Leases are recognised as a ROU asset and a corresponding liability by the lessee at the commencement date.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

#### (i) Lease liabilities

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms and collateral conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing; and
- makes adjustments specific to the lease, e. g. term, country, currency and collateral.

## 2 Material accounting policies (Continued)

### (s) Leases (Continued)

#### (i) Lease liabilities (Continued)

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and the ROU asset is adjusted accordingly.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### (ii) ROU assets

ROU assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. As lessor, the Group recognises finance leases as finance lease receivables, which are measured at amortised cost. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting HKFRS 16.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 2 Material accounting policies (Continued)

#### (t) Repossessed assets

In the recovery of impaired loans and advances, the Group may take possession of assets held as collateral through court proceedings or voluntary delivery of possession by the borrowers. Where it is intended to achieve an orderly realisation of the impaired assets and the Group is no longer seeking repayment from the borrower, repossessed assets are reported in “other assets”.

When the Group seizes assets to compensate for the losses of loans and advances and interest receivables, the repossessed assets are initially recognised at fair value and any taxes that are directly attributable to the assets, and other expenses incurred for collecting the repossessed assets.

When the fair value less costs to sell is lower than a repossessed asset’s carrying amount, an impairment loss is recognised in the consolidated income statement. Repossessed assets are recognised at the carrying value, net of allowance for impairment losses.

The repossessed assets are disposed after acquisition and cannot be used without authorisation. The repossessed assets that are transferred to own use are treated as newly purchased property, plant and equipment. Any gain or loss arising from the disposal of the repossessed assets is included in the consolidated income statement in the period in which the item is disposed.

#### (u) Impairment of non-financial assets

Internal and external sources of information are reviewed at financial position date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- ROU assets;
- investments in subsidiaries, associates and joint ventures;
- goodwill; and
- intangible assets

If any such indication exists, the asset’s recoverable amount is estimated.

In addition, for goodwill and intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

## 2 Material accounting policies (Continued)

### (u) Impairment of non-financial assets (Continued)

#### **Calculation of recoverable amount**

The recoverable amount of an asset is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i. e. a cash-generating unit).

#### **Recognition of impairment losses**

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

#### **Reversals of impairment losses**

If, in a subsequent period, the amount of impairment loss of the non-financial asset except for goodwill decreases and the decrease can be linked objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the profit or loss. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods.

An impairment loss in respect of goodwill is not reversible.

### (v) Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for termination of employment relationship, which include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits, etc.

#### **(i) Short-term employee benefits**

During the accounting period when an employee has rendered service to the Group, the Group recognises the undiscounted amount of short-term employee benefits as a liability and as an expense, unless another HKFRS requires or permits the inclusion of the benefits in the cost of an asset. Short-term employee benefits include wages, bonuses and social security contributions such as medical insurance, work-related injury insurance and maternity insurance, housing provident funds, labour union fee and staff and workers' education fee, which are all calculated based on the regulated benchmark and ratio.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 2 Material accounting policies (Continued)

#### (v) Employee benefits (Continued)

##### (ii) Defined contribution retirement schemes

Employees of the Group's subsidiaries in Hong Kong are offered the option to enroll in one of the Mandatory Provident Fund ("MPF") Master Trust Schemes under the CITIC Group MPF Scheme. The MPF Master Trust Schemes are defined contribution schemes and are administered in accordance with the terms and provisions of the respective trust deeds and are subject to the Mandatory Provident Fund Schemes Ordinance.

Employees of the Group's subsidiaries in Chinese mainland are required to participate in defined contribution retirement schemes and make contributions according to the respective regulations. Employees of the Group's subsidiaries in Chinese mainland are also eligible to participate in the enterprise annuity plan established by the Group according to the relevant requirements.

Employees of the Group's overseas subsidiaries are required to make contributions subject to the relevant regulations in the countries/jurisdiction in which the overseas subsidiaries operate.

The contributions are charged to profit and loss for the current period on an accrual basis.

##### (iii) Defined benefit plan obligations

The defined benefit plans of the Group are supplementary retirement benefits provided to eligible employees in Chinese mainland and Hong Kong.

##### (iv) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

## 2 Material accounting policies (Continued)

### (w) Provisions and contingent liabilities

#### (i) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are measured at the higher of the amount initially recognised, less accumulated amount of income recognised in accordance with the Group's principles of revenue recognition where appropriate, and the amount that would be determined in accordance with Note 2 (w)(ii).

#### (ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### (x) Revenue recognition

The revenue of the Group mainly consists of income from customers, interest income, fee and commission income, etc.

#### (i) Income from customers

The Group recognises revenue when it satisfies a performance obligation by transferring a promised good to a customer, which is when the customer obtains control of a good, has the ability to direct the use of, and obtain substantially all of the remaining benefits from that good. If the control of the goods and services is transferred over a period of time, the Group recognises revenue by reference to the extent of progress toward completion in fulfilling its performance obligations during the entire contract period.

For the amounts of revenue recognised for goods transferred and services rendered, the Group recognises any unconditional rights to consideration separately as a receivable and the rest as a contract asset, and recognises provisions for loss allowance of the receivable and the contract asset using ECL model; if the consideration received or receivable exceeds the obligation performed by the Group, a contract liability is recognised. The Group presents a net contract asset or a net contract liability under each contract.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 2 Material accounting policies (Continued)

#### (x) Revenue recognition (Continued)

##### (i) Income from customers (Continued)

Contract costs include costs to fulfill a contract and of obtaining a contract. The cost incurred for rendering of services by the Group is recognised as the costs to fulfill a contract, and is amortised based on the progress towards completion of the service rendered when recognising revenue. The incremental cost incurred by the Group to obtain contract is recognised as the costs of obtaining a contract. For costs of obtaining a contract that will be amortised within one year, the Group recognises it in profit and loss when incurred. For the costs of obtaining a contract that will be amortised for more than one year period, it is amortised in profit and loss based on same progress towards completion as recognising revenue. The Group recognises the excess of the carrying amounts of contract costs over the expected remaining consideration less any costs not yet recognised as an impairment loss. As at the financial position date, the Group presents the costs to fulfill and of obtaining a contract, in the net amount after deducting relevant asset impairment provisions, as inventories.

Specific accounting policies are as follows:

##### (a) Sales of goods

Revenue from the sale of goods is recognised when the goods are transferred to and accepted by a customer.

When volume discounts are provided to customers, the Group, based on historical experiences, estimates the volume discounts using the expected value method, and recognises revenue net of the estimated volume discounts.

When the customer has a right to return the product within a given period, the Group recognises provisions for returns using the expected value method based on historical experience, as a deduction of the revenue. The Group recognises provisions for the expected refunds to customers; meanwhile, other assets are recognised according to the carry amount of the goods expected to be returned, deducting the expected cost for taking the related goods back.

The Group offers warranties for specific products. If the duration and terms of the warranties are offered in accordance with the requirements of laws and regulations and the Group does not provide any additional services or warranties, such warranties are not recognised as separate performance obligation.

## 2 Material accounting policies (Continued)

### (x) Revenue recognition (Continued)

#### (i) Income from customers (Continued)

##### (b) Services rendered to customers

Revenue for construction services of the Group is recognised over the period of the contract by reference to the progress towards completion. Progress towards completion is calculated based on actual costs incurred as to the end of each period as a proportion to the total forecasted costs of the contract. As at each financial position date, the Group reassesses the progress towards completion to reflect the changes in obligation performed.

Revenue for other services rendered by the Group is recognised based on the pattern of performance obligation of specific services, either over the period in which the services are rendered or at the point of service completion. For revenue recognised over the period by reference to the progress towards completion, progress towards completion is calculated based on actual costs incurred as to the end of each period as a proportion to the total forecasted costs of the contract. As at each financial position date, the Group reassesses the progress towards completion to reflect the changes in obligation performed.

#### (ii) Interest income

Interest income is recognised according to HKFRS 9, refer to Note 2 (j) for details.

The effective interest method is a method of calculating the amortised cost of financial assets and liabilities and of allocating the interest income and interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, call and similar options, etc.) but does not consider future credit losses. The calculation includes all fees and interests paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

#### (iii) Fee and commission income

Fee and commission income is recognised when the Group fulfills its performance obligation, either over time or at a point in time when a customer obtains control of the service according to HKFRS 15, refer to Note 2 (x)(i)(b). Origination or commitment fees received by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate according to HKFRS 9, refer to Note 2 (j). If the commitment expires without the Group making a loan or anticipating will not, the fee is recognised as revenue on expiry.

## Notes to the Consolidated Financial Statements

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### 2 Material accounting policies (Continued)

#### (y) Income tax

Income tax for the year comprises current tax and deferred tax.

The balance sheet liability method is adopted whereby deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- taxable temporary differences arising on the initial recognition of goodwill;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) published by the Organisation for Economic Co-operation and Development.

Provision for withholding tax that will arise on the remittance of retained earnings is only made where there is a current intention to remit such earnings.

Deferred tax assets are recognised to the extent that their future utilisation is probable. Deferred tax arising from revaluation of investment properties is recognised on the rebuttable presumption that the recovery of the carrying amount of the properties would be through sale and calculated at the applicable tax rates.

Current tax assets and liabilities are offset, and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2 Material accounting policies (Continued)

### (z) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

The Group includes deposit held at call with banks with contractual obligation to use for specified purposes as a component of cash and cash equivalents.

### (aa) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) The entity is an associate or joint venture of the Group (or an associate or joint venture of a member of a group of which the Group is a member);
  - (iii) Both the entity and the Group are joint ventures of the same third party;
  - (iv) The entity is a joint venture of a third entity and the Group is an associate of the third entity (the entity is an associate of a third entity and the Group is a joint venture of the third party);
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

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### 2 Material accounting policies (Continued)

#### (bb) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that meets the following respective conditions:

- engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance; and
- for which financial information regarding financial position, results of operations and cash flows are available.

Business segments are identified based on the Group's internal management requirements as well as following aspects. Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of:

- the nature of products and services;
- the nature of production processes;
- the type or class of customers;
- the methods used to distribute the products or provide the services; and
- the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

#### (cc) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2 Material accounting policies (Continued)

### (dd) Disposal groups held for sale and discontinued operations

Disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Disposal groups (except for certain assets as explained below) are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, financial assets (other than investments in subsidiaries and associates) and investment properties, which are classified as held for sale, would continue to be measured in accordance with the policies set out else in Note 2.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the income statement comprising the total of: (1) the post-tax profit or loss of the discontinued operation and; (2) the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

## 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and associated key assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### (a) Classification of financial assets

The critical judgments the Group has in determining the classification of financial assets include analysis of business models and characteristics of contractual cash flows.

The Group determines the business model for managing financial assets at the level of financial asset portfolio. The factors considered include evaluation and reporting of financial asset performance to key management personnel, risks affecting the performance of financial assets and their management methods, and the way related business management personnel receive payments.

When assessing whether the contractual cash flow of financial assets is consistent with the basic lending arrangement, the Group has the following main judgments: whether the principal may be subject to change in the duration or amount of money due to prepayments during the duration; whether interests only include time value of money, credit risk, other basic borrowing risks, and considerations for costs and profits. For example, whether the amount paid in advance reflect only the outstanding principal and interest on the outstanding principal, as well as reasonable compensation for early termination of the contract.

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### 3 Critical accounting estimates and judgements (Continued)

#### (b) Measurement of ECL

Measurement of ECL for financial assets at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e. g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 50 (a).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in Note 50 (a).

#### (c) Provision for inventories

The Group reviews the carrying amounts of inventories at each financial position date to determine whether the inventories are carried at lower of cost and net realisable value. The Group estimates the net realisable value, based on the current market situation and historical experience on similar inventories. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down. The change in the write-down would affect the Group's profit or loss during the year.

#### (d) Impairment of non-financial assets

As described in Note 2 (u), assets such as fixed assets, intangible assets, goodwill, ROU assets and interests in associates and joint ventures are reviewed at each financial position date to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised.

The recoverable amount of an asset (asset group) is the greater of its fair value less costs to sell and its present value of expected future cash flows. Since a market price of the asset (the asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably. In assessing value in use, significant judgements are exercised over the asset's production, selling price, related operating expenses and discount rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumptions.

### 3 Critical accounting estimates and judgements (Continued)

#### (e) Fair value of financial instruments

For financial instruments without active market, the Group determines fair values using valuation techniques which include discounted cash flow models, as well as other types of valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads, foreign currency exchange rates, etc. Where discounted cash flow techniques are used, estimated cash flows are based on management's best estimates and the discount rate used is a market rate at the end of each reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on observable market data at the end of each reporting period. Where market data are not available, management need to make estimates on such unobservable market inputs based on assumptions. Changes in assumptions about these factors could affect the estimated fair value of financial instruments.

#### (f) Depreciation

Depreciation of operating assets constitutes a substantial operating cost for the Group. The cost of fixed assets is charged as depreciation expense over the estimated useful life of the respective assets using the straight-line method. The cost of ROU assets is charged as depreciation expense generally over the shorter of the asset's useful life and the lease term on a straight-line basis.

Management periodically review changes in technology and industry conditions, asset retirement activity, residual values to determine adjustments to estimated remaining useful lives and depreciation rates. In determining the lease term of ROU assets, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

#### (g) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets, which principally relate to tax losses and deductible temporary differences, are recognised when the future taxable profit will be available against such deferred tax assets. Hence, it requires formal assessment by management regarding the future profitability to utilise the deferred tax assets. The outcome of their actual utilisation may be different.

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### 3 Critical accounting estimates and judgements (Continued)

#### (h) Assets acquired/liabilities assumed in business combination

Assets acquired/liabilities assumed in business combination are recognised at fair value in connection with the Group's acquisition of an entity. The fair values of the acquired assets/assumed liabilities are determined based on valuation methodologies and techniques that involved the use of a third-party valuation firm's expertise. The judgements and assumptions used in that valuation of assets and liabilities along with the assumptions on the useful lives of acquired assets have an effect on the consolidated financial statements.

#### (i) De-recognition of financial assets

In its normal course of business, the Group transfers financial assets through various types of transactions including regular way sales and transfers, securitisation, financial assets sold under repurchase agreements and etc. The Group applies significant judgement in assessing whether it has transferred these financial assets which qualify for a full or partial de-recognition.

Where the Group enters into structured transactions by which it transferred financial asset to structured entities, the Group analyses whether the substance of the relationship between the Group and these structured entities indicates that it controls these structured entities to determine whether the Group needs to consolidate these structured entities. This will determine whether the following de-recognition analysis should be conducted at the consolidated level or at the entity level from which the financial assets was transferred.

The Group analyses the contractual rights and obligations in connection with such transfers to determine whether the de-recognition criteria are met based on the following considerations:

- whether it has transferred the rights to receive contractual cash flows from the financial assets or the transfer qualified for the “pass through” of those cash flows to independent third parties;
- the extent to which the associated risks and rewards of ownership of the financial assets are transferred by using appropriate models. Significant judgement is applied in the Group's assessment with regard to the parameters and assumptions applied in the models, estimated cash flows before and after the transfers, the discount rates used based on current market interest rates, variability factors considered and the allocation of weightings in different scenarios;
- where the Group neither retained nor transferred substantially all of the risks and rewards associated with their ownership, the Group analyses whether the Group has relinquished its controls over these financial assets, and if the Group has continuing involvement in these transferred financial assets.

### 3 Critical accounting estimates and judgements (Continued)

#### (j) Control and consolidation

The Group makes significant judgement to assess whether or not to consolidate structured entities. When performing this assessment, the Group:

- assesses its contractual rights and obligations in light of the transaction structures, and evaluates the Group’s power over the structured entities;
- performs independent analyses and tests on the variable returns from the structured entities, including but not limited to commission income and asset management fees earned, retention of residual income, and, if any, liquidity and other support provided to the structured entities; and
- assesses its ability to exercise its power to influence the variable returns assessed whether the Group acts as a principal or an agent through analysis of the scope of the Group’s decision-making authority, remuneration entitled, other interests the Group holds, and the rights held by other parties.

The Group holds less than 50% shares and voting rights in certain subsidiaries. When assessing whether it has substantive control over these investees, the Group has taken certain factors into account including the size of the Group’s shareholding relative to other shareholders, dispersion of the voting rights of the other shareholders, the Group’s relationship with other investors, any history of any other shareholders collaborating to exercise their votes collectively or to out vote the Group; the Group’s relationship with the key management personnel of the investees, whether the Group has the right to appoint or approve the majority of the board seats and other key management personnel of the investees, whether the Group controls certain assets such as licences or trademarks that are critical to the operations of the investees, whether the Group and other shareholders’ rights over the investees are substantive, and any other contractual arrangements. The Group considers factors that are applicable to a specific individual investee on an ongoing basis when determining whether it has substantive rights over the investees.

#### (k) Mineralogy/Mr. Palmer proceedings

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

There are a number of ongoing disputes between the Company, Sino Iron and Korean Steel (“CITIC Parties”) on the one hand, and Mineralogy and Mr. Clive Palmer, the ultimate beneficial holder of shares in Mineralogy (“Mr. Palmer”), on the other hand, arising from the MRSLAs and other project agreements. The details of such disputes include those set out below.

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### 3 Critical accounting estimates and judgements (Continued)

#### (k) Mineralogy/Mr. Palmer proceedings (Continued)

##### **Queensland Nickel FCD Indemnity Claim**

On 29 June 2017, Mr. Palmer commenced a proceeding against the Company in the Supreme Court of Western Australia ("Proceeding CIV 2072/2017") to pursue claims pursuant to an indemnity given by the Company under the Fortescue Coordination Deed ("FCD"). The claim relates to losses allegedly suffered by Mr. Palmer in relation to the nickel and cobalt refinery business located at Yabulu in North Queensland ("Yabulu Refinery"), which was carried out by companies controlled by Mr. Palmer.

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

On 23 April 2024, Mineralogy and Mr. Palmer filed their seventh amended statement of claim. That statement of claim alleges that because Sino Iron and Korean Steel did not pay to Mineralogy royalty on products they produced ("Royalty Component B") when it was due for payment under the MRSLAs, Mineralogy did not provide funds to the manager of the Yabulu Refinery, Queensland Nickel Pty Ltd. ("QNI"), to enable it to continue managing and operating the Yabulu Refinery, and consequently, QNI was placed into administration in January 2016 and liquidation in April 2016.

Mineralogy and Mr. Palmer allege that if Sino Iron and Korean Steel had paid Royalty Component B on time, Mineralogy would have provided the funds required to meet QNI's cashflow deficits at the times necessary to enable QNI to continue to manage and operate the Yabulu Refinery.

Mineralogy and Mr. Palmer claim that the liquidation of QNI led to the diminution in value of the Yabulu Refinery, and an equivalent diminution in value of the shares of its joint venture owners, QNI Metals Pty Ltd. and QNI Resources Pty Ltd.. The shares in those companies are ultimately beneficially owned by Mr. Palmer. Mineralogy and Mr. Palmer claim that the Company is liable for those losses pursuant to an indemnity provision in the FCD. In their closing submissions made in the trial of this proceeding, Mr. Palmer and Mineralogy alleged that their loss is in the range of AUD1,800,438,000 and AUD898,000,000.

On 17 May 2024, the CITIC Parties filed their amended substituted defence. It pleads a number of defences, including construction arguments, as well as arguments based on causation, mitigation, quantification of loss, Anshun estoppel and abuse of process. The CITIC Parties deny that they have caused Mr. Palmer and Mineralogy any loss associated with the administration and liquidation of QNI, or the closure of the Yabulu Refinery.

Mineralogy's and Mr. Palmer's amended reply, filed on 3 June 2024, contained allegations that certain conduct of the CITIC Parties, specifically alleged activities of the Fulcrum Group, had the effect of disentitling the CITIC Parties from relying on their defences of Anshun estoppel and abuse of process ("Fulcrum Allegations").

In September 2024, Justice Lundberg determined that this proceeding and Proceeding CIV 2336/2023, as described below, would be actively case managed together.

### 3 Critical accounting estimates and judgements (Continued)

#### (k) Mineralogy/Mr. Palmer proceedings (Continued)

##### **Queensland Nickel FCD Indemnity Claim** (Continued)

By orders of Justice Lundberg made on 3 June 2025, the “Fulcrum Allegations” were deleted from Mineralogy’s and Mr. Palmer’s amended reply and from Mineralogy’s further amended defence in Proceeding CIV 2336/2023, as described below, and cannot be re-pleaded in either proceeding.

The trial of Proceeding CIV 2072/2017 commenced on 9 June 2025 and concluded on 27 June 2025. The Court reserved its decision.

##### **Mine Continuation Proposals Disputes**

###### (i) 2017 Mine Continuation Proposals Proceedings

The continued operation of the Sino Iron Project requires it to extend beyond the footprint it occupied in accordance with proposals approved between 2008 and 2010. The 2017 mine continuation proposals addressed that need, and included proposals to extend the constrained mine pit, and to increase the storage capacity for waste rock and tailings, which are necessary by-products of the mining process. The mining tenements upon which the Sino Iron Project is currently conducted, and those into which Sino Iron and Korean Steel wish to extend in order to continue operation, are all held by Mineralogy.

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

- submit the 2017 mine continuation proposals for the Sino Iron Project to the State of Western Australia under the State Agreement;
- grant further tenure which is reasonably required for the Sino Iron Project;
- take steps to secure the re-purposing of general-purpose leases for the Sino Iron Project; and
- submit a Programme of Works for the Sino Iron Project to the State of Western Australia.

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

The CITIC Parties commenced a new proceeding (“Proceeding CIV 2326/2021”) on 8 December 2021, in which they sought orders for specific performance in relation to a refined tenure request addressed to Mineralogy on 29 November 2021. That tenure request was in the alternative to the tenure in respect of which relief was sought in Proceeding CIV 1915/2019. On 29 December 2021, Justice K Martin ordered that Proceeding CIV 1915/2019 and Proceeding CIV 2326/2021 be consolidated and proceed as one action (“Consolidated 2017 MCPs Proceedings”).

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### 3 Critical accounting estimates and judgements (Continued)

#### (k) Mineralogy/Mr. Palmer proceedings (Continued)

##### **Mine Continuation Proposals Disputes** (Continued)

##### (i) **2017 Mine Continuation Proposals Proceedings** (Continued)

The primary trial in the Consolidated 2017 MCPs Proceedings occurred before Justice K Martin from 21 February 2022 to 29 April 2022. The primary trial was to determine all issues in the Consolidated 2017 MCPs Proceedings other than the quantification of any loss or damage suffered by the CITIC Parties.

On 7 March 2023, Justice K Martin delivered his reasons in the Consolidated 2017 MCPs Proceedings and on 10 March 2023 made orders consequent upon his reasons. His Honour dismissed most of the CITIC Parties' claims. However, Justice K Martin made the following key findings relevant to mine continuation:

- Mineralogy is obliged to either submit, or consent to the CITIC Parties submitting, the Programme of Works;
- Mineralogy is contractually obliged to assist, and cooperate with, the CITIC Parties, including in relation to the submission of project proposals under the State Agreement. However, the Court declined to require Mineralogy to submit the 2017 mine continuation proposals in the form before the Court, for reasons including that those proposals presumed the use of tenure outside areas which Mineralogy had previously agreed to provide;
- Mineralogy is required to honestly consider, and not unreasonably refuse, requests for additional tenure that is reasonably requested and reasonably required. His Honour found that the CITIC Parties' most recent tenure request lacked certain features required to meet that test, and so declined to order Mineralogy to grant the tenure the subject of that request. However, his Honour confirmed that an area outside the site lease areas, to the south of the current tailings storage facility, and that is held by Mineralogy, is necessary for future tailings and waste storage for the Sino Iron Project; and
- Mineralogy is not required to take steps to re-purpose the general purpose leases, for reasons including because Mineralogy had not granted the CITIC Parties tenure over all of those general purpose leases.

On 9 June 2023, Mineralogy submitted the Programme of Works to the State and, on 28 July 2023, the Programme of Works was approved. That approval allowed Sino Iron and Korean Steel to undertake certain drilling and other investigative works necessary for the extension of the mine pit and the establishment of a new tailings storage facility within areas over which Mineralogy had already provided rights of access and use.

At a hearing on 21 April 2023, Justice K Martin made orders deferring the CITIC Parties' Programme of Works damages claim until after the determination of the appeals described below. His Honour also ordered the CITIC Parties to pay Mineralogy's and Mr. Palmer's costs of the Consolidated 2017 MCPs Proceedings up to and including the 21 April 2023 hearing, except in relation to Mr. Palmer's unsuccessful application to stay the trial, for which Mr. Palmer must pay the CITIC Parties' costs. On 7 October 2025, the CITIC Parties paid Mineralogy's costs of the Consolidated 2017 MCPs Proceedings as ordered.

### 3 Critical accounting estimates and judgements (Continued)

#### (k) Mineralogy/Mr. Palmer proceedings (Continued)

##### **Mine Continuation Proposals Disputes** (Continued)

##### (ii) **2017 Mine Continuation Proposals Appeals**

On 31 March 2023, the CITIC Parties appealed Justice K Martin's decision in the Consolidated 2017 MCPs Proceedings ("Proceeding CACV 35/2023"). The CITIC Parties' grounds of appeal include that Justice K Martin erred for reasons including that:

- there is no requirement in the State Agreement or the project agreements for the CITIC Parties to pay additional monetary consideration for areas reasonably required for the Sino Iron Project, including because Mineralogy has been paid for those areas;
- Mineralogy's failure to submit the 2017 mine continuation proposals was a breach of its obligations under the State Agreement and certain project agreements;
- his Honour applied the wrong contractual standard when evaluating the CITIC Parties' tenure request, as the standard was whether the tenure was 'reasonably required', and not a higher standard;
- the 2017 mine continuation proposals and the CITIC Parties' tenure request were divisible, and not holistic global packages, and their licence request was accompanied by the required level of detail;
- Mineralogy had sufficient technical information and time to consider the CITIC Parties' tenure request, and Mineralogy's refusal to agree to the tenure request constituted a breach of the State Agreement and certain project agreements; and
- injunctive relief compelling Mineralogy to conditionally surrender and apply for the re-grant of certain general purpose leases should have been ordered.

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

The appeals were consolidated and heard together before the Court of Appeal from 12 to 15 August 2024 and 19 to 21 August 2024. The Court of Appeal's decision remains reserved.

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### 3 Critical accounting estimates and judgements (Continued)

#### (k) Mineralogy/Mr. Palmer proceedings (Continued)

##### **Mine Continuation Proposals Disputes** (Continued)

##### **(iii) 2023 Mine Continuation Proposals Proceeding**

On 27 November 2023, the CITIC Parties commenced a proceeding in the Supreme Court of Western Australia seeking to compel Mineralogy to submit the 2023 mine continuation proposals for the Sino Iron Project to the State of Western Australia under the State Agreement (“Proceeding CIV 2336/2023”). The activities the subject of the 2023 mine continuation proposals were a subset of the activities the subject of the 2017 mine continuation proposals, and were confined to areas over which Mineralogy has already provided rights of access and use to Sino Iron and Korean Steel. The CITIC Parties alleged that Mineralogy was obliged to consider and approve the 2023 mine continuation proposals. Approval of the 2023 mine continuation proposals would support the continued operation of the Sino Iron Project for an interim period by addressing constraints to the project’s mine pit and waste and tailings storage capacity.

In this proceeding, the CITIC Parties sought relief including:

- declarations that Mineralogy’s failure and refusal to consider, approve and submit the 2023 mine continuation proposals was in breach of the State Agreement and certain project agreements;
- orders for specific performance or injunctions requiring Mineralogy to join them in submitting the 2023 mine continuation proposals to the State; and
- damages for breach of contract.

The quantification of any loss and damage suffered by the CITIC Parties is to be heard separately, after the Court determines the issue of liability.

The State of Western Australia was a party to the proceeding because it is a party to the State Agreement, but no relief was sought against it.

Mineralogy’s further amended defence included allegations that Mineralogy was not able to approve the 2023 mine continuation proposals because it was not provided with the necessary supporting documentation, including geological and mine planning information. Mineralogy also asserted that, because the CITIC Parties had breached certain project agreements, the CITIC Parties were not entitled to the relief claimed by them in the proceeding. The alleged breaches included that:

- the CITIC Parties had not paid Mineralogy the amounts claimed in Proceeding CIV 2072/2017 (as described above); and
- the CITIC Parties had allegedly failed to permit Mineralogy to observe all measurement, sampling and assaying procedures under the MRSLAs.

In September 2024, Justice Lundberg determined that this proceeding and Proceeding CIV 2072/2017, as described above, would be actively case managed together.

### 3 Critical accounting estimates and judgements (Continued)

#### (k) Mineralogy/Mr. Palmer proceedings (Continued)

##### **Mine Continuation Proposals Disputes** (Continued)

##### (iii) **2023 Mine Continuation Proposals Proceeding** (Continued)

Mineralogy's further amended defence was filed on 5 February 2025. The CITIC Parties filed their reply to Mineralogy's further amended defence on 14 February 2025.

Numerous interlocutory disputes needed to be determined in the lead up to the primary trial. These included an unsuccessful attempt by Mineralogy to further amend its defence and to include a counterclaim (the claims in which subsequently became the subject of Proceeding CIV 1487/2025, and then Proceedings CIV 1990/2025 and CIV 1991/2025, as described below) and an application by Mineralogy to vacate the trial dates. Despite this, the primary trial commenced on 28 April 2025.

Part way through the trial, Mineralogy agreed to the joint submission to the State of the 2023 mine continuation proposals. As a consequence, on 5 May 2025, Sino Iron, Korean Steel and Mineralogy jointly submitted the 2023 mine continuation proposals to the State of Western Australia for approval. The State of Western Australia approved the 2023 mine continuation proposals on 9 June 2025.

As Mineralogy joined with Sino Iron and Korean Steel to submit the 2023 mine continuation proposals, the CITIC Parties did not press for the injunctive or specific performance relief sought in this proceeding. However, they continued to press for the balance of the relief sought, including for a declaration or finding that Mineralogy was in breach of contract, and therefore liable for any damages suffered by the CITIC Parties as a consequence of the breach.

By orders of Justice Lundberg made on 3 June 2025, the "Fulcrum Allegations" pleaded by Mineralogy in this proceeding were deleted from Mineralogy's further amended defence in this proceeding, as well as from Mineralogy's and Mr. Palmer's amended reply in Proceeding CIV 2072/2017, as described above, and cannot be re-pleaded in those proceedings.

The primary trial in this proceeding concluded on 27 June 2025. The Court reserved its decision.

If the Court finds that Mineralogy was in breach of contract by not submitting the 2023 mine continuation proposals at or shortly after the time that they were provided to Mineralogy in late 2023, the quantification of the damages which Mineralogy must pay as a consequence of that breach will be determined in a secondary trial.

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### 3 Critical accounting estimates and judgements (Continued)

#### (k) Mineralogy/Mr. Palmer proceedings (Continued)

##### **Fulcrum Conspiracy Claim**

On 5 October 2023, Mineralogy and Mr. Palmer commenced a proceeding against Helen Dillon, Chen Zeng, Sino Iron, Korean Steel and the Company ("Proceeding CIV 2137/2023") claiming that the defendants engaged in conduct for "Fulcrum Purposes", to apply commercial pressure on Mineralogy and Mr. Palmer to renegotiate certain project agreements, to recoup from Mineralogy certain additional costs of developing the Sino Iron Project and to seek to sterilise Mineralogy's other valuable mining tenements. On 28 November 2023, Mineralogy and Mr. Palmer filed a notice of discontinuance in Proceeding CIV 2137/2023.

On 15 December 2023, Mineralogy and Mr. Palmer commenced a proceeding against Helen Dillon, Chen Zeng, Sino Iron, Korean Steel and the Company (together, the "CITIC Defendants") as well as Allens, a law firm advising the CITIC Defendants, and FBIS International Issues Management Pty Ltd., a service provider to certain of the CITIC Defendants ("Proceeding CIV 2425/2023"). Mineralogy and Mr. Palmer claim that the defendants engaged in the Fulcrum Purposes to apply commercial pressure on Mineralogy and Mr. Palmer to achieve outcomes similar to those pleaded in Proceeding CIV 2137/2023, as described above.

Mineralogy and Mr. Palmer bring claims including for breach of contract, the torts of inducing a breach of contract, collateral abuse of process, conspiracy to injure by unlawful means and conspiracy to injure by lawful means. Unconscionable conduct under the Australian Consumer Law is also pleaded as conduct alleged to give rise to the unlawful means conspiracy. Mineralogy and Mr. Palmer also claim that, pursuant to the FCD, the Company is obliged to indemnify Mr. Palmer for the alleged loss suffered by Mr. Palmer said to be in relation to Sino Iron's and Korean Steel's failure to perform their obligations under the MRSLAs. Mineralogy and Mr. Palmer claim that as a consequence of the defendants' conduct, they suffered damages which are said to include costs Mineralogy and Mr. Palmer incurred in prosecuting and defending the legal processes and otherwise taking steps in respect of the Fulcrum Purposes, as well as the inability of Mr. Palmer to devote his attention and resources to "other profitable endeavours" and AUD200,000,000 on account of the inability to pursue the "Minimum Royalty Claim". Mineralogy and Mr. Palmer allege that they did not pursue the "Minimum Royalty Claim" in a previous proceeding as a consequence of the pressure exerted on them for the Fulcrum Purposes. The plaintiffs also seek exemplary damages of approximately AUD500,000,000, aggravated damages, disgorgement damages and interest on the amounts claimed.

The CITIC Defendants, Allens and FBIS International Issues Management Pty Ltd. have filed applications for summary judgment and to strike out Mineralogy's and Mr. Palmer's statement of claim.

Those applications were heard on 15 to 18 October 2024 and 17 December 2024. The Court reserved its decision.

On 16 December 2024, Mineralogy and Mr. Palmer filed an application to reopen the summary judgment and strike out application filed by FBIS International Issues Management Pty Ltd. in order to tender further documents. The application was heard on 9 April 2025 and the Court reserved its decision.

No trial date has been set for this proceeding.

### 3 Critical accounting estimates and judgements (Continued)

#### (k) Mineralogy/Mr. Palmer proceedings (Continued)

##### **Unprocessed and Utilised Material Claims**

On 8 May 2025, Mineralogy commenced a proceeding against Sino Iron, Korean Steel and the Company ("Proceeding CIV 1487/2025") claiming various breaches of the MRSLAs and other project agreements in relation to the alleged use by Sino Iron and Korean Steel of magnetite ore and/or low grade material and alleged failure to process magnetite ore mined. On 9 June 2025, Mineralogy filed a notice of discontinuance in Proceeding CIV 1487/2025. Mineralogy subsequently commenced two proceedings to pursue claims similar to those pleaded in Proceeding CIV 1487/2025.

##### (i) **Utilised Material Claim**

On 2 September 2025, Mineralogy commenced a proceeding against Sino Iron, Korean Steel and the Company in the Supreme Court of Western Australia ("Proceeding CIV 1990/2025") alleging breaches of the MRSLAs and other project agreements. The alleged breaches relate to Sino Iron's and Korean Steel's purported use of 134 million tonnes of magnetite ore, low grade material and/or waste rock in circumstances where Mineralogy alleges that they should have stockpiled and mapped that material in a manner which would have permitted it to be accessed and processed at a later time, or processed the portion consisting of magnetite ore and paid Mineralogy royalties on that portion. Mineralogy seeks damages comprising the market value of the material allegedly used by Sino Iron and Korean Steel, said to be AUD44 per tonne, or a total of AUD4,992,948,708.

On 29 October 2025, the CITIC Parties filed their defences. Sino Iron and Korean Steel plead a number of defences, including that they have rights to use the material and have paid valuable consideration for the alleged benefit, as well as arguments based on Anshun estoppel, estoppel by convention, abuse of process, and that the claim (or part of it) is time-barred. The Company's defence essentially adopts and repeats most of Sino Iron's and Korean Steel's defence.

On 12 November 2025, Justice Lundberg ordered that this proceeding and Proceeding CIV 1991/2025, as described below, would be case managed together.

On 2 December 2025, Mineralogy filed its reply.

A directions hearing has been listed for 27 March 2026.

No trial date has been set for this proceeding.

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### 3 Critical accounting estimates and judgements (Continued)

#### (k) Mineralogy/Mr. Palmer proceedings (Continued)

##### **Unprocessed and Utilised Material Claims** (Continued)

##### (ii) **Unprocessed Material Claim**

Also on 2 September 2025, Mineralogy commenced a proceeding against Sino Iron, Korean Steel and the Company in the Supreme Court of Western Australia ("Proceeding CIV 1991/2025") alleging breaches of the MRSLAs and other project agreements. The alleged breaches relate to Sino Iron's and Korean Steel's purported failure to process approximately 113.5 million dry metric tonnes of magnetite ore mined, and to pay Mineralogy royalties on such magnetite ore. Mineralogy seeks damages estimated to be AUD56,040,175.14 on account of a royalty on magnetite ore taken by Sino Iron and Korean Steel (i. e., Royalty Component A), plus US\$556,908,960.88 on account of Royalty Component B.

On 29 October 2025, the CITIC Parties filed their defences. Sino Iron and Korean Steel plead a number of defences, including denying that they were obliged to process the material in question and denying the amounts claimed by Mineralogy, as well as arguments based on Anshun estoppel, estoppel by convention, abuse of process, and that the claim (or part of it) is time-barred. The Company's defence essentially adopts and repeats most of Sino Iron's and Korean Steel's defence.

On 12 November 2025, Justice Lundberg ordered that this proceeding and Proceeding CIV 1990/2025, as described above, would be case managed together.

On 12 February 2026, CITIC Parties filed their amended defence.

On 18 March 2026, Mineralogy filed its amended reply.

A directions hearing has been listed for 27 March 2026.

No trial date has been set for this proceeding.

#### (l) Metallurgical Corporation of China ("MCC") claim

MCC was appointed as the EPC (engineering, procurement and construction) contractor for the processing area and related facilities at the Sino Iron Project in Western Australia. The fixed price contract amount was US\$3,407,000,000.

On 30 January 2013, MCC announced that it had incurred costs over the value of the contract and had provided additional funding of US\$858,000,000 to MCC Mining (Western Australia) Pty Ltd. ("MCC WA"), its wholly-owned subsidiary company responsible for delivering MCC's obligations under the contract.

### 3 Critical accounting estimates and judgements (Continued)

#### (l) Metallurgical Corporation of China (“MCC”) claim (Continued)

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

Under the contract, the Group has a right to claim liquidated damages from MCC WA for certain delays in the completion of their project scope at a daily amount of 0.15% of the value of the main contract (approximately US\$5,000,000 per day, with a cap of approximately US\$530,000,000 in total). As at 31 December 2025, the cumulative days of delay that has been incurred has resulted in the contractual cap to the liquidated damages being reached.

As set out in the Company’s announcement dated 24 December 2013, Sino Iron and MCC WA entered into a supplemental contract pursuant to which Sino Iron will take over the management of the construction and commissioning of the remaining four production lines of the Sino Iron Project. An independent audit will opine on various matters including the contract price for the hand over pursuant to the supplemental contract and related fees and expenses, the value of the supporting services provided by Sino Iron to MCC WA in carrying out its responsibilities under the contract, the extent of the works completed by MCC WA in respect of the first two production lines, and the liability of MCC WA in respect of the extensive delays on completion of the works under the contract. By reference to such findings of the independent audit, Sino Iron and MCC WA expect to enter into further negotiations to determine the amount of liabilities to be borne between the parties. Outcomes are not yet known as at 31 December 2025.

### 4 Taxation

The statutory income tax rate of the Company and its subsidiaries located in Hong Kong for the year ended 31 December 2025 is 16.5% (2024: 16.5%).

Except for the preferential tax treatments, the statutory income tax rate applicable to the Group’s other subsidiaries in Chinese mainland for the year ended 31 December 2025 is 25% (2024: 25%).

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

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### 5 Revenue

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

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

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

#### (a) Net interest income

	For the year ended 31 December	
	2025	2024
<b>Interest income arising from (note):</b>		
Deposits with central banks, banks and non-bank financial institutions	14,886	17,288
Placements with banks and non-bank financial institutions	11,088	10,282
Financial assets held under resale agreements	3,696	3,488
Investments in financial assets		
– Financial assets at amortised cost	31,058	30,258
– Debt investments at FVOCI	23,314	25,421
Loans and advances to customers and other parties	212,850	235,715
Margin financing and securities lending	8,218	7,141
Others	202	271
	<b>305,312</b>	<b>329,864</b>
<b>Interest expenses arising from:</b>		
Borrowings from central banks	(2,641)	(6,367)
Deposits from banks and non-bank financial institutions	(11,373)	(18,305)
Placements from banks and non-bank financial institutions	(3,823)	(3,782)
Financial assets sold under repurchase agreements	(15,307)	(13,234)
Deposits from customers	(89,312)	(102,617)
Debt instruments issued	(31,403)	(33,256)
Customer brokerage deposits	(1,373)	(1,618)
Lease liabilities	(522)	(561)
Others	(2,625)	(1,751)
	<b>(158,379)</b>	<b>(181,491)</b>
<b>Net interest income</b>	<b>146,933</b>	<b>148,373</b>

Note:

Interest income includes interest income accrued on credit-impaired financial assets of RMB425 million for the year ended 31 December 2025 (2024: RMB760 million).

## 5 Revenue (Continued)

### (b) Net fee and commission income

	For the year ended 31 December	
	2025	2024 (Restated)
Bank card fees	13,958	15,550
Trustee commission and fees	12,724	10,347
Agency fees and commission	6,107	4,876
Guarantee and advisory fees	5,887	5,482
Commission on securities brokerage	19,073	13,006
Commission on fund management	9,433	8,192
Commission on investment banking	6,548	4,354
Settlement and clearing fees	2,820	2,463
Commission on asset management	2,885	2,492
Commission on futures brokerage	6,651	4,201
Others	1,044	2,016
	<b>87,130</b>	72,979
Fee and commission expenses	(17,527)	(13,947)
Net fee and commission income	<b>69,603</b>	59,032

### (c) Sales of goods and services

	For the year ended 31 December	
	2025	2024 (Restated)
Sales of goods	436,771	427,541
Services rendered to customers		
– Revenue from construction contracts	11,894	15,918
– Revenue from other services	29,747	29,997
	<b>478,412</b>	473,456

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### 5 Revenue (Continued)

#### (d) Other revenue

	For the year ended 31 December	
	2025	2024 (Restated)
Net trading loss under comprehensive financial services segment (note (i))	(16,265)	(23,269)
Net gain on financial investments under comprehensive financial services segment	82,296	85,370
Others	8,285	4,238
	<b>74,316</b>	<b>66,339</b>

(i) Net trading loss under comprehensive financial services segment

	For the year ended 31 December	
	2025	2024 (Restated)
Net trading gain/(loss):		
– debt securities and certificates of deposit	52,205	104
– foreign currencies	5,755	4,974
– derivatives and others	(74,225)	(28,347)
	<b>(16,265)</b>	<b>(23,269)</b>

### 6 Costs of sales and services

	For the year ended 31 December	
	2025	2024 (Restated)
Costs of goods sold	400,928	392,016
Costs of services rendered		
– Costs of construction contracts	10,235	14,193
– Costs of other services	18,865	18,741
	<b>430,028</b>	<b>424,950</b>

## 7 Other net income

	For the year ended 31 December	
	2025	2024
Net gain on disposal/deemed disposal of subsidiaries, associates and joint ventures	68	3,793
Net gain on financial investments under non-comprehensive financial services segment	3,855	3,262
Net foreign exchange gain/(loss)	95	(1,033)
Others	4,759	6,596
	<b>8,777</b>	<b>12,618</b>

## 8 Expected credit losses

	For the year ended 31 December	
	2025	2024
Deposits and placements with banks and non-bank financial institutions	22	41
Receivables (excluding prepayments) and others	10,685	3,501
Loans and advances to customers and other parties	50,651	54,828
Investments in financial assets		
– Financial assets at amortised cost	951	2,418
– Debt investments at FVOCI	558	777
Impairment provision of credit commitments and guarantees provided	391	(2,182)
	<b>63,258</b>	<b>59,383</b>

In 2025, the Group's expected credit losses were RMB63,258 million, an increase of 7% compared with last year. China CITIC Bank Corporation Limited ("CITIC Bank"), accounted for RMB57,939 million, mainly from expected credit loss of loans and advances to customers and other parties.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 9 Impairment losses

	For the year ended 31 December	
	2025	2024 (Restated)
Inventories	2,122	1,334
Interests in associates	249	136
Interests in joint ventures	152	233
Fixed assets (note)	838	67
Intangible assets	554	19
Prepayments	106	28
Goodwill (Note 35)	–	17
Others	148	61
	4,169	1,895

Note:

#### Iron Ore Project

The Group's Iron Ore Project comprises the Sino Iron Project in Australia and its associated marketing operations in Singapore. Whenever events or circumstances indicate impairment may have occurred, the Group tests whether assets attributable to the Group's Iron Ore Project have suffered any impairment.

The recoverable amount of the Sino Iron Project is based on the fair value less costs of disposal methodology which is based on cash flow projections that incorporate best estimates of selling prices, ore grades, exchange rates, production rates, future capital expenditure and production costs over the life of the mine. In line with normal practice in the mining industry, the cash flow projections are based on long term mine plans covering the expected life of the operation. Therefore, the projections cover periods well in excess of five years. Assumptions about selling prices, operating and capital costs, exchange rates, quantity of resources and discount rates are particularly important; the determination of the recoverable amount is relatively sensitive to changes in these important assumptions.

Management has identified one CGU, the Sino Iron Project. For the purposes of testing for impairment, the carrying amount of the Sino Iron Project is to be compared with its recoverable amount when indication of impairment exists. Impairment is recognised when the carrying amount of the project exceeds its recoverable amount.

As at 31 December 2025, management performed an impairment indication assessment with the consideration of the production profile of the Sino Iron Project, forecast iron ore prices, exchange rate between Australian dollar and US dollar and risk-free borrowing rates. According to the assessment, no further impairment indication was identified and thus, no impairment test was undertaken for the Sino Iron Project as at 31 December 2025.

When an impairment test is undertaken, the fair value of CGU must be estimated for recognition and measurement or for disclosure purposes.

The disclosure is based on the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical or similar CGU (level 1);
- Inputs other than quoted prices included within level that are observable for the CGU, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the CGU that are not based on observable market data (unobservable inputs) (level 3).

The CGU's fair value hierarchy is Level 3.

## 10 Net finance charges

	For the year ended 31 December	
	2025	2024
Finance costs		
– Interest on bank and other loans	9,244	10,526
– Interest on debt instruments issued	1,818	3,190
– Interest on lease liabilities	275	253
	11,337	13,969
Less: interest expenses capitalised (note)	(591)	(851)
	10,746	13,118
Other finance charges	208	223
	10,954	13,341
Finance income	(1,989)	(2,235)
	8,965	11,106

In 2025, the Group's finance costs were RMB10,954 million, a decrease of RMB2,387 million or 17.89% compared with last year, mainly due to the decrease in interest on bank and other loans and debt instruments issued. The finance income was RMB1,989 million, a decrease of RMB246 million or 11.01% compared with last year, mainly due to the decrease in interest from deposits.

Note:

In 2025, capitalisation rates applied to funds borrowed are 2.90% ~ 4.20% per annum (2024: 3.64% ~ 4.45%).

## 11 Profit before taxation

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

### (a) Staff costs

	For the year ended 31 December	
	2025	2024
Salaries and bonuses	68,149	66,680
Contributions to defined contribution retirement schemes (note (i))	10,052	9,276
Others	14,816	15,422
	93,017	91,378

Note:

- (i) The Group substantially completed the transfer of the management of existing retirees to external organisations in 2011. In accordance with the government requirements, the Group is also obliged to pay for certain of such retirees' post-retirement benefits in the future. This benefit plan is accounted for as a long-term defined benefits obligation and does not have any planned assets.

The Group's obligation for this benefit plan is calculated using actuarial method and recognised as a liability. The current service cost, interest income or expenses, and remeasurements of the net defined benefit liability, which in combination amounts to RMB22 million was recognised for the year ended 31 December 2025 (2024: RMB112 million). Actuarial assumptions mainly include discount rate and future mortality. Reasonable changes in actuarial assumptions would not have a significant impact on the consolidated financial statements of the Group.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
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### 11 Profit before taxation (Continued)

#### (b) Other items

	For the year ended 31 December	
	2025	2024
Amortisation	4,124	4,450
Depreciation	22,594	23,110
Lease charges	1,339	1,592
Tax and surcharges	3,363	3,164
Property management fees	1,009	1,075
Non-operating expenses	1,895	1,409
Professional fees (other than auditors' remuneration)	1,480	1,424
Auditors' remuneration		
– Audit services	187	212
– Non-audit services	61	70
	<b>36,052</b>	<b>36,506</b>

### 12 Income tax expense

#### (a) Income tax expense in the income statement

	For the year ended 31 December	
	2025	2024
<b>Current tax – Chinese mainland</b>		
Provision for enterprise income tax	24,414	26,765
Land appreciation tax	29	338
	<b>24,443</b>	<b>27,103</b>
<b>Current tax – Hong Kong</b>		
Provision for Hong Kong Profits tax	2,299	1,350
Pillar Two income taxes (note (c))	75	–
<b>Current tax – Overseas</b>		
Provision for the year	838	814
Pillar Two income taxes (note (c))	4	–
	<b>27,659</b>	<b>29,267</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	1,136	(4,365)
	<b>28,795</b>	<b>24,902</b>

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

In 2025, the Group's income tax was RMB28,795 million, an increase of RMB3,893 million or 15.6% compared with last year. In addition to the increase in profit before taxation, it was mainly due to the decrease in non-taxable income of CITIC Bank compared with last year.

## 12 Income tax expense (Continued)

### (b) Reconciliation between tax expense and accounting profit at applicable tax rates

	For the year ended 31 December	
	2025	2024
Profit before taxation	144,608	132,657
Less: share of profits of		
– Associates	(6,861)	(4,138)
– Joint ventures	(3,659)	(2,492)
	134,088	126,027
Notional tax on profit before taxation calculated at statutory tax rate of 16.5%	22,125	20,794
Effect of different tax rates in other jurisdictions	13,134	13,188
Tax effect of unused tax losses not recognised	2,025	1,024
Tax effect of non-deductible expenses	5,066	8,832
Current income tax impact arising from Pillar Two model rules (note (c))	79	–
Tax effect of non-taxable income (note)	(13,387)	(19,308)
Others	(247)	372
Actual tax expense	28,795	24,902

Note:

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

### (c) Pillar Two income taxes

The Group is subject to the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. Due to the impact of the Domestic Minimum Top-up Tax (DMTT) and Global Anti-Base Erosion (GloBE) rules enacted in the Hong Kong Special Administrative Region and other jurisdictions, where members of the CITIC Group operate, the Group is subject to top-up tax liabilities in certain jurisdictions where the Pillar Two effective tax rate is below 15%. The Group has applied the temporary mandatory exception to the recognition of deferred tax related to Pillar Two top-up taxes. For the current reporting period, Pillar Two top-up taxes have been recognised as current income tax in the consolidated income statement.

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### 13 Benefits and interests of directors

#### (a) Directors' emoluments

In 2025, emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking are set out as follows:

	For the year ended 31 December 2025								Total	
	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary									
	Fees	Salary	Discretionary bonuses	Housing allowance	Estimated money value of other benefits	Social securities in Chinese mainland	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as committee member	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	
<b>Name of Current Directors</b>										
<b>Executive Directors:</b>										
Xi Guohua <sup>(i)</sup>	-	0.36	0.39	-	-	0.17	0.11	-	-	1.03
Zhang Wenwu <sup>(i)</sup>	-	0.36	0.39	-	-	0.17	0.11	-	-	1.03
Liu Zhengjun <sup>(i)</sup>	-	0.32	0.34	-	-	0.17	0.10	-	-	0.93
Wang Guoquan <sup>(i)</sup>	-	0.32	0.34	-	-	0.17	0.10	-	-	0.93
<b>Non-executive Directors</b>										
Li Yi (formerly known as Li Ruyi)	-	-	-	-	-	-	-	-	-	-
Yue Xuekun	-	-	-	-	-	-	-	-	-	-
Yang Xiaoping	0.35	-	-	-	-	-	-	0.14	-	0.49
Li Zimin	-	-	-	-	-	-	-	-	-	-
<b>Independent Non-executive Directors:</b>										
Anthony Francis Neoh <sup>(ii)</sup>	0.35	-	-	-	-	-	-	0.23	-	0.58
Francis Siu Wai Keung	0.35	-	-	-	-	-	-	0.26	-	0.61
Xu Jinwu	0.35	-	-	-	-	-	-	0.23	-	0.58
Gregory Lynn Curl	0.35	-	-	-	-	-	-	0.05	-	0.40
Toshikazu Tagawa	0.35	-	-	-	-	-	-	-	-	0.35
Chen Yuyu	0.35	-	-	-	-	-	-	-	-	0.35
<b>Name of Former Directors</b>										
Yu Yang <sup>(ii)</sup>	-	-	-	-	-	-	-	-	-	-
Zhang Lin <sup>(ii)</sup>	-	-	-	-	-	-	-	-	-	-
	2.45	1.36	1.46	-	-	0.68	0.42	0.91	-	7.28

Notes:

- (i) The emoluments for the year ended 31 December 2025 in respect of Mr. Xi Guohua, Mr. Zhang Wenwu, Mr. Liu Zhengjun and Mr. Wang Guoquan have not been finalised in accordance with the regulations of the relevant local authorities. A separate disclosure will be provided after final confirmation.
- (ii) Changes in directors during the year ended 31 December 2025:
  - (1) From 29 August 2025, Mr. Anthony Francis Neoh serves as the lead independent non-executive director of the Company.
  - (2) From 5 December 2025, Ms. Yu Yang resigned as the non-executive director of the Company.
  - (3) From 24 December 2025, Mr. Zhang Lin resigned as the non-executive director of the Company.

## 13 Benefits and interests of directors (Continued)

### (a) Directors' emoluments (Continued)

In 2024, emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking are set out as follows:

For the year ended 31 December 2024										
Name of Current Directors	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary								Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
	Fees	Salary	Discretionary bonuses	Housing allowance	Estimated money value of other benefits	Social securities in Chinese mainland	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as committee member		
<b>Executive Directors:</b>										
Xi Guohua <sup>(i)</sup>	-	0.39	0.51	-	-	0.16	0.11	-	-	1.17
Zhang Wenwu <sup>(iii)</sup>	-	0.29	0.38	-	-	0.12	0.07	-	-	0.86
Liu Zhengjun <sup>(i)</sup>	-	0.35	0.45	-	-	0.16	0.10	-	-	1.06
Wang Guoquan <sup>(i)</sup>	-	0.35	0.45	-	-	0.16	0.10	-	-	1.06
<b>Non-executive Directors</b>										
Yu Yang	-	-	-	-	-	-	-	-	-	-
Zhang Lin	-	-	-	-	-	-	-	-	-	-
Li Yi (formerly known as Li Ruyi)	-	-	-	-	-	-	-	-	-	-
Yue Xuekun	-	-	-	-	-	-	-	-	-	-
Yang Xiaoping	0.35	-	-	-	-	-	-	0.14	-	0.49
Li Zimin	-	-	-	-	-	-	-	-	-	-
<b>Independent Non-executive Directors:</b>										
Francis Siu Wai Keung	0.35	-	-	-	-	-	-	0.26	-	0.61
Xu Jinwu	0.35	-	-	-	-	-	-	0.23	-	0.58
Anthony Francis Neoh	0.35	-	-	-	-	-	-	0.23	-	0.58
Gregory Lynn Curl	0.35	-	-	-	-	-	-	0.05	-	0.40
Toshikazu Tagawa	0.35	-	-	-	-	-	-	-	-	0.35
Chen Yuyu <sup>(ii)</sup>	0.12	-	-	-	-	-	-	-	-	0.12
<b>Name of Former Director</b>										
Mu Guoxin <sup>(ii)</sup>	-	-	-	-	-	-	-	-	-	-
	2.22	1.38	1.79	-	-	0.60	0.38	0.91	-	7.28

Notes:

- (i) The emoluments for the year ended 31 December 2024 in respect of Mr. Xi Guohua, Mr. Zhang Wenwu, Mr. Liu Zhengjun and Mr. Wang Guoquan has been restated based on the final confirmation results from the relevant national authorities.
- (ii) Changes in directors during the year ended 31 December 2024:
- (1) From 28 March 2024, Mr. Zhang Wenwu serves as the executive director of the Company.
  - (2) From 29 August 2024, Mr. Chen Yuyu serves as the independent non-executive director of the Company.
  - (3) From 27 December 2024, Mr. Mu Guoxin resigned as the non-executive director of the Company.

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### 13 Benefits and interests of directors (Continued)

#### (b) Other benefits and interests

In 2025, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2024: None). No consideration was provided to or receivable by third parties for making available directors' services (2024: None). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2024: None).

No director of the Company had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the year or at any time during the year ended 31 December 2025 (2024: None).

### 14 Individuals with highest emoluments

In 2025, none of the five highest paid individuals are directors (2024: None) whose emoluments are disclosed in Note 13. The aggregate of the emoluments in respect of these 5 individuals (2024: five) are as follows:

	For the year ended 31 December	
	2025	2024
Salaries and other emoluments	16.07	15.98
Discretionary bonuses	50.37	48.52
Retirement scheme contributions	0.99	0.99
	67.43	65.49

The emoluments of the 5 individuals (2024: five) with the highest emoluments are within the following bands:

	For the year ended 31 December	
	2025 Number of individuals	2024 Number of individuals
RMB9,500,001 – RMB10,000,000	–	1
RMB10,000,001 – RMB10,500,000	1	–
RMB11,500,001 – RMB12,000,000	1	1
RMB12,000,001 – RMB12,500,000	1	1
RMB14,000,001 – RMB14,500,000	–	1
RMB14,500,001 – RMB15,000,000	1	–
RMB17,500,001 – RMB18,000,000	–	1
RMB18,000,001 – RMB18,500,000	1	–
	5	5

In 2025, all of the 5 individuals with the highest emoluments are employees of foreign subsidiaries, whose nationalities are not Chinese mainland.

## 15 Dividends

	For the year ended 31 December	
	2025	2024
2024 Final dividend paid: RMB0.36 (2023 Final: RMB0.335) per share	10,473	9,745
2025 Interim dividend paid: RMB0.20 (2024 Interim: RMB0.19) per share	5,818	5,527
2025 Final dividend proposed: RMB0.385 (2024 Final: RMB0.36) per share	11,200	10,473

## 16 Earnings per share

Basic earnings per share for the year ended 31 December 2025 is calculated by dividing profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares.

Diluted earnings per share for the year ended 31 December 2025 is calculated by dividing adjusted profit attributable to the ordinary shareholders of the Company based on assuming conversion of all potentially dilutive shares by the adjusted weighted average number of ordinary shares.

In 2019, CITIC Bank, a subsidiary of the Group, issued convertible bonds, the specific terms of which are disclosed in Note 45 (a). In 2022, CITIC Pacific Special Steel Group Co., Ltd. ("CITIC Special Steel"), a subsidiary of the Group, issued convertible bonds, the specific terms of which are disclosed in Note 45 (a).

The convertible bonds issued by CITIC Bank and CITIC Special Steel have dilutive effects on profit attributable to ordinary shareholders of the Company, the calculation results of which are listed as below:

	For the year ended 31 December	
	2025	2024
Profit attributable to ordinary shareholders of the Company	58,730	58,202
Less: impact on profit attributable to ordinary shareholders of the Company assuming above convertible bonds converted	(263)	(984)
Profit attributable to ordinary shareholders of the Company (adjusted)	58,467	57,218
Weighted average number of ordinary shares (in million)	29,090	29,090
Basic earnings per share (RMB)	2.02	2.00
Diluted earnings per share (RMB)	2.01	1.97

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### 17 Other comprehensive income/(loss)

#### Components of other comprehensive income/(loss)

	For the year ended 31 December	
	2025	2024
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Fair value changes on debt instruments at FVOCI	(7,373)	22,980
Less: net amounts previously recognised in other comprehensive loss transferred to profit or loss in the current year	(8,249)	(8,008)
Tax effect	3,852	(3,839)
	(11,770)	11,133
Change of loss allowance on debt investments at FVOCI	495	652
Less: net amounts previously recognised in other comprehensive loss transferred to profit or loss in the current year	(208)	(478)
Tax effect	(37)	(98)
	250	76
Loss arising from cash flow hedge	(48)	(21)
Less: net amounts previously recognised in other comprehensive loss transferred to profit or loss in the current year	(1)	(118)
Tax effect	-	2
	(49)	(137)
Share of other comprehensive loss of associates and joint ventures	(1,728)	(2,572)
Exchange differences on translation of financial statements and others	(4,777)	1,565
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Reclassification of owner-occupied property as investment property: revaluation gain	61	101
Less: tax effect	-	-
	61	101
Fair value changes on equity instruments designated at FVOCI	(534)	277
Less: tax effect	195	(154)
	(339)	123
Share of other comprehensive income of associates and joint ventures	108	59
	(18,244)	10,348

## 18 Segment reporting

The Group has presented five reportable operating segments which are comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose financial performance is regularly reviewed by the board of directors to make decisions about resources to be allocated to the segment and assess its performance, and for which financial information regarding financial position, financial performance and cash flows is available. The details of these five reportable segments are as follows:

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

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

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

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

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

The measure used for reporting segment profit is “profit for the year”. To arrive at segment results, the Group’s profit is further adjusted for items not specifically attributed to individual segments, such as share of results of associates and joint ventures.

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

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### 18 Segment reporting (Continued)

#### (a) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the board of directors for the purposes of resources allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

	For the year ended 31 December 2025							Total
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	
Revenue from external customers	290,880	57,165	335,464	48,153	37,578	24	-	769,264
Inter-segment revenue	1,509	383	280	198	960	120	(3,450)	-
<b>Reportable segment revenue</b>	<b>292,389</b>	<b>57,548</b>	<b>335,744</b>	<b>48,351</b>	<b>38,538</b>	<b>144</b>	<b>(3,450)</b>	<b>769,264</b>
<b>Disaggregation of revenue</b>								
- Net interest income (Note 5 (a))	148,353	-	-	-	-	103	(1,523)	146,933
- Net fee and commission income (Note 5 (b))	69,674	-	-	-	-	7	(78)	69,603
- Sales of goods (Note 5 (c))	46	57,257	332,379	34,997	12,448	8	(364)	436,771
- Services rendered to customers-construction contracts (Note 5 (c))	-	261	171	-	12,387	-	(925)	11,894
- Services rendered to customers-others (Note 5 (c))	-	30	3,194	13,354	13,703	26	(560)	29,747
- Other revenue (Note 5 (d))	74,316	-	-	-	-	-	-	74,316
Share of profits/(losses) of associates, net of tax	2,841	26	2,629	(88)	1,375	78	-	6,861
Share of profits/(losses) of joint ventures, net of tax	2,950	191	837	(2)	(350)	33	-	3,659
Finance income (Note 10)	-	81	1,803	90	863	371	(1,219)	1,989
Finance costs (Note 10)	-	(218)	(2,877)	(473)	(1,999)	(7,517)	2,130	(10,954)
Depreciation and amortisation (Note 11 (b))	(9,935)	(1,457)	(11,266)	(1,684)	(2,145)	(231)	-	(26,718)
Expected credit losses (Note 8)	(60,247)	240	(296)	(132)	(2,824)	1	-	(63,258)
Impairment losses (Note 9)	(233)	(442)	(1,613)	(165)	(1,620)	(96)	-	(4,169)
<b>Profit/(loss) before taxation</b>	<b>131,316</b>	<b>2,030</b>	<b>17,333</b>	<b>1,234</b>	<b>162</b>	<b>(6,349)</b>	<b>(1,118)</b>	<b>144,608</b>
Income tax (Note 12)	(22,955)	(217)	(3,407)	(239)	(383)	(1,568)	(26)	(28,795)
<b>Profit/(loss) for the year</b>	<b>108,361</b>	<b>1,813</b>	<b>13,926</b>	<b>995</b>	<b>(221)</b>	<b>(7,917)</b>	<b>(1,144)</b>	<b>115,813</b>
Attributable to:								
- Ordinary shareholders of the Company	55,815	802	10,549	530	125	(7,921)	(1,170)	58,730
- Non-controlling interests	52,546	1,011	3,377	465	(346)	4	26	57,083

## 18 Segment reporting (Continued)

### (a) Segment results, assets and liabilities (Continued)

	As at 31 December 2025							Total
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	
<b>Reportable segment assets</b>	12,324,396	58,168	367,210	54,905	335,098	46,252	(164,889)	13,021,140
Including:								
Interests in associates (Note 32)	29,962	991	23,221	9,096	50,538	537	-	114,345
Interests in joint ventures (Note 33)	16,148	782	7,341	1,408	41,984	1,375	-	69,038
<b>Reportable segment liabilities</b>	11,066,370	35,769	178,268	24,295	138,565	226,587	(145,375)	11,524,479
Including:								
Bank and other loans (Note 44) (note)	26,706	5,138	85,763	11,021	54,468	123,204	(60,590)	245,710
Debt instruments issued (Note 45) (note)	1,437,557	-	5,000	-	1,000	80,458	(4,114)	1,519,901

Note:

The amount is the principal excluding interest accrued.

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### 18 Segment reporting (Continued)

#### (a) Segment results, assets and liabilities (Continued)

	For the year ended 31 December 2024							Total (Restated)
	Comprehensive financial services (Restated)	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	
Revenue from external customers	273,799	50,793	325,615	49,872	46,987	134	-	747,200
Inter-segment revenue	1,906	182	292	132	1,424	19	(3,955)	-
<b>Reportable segment revenue</b>	<b>275,705</b>	<b>50,975</b>	<b>325,907</b>	<b>50,004</b>	<b>48,411</b>	<b>153</b>	<b>(3,955)</b>	<b>747,200</b>
<b>Disaggregation of revenue:</b>								
- Net interest income (Note 5 (a))	150,158	-	-	-	-	85	(1,870)	148,373
- Net fee and commission income (Note 5 (b))	59,112	-	-	-	-	4	(84)	59,032
- Sales of goods (Note 5 (c))	78	50,360	323,795	36,102	17,597	-	(391)	427,541
- Services rendered to customers-construction contracts (Note 5 (c))	-	247	63	-	16,221	-	(613)	15,918
- Services rendered to customers-others (Note 5 (c))	-	368	2,049	13,902	14,593	64	(979)	29,997
- Other revenue (Note 5 (d))	66,357	-	-	-	-	-	(18)	66,339
Share of profits/(losses) of associates, net of tax	1,764	(8)	1,076	(379)	1,685	-	-	4,138
Share of profits of joint ventures, net of tax	818	71	1,080	61	447	15	-	2,492
Finance income (Note 10)	-	52	2,037	124	935	599	(1,512)	2,235
Finance costs (Note 10)	-	(266)	(3,712)	(688)	(1,761)	(9,712)	2,798	(13,341)
Depreciation and amortisation (Note 11 (b))	(10,534)	(1,537)	(11,255)	(1,801)	(2,183)	(250)	-	(27,560)
Expected credit losses (Note 8)	(59,319)	(147)	(219)	(82)	362	22	-	(59,383)
Impairment losses (Note 9)	(90)	(26)	(543)	(222)	(1,013)	(1)	-	(1,895)
<b>Profit/(loss) before taxation</b>	<b>115,805</b>	<b>2,032</b>	<b>15,886</b>	<b>858</b>	<b>7,238</b>	<b>(7,896)</b>	<b>(1,266)</b>	<b>132,657</b>
Income tax (Note 12)	(18,511)	(222)	(2,267)	(389)	(1,868)	(1,636)	(9)	(24,902)
<b>Profit/(loss) for the year</b>	<b>97,294</b>	<b>1,810</b>	<b>13,619</b>	<b>469</b>	<b>5,370</b>	<b>(9,532)</b>	<b>(1,275)</b>	<b>107,755</b>
Attributable to:								
- Ordinary shareholders of the Company	52,649	865	10,310	42	5,135	(9,530)	(1,269)	58,202
- Non-controlling interests	44,645	945	3,309	427	235	(2)	(6)	49,553

## 18 Segment reporting (Continued)

### (a) Segment results, assets and liabilities (Continued)

	As at 31 December 2024							Total
	Comprehensive financial services	Advanced intelligent manufacturing	Advanced materials	New consumption	New-type urbanisation	Operation management	Elimination	
<b>Reportable segment assets</b>	11,369,787	63,576	357,614	56,193	343,031	53,956	(168,732)	12,075,425
Including:								
Interests in associates (Note 32)	25,868	1,011	22,819	7,571	49,789	675	-	107,733
Interests in joint ventures (Note 33)	14,766	641	8,117	1,864	40,171	1,396	-	66,955
<b>Reportable segment liabilities</b>	10,184,323	42,162	175,802	26,067	140,955	232,799	(149,697)	10,652,411
Including:								
Bank and other loans (Note 44) (note)	15,277	7,462	90,619	7,740	56,669	125,572	(58,484)	244,855
Debt instruments issued (Note 45) (note)	1,403,167	-	4,887	3,234	1,000	82,621	(4,807)	1,490,102

Note:

The amount is the principal excluding interest accrued.

### (b) Geographical information

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

	Revenue from external customers For the year ended 31 December		Reportable segment assets As at 31 December	
	2025	2024 (Restated)	2025	2024
Chinese mainland	623,762	633,528	11,691,121	10,921,472
Hong Kong, Macau and Taiwan	59,860	54,989	1,151,882	1,031,159
Overseas	85,642	58,683	178,137	122,794
	769,264	747,200	13,021,140	12,075,425

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### 19 Cash and deposits

	As at 31 December	
	2025	2024
Cash	4,509	5,200
Bank deposits	102,689	125,243
Balances with central banks (note (i)):		
– Statutory deposit reserve funds (note (ii))	300,359	323,523
– Surplus deposit reserve funds (note (iii))	75,805	6,833
– Fiscal deposits (note (iv))	3,987	3,699
– Foreign exchange reserves (note (v))	4,645	4,178
Deposits with banks and non-bank financial institutions	155,398	138,373
	647,392	607,049
Accrued interest	1,561	1,498
	648,953	608,547
Less: allowance for impairment losses on deposits with banks and non-bank financial institutions (Note 48)	(65)	(60)
	648,888	608,487

Notes:

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

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

As at 31 December 2025, the statutory deposit reserve funds placed by CITIC Bank with the People’s Bank of China was calculated at 5.5% (31 December 2024: 6%) of eligible RMB deposits for domestic branches of CITIC Bank and at 5.5% (31 December 2024: 6%) of eligible RMB deposits from overseas financial institutions respectively. In addition, CITIC Bank was also required to deposit an amount equivalent to 4% (31 December 2024: 4%) of its foreign currency deposits from domestic branch customers as statutory deposit reserve funds.

As at 31 December 2025, the statutory RMB deposit reserve rate applicable to Zhejiang Lin’an CITIC Rural Bank Corporation Limited in Chinese mainland, a subsidiary of CITIC Bank, according to the corresponding regulations of the People’s Bank of China, was at 5.5% (31 December 2024: 5%).

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

As at 31 December 2025, the statutory deposit reserve funds placed by CITIC Finance with the People’s Bank of China was calculated at 5% (31 December 2024: 5%) of eligible RMB deposits from the customers of CITIC Finance. CITIC Finance is also required to deposit an amount equivalent to 4% (31 December 2024: 4%) of its foreign currency deposits from the customers as statutory deposit reserve funds.

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

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

(v) The foreign exchange reserve is a deposit made by CITIC Bank with the People’s Bank of China in accordance with the related notice (“Notice”) issued by the People’s Bank of China. The reserve is provided at 20% of customers-driven foreign exchange forward transactions volume on a monthly basis. Such foreign exchange reserve is non-interest bearing and will be repayable in 12 months according to the Notice.

(vi) In addition to the statutory deposit reserve funds, fiscal deposits and foreign exchange reserves, RMB15,239 million (31 December 2024: RMB13,107 million) included in cash and deposits as at 31 December 2025 were restricted in use, mainly including guaranteed pledged bank deposits, guaranteed deposits and risk reserve.

## 20 Cash held on behalf of customers

CITIC Securities, the Group's subsidiary, maintains segregated deposit accounts with banks and authorised institutions to hold cash on behalf of customers arising from its normal course of business. The Group has recorded the related amounts as cash held on behalf of customers and the corresponding liabilities as customer brokerage deposits (Note 40). In Chinese mainland, the use of cash held on behalf of customers for security and the settlement of their transactions is restricted and governed by relevant third-party deposit regulations issued by the China Securities Regulatory Commission. In Hong Kong, the "Securities and Futures (Client Money) Rules" together with the related provisions of the Securities and Futures Ordinance impose similar restrictions. In other countries and regions, cash held on behalf of customers is supervised by relevant authorities.

## 21 Placements with banks and non-bank financial institutions

	As at 31 December	
	2025	2024
Banks (note (a))	104,907	133,785
Non-bank financial institutions	339,700	269,971
	<b>444,607</b>	403,756
Accrued interest	1,691	1,230
	<b>446,298</b>	404,986
Less: allowance for impairment losses (Note 48)	(200)	(185)
	<b>446,098</b>	404,801
Analysed by remaining maturity:		
– Within 1 month	90,657	93,695
– Between 1 month and 1 year	292,056	251,297
– Over 1 year	61,894	58,764
	<b>444,607</b>	403,756
Accrued interest	1,691	1,230
	<b>446,298</b>	404,986
Less: allowance for impairment losses (Note 48)	(200)	(185)
	<b>446,098</b>	404,801

- (a) The leased gold between the Group and financial institutions is included in the placements with banks and non-bank financial institutions, measured at fair value through profit or loss. As at 31 December 2025, the carrying amount of leased gold was RMB15,802 million (as at 31 December 2024: RMB22,789 million).

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### 22 Derivative financial instruments

The Group's subsidiaries under the comprehensive financial services act as an intermediary to offer derivative products including forwards, swaps and option transactions. These derivative positions are managed through entering back-to-back deals with external parties to ensure the remaining exposures are within acceptable risk levels. Meanwhile, derivatives are also used for proprietary trading purposes to manage its own asset and liability and structural positions. Derivatives, except for those which are designated as hedging instruments, are held for trading. Derivatives classified as held for trading are for trading and customer-initiated transactions purpose, and those for risk management purposes but do not meet the criteria for hedge accounting.

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

The following tables and notes provide an analysis of the nominal amounts of derivatives and the corresponding fair values as at the financial position date. The nominal amounts of the derivatives provide a basis for comparison with fair values of derivatives recognised on the consolidated statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair values of the derivatives and, therefore, do not indicate the Group's exposure to credit or market risks.

	As at 31 December					
	Nominal amount	2025		Nominal amount	2024	
Assets		Liabilities	Assets		Liabilities	
<b>Hedging instruments</b>						
Fair value hedge						
– Interest rate derivatives	11,581	265	51	9,789	398	29
– Commodity derivatives	12,734	–	796	5,846	142	–
– Currency derivatives	551	–	53	2,695	31	20
Cash flow hedge						
– Interest rate derivatives	5,573	34	226	3,056	38	–
– Currency derivatives	170	10	23	3,454	4	12
– Other derivatives	113	110	–	95	83	12
<b>Non-hedging instruments</b>						
– Interest rate derivatives	10,310,907	23,966	24,709	7,512,931	39,394	41,274
– Currency derivatives	5,567,856	30,845	28,494	5,160,905	72,936	64,833
– Equity derivatives	697,674	15,372	39,366	541,205	17,201	19,954
– Precious metals derivatives	205,714	2,729	9,675	168,706	1,081	4,157
– Credit derivatives	10,087	51	16	18,195	22	67
– Other derivatives	1,161,597	6,983	8,353	740,687	3,888	3,973
	<b>17,984,557</b>	<b>80,365</b>	<b>111,762</b>	<b>14,167,564</b>	<b>135,218</b>	<b>134,331</b>

## 22 Derivative financial instruments (Continued)

### (a) Nominal amount analysed by remaining maturity

	As at 31 December	
	2025	2024
Within 3 months	6,645,158	4,624,972
Between 3 months and 1 year	6,232,062	6,033,749
Between 1 year and 5 years	4,836,980	3,266,288
Over 5 years	270,357	242,555
	<b>17,984,557</b>	<b>14,167,564</b>

### (b) Credit risk weighted amounts

The credit risk weighted amounts are solely in connection with the derivatives held by CITIC Bank, and have been computed in accordance with "Regulation Governing Capital of Commercial Banks" promulgated by the National Financial Regulatory Administration (the "NFRA"), and depends on the status of the counterparties and the maturity characteristics of the instruments including those customer-driven back-to-back transactions. As at 31 December 2025, the credit risk weighted amount for counterparty was RMB21,630 million (31 December 2024: RMB24,307 million).

## 23 Trade and other receivables

	As at 31 December	
	2025	2024
Account and bills receivables (note (a))	89,201	88,884
Advanced payments and settlement accounts (note (b))	80,078	43,533
Accounts due from brokers	34,745	28,128
Prepayments, deposits and other receivables (note (c))	143,098	128,958
	<b>347,122</b>	<b>289,503</b>
Less: allowance for impairment losses (Note 48)	(27,145)	(23,116)
	<b>319,977</b>	<b>266,387</b>

As at 31 December 2025, the amount of the Group's prepayments, deposits and other receivables expected to be recovered or recognised as expense after more than one year is RMB1,190 million (31 December 2024: RMB1,523 million). The remaining trade and other receivables are expected to be recovered or recognised as expense within one year.

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### 23 Trade and other receivables (Continued)

#### (a) Account and bills receivables

##### (i) Account and bills receivables at amortised cost by overdue analysis

As at 31 December 2025, the analysis of account and bills receivables at amortised cost of the Group based on the days overdue is as follows:

	As at 31 December 2025		
	Expected credit loss rate	Gross carrying amount	Loss allowance provision
Current	4%	53,990	(2,113)
Up to 3 months overdue	4%	1,692	(68)
3 months to 1 year overdue	7%	4,807	(322)
Over 1 year overdue	51%	18,534	(9,400)
		79,023	(11,903)

  

	As at 31 December 2024		
	Expected credit loss rate	Gross carrying amount	Loss allowance provision
Current	4%	52,834	(2,173)
Up to 3 months overdue	5%	1,940	(96)
3 months to 1 year overdue	8%	4,931	(398)
Over 1 year overdue	43%	19,040	(8,107)
		78,745	(10,774)

Note:

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

## 23 Trade and other receivables (Continued)

### (a) Account and bills receivables (Continued)

#### (ii) Account and bills receivables at amortised cost by ageing analysis

As at 31 December, the ageing analysis of account and bills receivables at amortised cost of the Group based on invoice date is as follows:

	As at 31 December	
	2025	2024
Within 1 year	50,097	52,198
Over 1 year	28,926	26,547
	79,023	78,745
Less: allowance for impairment losses (Note 48)	(11,903)	(10,774)
	67,120	67,971

(iii) As at 31 December 2025, the carrying amount of bills receivables at FVOCI was RMB10,178 million (31 December 2024: RMB10,139 million).

(iv) The movements in the allowance for impairment losses on trade and other receivables are disclosed in Note 48.

### (b) Advanced payments and settlement accounts

	As at 31 December	
	2025	2024
Advanced payments and settlement accounts	80,078	43,533
Less: allowance for impairment losses (Note 48)	(157)	(141)
	79,921	43,392

### (c) Prepayments, deposits and other receivables

	As at 31 December	
	2025	2024
Prepayments, deposits and other receivables	143,098	128,958
Less: allowance for impairment losses (Note 48)	(15,399)	(12,201)
	127,699	116,757

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### 24 Contract assets and contract liabilities

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December	
	2025	2024
Contract assets	22,072	22,664
Less: allowance for impairment losses (note (a))	(432)	(250)
<b>Total contract assets</b>	<b>21,640</b>	<b>22,414</b>
Advances from contracts with customers	20,685	21,099
<b>Total contract liabilities</b>	<b>20,685</b>	<b>21,099</b>

#### (a) Assessment of allowance for impairment losses of contract

	As at 31 December	
	2025	2024
ECL rate (note)	1.96%	1.10%
Gross carrying amount	22,072	22,664
Loss allowance provision	(432)	(250)

Note:

The ECL rate here is the average rate of loss allowance provision divided by gross carrying amount.

#### (b) Revenue recognised during the year that related to carried-forward contract liabilities

	For the year ended 31 December	
	2025	2024
Revenue from contracts with customers	12,713	21,868

#### (c) Revenue to be recognised in relating to unsatisfied performance obligations

As at 31 December 2025, transaction price allocated to unsatisfied contracts of the Group amounted at RMB53,082 million (31 December 2024: RMB60,609 million), of which RMB33,467 million is expected to be recognised as revenue within one year (31 December 2024: RMB29,627 million) and the remaining RMB19,615 million is expected to be recognised after more than one year (31 December 2024: RMB30,982 million).

## 25 Inventories

	As at 31 December	
	2025	2024
Raw materials	14,419	15,609
Work-in-progress	11,815	10,868
Finished goods	38,530	36,826
Properties:		
– Properties under development	18,846	30,146
– Properties held-for-sale	24,573	20,440
– Others	6,316	6,248
Others	4,190	3,500
	<b>118,689</b>	<b>123,637</b>

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	For the year ended 31 December	
	2025	2024
Carrying amount of inventories sold	400,928	397,554
Write-down of inventories (Note 48)	2,383	2,463
Reversal of write-down of inventories (Note 48)	(272)	(997)
	<b>403,039</b>	<b>399,020</b>

As at 31 December 2025, the Group's inventories included an amount of RMB26,479 million expected to be recovered after more than one year (31 December 2024: RMB36,338 million).

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For the year ended 31 December 2025  
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### 26 Financial assets held under resale agreements

	As at 31 December	
	2025	2024
Analysed by counterparties:		
– Banks	122,430	106,026
– Non-bank financial institutions	59,385	65,807
– Others	45,742	12,051
	227,557	183,884
Accrued interest	102	112
	227,659	183,996
Less: allowance for impairment losses	(3,973)	(4,167)
	223,686	179,829

Analysed by types of collateral:

As at 31 December 2025, the collateral of the Group's financial assets held under resale agreements are securities or others (31 December 2024: securities or others).

Analysed by remaining maturity:

As at 31 December 2025, the Group's financial assets held under resale agreements will expire between 0 year and 5 years (31 December 2024: between 0 year and 5 years).

## 27 Loans and advances to customers and other parties

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

	As at 31 December	
	2025	2024
<b>Loans and advances to customers and other parties at amortised cost</b>		
Corporate loans		
– Loans	3,104,925	2,766,421
– Discounted bills	1,267	2,182
– Finance lease receivables	49,915	49,579
	<b>3,156,107</b>	<b>2,818,182</b>
Personal loans		
– Residential mortgages	1,123,729	1,067,339
– Business loans	488,061	488,898
– Credit cards	463,091	488,716
– Personal consumption	294,514	321,324
– Finance lease receivables	9,781	6,151
	<b>2,379,176</b>	<b>2,372,428</b>
	<b>5,535,283</b>	<b>5,190,610</b>
Accrued interest	24,121	21,889
	<b>5,559,404</b>	<b>5,212,499</b>
Less: allowance for impairment losses (Note 48)	(144,656)	(146,013)
Carrying amount of loans and advances to customers and other parties at amortised cost	<b>5,414,748</b>	<b>5,066,486</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

### 27 Loans and advances to customers and other parties (Continued)

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

	As at 31 December	
	2025	2024
<b>Loans and advances to customers and other parties at FVPL</b>		
Corporate loans:		
– Loans	14,908	11,243
Personal loans:		
– Finance lease receivables	359	369
Carrying amount of loans and advances to customers and other parties at FVPL	15,267	11,612
<b>Loans and advances to customers and other parties at FVOCI</b>		
– Loans	117,842	76,022
– Discounted bills	200,370	446,951
Carrying amount of loans and advances to customers and other parties at FVOCI	318,212	522,973
<b>Carrying amount of loans and advances</b>	<b>5,748,227</b>	<b>5,601,071</b>
Allowance for impairment losses on loans and advances to customers and other parties at FVOCI (Note 48)	(518)	(549)

## 27 Loans and advances to customers and other parties (Continued)

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

	As at 31 December 2025			Total
	Stage 1	Stage 2	Stage 3 (note)	
Loans and advances at amortised cost	5,335,182	128,140	71,961	5,535,283
Accrued interest	16,644	6,243	1,234	24,121
Less: allowance for impairment losses	(63,910)	(27,718)	(53,028)	(144,656)
Carrying amount of loans and advances at amortised cost	5,287,916	106,665	20,167	5,414,748
Carrying amount of loans and advances at FVOCI	317,954	258	–	318,212
Total carrying amount of loans and advances for which allowance for impairment losses is recognised	5,605,870	106,923	20,167	5,732,960
Allowance for impairment losses of loans and advances at FVOCI	(516)	(2)	–	(518)

  

	As at 31 December 2024			Total
	Stage 1	Stage 2	Stage 3 (note)	
Loans and advances at amortised cost	5,001,735	115,693	73,182	5,190,610
Accrued interest	15,848	5,087	954	21,889
Less: allowance for impairment losses	(62,545)	(29,547)	(53,921)	(146,013)
Carrying amount of loans and advances at amortised cost	4,955,038	91,233	20,215	5,066,486
Carrying amount of loans and advances at FVOCI	522,356	460	157	522,973
Total carrying amount of loans and advances for which allowance for impairment losses is recognised	5,477,394	91,693	20,372	5,589,459
Allowance for impairment losses of loans and advances at FVOCI	(545)	(1)	(3)	(549)

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### 27 Loans and advances to customers and other parties (Continued)

#### (b) Assessment method of allowance for impairment losses (Continued)

Note:

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

	As at 31 December	
	2025	2024
Secured portion	37,861	34,281
Unsecured portion	34,100	39,058
Total loans and advances that are credit-impaired	71,961	73,339
Allowance for impairment losses	(53,028)	(53,924)

As at 31 December 2025, the maximum exposure covered by fair value of pledge and collateral held against these loans and advances amounted to RMB35,729 million (31 December 2024: RMB33,233 million).

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

#### (c) Overdue loans by overdue period

	As at 31 December 2025					Total
	Overdue within 3 months	Overdue between 3 months and 1 year	Overdue between 1 year and 3 years	Overdue over 3 years		
Unsecured loans	17,204	11,255	2,129	4,487		35,075
Guaranteed loans	2,067	3,257	3,350	2,585		11,259
Secured loans						
– Loans secured by collateral	12,197	11,737	9,138	3,457		36,529
– Pledged loans	2,135	1,056	2,269	179		5,639
	33,603	27,305	16,886	10,708		88,502

  

	As at 31 December 2024					Total
	Overdue within 3 months	Overdue between 3 months and 1 year	Overdue between 1 year and 3 years	Overdue over 3 years		
Unsecured loans	29,714	13,407	2,174	3,525		48,820
Guaranteed loans	7,610	3,683	2,899	2,678		16,870
Secured loans						
– Loans secured by collateral	12,846	10,965	9,216	2,071		35,098
– Pledged loans	3,220	1,570	1,716	137		6,643
	53,390	29,625	16,005	8,411		107,431

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

## 28 Margin accounts

	As at 31 December	
	2025	2024
Margin accounts	210,777	140,626
Less: allowance for impairment losses	(3,125)	(2,294)
<b>Total</b>	<b>207,652</b>	<b>138,332</b>

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

As at 31 December 2025, the Group received collateral with fair value amounted to RMB646,457 million (31 December 2024: RMB411,308 million) in connection with its margin financing business.

## 29 Investments in financial assets

(a) Analysed by types

	As at 31 December	
	2025	2024
<b>Financial assets at amortised cost</b>		
Debt securities	1,119,677	920,106
Investment management products	27,092	20,162
Trust investment plans	162,806	176,543
Certificates of deposit and certificates of interbank deposit	1,048	1,095
Investments in creditor's rights on assets	1,900	1,900
Others	4,097	3,354
	<b>1,316,620</b>	<b>1,123,160</b>
Accrued interest	11,320	12,727
	<b>1,327,940</b>	<b>1,135,887</b>
Less: allowance for impairment losses (Note 48)	(26,239)	(27,728)
	<b>1,301,701</b>	<b>1,108,159</b>
<b>Financial assets at FVPL</b>		
Debt securities	529,981	493,650
Investment management products	17,987	11,415
Trust investment plans	18,862	10,340
Certificates of deposit and certificates of interbank deposit	26,076	75,593
Wealth management products	14,971	9,114
Investment funds	547,263	519,063
Equity investments	304,239	237,300
Others	51,456	44,638
	<b>1,510,835</b>	<b>1,401,113</b>

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For the year ended 31 December 2025  
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### 29 Investments in financial assets (Continued)

#### (a) Analysed by types (Continued)

	As at 31 December	
	2025	2024
<b>Debt investments at FVOCI (note (i))</b>		
Debt securities	946,197	889,068
Certificates of deposit and certificates of interbank deposit	31,381	29,868
	<b>977,578</b>	<b>918,936</b>
Accrued interest	7,089	7,995
	<b>984,667</b>	<b>926,931</b>
<b>Equity investments at FVOCI (note (i))</b>	<b>140,223</b>	<b>102,648</b>
	<b>3,937,426</b>	<b>3,538,851</b>
Allowance for impairment losses on debt investments at FVOCI (Note 48)	(3,489)	(3,285)

Note:

- (i) Financial assets measured at FVOCI

	As at 31 December 2025		
	Equity instruments	Debt instruments	Total
Cost/amortised cost	138,752	979,322	1,118,074
Accumulative fair value change in other comprehensive income	1,471	(1,744)	(273)
Accrued interest	-	7,089	7,089
Carrying amount	140,223	984,667	1,124,890
Allowance for impairment losses (Note 48)	Not applicable	(3,489)	(3,489)

  

	As at 31 December 2024		
	Equity instruments	Debt instruments	Total
Cost/amortised cost	101,892	904,622	1,006,514
Accumulative fair value change in other comprehensive income	756	14,314	15,070
Accrued interest	-	7,995	7,995
Carrying amount	102,648	926,931	1,029,579
Allowance for impairment losses (Note 48)	Not applicable	(3,285)	(3,285)

## 29 Investments in financial assets (Continued)

### (b) Analysed by counterparties

	As at 31 December	
	2025	2024
Issued by:		
– Government	1,569,891	1,587,428
– Policy banks	180,178	41,628
– Banks and non-bank financial institutions	1,643,065	1,457,653
– Corporates	513,009	423,230
– Public entities	12,874	8,216
	3,919,017	3,518,155
Accrued interest	18,409	20,696
	3,937,426	3,538,851
– Listed in Hong Kong	104,300	81,978
– Listed outside Hong Kong	3,158,770	2,970,179
– Unlisted	655,947	465,998
	3,919,017	3,518,155
Accrued interest	18,409	20,696
	3,937,426	3,538,851

Bonds traded in China's inter-bank bond market are "listed outside Hong Kong".

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

	As at 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount of investments in financial assets at amortised cost	1,261,281	11,577	43,762	1,316,620
Accrued interest	9,591	1,612	117	11,320
Less: allowance for impairment losses	(2,161)	(2,376)	(21,702)	(26,239)
Carrying amount of investments in financial assets at amortised cost	1,268,711	10,813	22,177	1,301,701
Gross carrying amount of debt investments in financial assets at FVOCI	977,204	44	330	977,578
Accrued interest	7,084	3	2	7,089
Carrying amount of debt investments in financial assets at FVOCI	984,288	47	332	984,667
Total carrying amount of investments in financial assets for which allowance for impairment losses is recognised	2,252,999	10,860	22,509	2,286,368
Allowance for impairment losses on debt investments in financial assets at FVOCI	(2,087)	(6)	(1,396)	(3,489)

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For the year ended 31 December 2025  
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### 29 Investments in financial assets (Continued)

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

	As at 31 December 2024			Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount of investments in financial assets at amortised cost	1,064,868	9,121	49,171	1,123,160
Accrued interest	11,374	1,289	64	12,727
Less: allowance for impairment losses	(2,390)	(1,088)	(24,250)	(27,728)
Carrying amount of investments in financial assets at amortised cost	1,073,852	9,322	24,985	1,108,159
Gross carrying amount of debt investments in financial assets at FVOCI	918,145	125	666	918,936
Accrued interest	7,966	5	24	7,995
Carrying amount of debt investments in financial assets at FVOCI	926,111	130	690	926,931
Total carrying amount of investments in financial assets for which allowance for impairment losses is recognised	1,999,963	9,452	25,675	2,035,090
Allowance for impairment losses on debt investments in financial assets at FVOCI	(2,051)	(24)	(1,210)	(3,285)

### 30 Refundable deposits

	As at 31 December	
	2025	2024
Trading deposits	95,988	62,418
Performance deposits	6,126	5,625
Credit deposits	258	172
	102,372	68,215

## 31 Subsidiaries

The particulars of the principal subsidiaries are set out in Note 59.

The following table lists out the information relating to CITIC Bank, CITIC Securities, CITIC Heavy Industries Co. Ltd. (“CITIC Heavy Industries”), CITIC Telecom International Holdings Limited (“CITIC Telecom International”) and CITIC Resources Holdings Limited (“CITIC Resources”), which are listed subsidiaries of the Group and have material non-controlling interests. The summarised financial information below is before elimination of inter-group transactions and balances:

	CITIC Bank		CITIC Securities		As at 31 December CITIC Heavy Industries		CITIC Telecom International		CITIC Resources	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Listed in:	Hong Kong and Shanghai		Hong Kong and Shanghai		Shanghai		Hong Kong		Hong Kong	
Percentage of non-controlling interests	34.21%	32.70%	80.16%	80.16%	35.62%	35.62%	42.46%	42.46%	40.50%	40.50%
<b>Total assets</b>	<b>10,131,028</b>	<b>9,532,722</b>	<b>2,084,326</b>	<b>1,713,362</b>	<b>20,045</b>	<b>19,677</b>	<b>15,343</b>	<b>16,150</b>	<b>13,194</b>	<b>11,736</b>
Mainly including:										
Cash and deposits	528,113	469,108	116,567	116,494	2,197	2,061	1,756	1,492	3,184	1,881
Cash held on behalf of customers	-	-	433,832	315,761	-	-	-	-	-	-
Placements with banks and non-bank financial institutions	446,098	404,801	-	-	-	-	-	-	-	-
Derivative financial instruments	41,026	85,929	39,594	48,997	-	-	-	4	111	103
Financial assets held under resale agreements	169,640	136,265	54,362	44,268	-	-	-	-	-	-
Loans and advances to customers and other parties	5,746,871	5,601,450	-	-	-	-	-	-	-	-
Margin accounts	-	-	207,652	138,332	-	-	-	-	-	-
Investments in financial assets	2,926,825	2,620,870	958,325	861,773	490	505	-	-	-	-
Fixed assets	74,534	46,516	9,204	8,931	4,135	3,907	1,621	1,788	3,252	3,416
Right-of-use assets	10,337	11,035	2,474	2,166	6	31	422	427	45	52

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### 31 Subsidiaries (Continued)

	CITIC Bank		CITIC Securities		As at 31 December CITIC Heavy Industries		CITIC Telecom International		CITIC Resources	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Total liabilities</b>	(9,283,398)	(8,725,357)	(1,758,796)	(1,414,713)	(10,512)	(10,439)	(5,280)	(6,138)	(5,115)	(4,130)
Mainly including:										
Borrowings from central banks	(204,025)	(124,151)	-	-	-	-	-	-	-	-
Deposits from banks and non-bank financial institutions	(936,672)	(968,492)	-	-	-	-	-	-	-	-
Placements from banks and non-bank financial institutions	(159,013)	(88,550)	(27,720)	(45,493)	-	-	-	-	-	-
Customer brokerage deposits	-	-	(518,683)	(362,449)	-	-	-	-	-	-
Trade and other payables	-	-	(252,579)	(198,183)	(2,996)	(2,897)	(764)	(780)	(153)	(691)
Derivative financial instruments	(44,364)	(81,162)	(65,690)	(53,954)	-	-	(4)	-	-	(12)
Financial assets sold under repurchase agreements	(477,502)	(278,003)	(407,352)	(390,169)	-	-	-	-	-	-
Deposits from customers	(6,127,012)	(5,864,311)	-	-	-	-	-	-	-	-
Bank and other loans	-	-	(27,009)	(14,232)	(1,984)	(2,032)	(2,942)	(3,618)	(3,105)	(1,823)
Lease liabilities	(10,249)	(10,861)	(2,565)	(2,262)	(9)	(36)	(271)	(300)	(41)	(40)
<b>Net assets</b>	<b>847,630</b>	<b>807,365</b>	<b>325,530</b>	<b>298,649</b>	<b>9,533</b>	<b>9,238</b>	<b>10,063</b>	<b>10,012</b>	<b>8,079</b>	<b>7,606</b>
Equity attributable to										
- Ordinary shareholders of subsidiaries	723,865	683,765	319,638	292,990	9,344	9,043	9,956	9,924	7,940	7,485
- Non-controlling interests in subsidiaries	123,765	123,600	5,892	5,659	189	195	107	88	139	121
Carrying amount of non-controlling interests	371,399	346,820	269,705	246,504	3,517	3,416	4,326	4,302	3,355	3,152

## 31 Subsidiaries (Continued)

	For the year ended 31 December									
	CITIC Bank		CITIC Securities		CITIC Heavy Industries		CITIC Telecom International		CITIC Resources	
	2025	2024	2025	2024 (Restated)	2025	2024	2025	2024	2025	2024
Revenue	212,636	212,223	74,854	58,251	8,107	8,034	8,765	8,725	13,711	8,656
Profit for the year	71,490	69,468	31,166	22,428	366	355	856	845	176	554
Total comprehensive income for the year	57,511	82,382	29,742	22,590	421	310	934	830	858	339
Profit attributable to non-controlling interests	25,030	23,317	25,271	18,572	125	114	371	368	83	243
Dividends paid to non-controlling interests	11,037	14,071	8,406	9,887	47	52	280	375	-	-
Net cash generated from/(used in) operating activities	443,082	(181,032)	(43,966)	95,821	850	816	2,076	1,422	626	803
Net cash used in investing activities	(308,085)	(29,532)	(6,989)	(74,264)	(488)	(340)	(277)	(273)	(890)	(469)
Net cash (used in)/generated from financing activities	(59,792)	220,803	55,083	(15,362)	(243)	391	(1,486)	(1,205)	906	(77)

## 32 Interests in associates

	As at 31 December	
	2025	2024
Carrying value	122,471	115,759
Less: allowance for impairment losses (Note 48)	(8,126)	(8,026)
	114,345	107,733

The particulars of the principal associates are set out in Note 59.

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### 32 Interests in associates (Continued)

Summarised financial information of the material associates are disclosed below:

	As at 31 December					
	China Overseas Land & Investment Limited		CSC Financial Co., Ltd.		Ivanhoe Mines Ltd.	
	2025	2024	2025	2024	2025	2024
Listed in:	Hong Kong		Hong Kong, Shanghai		Canada	
<b>Gross amount of the associates</b>						
Total assets	936,142	931,267	676,816	566,418	62,358	50,247
Total liabilities	(495,798)	(506,804)	(557,665)	(459,899)	(13,819)	(6,953)
Net assets	440,344	424,463	119,151	106,519	48,539	43,294
Equity attributable to:						
– Associates' shareholders	408,393	403,244	119,102	106,469	49,416	44,004
– Non-controlling interests in associates	31,951	21,219	49	50	(877)	(710)
	440,344	424,463	119,151	106,519	48,539	43,294

	For the year ended 31 December					
	China Overseas Land & Investment Limited		CSC Financial Co., Ltd.		Ivanhoe Mines Ltd.	
	2025	2024	2025	2024 (Restated)	2025	2024
Revenue	168,089	185,154	34,985	30,140	3,154	291
Profit for the year	13,386	17,701	9,454	7,236	1,826	1,577
Other comprehensive income/(loss) for the year	132	(801)	475	598	(557)	498
Total comprehensive income for the year	13,518	16,900	9,929	7,834	1,269	2,075
Dividends received from associates	552	749	179	210	-	-
<b>Reconciled to the Group's interests in associates</b>						
Net assets of associates attributable to the associates' ordinary shareholders	408,393	403,244	82,957	76,643	49,416	44,004
The Group's effective interest	10.01%	10.01%	9.47%	9.47%	21.20%	22.34%
The Group's share of net assets of associates attributable to the ordinary shareholders	40,880	40,365	7,856	7,258	10,476	9,830
Goodwill and others	1,582	1,452	6,235	6,085	(137)	(151)
Impairment of interests in associates	(3,578)	(3,669)	-	-	-	-
Carrying amounts in the consolidated statement of financial position	38,884	38,148	14,091	13,343	10,339	9,679
Quoted fair value	14,859	14,608	19,545	18,913	24,110	26,965

## 32 Interests in associates (Continued)

Note:

Aggregate information of associates that are not individually material:

	As at 31 December	
	2025	2024
Aggregate carrying amount of individually immaterial associates in the consolidated statement of financial position	51,031	46,563
Aggregate amount of the Group's share of those immaterial associates:		
Profit for the year	4,340	1,725
Other comprehensive (loss)/income for the year	(341)	126
Total comprehensive income for the year	3,999	1,851

## 33 Interests in joint ventures

	As at 31 December	
	2025	2024
Carrying value	70,932	68,738
Less: allowance for impairment losses (Note 48)	(1,894)	(1,783)
	69,038	66,955

The particulars of the principal joint ventures are set out in Note 59.

Summarised financial information of the material joint ventures are disclosed below:

	CITIC-Prudential Life Insurance Co., Ltd.		As at 31 December China Shipbuilding Properties Co., Ltd.		Shanghai Ruibo Real Properties Co., Ltd.	
	2025	2024	2025	2024	2025	2024
<b>Gross amount of the joint ventures</b>						
Total assets	286,784	265,586	15,295	16,645	28,843	31,420
Total liabilities	(272,078)	(253,285)	(7,644)	(9,022)	(20,450)	(22,241)
Net assets	14,706	12,301	7,651	7,623	8,393	9,179
Equity attributable to:						
– Joint ventures' shareholders	14,705	12,301	7,651	7,623	8,393	9,179
– Non-controlling interests in joint ventures	1	–	–	–	–	–
	14,706	12,301	7,651	7,623	8,393	9,179

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### 33 Interests in joint ventures (Continued)

	For the year ended 31 December					
	CITIC-Prudential Life Insurance Co., Ltd.		China Shipbuilding Properties Co., Ltd.		Shanghai Ruibo Real Properties Co., Ltd.	
	2025	2024	2025	2024	2025	2024
Revenue	23,078	15,345	198	281	1,908	2,362
Profit/(loss) for the year	4,953	96	28	181	(786)	181
Other comprehensive loss for the year	(5,048)	(664)	-	-	-	-
Total comprehensive (loss)/income for the year	(95)	(568)	28	181	(786)	181
Dividends received from joint ventures	-	-	-	-	-	-
<b>Reconciled to the Group's interests in joint ventures</b>						
Net assets of joint ventures attributable to joint ventures' ordinary shareholders	14,705	12,301	7,651	7,623	8,393	9,179
The Group's effective interest	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
The Group's share of net assets of joint ventures attributable to the ordinary shareholders	7,353	6,151	3,826	3,812	4,197	4,590
Goodwill and others	1,124	1,124	910	892	305	298
Carrying amount in the consolidated statement of financial position	8,477	7,275	4,736	4,704	4,502	4,888

Aggregate information of joint ventures that are not individually material:

	As at 31 December	
	2025	2024
Aggregate carrying amount of individually immaterial joint ventures in the consolidated statement of financial position	51,323	50,088
Aggregate amount of the Group's share of individually immaterial joint ventures		
Profit for the year	1,537	2,200
Other comprehensive income/(loss) for the year	24	(150)
Total comprehensive income for the year	1,561	2,050

## 34 Fixed assets

	Property, plant and equipment								Investment properties
	Plant and buildings	Machinery and equipment	Construction in progress	Aircraft and vessels, etc	Office and other equipment	Vehicles	Others	Total	
<b>Cost or valuation:</b>									
At 1 January 2025	112,598	183,980	17,661	16,841	26,134	10,001	9,124	376,339	40,691
Exchange adjustments	13	(801)	(8)	(302)	(43)	(60)	(170)	(1,371)	(338)
Additions	4,039	7,791	3,037	32,063	3,219	434	2,121	52,704	1,399
Disposals	(561)	(3,410)	(176)	(1,440)	(1,344)	(530)	(1,010)	(8,471)	(2,697)
Transfers	146	729	(2,848)	85	125	4	36	(1,723)	1,264
Changes in fair value of investment properties	-	-	-	-	-	-	-	-	(127)
<b>At 31 December 2025</b>	<b>116,235</b>	<b>188,289</b>	<b>17,666</b>	<b>47,247</b>	<b>28,091</b>	<b>9,849</b>	<b>10,101</b>	<b>417,478</b>	<b>40,192</b>
<b>Accumulated depreciation, amortisation and impairment losses:</b>									
At 1 January 2025	(30,970)	(96,201)	(509)	(2,075)	(16,353)	(4,930)	(7,249)	(158,287)	-
Exchange adjustments	95	886	-	7	44	26	134	1,192	-
Charge for the year	(3,825)	(9,389)	-	(1,416)	(3,443)	(586)	(598)	(19,257)	-
Disposals	329	3,004	-	272	1,015	398	112	5,130	-
Impairments losses (Note 48)	(459)	(311)	(28)	-	(1)	(21)	(18)	(838)	-
<b>At 31 December 2025</b>	<b>(34,830)</b>	<b>(102,011)</b>	<b>(537)</b>	<b>(3,212)</b>	<b>(18,738)</b>	<b>(5,113)</b>	<b>(7,619)</b>	<b>(172,060)</b>	<b>-</b>
<b>Net book value:</b>									
<b>At 31 December 2025</b>	<b>81,405</b>	<b>86,278</b>	<b>17,129</b>	<b>44,035</b>	<b>9,353</b>	<b>4,736</b>	<b>2,482</b>	<b>245,418</b>	<b>40,192</b>
<b>Represented by:</b>									
Cost	116,235	188,289	17,666	47,247	28,091	9,849	10,101	417,478	Not applicable
Valuation	-	-	-	-	-	-	-	-	40,192
	116,235	188,289	17,666	47,247	28,091	9,849	10,101	417,478	40,192

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### 34 Fixed assets (Continued)

	Property, plant and equipment							Total	Investment properties
	Plant and buildings	Machinery and equipment	Construction in progress	Aircraft and vessels, etc	Office and other equipment	Vehicles	Others		
<b>Cost or valuation:</b>									
At 1 January 2024	106,038	192,063	20,046	7,485	25,001	10,762	10,849	372,244	38,153
Exchange adjustments	91	1,149	7	54	40	55	197	1,593	252
Business combinations	4	-	-	-	-	-	-	4	-
Additions	3,290	2,862	9,848	9,682	2,856	641	112	29,291	4,956
Disposals	(4,023)	(17,954)	(439)	(439)	(1,965)	(1,459)	(2,592)	(28,871)	(427)
Transfers	7,198	5,860	(11,801)	59	202	2	558	2,078	(2,078)
Changes in fair value of investment properties	-	-	-	-	-	-	-	-	(165)
At 31 December 2024	112,598	183,980	17,661	16,841	26,134	10,001	9,124	376,339	40,691
<b>Accumulated depreciation, amortisation and impairment losses:</b>									
At 1 January 2024	(30,244)	(102,531)	(537)	(1,563)	(14,344)	(4,948)	(7,358)	(161,525)	-
Exchange adjustments	(108)	(249)	-	(1)	(40)	(20)	(103)	(521)	-
Charge for the year	(4,157)	(10,663)	-	(580)	(3,559)	(708)	(524)	(20,191)	-
Disposals	3,576	17,386	6	69	1,590	768	622	24,017	-
Impairments (losses)/reversals (Note 48)	(37)	(144)	22	-	-	(22)	114	(67)	-
At 31 December 2024	(30,970)	(96,201)	(509)	(2,075)	(16,353)	(4,930)	(7,249)	(158,287)	-
<b>Net book value:</b>									
At 31 December 2024	81,628	87,779	17,152	14,766	9,781	5,071	1,875	218,052	40,691
<b>Represented by:</b>									
Cost	112,598	183,980	17,661	16,841	26,134	10,001	9,124	376,339	Not applicable
Valuation	-	-	-	-	-	-	-	-	40,691
	112,598	183,980	17,661	16,841	26,134	10,001	9,124	376,339	40,691

As at 31 December 2025, the Group was in the process of applying the ownership certificates in respect of certain premises of RMB943 million (31 December 2024: RMB967 million). The Group anticipates that there would be no significant issues and costs in completing such procedures.

## 34 Fixed assets (Continued)

### (a) Fair value measurement of investment properties

#### (i) Property valuation

Investment properties were revalued by the following independent professionally qualified valuers. Management of the Group had discussions with the valuers on the valuation assumptions and valuation results when the valuation is performed at each financial position date.

Properties located in	Valuers in 2025	
Chinese mainland and Hong Kong	China Alliance Appraisal Co., Ltd.	
	Zhonghe Appraisal Co., Ltd.	
	Pan-China Assets Appraisal Co., Ltd.	
	China Enterprise Appraisals Consultation Co., Ltd.	
	ChungRui World Union Appraisal Group Co., Ltd.	
	Knight Frank Petty Limited	
	China Tong Cheng Assets Appraisal Co., Ltd.	
	Centaline Surveyors Limited	
	Shanghai Orient Appraisal Co., Ltd.	
	Tianjin Huaxia Jinxin Asset Appraisal Co., Ltd.	
	Tongling Jinjian Certified Public Accountants LLP	
	Bowen Real Estate Appraisal Building Cost Group Co., Ltd.	
	Overseas	Jones Lang LaSalle Corporate Appraisal and Advisory Company Limited
		Network Real Estate Appraisal Co., Ltd.
Properties located in	Valuers in 2024	
Chinese mainland and Hong Kong	China Enterprise Appraisals Consultation Co., Ltd.	
	Knight Frank Petty Limited	
	China United Assets Appraisal Group	
	Jones Lang LaSalle Corporate Appraisal and Advisory Company Limited	
	Pan-China Assets Appraisal Co., Ltd.	
	ZhongHe Appraisal Co., Ltd.	
	Centaline Surveyors Limited	
Overseas	Jones Lang LaSalle Corporate Appraisal and Advisory Company Limited	
	Network Real Estate Appraisal Co., Ltd.	

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### 34 Fixed assets (Continued)

#### (a) Fair value measurement of investment properties (Continued)

##### (ii) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the financial position dates on a recurring basis, categorised into the three-level hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs, i. e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2 valuations: Fair value measured using Level 2 inputs, i. e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;

Level 3 valuations: Fair value measured using significant unobservable inputs.

	Level 3	
	For the year ended 31 December	
	2025	2024
<b>Recurring fair value measurement</b>		
Investment properties – Chinese mainland		
At 1 January	28,101	25,954
Exchange adjustments	(23)	(2)
Additions	1,197	4,799
Disposals	(2,656)	(421)
Transfers	1,217	(2,031)
Changes in fair value of investment properties	121	(198)
At 31 December	27,957	28,101

### 34 Fixed assets (Continued)

#### (a) Fair value measurement of investment properties (Continued)

##### (ii) Fair value hierarchy (Continued)

	Level 3	
	For the year ended 31 December	
	2025	2024
<b>Recurring fair value measurement (Continued)</b>		
Investment properties – Hong Kong		
At 1 January	12,106	11,706
Exchange adjustments	(330)	280
Additions	202	136
Disposals	(35)	–
Transfers	34	(47)
Changes in fair value of investment properties	(256)	31
At 31 December	11,721	12,106
Investment properties – Overseas		
At 1 January	484	493
Exchange adjustments	15	(26)
Additions	–	21
Disposals	(6)	(6)
Transfers	13	–
Changes in fair value of investment properties	8	2
At 31 December	514	484

The Group's policy is to recognise transfers between levels of fair value hierarchy at the financial position date in which they occur. During the year ended 31 December 2025, there were no Level 1 and Level 2 fair value hierarchy (2024: nil) and no transfers into or out of Level 3 (2024: nil).

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### 34 Fixed assets (Continued)

#### (a) Fair value measurement of investment properties (Continued)

##### (iii) Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of investment properties located in Chinese mainland is determined by using income capitalisation approach and depreciated replacement cost approach under the circumstances.

The income capitalisation approach is the sum of the term value and the reversionary value by discounting the contracted annual rent at the capitalisation rate over the existing lease period; and the sum of average unit market rent at the capitalisation rate after the existing lease period.

Depreciated replacement cost values a property by taking into account of its current cost of replacement or reproduction, less deduction for physical deterioration and all relevant forms of obsolescence and optimisation. The fair value measurement is based on an estimate of the market value for the existing use of the land, plus the depreciated replacement cost.

The fair value of certain investment properties located in Hong Kong is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the quality of the Group's buildings compared with the recent sales. Higher premium for higher quality buildings will result in a higher fair value measurement.

The fair value of other investment properties located in Hong Kong is determined by using income capitalisation approach and with reference to sales evidence as available in the market.

## 35 Intangible assets and goodwill

### (a) Intangible assets

The Group's intangible assets mainly include concession rights, mining exploration rights, computer software and data resources. As at 31 December 2025, in accordance with the *Notice on Promulgation of the Interim Provisions on Accounting Treatment for Enterprise Data Resources* issued by the Ministry of Finance ("MOF"), the original value of data resources recognised as intangible assets was RMB58.06 million (31 December 2024: RMB16.15 million), the accumulated amortisation was RMB5.55 million (31 December 2024: RMB0.89 million), and the net carrying amount was RMB52.51 million (31 December 2024: RMB15.26 million).

### (b) Goodwill

	For the year ended 31 December	
	2025	2024
<b>Cost:</b>		
At 1 January	32,881	32,236
Disposals	(6)	–
Exchange differences and others	(342)	645
At 31 December	32,533	32,881
<b>Accumulated impairment losses:</b>		
At 1 January	(6,137)	(6,160)
Additions (Note 48)	–	(17)
Disposals	6	–
Exchange differences and others	12	40
At 31 December	(6,119)	(6,137)
<b>Net book value:</b>		
At 31 December	26,414	26,744

Goodwill is allocated to the Group's cash-generating units identified in segments as follows:

	As at 31 December	
	2025	2024
Comprehensive financial services	12,768	12,838
Advanced intelligent manufacturing	992	975
Advanced materials	891	954
New consumption	11,193	11,371
New-type urbanisation	570	606
	26,414	26,744

In conducting goodwill impairment test, the carrying value of goodwill is allocated to the cash-generating units or groups of cash-generating units which are expected to benefit from the synergies of the business combination. The recoverable amount of the cash-generating units or groups of cash-generating units is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The corresponding impairment loss of the cash-generating units or groups of cash-generating units will not be recognised if either the fair value less costs to sell or the present value of the future cash flows expected to be derived from the asset is higher than the carrying value.

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### 35 Intangible assets and goodwill (Continued)

For the comprehensive financial service segment, the Group included CITIC Securities in the consolidation scope since April 2022, generating goodwill of RMB11,430 million. As at 31 December 2025, the Group allocated such goodwill to CITIC Securities for impairment test, and evaluated whether it was impaired based on the present value of the expected future cash flows. The management determined the growth rate based on historical experience and forecasts of market development. The growth rate of the forecast period was determined according to the budget approved by management, and growth rate of 2% for the stable period was used after the forecast period. The Group adopted 13.28%, which could reflect the overall risks of CITIC Securities, as the pre-tax discount rate. As the calculation showed, the goodwill arising from consolidation of CITIC Securities had not been impaired.

For the new consumption segment, among the total book value of the Group's goodwill, an amount of RMB8,795 million was generated from acquisition of subsidiaries by CITIC Telecom International. The recoverable amounts of the groups of cash-generating units are determined based on value-in-use calculations which is higher than the carrying amount. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. For the subsequent two years of the model, data from the financial budgets is extrapolated generally using simplified assumptions such as macro-economic and industry assumptions. Cash flows after the first five-year period are extrapolated generally using expected annual long-term growth rates, in order to calculate the terminal value. Key assumptions used for the value-in-use calculations are as follows:

	2025	2024
Telecom services revenue growth rates	1.1% ~ 3.4%	0.1% ~ 2.8%
Profit margins	20.0% ~ 48.6%	20.7% ~ 49.3%
Long-term growth rates	2.5%	3.0%
Pre-tax discount rates	7.7% ~ 9.7%	9.2% ~ 10.5%

The average services revenue growth rates and long-term growth rates used for the respective groups of cash-generating units are based on past performance and management's expectation for market development. The discount rates used are pre-tax and reflect specific risks relating to the respective groups of cash-generating units. Any adverse change in the key assumptions could reduce the recoverable amount below carrying amount.

For the new-type urbanisation segment, RMB4,801 million in the original carrying amount of the Group's goodwill was generated from acquisition of a subsidiary of CITIC Environment Investment Group Co., Ltd. ("CITIC Environment"), and an impairment loss of RMB4,323 million was provided in 2022. As at 31 December 2025, management evaluated whether the goodwill has been impaired using the present value of the expected future cash flows. After testing, the goodwill is not further impaired in 2025.

## 36 Income tax in the statement of financial position

(a) Current income tax in the statement of financial position represents:

	As at 31 December	
	2025	2024
Income tax payable	11,691	12,376

(b) Deferred tax assets/(liabilities) recognised:

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Tax losses	Accrued expenses	Impairment loss on assets other than fixed assets and intangible assets	Fair value changes of financial instruments	Fixed assets and intangible assets	Others	Total
<b>Deferred tax assets</b>							
At 1 January 2024	13,638	11,064	57,125	1,936	2,046	4,072	89,881
Charged to profit or loss	35	310	4,642	1,585	(1,042)	404	5,934
Charged to other comprehensive income	–	6	(112)	(73)	(11)	(58)	(248)
Business combinations	(1)	–	–	–	–	–	(1)
Exchange adjustments and others	475	(224)	(250)	(142)	701	(447)	113
At 31 December 2024	14,147	11,156	61,405	3,306	1,694	3,971	95,679
At 1 January 2025	14,147	11,156	61,405	3,306	1,694	3,971	95,679
Charged to profit or loss	(656)	498	(1,774)	2,767	(247)	1,590	2,178
Charged to other comprehensive income	–	(43)	–	(40)	(3)	33	(53)
Exchange adjustments and others	(268)	2	4	(2)	(12)	115	(161)
At 31 December 2025	13,223	11,613	59,635	6,031	1,432	5,709	97,643

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### 36 Income tax in the statement of financial position (Continued)

#### (b) Deferred tax assets/(liabilities) recognised: (Continued)

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Fair value changes of financial instruments	Temporary differences on fixed assets and intangible assets	Revaluation of investment properties	Others	Total
<b>Deferred tax liabilities</b>					
At 1 January 2024	(6,019)	(4,235)	(4,324)	(8,723)	(23,301)
Charged to profit or loss	(1,106)	917	(48)	(1,332)	(1,569)
Charged to other comprehensive income	(3,736)	7	–	150	(3,579)
Business combinations	–	–	–	1	1
Exchange adjustments and others	4	456	659	(1,109)	10
At 31 December 2024	(10,857)	(2,855)	(3,713)	(11,013)	(28,438)
At 1 January 2025	(10,857)	(2,855)	(3,713)	(11,013)	(28,438)
Charged to profit or loss	(3,552)	(55)	(122)	415	(3,314)
Charged to other comprehensive income	3,405	(26)	–	(13)	3,366
Business combinations	–	–	106	–	106
Exchange adjustments and others	6	(592)	436	495	345
At 31 December 2025	(10,998)	(3,528)	(3,293)	(10,116)	(27,935)

As at 31 December 2025, the deferred tax assets/liabilities offset by the Group were RMB10,604 million (31 December 2024: RMB10,717 million).

#### (c) Deductible temporary difference and tax losses not recognised as deferred tax assets

The Group has not recognised deferred tax assets in respect of the following items:

	As at 31 December	
	2025	2024
Deductible temporary differences	9,535	13,673
Tax losses	19,931	23,257
	29,466	36,930

It is not probable that future taxable profits against which the above deductible temporary differences and tax losses can be utilised by the Group. As at 31 December 2025, tax losses amounting to RMB12,515 million (31 December 2024: RMB14,854 million) that can be carried forward against future taxable income are expiring within 5 years.

### 37 Deposits from banks and non-bank financial institutions

	As at 31 December	
	2025	2024
Banks	224,321	349,456
Non-bank financial institutions	657,147	583,403
	881,468	932,859
Accrued interest	1,808	2,300
	883,276	935,159

### 38 Placements from banks and non-bank financial institutions

	As at 31 December	
	2025	2024
Banks	202,337	144,748
Non-bank financial institutions	751	771
	203,088	145,519
Accrued interest	711	125
	203,799	145,644
Analysed by remaining maturity:		
– Within 3 months	143,419	99,229
– Between 3 months and 1 year	53,594	42,636
– Over 1 year	6,075	3,654
	203,088	145,519
Accrued interest	711	125
	203,799	145,644

### 39 Financial liabilities at fair value through profit or loss

	As at 31 December	
	2025	2024
<b>Financial liabilities at fair value through profit or loss</b>		
Debt instruments	10,967	24,253
Stocks	18,119	9,528
Non-controlling interests in consolidated structured entities and others	1,197	463
	30,283	34,244
<b>Financial liabilities designated at fair value through profit or loss</b>		
Beneficiary certificates and structured notes	139,225	88,014
Non-controlling interests in consolidated structured entities and others	3,508	4,882
	142,733	92,896
	173,016	127,140

In 2025, there were no significant changes in the fair value of financial liabilities designated as at fair value through profit or loss due to the changes in credit risks of the Group (2024: None).

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### 40 Customer brokerage deposits

	As at 31 December	
	2025	2024
Customer brokerage deposits	517,630	361,926

Customer brokerage deposits represent the amount received from and repayable to customers arising from the ordinary course of the Group's securities brokerage activities.

### 41 Trade and other payables

	As at 31 December	
	2025	2024
<b>Financial liabilities</b>		
Trade and bills payables	105,893	106,231
Settlement accounts	84,333	42,571
Client deposits payable	152,030	134,310
Dividends payable	5,609	4,639
Other payables	119,861	89,877
	467,726	377,628
<b>Non-financial liabilities</b>		
Advances	1,067	264
Other taxes payables	9,025	8,004
	10,092	8,268
	477,818	385,896

At the financial position date, the ageing analysis of the Group's trade and bills payables based on the invoice date is as follows:

	As at 31 December	
	2025	2024
Within 1 year	83,877	82,196
Between 1 and 2 years	6,685	7,278
Between 2 and 3 years	4,990	2,809
Over 3 years	10,341	13,948
	105,893	106,231

## 42 Financial assets sold under repurchase agreements

	As at 31 December	
	2025	2024
By counterparties		
The People's Bank of China	358,122	196,732
Banks	257,147	210,420
Non-bank financial institutions	199,640	56,250
Others	69,337	208,451
	884,246	671,853
Accrued interest	1,463	234
	885,709	672,087
By types of collateral		
Debt securities	724,614	483,566
Stocks	36,595	46,493
Precious metals	30,557	13,524
Discounted bills	2,524	76,732
Others	89,956	51,538
	884,246	671,853
Accrued interest	1,463	234
	885,709	672,087

The Group did not derecognise financial assets transferred as collateral in connection with repurchase agreements. As at 31 December 2025, legal title of these collateral pledged has not been transferred to counterparties (31 December 2024: Not been transferred).

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### 43 Deposits from customers

#### (a) Types of deposits from customers

	As at 31 December	
	2025	2024
<b>Demand deposits</b>		
Corporate customers	1,974,729	1,965,191
Personal customers	473,380	439,965
	<b>2,448,109</b>	<b>2,405,156</b>
<b>Time and call deposits</b>		
Corporate customers	2,186,503	2,066,876
Personal customers	1,320,869	1,221,680
	<b>3,507,372</b>	<b>3,288,556</b>
Outward remittance and remittance payables	84,261	68,167
Accrued interest	77,785	86,060
	<b>6,117,527</b>	<b>5,847,939</b>

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

	As at 31 December	
	2025	2024
Bank acceptances	440,829	465,680
Letters of credit	46,061	43,450
Guarantees	28,352	21,411
Others	42,373	30,284
	<b>557,615</b>	<b>560,825</b>

## 44 Bank and other loans

### (a) Types of loans

	As at 31 December	
	2025	2024
<b>Bank loans</b>		
Unsecured loans	185,611	177,750
Loan pledged with assets (note (d))	18,712	24,503
	<b>204,323</b>	<b>202,253</b>
<b>Other loans</b>		
Unsecured loans	38,684	39,352
Loan pledged with assets (note (d))	2,703	3,250
	<b>41,387</b>	<b>42,602</b>
	<b>245,710</b>	<b>244,855</b>
Accrued interest	457	711
	<b>246,167</b>	<b>245,566</b>

### (b) Maturity of loans

	As at 31 December	
	2025	2024
<b>Bank loans</b>		
– Within 1 year or on demand	113,665	97,500
– Between 1 and 2 years	42,167	45,055
– Between 2 and 5 years	30,123	36,892
– Over 5 years	18,368	22,806
	<b>204,323</b>	<b>202,253</b>
<b>Other loans</b>		
– Within 1 year or on demand	1,230	1,616
– Between 1 and 2 years	7,719	32,827
– Between 2 and 5 years	29,898	5,546
– Over 5 years	2,540	2,613
	<b>41,387</b>	<b>42,602</b>
	<b>245,710</b>	<b>244,855</b>
Accrued interest	457	711
	<b>246,167</b>	<b>245,566</b>

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### 44 Bank and other loans (Continued)

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

	As at 31 December	
	2025	2024
RMB	129,409	122,112
US\$	51,770	55,846
HK\$	63,103	65,400
Other currencies	1,428	1,497
	245,710	244,855
Accrued interest	457	711
	246,167	245,566

- (d) As at 31 December 2025, the Group's bank and other loans of RMB21,415 million (31 December 2024: RMB27,753 million) are pledged with cash and deposits, trade and other receivables, inventories, financial assets held for trading, fixed assets, ROU assets and intangible assets with an aggregate carrying amount of RMB82,328 million (31 December 2024: RMB92,096 million).
- (e) The Group's banking facilities are subject to the fulfilment of covenants relating to balance sheet ratios or ownership of a minimum shareholding in certain entities of the Group, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 50 (b). As at 31 December 2025, none of the covenants relating to drawn down facilities have been breached (31 December 2024: nil).
- (f) The Group has entered into supplier financing arrangements with financial institutions to obtain financing facilities thereunder. As at 31 December 2025, the balances of the financial liabilities under these arrangements amounted to RMB1,075 million (31 December 2024: RMB880 million), and since the payments are classified as non-cash transactions, the Group has not presented them in the consolidated cash flow statement. The carrying amount of the repayments of trade financing loans amounted to RMB5,843 million in 2025 (31 December 2024: RMB6,885 million).

## 45 Debt instruments issued

	As at 31 December	
	2025	2024
Certificates of interbank deposit issued	930,618	930,954
Corporate bonds issued	260,736	217,194
Notes issued	220,865	226,962
Subordinated bonds issued	78,174	83,120
Beneficiary certificates	25,159	19,166
Convertible corporate bonds (note (a))	4,349	11,246
Certificates of deposit issued	–	1,460
	<b>1,519,901</b>	<b>1,490,102</b>
Accrued interest	6,169	7,036
	<b>1,526,070</b>	<b>1,497,138</b>
Analysed by remaining maturity:		
– Within 1 year or on demand	1,119,178	1,098,235
– Between 1 and 2 years	135,852	99,482
– Between 2 and 5 years	131,362	154,731
– Over 5 years	133,509	137,654
	<b>1,519,901</b>	<b>1,490,102</b>
Accrued interest	6,169	7,036
	<b>1,526,070</b>	<b>1,497,138</b>

The Group did not have any defaults of principal, interest or other breaches with respect to its debt instruments issued for the year ended 31 December 2025 (2024: nil).

(a) Convertible corporate bonds

As approved by the relevant regulatory authorities in China, CITIC Bank made a public offering of RMB40,000 million A-share convertible corporate bonds (the "CITIC Bank convertible bonds") on 4 March 2019. CITIC Corporation Limited, as its parent company, has subscribed RMB26,388 million, 65.97% of the total corporate bonds, which is the same percentage of the Group's interest in CITIC Bank's common shares, and it was transferred to CITIC Financial Holdings Co., Ltd. at nil consideration on 22 June 2022. On 4 March 2025, the CITIC Bank convertible bonds were delisted in the Shanghai Stock Exchange.

As approved by the relevant regulatory authorities in China, CITIC Special Steel, the Group's subsidiary, made a public offering of RMB5,000 million A-share convertible corporate bonds (the "CITIC Steel convertible bonds") on 25 February 2022. The CITIC Steel convertible bonds have a term of 6 years from 25 February 2022 to 24 February 2028, at coupon rates of 0.2% for the first year, 0.4% for the second year, 0.9% for the third year, 1.3% for the fourth year, 1.6% for the fifth year and 2.0% for the sixth year. The conversion of these convertible bonds begins on the first trading day (3 March 2022) after six months upon the completion date of the offering until the maturity date (from 3 September 2022 to 24 February 2028). As at 31 December 2025, RMB4,403 million (31 December 2024: RMB4,178 million) of the CITIC Special Steel convertible bonds (including accrued interest) were recognised in debt instruments issued, and RMB693 million (31 December 2024: RMB693 million) were recognised in non-controlling interests.

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### 46 Provisions

	Environmental restoration expenditures	Others	Total
<b>Provisions (excluding impairment provision of credit commitments and guarantees provided)</b>			
At 1 January 2024	1,540	2,094	3,634
Exchange differences and others	(88)	(4)	(92)
Charge for the year	72	1,251	1,323
Payments made during the year	–	(1,666)	(1,666)
At 31 December 2024	1,524	1,675	3,199
At 1 January 2025	1,524	1,675	3,199
Exchange differences and others	34	(266)	(232)
Charge for the year	14	2,460	2,474
Payments made during the year	–	(884)	(884)
At 31 December 2025	1,572	2,985	4,557
<b>Impairment provision of credit commitments and guarantees provided</b>			
			<b>Total</b>
At 1 January 2024			12,496
Exchange differences and others			329
Reversals for the year			(2,223)
At 31 December 2024			10,602
At 1 January 2025			10,602
Exchange differences and others			(18)
Charge for the year			391
At 31 December 2025			10,975
<b>Total</b>			
At 31 December 2024			13,801
At 31 December 2025			15,532

## 47 Share capital and reserves

### (a) Share capital

As at 31 December 2025, the number of ordinary shares in issue of the Company was 29,090,262,630 (31 December 2024: 29,090,262,630).

### (b) Nature and purpose of reserves

#### (i) Capital reserve

Considerations paid to acquire subsidiaries under common control, for instance, in 2014, a total consideration of RMB226,996 million paid by the Company to acquire the shares of CITIC Corporation Limited, are debited against the capital reserve in the Group's consolidated financial statements. In addition, gains or losses from transactions with non-controlling interests are directly debited or credited to the capital reserve in the Group's consolidated financial statements.

#### (ii) Hedging reserve

The hedging reserve comprises the effective portion of the hedging instruments used in cash flow hedging and the accumulated net change in fair value, and the cash flow hedging are measured subsequently in accordance with the relevant accounting policies set out in Note 2 (k)(ii).

#### (iii) Investment related reserves

The investment related reserves comprise the cumulative net change in the fair value of investments in financial assets at FVOCI until the financial assets are derecognised and share of other comprehensive income of associates and joint ventures, and are dealt with in accordance with the accounting policies set out in Note 2 (j)(i) and Note 2 (g), respectively.

#### (iv) General reserve

Pursuant to the relevant notices issued by regulatory bodies, certain subsidiaries under comprehensive financial services segment in Chinese mainland are required to set aside a general reserve to cover potential losses.

#### (v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of overseas operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2 (i).

### (c) Capital management

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

The Group actively and regularly reviews and manages its capital structure, with reference to such financial ratios like debt (total of debt instruments issued and bank and other loans) to total equity ratio, to maintain a balance between the higher shareholders' returns that might be possible with of borrowings obtained and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Certain subsidiaries under comprehensive financial services segment are subject to capital adequacy requirements imposed by the external regulators. There was no non-compliance of capital requirements as at 31 December 2025 (31 December 2024: nil).

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### 48 Movement of allowances for impairment losses

	For the year ended 31 December 2025				At 31 December
	At 1 January	Charge	Write-offs/ transfer out	Exchange differences and others (note (i))	
<b>Allowances for expected credit losses</b>					
Deposits and placements with banks and non-bank financial institutions (Notes 19 and 21)	245	22	–	(2)	265
Receivables (excluding prepayments) and others (note (ii))	26,673	10,685	(5,420)	232	32,170
Loans and advances to customers and other parties (Note 27)	145,935	50,651	(67,556)	13,294	142,324
Investments in financial assets (Note 29)					
– Financial assets at amortised cost	27,691	951	(4,082)	1,338	25,898
– Debt investments at FVOCI	3,285	558	(277)	(77)	3,489
Credit commitments and guarantees provided (Note 46)	10,602	391	–	(18)	10,975
	<b>214,431</b>	<b>63,258</b>	<b>(77,335)</b>	<b>14,767</b>	<b>215,121</b>
<b>Allowances for impairment losses</b>					
Inventories (Note 25)	10,729	2,122	(2,310)	631	11,172
Interests in associates (Note 32)	8,026	249	(17)	(132)	8,126
Interests in joint ventures (Note 33)	1,783	152	–	(41)	1,894
Fixed assets (Note 34)	43,462	838	(82)	(678)	43,540
Intangible assets	15,469	554	–	(375)	15,648
Prepayments (Note 23)	133	106	(10)	–	229
Goodwill (Note 35)	6,137	–	(6)	(12)	6,119
Other assets	2,334	148	(47)	(77)	2,358
	<b>88,073</b>	<b>4,169</b>	<b>(2,472)</b>	<b>(684)</b>	<b>89,086</b>
	<b>302,504</b>	<b>67,427</b>	<b>(79,807)</b>	<b>14,083</b>	<b>304,207</b>

## 48 Movement of allowances for impairment losses (Continued)

	For the year ended 31 December 2024 (Restated)				At 31 December
	At 1 January	Charge/ (reversal)	Write-offs/ transfer out	Exchange differences and others (note (i))	
<b>Allowances for expected credit losses</b>					
Deposits and placements with banks and non-bank financial institutions (Notes 19 and 21)	202	41	–	2	245
Receivables (excluding prepayments) and others (note (ii))	27,929	3,501	(6,160)	1,403	26,673
Loans and advances to customers and other parties (Note 27)	139,655	54,828	(61,310)	12,762	145,935
Investments in financial assets (Note 29)					
– Financial assets at amortised cost	28,584	2,418	(3,292)	(19)	27,691
– Debt investments at FVOCI	3,284	777	(797)	21	3,285
Credit commitments and guarantees provided (Note 46)	12,496	(2,182)	(41)	329	10,602
	212,150	59,383	(71,600)	14,498	214,431
<b>Allowances for impairment losses</b>					
Inventories (Note 25)	9,913	1,334	(546)	28	10,729
Interests in associates (Note 32)	8,258	136	(683)	315	8,026
Interests in joint ventures (Note 33)	1,518	233	–	32	1,783
Fixed assets (Note 34)	43,048	67	(512)	859	43,462
Intangible assets	15,134	19	–	316	15,469
Prepayments (Note 23)	100	28	(6)	11	133
Goodwill (Note 35)	6,160	17	–	(40)	6,137
Other assets	2,341	61	(74)	6	2,334
	86,472	1,895	(1,821)	1,527	88,073
	298,622	61,278	(73,421)	16,025	302,504

Notes:

(i) Others include recovery of loans written off.

(ii) Movement of allowances for impairment losses for accrued interest of loans and advances to customers and other parties, investments in financial assets are included in others.

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### 49 Contingent liabilities and commitments

#### (a) Credit commitments

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

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

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

	As at 31 December	
	2025	2024
Contractual amount		
Loan commitments		
With an original maturity of within 1 year	5,025	16,885
With an original maturity of 1 year or above	58,423	37,179
	63,448	54,064
Credit card commitments	792,650	812,562
Acceptances	830,989	852,758
Letters of credit	367,176	322,670
Guarantees	250,949	272,468
	2,305,212	2,314,522

## 49 Contingent liabilities and commitments (Continued)

### (b) Credit commitments analysed by credit risk weighted amount

	As at 31 December	
	2025	2024
Credit risk weighted amount on credit commitments	684,030	679,525

Notes:

- (i) The above credit risk weighted amount is solely in connection with the credit commitments held by CITIC Bank under the comprehensive financial services segment of the Group.
- (ii) The credit risk weighted amount refers to the amount as computed in accordance with the rules set out by the NFRA and depends on the status of counterparties and the maturity characteristics. The risk weighting used is ranging from 0% to 150%.

### (c) Redemption commitment for treasury bonds

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

The redemption obligations below represent the nominal value of treasury bonds underwritten and sold by CITIC Bank, but not yet matured at the financial position date:

	As at 31 December	
	2025	2024
Redemption commitment for treasury bonds	2,904	2,615

The original terms of the above treasury bonds range from one to five years. The Group believes that the amount of treasury bonds accepted in advance before the maturity date is insignificant. The MOF will not timely pay the treasury bonds which are accepted in advance, but will pay the principal and interest according to the issuance agreement when the treasury bonds mature.

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### 49 Contingent liabilities and commitments (Continued)

#### (d) Guarantees provided

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

	As at 31 December	
	2025	2024
Related parties	5,591	6,835
Third parties	647	2,153
	<b>6,238</b>	<b>8,988</b>

As at financial position date, the counter guarantees issued to the Group by related parties and third parties mentioned above are as follows:

	As at 31 December	
	2025	2024
Related parties	568	1,600

The relationship and transaction with related parties are disclosed in Note 51.

#### (e) Outstanding litigation and disputes

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

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

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

#### (f) Capital commitments

As at the financial position date, the Group had the following capital commitments not provided for in these consolidated financial statements:

	As at 31 December	
	2025	2024
Contracted for	14,854	15,110

## 50 Financial risk management and fair values

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

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

### (a) Credit risk

#### **Credit risk management**

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

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

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

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### 50 Financial risk management and fair values (Continued)

#### (a) Credit risk (Continued)

##### **Credit risk management** (Continued)

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

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

##### **Measurement of expected credit losses**

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

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

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

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

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

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

## 50 Financial risk management and fair values (Continued)

### (a) Credit risk (Continued)

#### **Measurement of expected credit losses** (Continued)

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

#### (1) **Significant increase in credit risk**

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

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

#### (2) **Definition of default and credit-impaired assets**

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

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

- The issuer or borrower/debtor is in significant financial difficulties;
- The borrower/debtor is in breach of financial covenant(s) such as default or overdue in repayment of interests or principal etc.;
- The creditor gives the debtor concession that would not be offered otherwise, considering economic or contractual factors relating to the debtor's financial difficulties;
- It is becoming probably that the borrower/debtor will enter bankruptcy or other debt restructuring;
- An active market for that financial asset has disappeared because of financial difficulties from issuer or borrower/debtor;
- Financing financial assets are subject to mandatory liquidation measures and the collateral value is no longer sufficient for financing amounts;
- Violation grade for bond issuers or bonds in the latest external rating;
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

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### 50 Financial risk management and fair values (Continued)

#### (a) Credit risk (Continued)

##### Measurement of expected credit losses (Continued)

##### (2) Definition of default and credit-impaired assets (Continued)

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

##### (3) Inputs for measurement of ECL

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

- The probability of default ("PD") represents the likelihood of a borrower/debtor defaulting on its financial obligations, either over the next 12 months or over the remaining lifetime of the obligation.
- Loss given default ("LGD") represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim, and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default and is calculated on a 12-month or lifetime basis.
- Exposure at default ("EAD") is based on the amounts that the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime of the obligation.

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

The Group categorises exposures with similar risk characteristics and estimates the PD, LGD, EAD by the exposures respectively. In 2025, based on data accumulation, the Group optimised and updated relevant models and parameters. The Group has acquired sufficient information to assure the reliability of the statistics. The Group makes allowances for its expected credit losses based on on-going assessment of and follow-up on the status of its customers and their financial assets respectively on an individual basis.

## 50 Financial risk management and fair values (Continued)

### (a) Credit risk (Continued)

#### Measurement of expected credit losses (Continued)

##### (4) Forward-looking information

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

These economic variables have different impacts on the PD and LGD of different risk groups. Expert judgment has also been applied in this process, forecasts of these economic variables are estimated by the experts of the Group on a semi-annual basis, and the impact of these economic variables on the PD and the LGD was determined by the results of expert judgement.

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

##### *Macroeconomic scenario and weighting information*

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

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### 50 Financial risk management and fair values (Continued)

#### (a) Credit risk (Continued)

##### (i) Maximum credit risk exposure

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

	As at 31 December	
	2025	2024
Deposits with central banks, banks and non-bank financial institutions	644,379	603,287
Placements with banks and non-bank financial institutions	430,296	382,012
Trade and other receivables	319,977	208,369
Financial assets held under resale agreements	223,686	179,829
Loans and advances to customers and other parties	5,732,960	5,589,459
Refundable deposits	102,372	68,215
Margin accounts	207,652	138,332
Investments in financial assets		
– At amortised cost	1,301,701	1,108,159
– Debt investments at FVOCI	1,510,835	926,931
Cash held on behalf of customers	433,832	315,761
Contract assets	21,640	22,414
Other financial assets	9	3,063
	10,929,339	9,545,831
Credit commitments and guarantees provided	2,311,450	2,323,510
Maximum credit risk exposure	13,240,789	11,869,341

The maximum credit risk exposure for debt instruments at the financial position date without taking into consideration of any collateral held or other credit enhancement is represented by the balance of each type of debt instruments in the consolidated statement of financial position. A summary of the maximum credit risk exposure for which allowance for impairment losses is not recognised is as follows:

	As at 31 December	
	2025	2024
Derivative financial instruments	80,365	135,218
Placements with banks and non-bank financial institutions	15,802	–
Loans and advances to customers and other parties at FVPL	15,267	11,612
Investments in financial assets		
– Financial assets at FVPL (debt instruments)	1,091,526	1,042,778
Maximum credit risk exposure	1,202,960	1,189,608

## 50 Financial risk management and fair values (Continued)

### (a) Credit risk (Continued)

#### (ii) Expected credit losses

The following table explains the changes in the gross carrying amount for loans and advances to customers and other parties using ECL model to assess allowance for impairment loss for the year:

	For the year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	5,539,939	121,240	74,293	5,735,472
Movements:				
Net transfers out from stage 1	(105,062)	–	–	(105,062)
Net transfers into stage 2	–	26,519	–	26,519
Net transfers into stage 3	–	–	78,543	78,543
Net increase/(decrease) during the year (note (i))	243,462	(14,006)	(13,763)	215,693
Write-offs	–	–	(65,870)	(65,870)
Others (note (ii))	(8,559)	888	(8)	(7,679)
Balance at 31 December 2025	5,669,780	134,641	73,195	5,877,616
	For the year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	5,345,134	96,978	72,149	5,514,261
Movements:				
Net transfers out from stage 1	(121,079)	–	–	(121,079)
Net transfers into stage 2	–	42,321	–	42,321
Net transfers into stage 3	–	–	78,758	78,758
Net increase/(decrease) during the year (note (i))	307,470	(19,096)	(15,774)	272,600
Write-offs	–	–	(61,310)	(61,310)
Others (note (ii))	8,414	1,037	470	9,921
Balance at 31 December 2024	5,539,939	121,240	74,293	5,735,472

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For the year ended 31 December 2025  
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### 50 Financial risk management and fair values (Continued)

#### (a) Credit risk (Continued)

##### (ii) Expected credit losses (Continued)

The following table explains the changes in the gross carrying amount for investments in financial assets using ECL model to assess allowance for impairment loss for the year:

	For the year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	2,002,353	10,540	49,925	2,062,818
Movements:				
Net transfers out from stage 1	(2,791)	-	-	(2,791)
Net transfers into stage 2	-	1,177	-	1,177
Net transfers into stage 3	-	-	1,614	1,614
Net increase/(decrease) during the year (note (i))	264,500	1,193	(3,328)	262,365
Write-offs	-	-	(4,025)	(4,025)
Others (note (ii))	(8,902)	326	25	(8,551)
Balance at 31 December 2025	2,255,160	13,236	44,211	2,312,607
	For the year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	2,014,880	7,237	50,347	2,072,464
Movements:				
Net transfers out from stage 1	(4,215)	-	-	(4,215)
Net transfers into stage 2	-	3,704	-	3,704
Net transfers into stage 3	-	-	511	511
Net increase/(decrease) during the year (note (i))	(13,239)	(1,210)	2,822	(11,627)
Write-offs	-	-	(3,566)	(3,566)
Others (note (ii))	4,927	809	(189)	5,547
Balance at 31 December 2024	2,002,353	10,540	49,925	2,062,818

Notes:

- (i) Net increase/(decrease) mainly includes changes in carrying amount due to newly purchased or originated credit-impaired financial assets or de-recognition excluding write-offs.
- (ii) Others include net changes in accrued interest and effect of exchange differences during the year.

## 50 Financial risk management and fair values (Continued)

### (a) Credit risk (Continued)

#### (ii) Expected credit losses (Continued)

Movements of the loss allowances for loans and advances to customers and other parties using ECL model to assess allowance for impairment loss for the year is as follows:

	For the year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	63,090	29,548	53,924	146,562
Movements (note (i)):				
Net transfers out from stage 1	(2,947)	–	–	(2,947)
Net transfers into stage 2	–	1,542	–	1,542
Net transfers into stage 3	–	–	27,899	27,899
Net increase/(decrease) during the year (note (ii))	7,684	(2,506)	(6,109)	(931)
Write-offs	–	–	(65,870)	(65,870)
Parameters change for the year (note (iii))	(3,319)	(961)	29,968	25,688
Others (note (iv))	(82)	97	13,216	13,231
Balance at 31 December 2025	64,426	27,720	53,028	145,174
	For the year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	64,854	27,217	48,264	140,335
Movements (note (i)):				
Net transfers out from stage 1	(3,143)	–	–	(3,143)
Net transfers into stage 2	–	6,156	–	6,156
Net transfers into stage 3	–	–	33,564	33,564
Net increase/(decrease) during the year (note (ii))	6,715	(5,012)	(5,077)	(3,374)
Write-offs	–	–	(61,310)	(61,310)
Parameters change for the year (note (iii))	(5,303)	131	25,749	20,577
Others (note (iv))	(33)	1,056	12,734	13,757
Balance at 31 December 2024	63,090	29,548	53,924	146,562

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### 50 Financial risk management and fair values (Continued)

#### (a) Credit risk (Continued)

##### (ii) Expected credit losses (Continued)

Movements of the loss allowances for investments in financial assets using ECL model to assess allowance for impairment loss for the year is as follows:

	For the year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2025	4,441	1,112	25,460	31,013
Movements (note (i)):				
Net transfers out from stage 1	(396)	–	–	(396)
Net transfers out from stage 2	–	(65)	–	(65)
Net transfers into stage 3	–	–	461	461
Net increase during the year (note (ii))	526	637	7	1,170
Write-offs	–	–	(4,025)	(4,025)
Parameters change for the year (note (iii))	(306)	523	1,112	1,329
Others (note (iv))	(17)	175	83	241
Balance at 31 December 2025	4,248	2,382	23,098	29,728
	For the year ended 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	5,605	1,639	24,662	31,906
Movements (note (i)):				
Net transfers out from stage 1	(121)	–	–	(121)
Net transfers out from stage 2	–	(101)	–	(101)
Net transfers into stage 3	–	–	222	222
Net increase during the year (note (ii))	(728)	(567)	1,349	54
Write-offs	–	–	(3,566)	(3,566)
Parameters change for the year (note (iii))	(309)	138	2,960	2,789
Others (note (iv))	(6)	3	(167)	(170)
Balance at 31 December 2024	4,441	1,112	25,460	31,013

## 50 Financial risk management and fair values (Continued)

### (a) Credit risk (Continued)

#### (ii) Expected credit losses (Continued)

Notes:

- (i) Movements mainly includes the impacts on ECL due to changes in stages.
- (ii) Net increase/(decrease) mainly includes changes in allowance for impairment due to newly purchased or originated credit-impaired financial assets or de-recognition excluding write-offs.
- (iii) Parameters change mainly includes the impacts on ECL due to unwinding of discount, regular update on modeling parameters resulting from changes in PD and LGD excluding changes in stages.
- (iv) Others include changes of impairment losses of accrued interest, recovery of loans written off and effect of exchange differences.

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

	As at 31 December					
	2025			2024		
	Gross balance	%	Loans and advances secured by collateral	Gross balance	%	Loans and advances secured by collateral
Corporate loans						
– Manufacturing	670,597	11.4%	219,271	556,303	9.7%	197,564
– Rental and business services	630,312	10.7%	177,986	563,056	9.8%	156,726
– Water, environment and public utility management	435,375	7.4%	91,220	435,579	7.6%	95,727
– Real estate	300,324	5.1%	208,544	284,749	5.0%	195,332
– Wholesale and retail	262,771	4.5%	90,427	225,211	3.9%	93,242
– Transportation, storage and postal services	169,136	2.9%	69,030	148,943	2.6%	62,888
– Production and supply of electric power, gas and water	149,170	2.5%	51,417	118,007	2.1%	46,539
– Construction	137,879	2.3%	32,897	117,996	2.1%	37,087
– Financial industry	107,896	1.8%	10,720	91,519	1.6%	8,896
– Others	424,130	7.2%	117,549	361,902	6.2%	107,616
	3,287,590	55.8%	1,069,061	2,903,265	50.6%	1,001,617
Personal loans	2,379,535	40.4%	1,656,013	2,372,797	41.2%	1,593,382
Discounted bills	201,637	3.4%	–	449,133	7.8%	–
	5,868,762	99.6%	2,725,074	5,725,195	99.6%	2,594,999
Accrued interest	24,121	0.4%	165	21,889	0.4%	161
	5,892,883	100%	2,725,239	5,747,084	100%	2,595,160

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For the year ended 31 December 2025  
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### 50 Financial risk management and fair values (Continued)

#### (a) Credit risk (Continued)

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

	As at 31 December					
	2025			2024		
	Gross balance	%	Loans and advances secured by collateral	Gross balance	%	Loans and advances secured by collateral
Chinese mainland	5,637,032	95.7%	2,627,556	5,507,313	95.8%	2,497,806
Excluding Chinese mainland	231,730	3.9%	97,518	217,882	3.8%	97,193
	5,868,762	99.6%	2,725,074	5,725,195	99.6%	2,594,999
Accrued interest	24,121	0.4%	165	21,889	0.4%	161
	5,892,883	100%	2,725,239	5,747,084	100%	2,595,160

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

	As at 31 December	
	2025	2024
Unsecured loans	1,782,277	1,632,232
Guaranteed loans	1,159,774	1,048,643
Secured loans		
– Loans secured by collateral	2,260,628	2,195,865
– Pledged loans	464,446	399,322
	5,667,125	5,276,062
Discounted bills	201,637	449,133
	5,868,762	5,725,195
Accrued interest	24,121	21,889
Gross loans and advances	5,892,883	5,747,084

## 50 Financial risk management and fair values (Continued)

### (a) Credit risk (Continued)

#### (vi) Rescheduled loans and advances to customers and other parties

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

	As at 31 December			
	2025		2024	
	Gross balance	% of total loans and advances	Gross balance	% of total loans and advances
Rescheduled loans and advances	37,986	0.64%	29,866	0.52%
– Rescheduled loans and advances overdue more than 3 months	4,525	0.08%	1,891	0.03%

#### (vii) Offsetting

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

As at 31 December 2025, the Group did not enter into significant enforceable master netting arrangements with counterparties and therefore there were no significant offsettings of any assets and liabilities in the consolidated statement of financial position (31 December 2024: nil).

### (b) Liquidity risk

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

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

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

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### 50 Financial risk management and fair values (Continued)

#### (b) Liquidity risk (Continued)

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

	As at 31 December 2025					Total
	Repayable on demand (note (i))	Within 1 year	Between 1 and 5 years	More than 5 years	Undated (note (ii))	
Total financial assets	934,644	4,248,140	2,983,103	2,696,691	1,274,721	12,137,299
Total financial liabilities	(4,177,260)	(5,407,969)	(1,567,002)	(174,491)	(28,439)	(11,355,161)
Financial asset-liability (gap)/surplus	(3,242,616)	(1,159,829)	1,416,101	2,522,200	1,246,282	782,138

	As at 31 December 2024					Total
	Repayable on demand (note (i))	Within 1 year	Between 1 and 5 years	More than 5 years	Undated (note (ii))	
Total financial assets	758,452	3,970,640	2,950,197	2,413,122	1,145,669	11,238,080
Total financial liabilities	(3,758,230)	(5,028,113)	(1,510,662)	(167,555)	(24,261)	(10,488,821)
Financial asset-liability (gap)/surplus	(2,999,778)	(1,057,473)	1,439,535	2,245,567	1,121,408	749,259

The table below presents the undiscounted cash flows of the Group's financial assets and financial liabilities by remaining maturities at the financial position date:

	As at 31 December 2025					Total
	Repayable on demand (note (i))	Within 1 year	Between 1 and 5 years	More than 5 years	Undated (note (ii))	
Total financial assets	934,644	4,477,138	3,428,874	3,142,153	1,279,505	13,262,314
Total financial liabilities	(4,177,260)	(5,600,781)	(1,667,085)	(189,111)	(28,477)	(11,662,714)
Financial asset-liability (gap)/surplus	(3,242,616)	(1,123,643)	1,761,789	2,953,042	1,251,028	1,599,600

	As at 31 December 2024					Total
	Repayable on demand (note (i))	Within 1 year	Between 1 and 5 years	More than 5 years	Undated (note (ii))	
Total financial assets	758,452	4,188,413	3,425,226	2,844,049	1,147,411	12,363,551
Total financial liabilities	(3,758,230)	(5,143,637)	(1,633,379)	(181,296)	(24,268)	(10,740,810)
Financial asset-liability (gap)/surplus	(2,999,778)	(955,224)	1,791,847	2,662,753	1,123,143	1,622,741

## 50 Financial risk management and fair values (Continued)

### (b) Liquidity risk (Continued)

Note:

- (i) For loans and advances to customers and other parties which are overdue within one month yet are not impaired, the balances are reported under repayable on demand.
- (ii) For financial assets, the undated period amount represents the balances of loans and advances to customers and other parties being credit-impaired or overdue for more than one month. Equity investments and investment funds are also reported under undated period.

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

	As at 31 December 2025			Total
	Within 1 year	Between 1 and 5 years	More than 5 years	
Loan commitments	8,037	30,872	24,539	63,448
Guarantees	164,335	86,287	327	250,949
Letters of credit	366,415	761	–	367,176
Acceptances	830,989	–	–	830,989
Credit card commitments	785,295	7,335	20	792,650
<b>Total</b>	<b>2,155,071</b>	<b>125,255</b>	<b>24,886</b>	<b>2,305,212</b>

	As at 31 December 2024			Total
	Within 1 year	Between 1 and 5 years	More than 5 years	
Loan commitments	8,509	17,002	28,553	54,064
Guarantees	163,334	108,786	348	272,468
Letters of credit	321,577	1,093	–	322,670
Acceptances	852,758	–	–	852,758
Credit card commitments	812,562	–	–	812,562
<b>Total</b>	<b>2,158,740</b>	<b>126,881</b>	<b>28,901</b>	<b>2,314,522</b>

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### 50 Financial risk management and fair values (Continued)

#### (c) Interest rate risk

Each of the Group's operating entities has formulated its own interest risk management policies and procedures covering identification, measurement, monitoring and control of interest risk. The Group manages interest rate risk to control potential loss from interest rate risk at an acceptable level by taking into account market conditions.

#### (i) Financial asset-liability gap

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

	As at 31 December 2025				
	Non-interest bearing	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Total financial assets	1,418,030	7,812,006	1,639,172	1,268,091	12,137,299
Total financial liabilities	(1,271,701)	(8,366,706)	(1,506,751)	(210,003)	(11,355,161)
Financial asset-liability surplus/(gap)	146,329	(554,700)	132,421	1,058,088	782,138

  

	As at 31 December 2024				
	Non-interest bearing	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Total financial assets	1,262,152	7,321,823	1,696,230	957,875	11,238,080
Total financial liabilities	(982,543)	(7,943,741)	(1,385,663)	(176,874)	(10,488,821)
Financial asset-liability surplus/(gap)	279,609	(621,918)	310,567	781,001	749,259

## 50 Financial risk management and fair values (Continued)

### (c) Interest rate risk (Continued)

#### (ii) Effective interest rate

	As at 31 December			
	2025		2024	
	Effective interest rate	RMB million	Effective interest rate	RMB million
<b>Assets</b>				
Cash and deposits	0.35% ~ 1.61%	648,888	0.35% ~ 2.22%	603,287
Placements with banks and non-bank financial institutions	2.29%	446,098	3.14%	404,801
Financial assets held under resale agreements	1.62%	223,686	1.81%	179,829
Loans and advances to customers and other parties	3.67%	5,748,227	4.24%	5,601,071
Investments in financial assets	2.43% ~ 2.67%	3,937,426	2.80% ~ 2.93%	3,538,851
Others		2,016,815		1,747,586
		13,021,140		12,075,425
<b>Liabilities</b>				
Borrowings from central banks	1.90%	204,025	2.48%	124,151
Deposits from banks and non-bank financial institutions	1.41%	883,276	2.01%	935,159
Placements from banks and non-bank financial institutions	2.46%	203,799	3.15%	145,644
Financial assets sold under repurchase agreements	1.78%	885,709	2.10%	672,087
Deposits from customers	1.52%	6,117,527	1.89%	5,847,939
Bank and other loans	0.31% ~ 6.50%	246,167	0.03% ~ 9.80%	245,566
Debt instruments issued	0.50% ~ 6.00%	1,526,070	0.05% ~ 6.19%	1,497,138
Others		1,457,906		1,184,727
		11,524,479		10,652,411

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### 50 Financial risk management and fair values (Continued)

#### (c) Interest rate risk (Continued)

##### (iii) Sensitivity analysis

The Group uses sensitivity analysis to measure the potential effect of changes in interest rates on the Group's profit before taxation. As at 31 December 2025, it is estimated that a general increase or decrease of 100 basis points in interest rates, with all other variables held constant, the Group's profit before taxation would decrease or increase by RMB6,150 million (31 December 2024: decrease or increase by RMB5,930 million).

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

#### (d) Currency risk

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

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

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

## 50 Financial risk management and fair values (Continued)

### (d) Currency risk (Continued)

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

	As at 31 December 2025				
	RMB	HK\$	US\$	Others	Total
Total financial assets	10,960,865	347,493	685,377	143,564	12,137,299
Total financial liabilities	(10,103,551)	(362,090)	(782,224)	(107,296)	(11,355,161)
Financial asset-liability surplus/(gap)	857,314	(14,597)	(96,847)	36,268	782,138

  

	As at 31 December 2024				
	RMB	HK\$	US\$	Others	Total
Total financial assets	10,163,564	267,950	686,466	120,100	11,238,080
Total financial liabilities	(9,396,042)	(297,955)	(712,554)	(82,270)	(10,488,821)
Financial asset-liability surplus/(gap)	767,522	(30,005)	(26,088)	37,830	749,259

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

Assuming all other risk variables remained constant, 100 basis points strengthening or weakening of RMB against HK\$, US\$ and other currencies as at 31 December 2025 would decrease or increase the Group's total comprehensive income by RMB752 million (31 December 2024: decrease or increase by RMB532 million).

This sensitivity analysis is based on a static foreign exchange exposure profile of financial assets and financial liabilities and certain simplified assumptions. The analysis is based on the following assumptions: (i) the foreign exchange sensitivity is the total comprehensive income change recognised as a result of 100 basis points fluctuation in the absolute value of the closing (middle) of each foreign currency against RMB; (ii) the exchange rates against RMB for all foreign currencies change in the same direction simultaneously and do not take into account the correlation effect of changes in different foreign currencies; and (iii) the foreign exchange exposures calculated include both spot foreign exchange exposures, forward foreign exchange exposures and options, and all positions will be retained and rolled over upon maturity. The analysis does not take into account the effect of risk management measures taken by management. Because of its hypothetical nature with the assumptions adopted, actual changes in the Group's total comprehensive income resulting from increases or decreases in foreign exchange rates may differ from the results of this sensitivity analysis.

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### 50 Financial risk management and fair values (Continued)

#### (e) Fair values

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

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

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

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

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

## 50 Financial risk management and fair values (Continued)

### (e) Fair values (Continued)

#### (i) Financial instruments carried at fair value (Continued)

	As at 31 December 2025			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Bills receivable at FVOCI	–	10,178	–	10,178
Loans and advances to customers and other parties at FVOCI	–	318,212	–	318,212
Loans and advances to customers and other parties at FVPL	–	–	15,267	15,267
Derivative financial assets	2,194	73,972	4,190	80,356
Investments in financial assets	699,082	1,773,367	166,354	2,638,803
Other assets	–	7,500	–	7,500
	701,276	2,183,229	185,811	3,070,316
<b>Liabilities</b>				
Financial liabilities at FVPL	(16,781)	(136,174)	(20,061)	(173,016)
Derivative financial liabilities	(6,429)	(91,041)	(14,292)	(111,762)
	(23,210)	(227,215)	(34,353)	(284,778)
	As at 31 December 2024			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Bills receivable at FVOCI	–	10,139	–	10,139
Loans and advances to customers and other parties at FVOCI	–	522,973	–	522,973
Loans and advances to customers and other parties at FVPL	–	–	11,612	11,612
Derivative financial assets	1,504	129,743	3,971	135,218
Investments in financial assets	560,233	1,752,375	118,084	2,430,692
Other assets	–	2,660	–	2,660
	561,737	2,417,890	133,667	3,113,294
<b>Liabilities</b>				
Financial liabilities at FVPL	(10,808)	(97,004)	(19,328)	(127,140)
Derivative financial liabilities	(932)	(127,596)	(5,803)	(134,331)
	(11,740)	(224,600)	(25,131)	(261,471)

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

### 50 Financial risk management and fair values (Continued)

#### (e) Fair values (Continued)

##### (i) Financial instruments carried at fair value (Continued)

In 2025, there were no significant transfers among instruments in three levels (2024: nil) and no significant changes in valuation techniques for determining the fair values of the Group's financial instruments (2024: nil).

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

	For the year ended 31 December 2025						
	Assets			Liabilities			
	Loans and advances to customers and other parties at FVPL	Derivatives financial assets	Investments in financial assets	Total	Financial liabilities at fair value through profit or loss	Derivatives financial liabilities	Total
At 1 January 2025	11,612	3,971	118,084	133,667	(19,328)	(5,803)	(25,131)
Total profit/(losses):	(29)	9,508	6,787	16,266	2,273	(29,264)	(26,991)
- in profit or loss	(29)	9,508	6,758	16,237	(1,492)	(29,264)	(30,756)
- in other comprehensive income	-	-	29	29	3,765	-	3,765
Net settlements and others	3,684	(9,289)	41,483	35,878	(3,006)	20,775	17,769
At 31 December 2025	15,267	4,190	166,354	185,811	(20,061)	(14,292)	(34,353)

  

	For the year ended 31 December 2024						
	Assets			Liabilities			
	Loans and advances to customers and other parties at FVPL	Derivatives financial assets	Investments in financial assets	Total	Financial liabilities at fair value through profit or loss	Derivatives financial liabilities	Total
At 1 January 2024	5,558	6,337	164,626	176,521	(20,628)	(5,228)	(25,856)
Total profit/(losses):	87	(3,497)	1,722	(1,688)	(268)	2,974	2,706
- in profit or loss	87	(3,497)	2,790	(620)	(268)	2,974	2,706
- in other comprehensive income	-	-	(1,068)	(1,068)	-	-	-
Net settlements and others	5,967	1,131	(48,264)	(41,166)	1,568	(3,549)	(1,981)
At 31 December 2024	11,612	3,971	118,084	133,667	(19,328)	(5,803)	(25,131)



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For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

### 50 Financial risk management and fair values (Continued)

#### (e) Fair values (Continued)

##### (iii) Methods and assumptions in estimating fair values

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

##### **Investments in financial assets and financial liabilities**

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

##### **Derivatives**

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

##### **Financial guarantees**

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

### 51 Material related parties

#### (a) Relationship of related parties

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

## 51 Material related parties (Continued)

### (b) Related party transactions

#### (i) Transaction amounts with related parties

	For the year ended 31 December 2025			Total
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	
Sales of goods	–	296	3,216	3,512
Purchase of goods	–	773	28,865	29,638
Interest income (note (2))	89	113	2,432	2,634
Interest expenses	13	1,426	511	1,950
Fee and commission income	23	7	103	133
Fee and commission expenses	–	20	4	24
Income from other services	12	214	2,687	2,913
Expenses for other services	–	145	972	1,117
Interest income from deposits and receivables	–	–	335	335
Other operating expenses	–	1,294	1,137	2,431

	For the year ended 31 December 2024			Total
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	
Sales of goods	–	260	4,119	4,379
Purchase of goods	–	727	23,193	23,920
Interest income (note (2))	67	92	1,453	1,612
Interest expenses	63	1,635	582	2,280
Fee and commission income	22	5	58	85
Fee and commission expenses	–	26	1	27
Income from other services	6	167	4,025	4,198
Expenses for other services	–	45	337	382
Interest income from deposits and receivables	–	–	768	768
Other operating expenses	–	1,494	1,082	2,576

Notes:

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

### 51 Material related parties (Continued)

#### (b) Related party transactions (Continued)

##### (ii) Outstanding balances with related parties

	As at 31 December 2025			Total
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	
<b>Assets</b>				
Cash and deposits	–	–	16,691	16,691
Placements with banks and non-bank financial institutions	–	4,743	59,719	64,462
Derivative financial instruments	–	–	283	283
Trade and other receivables	7	1,249	25,426	26,682
Contract assets	–	8	3,056	3,064
Financial assets held under resale agreements	–	1,078	526	1,604
Loans and advances to customers and other parties (note (2))	1,001	8,887	14,499	24,387
Investments in financial assets				
– Financial assets at FVPL	–	74	3,618	3,692
– Debt investments at FVOCI	1,616	130	957	2,703
– Equity investments at FVOCI	–	–	454	454
– Financial assets at amortised cost	1,037	–	1,070	2,107
ROU assets	–	653	39	692
<b>Liabilities</b>				
Deposits from bank and non-bank financial institutions	–	25	25,633	25,658
Derivative financial instruments	–	–	254	254
Trade and other payables	605	11,057	8,140	19,802
Contract liabilities	50	5	332	387
Deposits from customers	3,696	19,129	11,439	34,624
Bank and other loans	226	35,532	2,807	38,565
Debt instruments issued	–	200	1,770	1,970
Lease liabilities	–	648	30	678
<b>Off-balance sheet items</b>				
Guarantees provided (note (3))	–	–	5,591	5,591

## 51 Material related parties (Continued)

### (b) Related party transactions (Continued)

#### (ii) Outstanding balances with related parties (Continued)

	As at 31 December 2024			Total
	Parent company	Ultimate controlling shareholder's fellow entities	Associates and joint ventures	
<b>Assets</b>				
Cash and deposits	–	–	26,378	26,378
Placements with banks and non-bank financial institutions	–	3,903	52,647	56,550
Derivative financial instruments	–	–	370	370
Trade and other receivables	–	1,136	27,278	28,414
Contract assets	–	8	2,382	2,390
Financial assets held under resale agreements	–	1,389	599	1,988
Loans and advances to customers and other parties (note (2))	2,995	7,984	8,365	19,344
Investments in financial assets				
– Financial assets at FVPL	–	58	3,935	3,993
– Debt investments at FVOCI	1,643	–	844	2,487
– Equity investments at FVOCI	–	–	453	453
– Financial assets at amortised cost	1,041	–	556	1,597
ROU assets	–	68	27	95
<b>Liabilities</b>				
Deposits from bank and non-bank financial institutions	–	6	14,224	14,230
Derivative financial instruments	–	–	447	447
Trade and other payables	491	11,436	9,803	21,730
Contract liabilities	127	7	787	921
Deposits from customers	4,588	12,399	13,479	30,466
Bank and other loans	1,234	36,060	250	37,544
Debt instruments issued	–	2,027	204	2,231
Lease liabilities	–	73	23	96
<b>Off-balance sheet items</b>				
Guarantees provided (note (3))	–	–	6,835	6,835

Notes:

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

## Notes to the Consolidated Financial Statements

*For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)*

### 51 Material related parties (Continued)

#### (b) Related party transactions (Continued)

(iii) For the year ended 31 December 2025, CITIC Bank transferred loans and other financial assets with an original book value of RMB4,850 million (2024: RMB2,920 million) to China CITIC Financial Asset Management Co., Ltd. Among these, the transferred non-performing loans had an original book value of RMB2,532 million (2024: RMB1,400 million), and the transferred non-performing structured financing had a book value of RMB2,318 million (2024: RMB1,520 million). All of the above-mentioned financial assets are qualified for full de-recognition.

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

In addition to these related party transactions disclosed in Note 51 (b), transactions with other state-owned entities include but are not limited to the following:

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

## 51 Material related parties (Continued)

### (d) Key management personnel remuneration

For the year ended 31 December 2025, the aggregate amount of the remuneration before tax paid to directors and executive officers of the Company amounted to RMB8.51 million (2024: RMB6.54 million).

## 52 Interests in structured entities

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

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

The following table sets out an analysis of the carrying amounts of interests held by the Group as at the financial position date in the structured entities, as well as an analysis of the line items in the consolidated statement of financial position in which the relevant assets are recognised:

	As at 31 December 2025				
	Investments in financial assets				
Gross amount	Financial assets at amortised cost	Financial assets at FVPL	Debt investments at FVOCI	Total	Maximum loss exposure
Wealth management products	-	14,971	-	14,971	14,971
Investment management products	27,092	17,987	-	45,079	45,079
Trust investment plans	162,806	18,862	-	181,668	181,668
Asset-backed securities	109,230	37,736	16,664	163,630	163,630
Investment funds	-	547,263	-	547,263	547,263
<b>Total</b>	<b>299,128</b>	<b>636,819</b>	<b>16,664</b>	<b>952,611</b>	<b>952,611</b>

	As at 31 December 2024				
	Investments in financial assets				
Gross amount	Financial assets at amortised cost	Financial assets at FVPL	Debt investments at FVOCI	Total	Maximum loss exposure
Wealth management products	-	9,114	-	9,114	9,114
Investment management products	20,162	11,415	-	31,577	31,577
Trust investment plans	176,543	10,340	-	186,883	186,883
Asset-backed securities	76,613	840	34,056	111,509	111,509
Investment funds	-	519,063	-	519,063	519,063
<b>Total</b>	<b>273,318</b>	<b>550,772</b>	<b>34,056</b>	<b>858,146</b>	<b>858,146</b>

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For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

### 52 Interests in structured entities (Continued)

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

The investments issued by unconsolidated structured entities sponsored by the Group are primarily wealth management products, trust investment plans, investment funds and investment management products. The nature and purpose of these structured entities are for the Group to generate fees from managing assets on behalf of investors. These structured entities are financed through the issuance of products to investors. The interests in unconsolidated structured entities held by the Group mainly include fees charged by providing management services.

#### **Wealth management products, trust investment plans, investment funds and investment management products**

As at 31 December 2025, the aggregate amount of assets held by the unconsolidated wealth management products, trust investment plans, investment funds and investment management products which are sponsored by the Group was RMB10,042,782 million (31 December 2024: RMB8,291,602 million).

In 2025, the amount of fee and commission income and net interest income recognised from the above-mentioned structured entities sponsored by the Group was RMB19,699 million (2024: RMB15,468 million) and RMB129 million (2024: RMB303 million).

#### (c) Transfers of financial assets

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

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

Details of securitisation transactions and financial assets transfer transactions conducted by the Group for the year ended 31 December 2025 totaled RMB107,840 million (2024: RMB90,980 million).

## 52 Interests in structured entities (Continued)

### (c) Transfers of financial assets (Continued)

#### Securitisation transactions

In 2025, the original book value of financial assets transferred by the Group through asset securitisation transactions was RMB42,516million (2024: RMB28,760 million), which qualified for full de-recognition.

#### Transfer of loans and other financial assets

In 2025, the Group transferred loans and other financial assets by other means with original book value of RMB65,324 million (2024: RMB62,220 million), including RMB14,084 million (2024: RMB8,434 million) of non-performing loans, RMB2,318 million (2024: RMB3,362 million) of non-performing structured investments and RMB48,922 million (2024: RMB50,424 million) of bills receivable and other financial assets. The Group carried out assessment based on the transfer of risks and rewards of ownership in accordance with Note 2 (j) and Note 3 (i), and concluded that these transferred assets qualified for full de-recognition.

## 53 Supplementary information to the consolidated cash flow statement

### (a) Cash and cash equivalents held by the Group are as follows:

	As at 31 December	
	2025	2024
Cash	4,509	5,200
Bank deposits on demand	85,893	108,456
Surplus deposit reserve funds	75,805	6,833
Investments in debt securities and others with original maturities of three months or less	78,619	61,868
Deposits with banks and non-bank financial institutions due within three months	134,319	103,308
Placements with banks and non-bank financial institutions due within three months	58,412	99,734
Cash and cash equivalents in the consolidated cash flow statement	437,557	385,399

## Notes to the Consolidated Financial Statements

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### 53 Supplementary information to the consolidated cash flow statement

(Continued)

#### (b) Reconciliation of financing liabilities

	For the year ended 31 December				
	Bank and other loans	Debt instruments issued	Interest expense	Lease liabilities	Total
At 31 December 2023	235,132	1,213,580	8,165	20,348	1,477,225
Cash flows	(15,925)	299,833	(49,169)	(6,087)	228,652
Foreign exchange adjustments	4,526	1,108	1,779	28	7,441
Bank loans arising from supplier finance arrangement	6,804	–	–	–	6,804
Other non-cash movements	14,318	(24,419)	46,972	4,760	41,631
At 31 December 2024	244,855	1,490,102	7,747	19,049	1,761,753
Cash flows	(43,641)	81,265	(44,434)	(5,644)	(12,454)
Foreign exchange adjustments	(2,679)	(1,079)	848	42	(2,868)
Bank loans arising from supplier finance arrangement	4,883	–	–	–	4,883
Other non-cash movements	42,292	(50,387)	42,465	5,007	39,377
At 31 December 2025	245,710	1,519,901	6,626	18,454	1,790,691

#### (c) Issuance and redemption of other equity instruments by subsidiaries

In 2025, CITIC Bank, a subsidiary of the Group, did not issue or redeemed capital debentures without fixed terms (2024: issued RMB30,000 million of capital debentures without fixed terms, redeemed RMB39,993 million of capital debentures without fixed terms).

In 2025, CITIC Securities, a subsidiary of the Group, issued RMB7,500 million of capital debentures without fixed terms (2024: issued RMB14,000 million of capital debentures without fixed terms).

## 54 Financial position and reserve movement of the Company

	As at 31 December	
	2025	2024
<b>Non-current assets</b>		
Interests in subsidiaries	438,621	444,263
Interests in joint ventures	–	32
Investments in financial assets		
– Financial assets at fair value through profit or loss	3,329	3,238
– Derivative financial instruments	8	–
	441,958	447,533
<b>Current assets</b>		
Amounts due from subsidiaries	66,170	70,537
Trade and other receivables	137	155
Cash and deposits	1,835	1,438
	68,142	72,130
<b>Total assets</b>	<b>510,100</b>	<b>519,663</b>
<b>Current liabilities</b>		
Bank and other loans	14,735	17,284
Amounts due to subsidiaries and other related parties	15,568	15,514
Trade and other payables	11	10
Employee benefits payables	228	227
Income tax payable	1,949	1,729
Debt instruments issued	5,346	2,191
	37,837	36,955
<b>Non-current liabilities</b>		
Long term borrowings	69,478	68,775
Debt instruments issued	34,504	40,800
	103,982	109,575
<b>Total liabilities</b>	<b>141,819</b>	<b>146,530</b>
<b>Equity</b>		
Share capital	307,576	307,576
Reserves	60,705	65,557
<b>Total ordinary shareholders' funds</b>	<b>368,281</b>	<b>373,133</b>
<b>Total liabilities and equity</b>	<b>510,100</b>	<b>519,663</b>

The financial position of the Company was approved and authorised for issue by the board of directors on 27 March 2026.

Director: Xi Guohua

Director: Zhang Wenwu

## Notes to the Consolidated Financial Statements

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### 54 Financial position and reserve movement of the Company (Continued)

#### (a) Reserve movement of the Company

	Share capital (Note 47 (a))	Capital reserve (Note 47 (b)(i))	Hedging reserve (Note 47 (b)(ii))	Retained earnings	Exchange reserve (Note 47 (b)(v))	Total
<b>As at 1 January 2025</b>	307,576	505	23	18,022	47,007	373,133
Other comprehensive income	-	-	8	-	(9,319)	(9,311)
Profit attributable to shareholders of the Company	-	-	-	18,941	-	18,941
Dividends paid to ordinary shareholders of the Company	-	-	-	(16,291)	-	(16,291)
Others	-	1,809	-	-	-	1,809
<b>As at 31 December 2025</b>	<b>307,576</b>	<b>2,314</b>	<b>31</b>	<b>20,672</b>	<b>37,688</b>	<b>368,281</b>
<b>As at 1 January 2024</b>	307,576	505	(11)	21,294	38,988	368,352
Other comprehensive income	-	-	34	-	8,019	8,053
Profit attributable to shareholders of the Company	-	-	-	12,000	-	12,000
Dividends paid to ordinary shareholders of the Company	-	-	-	(15,272)	-	(15,272)
<b>As at 31 December 2024</b>	<b>307,576</b>	<b>505</b>	<b>23</b>	<b>18,022</b>	<b>47,007</b>	<b>373,133</b>

### 55 Post balance sheet events

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

### 56 Comparative figures

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

### 57 Approval of the consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 27 March 2026.

## 58 Possible impact of amendments, new standards and interpretations issued but not yet adopted for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is assessing the impact of such new standards and amendments to standards and will adopt the relevant standards and amendments to standards in the subsequent periods as required.

### HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

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### 59 Principal subsidiaries, associates and joint ventures

#### (a) Principal subsidiaries

Name of company	Place of incorporation/ Type of legal entity	Principal activity	Shares issued	Proportion of ownership interest		
				Attributable to the Group	Held by the Company	Held by subsidiaries
CITIC Corporation Limited 中國中信有限公司	Chinese mainland/ Limited liability	Investment holding	N/A	100%	100%	0%
CITIC Financial Holdings Co., Ltd. 中國中信金融控股有限公司	Chinese mainland/ Limited liability	Investment holding	N/A	100%	0%	100%
CITIC Pacific Limited 中信泰富有限公司	British Virgin Islands	Investment holding	51,097	100%	100%	0%
CITIC Pacific Special Steel Group Co., Ltd. 中信泰富特鋼集團股份有限公司	Chinese mainland/ Stock limited company (listed)	Special steel production	5,047,158,005	83.85%	0%	83.85%
NanJing Iron & Steel Co., Ltd. 南京鋼鐵股份有限公司	Chinese mainland/ Stock limited company (listed)	Production and sales of steel product	6,165,091,011	62.76%	0%	62.76%
Shanghai Zhongte Pacific Steel Co., Ltd. 上海中特泰富鋼管有限公司	Chinese mainland/ Limited liability	Sale of steel and consultation on electric power technology	N/A	100%	0%	100%
Dah Chong Hong Holdings Limited 大昌行集團有限公司	Hong Kong	Consumer goods	1,891,247,220	100%	0%	100%
CITIC Mining International Ltd. 中信礦業國際有限公司	Cayman Islands	Resources and energy	1	100%	100%	0%
CITIC Metal Group Ltd. 中信金屬集團有限公司	Hong Kong	Resources and energy	11,800,000,000	100%	0%	100%
CITIC Telecom International Holdings Limited 中信國際電訊集團有限公司	Hong Kong (listed)	Telecom services	3,700,891,382	57.54%	0%	57.54%
CITIC Finance Company International Limited 中信財務(國際)有限公司	Hong Kong	Financial services	N/A	100%	100%	0%
China CITIC Bank Corporation Limited 中信銀行股份有限公司	Chinese mainland/ Stock limited company (listed)	Banking industry	90,645,162,264	65.79%	0%	65.79%

## 59 Principal subsidiaries, associates and joint ventures (Continued)

### (a) Principal subsidiaries (Continued)

Name of company	Place of incorporation/ Type of legal entity	Principal activity	Shares issued	Proportion of ownership interest		
				Attributable to the Group	Held by the Company	Held by subsidiaries
CITIC Securities Company Limited 中信証券股份有限公司	Chinese mainland/Stock limited company (listed)	Securities related services	14,820,546,829	19.84%	0%	19.84%
CITIC International Financial Holdings Limited 中信國際金融控股有限公司	Hong Kong	Banking industry	7,502,832,116	100%	0%	100%
CITIC Trust Co., Ltd. 中信信託有限責任公司	Chinese mainland/ Limited liability	Trust services	N/A	100%	0%	100%
CITIC Finance Company Limited 中信財務有限公司	Chinese mainland/ Limited liability	Financial services	N/A	98.69%	0%	98.69%
CITIC Consumer Finance Co., Ltd. 中信消費金融有限公司	Chinese mainland/ Limited liability	Consumer finance	N/A	70%	0%	70%
CITIC Resources Holdings Limited 中信資源控股有限公司	Bermuda (listed)	Resources and energy	7,857,727,149	59.50%	0%	59.50%
CITIC Australia Pty Limited 中信澳大利亞有限公司	Australia	Resources and energy	85,882,017	100%	0%	100%
CITIC Heavy Industries Co., Ltd. 中信重工機械股份有限公司	Chinese mainland/Stock limited company (listed)	Manufacturing	4,579,553,437	64.38%	0%	64.38%
CITIC Construction Company Limited 中信建設有限責任公司	Chinese mainland/ Limited liability	Engineering contracting	N/A	100%	0%	100%
CITIC Urban Development & Operation Co., Ltd. 中信城市開發運營有限責任公司	Chinese mainland/ Limited liability	Real estate development	N/A	100%	0%	100%
CITIC Heye Investment Co., Ltd. 中信和業投資有限公司	Chinese mainland/ Limited liability	Real estate development	N/A	100%	0%	100%
CITIC Capital Mansion Co., Ltd. 中信京城大廈有限責任公司	Chinese mainland/ Limited liability	Real estate management	N/A	100%	0%	100%
CITIC Building Property Management Co., Ltd. 北京中信國際大廈物業管理有限公司	Chinese mainland/ Limited liability	Real estate management	N/A	100%	0%	100%

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025  
(Expressed in millions of Renminbi, unless otherwise stated)

### 59 Principal subsidiaries, associates and joint ventures (Continued)

#### (a) Principal subsidiaries (Continued)

Name of company	Place of incorporation/ Type of legal entity	Principal activity	Shares issued	Proportion of ownership interest		
				Attributable to the Group	Held by the Company	Held by subsidiaries
CITIC Industrial Investment Group Corp., Ltd. 中信興業投資集團有限公司	Chinese mainland/Limited liability	Infrastructure and elderly services	N/A	100%	0%	100%
CITIC Dicastal Company Limited 中信戴卡股份有限公司	Chinese mainland/ Stock limited company	Manufacturing	1,971,342,713	42.11%	0%	42.11%
CITIC Environment Investment Group Co., Limited 中信環境投資集團有限公司	Chinese mainland/Limited liability	Energy conservation and environmental protection	N/A	100%	0%	100%
China Zhonghaizhi Corporation 中國中海直有限責任公司	Chinese mainland/Limited liability	General aviation	N/A	51.03%	0%	51.03%
CITIC Investment Holdings Limited 中信投資控股有限公司	Chinese mainland/Limited liability	Investment holding	N/A	100%	0%	100%
CITIC Asia Satellite Holding Company Limited 中信亞洲衛星控股有限公司	British Virgin Islands	Information industry	60,524,465	100%	0%	100%
CITIC Press Corporation 中信出版集團股份有限公司	Chinese mainland/ Stock limited company (listed)	Publishing	190,151,515	73.50%	0%	73.50%
CITIC Holdings Co., Ltd. 中信控股有限責任公司	Chinese mainland/Limited liability	Service	N/A	100%	0%	100%

## 59 Principal subsidiaries, associates and joint ventures (Continued)

### (b) Principal associates

Details of the Group's interest in principal associates, which are accounted for using the equity method in the consolidated financial statements of the Group are as follows:

Name of company	Place of incorporation	Principal activity	Shares issued	Proportion of ownership interest		
				Attributable to the Group	Held by the Company	Held by subsidiaries
China Overseas Land & Investment Ltd. 中國海外發展有限公司	Hong Kong (listed)	Real estate development	10,944,883,535	10.01%	0%	10.01%
China Securities Co., Ltd. 中信建投證券股份有限公司	Chinese mainland (listed)	Securities related services	7,756,694,797	9.47%	0%	9.47%
Ivanhoe Mines Ltd.	Canada (listed)	Resources and energy	1,424,585,516	21.20%	0%	21.20%

### (c) Principal joint ventures

Details of the Group's interest in principal joint ventures, which are accounted for using the equity method in the consolidated financial statements of the Group are as follows:

Name of company	Place of incorporation	Principal activity	Shares issued	Proportion of ownership interest		
				Attributable to the Group	Held by the Company	Held by subsidiaries
CITIC Prudential Life Insurance Co., Ltd. 中信保誠人壽保險有限公司	Chinese mainland	Insurance and reinsurance	N/A	50%	0%	50%
中船置業有限公司	Chinese mainland	Real estate development	N/A	50%	0%	50%
上海瑞博置業有限公司	Chinese mainland	Real estate development	N/A	50%	0%	50%

# Independent Auditor's Report



**To the Members of CITIC Limited**

*(incorporated in Hong Kong with limited liability)*

## Opinion

We have audited the consolidated financial statements of CITIC Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 142 to 299, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

## Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Measurement of expected credit losses for loans and advances to customers and other parties and investments in financial assets
- Consolidation of structured entities – Non-principal guaranteed wealth management products
- Impairment of the Sino Iron Project

Measurement of expected credit losses for loans and advances to customers and other parties and investments in financial assets

Refer to Note 2 (j), Note 3 (b), Note 27 and Note 29 to the consolidated financial statements.

### The Key Audit Matter

### How the matter was addressed in our audit

As at 31 December 2025, the gross balance of loans and advances to customers and other parties and accrued interest included for the purpose of expected credit loss assessment in the Group's consolidated statement of financial position, amounted to RMB5,877,616 million, for which management recognised an impairment allowance of RMB145,174 million; the gross balance of investments in financial assets and accrued interest included for the purpose of expected credit loss assessment amounted to RMB2,312,607 million, for which management recognised an impairment allowance of RMB29,728 million.

The Group uses an expected credit loss ("ECL") model to measure the loss allowance for loans and advances to customers and other parties and investments in financial assets in accordance with Hong Kong Financial Reporting Standard 9, *Financial instruments*.

Our audit procedures to assess ECL for loans and advances to customers and other parties and investments in financial assets included the following:

- With the assistance of KPMG's IT audit team, understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of loans and advances to customers and other parties and investments in financial assets, the credit risk staging process and the measurement of ECL for loans and advances to customers and other parties and investments in financial assets.
- With the assistance of KPMG's financial risk management specialists, assessing the appropriateness of the ECL model in determining the loss allowance of loans and advances to customers and other parties and investments in financial assets and the appropriateness of the key parameters and assumptions in the model, which included credit risk staging, probability of default, loss given default, exposure at default, adjustments for forward-looking information and other adjustments, and assessing the appropriateness of related key management judgement.

## Independent Auditor's Report

### Measurement of expected credit losses for loans and advances to customers and other parties and investments in financial assets (continued)

Refer to Note 2 (j), Note 3 (b), Note 27 and Note 29 to the consolidated financial statements.

#### The Key Audit Matter

#### How the matter was addressed in our audit

The determination of ECL allowance of loans and advances to customers and other parties and investments in financial assets is subject to the application of a number of key parameters and assumptions, including the credit risk staging, probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Extensive management judgment is involved in the selection of those parameters and the application of the assumptions.

The amount of impairment of the loans and advances to customers and other parties and investments in financial assets is significant, and the measurement has a high degree of estimation uncertainty. The measurement of ECL applied significant management judgments and assumptions, and involved significant inherent risk. In view of these reasons, we identified this as a key audit matter.

- Assessing the completeness and accuracy of key data used in the ECL model, comparing the total balance of the loans and advances to customers and other parties and investments in financial assets used by management to assess the ECL allowance with the general ledger to check the completeness of the data. We also selected samples to compare information of individual loan and advance to customers and investments in financial assets with the underlying agreements and other related documentation to assess the accuracy of data, checking the accuracy of key external data used by management by comparing them with public sources.
- For key parameters used in the ECL model which were derived from system generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis, involving KPMG's IT audit team to assess the accuracy of the loans and advances' overdue information on a sample basis.

## Measurement of expected credit losses for loans and advances to customers and other parties and investments in financial assets (continued)

Refer to Note 2 (j), Note 3 (b), Note 27 and Note 29 to the consolidated financial statements.

### **The Key Audit Matter**

### **How the matter was addressed in our audit**

- Evaluating the reasonableness of management's assessment on whether the credit risk of the loans and advances to customers and other parties and investments in financial assets have, or have not, increased significantly since initial recognition and whether the loans and advances to customers and other parties and investments in financial assets are credit-impaired by selecting risk-based samples, analysing the portfolio by industry sector to select samples in industries more vulnerable to the current economic situation with reference to other borrowers with potential credit risk. For selected samples, reviewing the overdue information of loans and advances to customers and other parties and investments in financial assets, making enquiries of the credit managers about the borrowers' business operations, checking borrowers' financial information and researching market information about borrowers' businesses, to understand the status in regard to the borrowers' credit risk, and to assess the reasonableness of credit risk staging.
- For corporate loans and advances and investments in financial assets that are credit-impaired, selecting samples to evaluate the forecasted future cash flows prepared by the Group based on financial information of borrowers and guarantors, collateral valuations, other available information and possible future factors together with discount rates in supporting the computation of loss allowance.

Independent Auditor’s Report

Measurement of expected credit losses for loans and advances to customers and other parties and investments in financial assets (continued)

Refer to Note 2 (j), Note 3 (b), Note 27 and Note 29 to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"><li data-bbox="805 571 1444 743">• Based on our procedures performed, selecting samples and assessing the accuracy of calculation for loans and advances to customers and other parties and investments in financial assets’ credit losses by using the ECL model.</li><li data-bbox="805 776 1444 916">• Performing retrospective review of ECL model components and significant assumptions; to assess whether the results indicate possible management bias on loss estimation.</li><li data-bbox="805 948 1444 1121">• Assessing the reasonableness of the disclosures in the financial statements in relation to ECL for loans and advances to customers and other parties and investments in financial assets against prevailing accounting standards.</li></ul>

## Consolidation of structured entities – Non-principal guaranteed wealth management products

Refer to Note 2 (f), Note 3 (j) and Note 52 to the consolidated financial statements.

### The Key Audit Matter

As at 31 December 2025, all of non-principal guaranteed wealth management products (“WMPs”) issued and managed by the Group are structured entities that are not included in the scope of consolidation.

In determining whether the Group retains any partial interest in a structured entity for non-principal guaranteed WMPs or should consolidate it, management is required to consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.

We have identified this as a key audit matter due to the material balance and significant management judgements were involved in assessing the consolidation of the structured entities for non-principal guaranteed WMPs.

### How the matter was addressed in our audit

Our audit procedures related to consolidation of structured entities for non-principal guaranteed WMPs included the following:

- Understanding and assessing the design, implementation, and operating effectiveness of key internal controls of financial reporting over measurement of interests in and consolidation of structured entities for non-principal guaranteed WMPs.
- Selecting samples of structured entities for non-principal guaranteed WMPs and performing the following procedures:
  - Inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity for non-principal guaranteed WMPs and the involvement the Group has with the structured entity for non-principal guaranteed WMPs and to assess management’s judgement over whether the Group can exercise power over the structured entity for non-principal guaranteed WMPs.

### Consolidation of structured entities – Non-principal guaranteed wealth management products (continued)

Refer to Note 2 (f), Note 3 (j) and Note 52 to the consolidated financial statements.

#### **The Key Audit Matter**

#### **How the matter was addressed in our audit**

- Performing independent analysis and tests on the variable returns from the structured entities for non-principal guaranteed WMPs, including but not limited to commission income and asset management fees earned, gains from investments, retention of residual income, and, if any, liquidity, and other support provided to the structured entities for non-principal guaranteed WMPs, to assess management's judgement as to the exposure, or rights, to variable returns from the Group's involvement in such an entity.
- Inspecting management's analysis of the structured entity for non-principal guaranteed WMPs, including qualitative analysis and the calculation of the magnitude and variability associated with the Group's economic interests in the structured entity for non-principal guaranteed WMPs, to assess management's judgement over the Group's ability to affect its variable returns from the structured entity for non-principal guaranteed WMPs.
- Assessing management's judgement over whether the structured entity for non-principal guaranteed WMPs should be consolidated or not.
- Assessing the reasonableness of the disclosures in the financial statements in relation to the measurement of interests in and consolidation of structured entities for non-principal guaranteed WMPs against prevailing accounting standards.

## Impairment of the Sino Iron Project

Refer to Note 2 (u), Note 3 (d), Note 3 (k) and Note 9 to the consolidated financial statements.

### The Key Audit Matter

### How the matter was addressed in our audit

Management performs impairment testing of the Sino Iron Project (the "Project") when indicators of impairment are identified.

Our audit procedures to evaluate management's assessment of impairment indicators of the Project included the following:

As at 31 December 2025, management assessed whether indicators of impairment exist on the Project by considering external and internal sources of information, including:

- The assessment of outstanding litigation and disputes in respect of the Project as disclosed in Note 3 (k) to the consolidated financial statements.
- The production profile of the Project (mainly including ore grades, operating cost and production output).
- Forward iron ore prices.
- Foreign exchange rates, particularly between Australian and United States dollars.
- The risk-free borrowing rates.

- Understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the impairment indicator assessment process.

- Assessing management's evaluation of indicators of impairment, including consideration of both external and internal sources of information with reference to our understanding of the Group and the requirements of prevailing accounting standards.

- Enquiring management and external legal counsels to understand the latest development of the outstanding litigations and disputes and the implications of such outstanding litigations and disputes; and assessing whether this resulted in an indicator of impairment with reference to our latest understanding of the progress of the outstanding litigations.

Management determined that no impairment indicator existed for the Project as at 31 December 2025.

- Evaluating whether there are significant adverse changes in the economic environment impacting the Project by considering movements in forward iron ore prices, exchange rates and risk-free borrowing rates.

We identified management's assessment of impairment indicators of the Project as a key audit matter because the assessment, especially in relation to the assessment of outstanding litigation and disputes, involves significant management judgements which may be subject to management bias.

- Comparing budget versus actual performance during the last 12 months to evaluate economic performance of the asset.

## Independent Auditor's Report

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the *Independent auditor's assurance report on Continuing Connected Transactions* that forms part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Directors and Audit and Risk Management Committee for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit and Risk Management Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

## Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Management Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Risk Management Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Siu Tung (practising certificate number: P04535).

### **KPMG**

*Certified Public Accountants*

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

27 March 2026