

# Chairman's Letter to Shareholders



Dear Shareholders,

2025 marked the conclusion of the 14th Five-Year Plan (14th FYP) and the commencement of the strategic layout for the 15th Five-Year Plan (15th FYP). Over the past year, the successful convening of the Fourth Plenary Session of the 20th CPC Central Committee set out an inspiring blueprint for high-quality development and set the definitive course for our forward momentum. In 2025, China's economy showed a stable uptrend and navigated the surging tides of the global economy, injecting stability and positive energy into international development. Throughout the year, technology has reshaped industrial development paradigms on an unprecedented scale, catalysing the boom of new quality productive

forces. In an era defined by the challenges and opportunities of transformation and innovation, CITIC Limited has drawn on the profound resilience, tremendous potential and great vitality of China's economy. By leveraging our integrated advantages across technology, industry and finance sectors, we have upheld our responsibility to the country's overall interest, achieved breakthroughs in structural reform and delivered exceptional results.

**Earnings saw steady growth in both quantity and quality.** Our overall scale reached new heights. As of the end of 2025, CITIC Limited's total assets increased 7.8% from the start of the year to RMB13.02 trillion, representing a compound annual growth rate of 9.7% during the 14th FYP period. Total assets under directly managed associate companies reached RMB0.96 trillion, up 15.9% from the beginning of the year. Core indicators improved steadily. CITIC Limited recorded operating revenue of RMB769.264 billion, up 3.0% year on year, and profit attributable to ordinary shareholders of RMB58.730 billion, up 0.9% year on year. Asset quality continued to strengthen. The non-performing asset ratio in the financial segment was down 0.01 percentage points from the beginning of 2025. The gearing ratio in the non-financial segment was 46.22%, down 0.70 percentage points from the beginning of 2025. CITIC Limited achieved an outstanding market performance, earning increased recognition from external stakeholders. Share price rose by 38.1% during the year, outperforming both the Hang Seng Index and the Hang Seng SCHK Chinese Mainland Companies High Dividend Yield Index. Our latest MSCI ESG rating was upgraded

from BB to A and then to AA, reaching a record high. These achievements were made possible by the steadfast support of our shareholders. The Board recommends a final dividend of RMB0.385 per share, bringing the total for 2025 to RMB0.585 per share, with a payout ratio of 29.0%, up 1.5 percentage points from 2024.

**Highlights in financial segment showcased the advantage of an integrated service system.** We leveraged our role as a financial holding company, guided by the "Financial Core" initiative, carrying out model innovation across the board and building a strong comprehensive financial service system with full licensing and lifecycle support. We drove major business lines to focus on core operations, enhance governance and seek differentiated development. Our financial subsidiaries pursued new strategic directions, resulting in increased profitability. CITIC Bank, CITIC Securities and CITIC-Prudential Life all achieved record-high net profits attributable to the parent company. Total assets of financial segment reached RMB12.32 trillion, with CITIC Bank's assets exceeding RMB10 trillion and CITIC Securities' assets surpassing RMB2 trillion. CITIC Trust posted record results in its proprietary trading business and reclaimed its industry-leading position by trust asset scale. We have made significant progress across the "Five Major Tasks" in finance. The launch of a dedicated techfin task force provided comprehensive services for over 15 thousand national-level specialised and sophisticated enterprises, and manufacturing single champion enterprises, profoundly reshaping our financial customer base and creating substantial new opportunities for future development. Our underwriting volumes for tech innovation, green and rural revitalisation bonds all ranked first in the market. In cross-border financial services, we built a premium brand by establishing a global system based in Hong Kong. Our Hong Kong IPO underwriting volume reached US\$8.98 billion, ranking first in the market for the first time; Chinese offshore bond underwriting reached US\$12.87 billion, maintaining our industry leadership through landmark deals such as CATL Hong Kong IPO and BYD's lightning placement. CITIC has emerged as China's largest direct financing institution and comprehensive asset manager. Domestic equity underwriting reached RMB389.1 billion, accounting for over a third of the market and domestic bond underwriting reached RMB5 trillion, accounting for 16% of the market, both ranking first. Total assets under management reached nearly RMB11 trillion, with growth exceeding the industry average.

**Accelerating industry transformation to create secular growth and value.** We launched the "Industrial Starlink" initiative to revitalise our established franchises, while nurturing emerging stars and identifying industry leaders of the future, establishing a solid foundation for a modern industrial system. Our industry leadership has further consolidated. Profits from CITIC Metal's flagship copper and niobium businesses continued to rise and the first phase of South African Platreef PGM-Nickel Mine is fully operational. CITIC Press cemented its leading position in mass publishing with major hits including the exclusive publication of "Ne Zha". Longping High-Tech under CITIC Agriculture has emerged as the world's top seven agricultural companies and was the sole agriculture sector recipient of the Fifth China Quality Award. In emerging industries, we have established a robust presence across the value chain, leveraging the broad perspective, deep insights and high-quality research of our two leading securities firms. By focusing on both the upstream and downstream industries of new energy, new materials and robotics, we have built a strong pipeline of high-potential projects. CITIC Dicastal accelerated industrialisation of integrated die-casting, developing China's first vacuum high-pressure casting robotic skeleton component to support the lightweight development of humanoid robots. CITIC Pacific Special Steel continued to push manufacturing limits, with products used in iconic constructions such as the Guizhou Huajiang Canyon Bridge. CITIC Pacific Energy's green power generation increased by 94% year on year, with profit attributable to ordinary shareholders hitting record highs. CITIC Offshore Helicopter successfully conducted the world's first 2-tonne eVTOL supply transport to offshore oil platforms, moving into a new frontier in the low-altitude economy.

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**Advancing comprehensive sci-tech initiatives to demonstrate strong innovative-driven momentum.** By focusing on fostering and expanding high quality productive forces, we upgraded our “Technological Rock” initiative and maintained a robust R&D investment rate at 3% of revenue throughout the year. We established a “mega platform” for innovation, including high-level science and technology centres led by two state key laboratories in intelligent mining equipment and digital steel. The CITIC HK AI Technology Innovation Center has entered substantive research phases, collaborating with top universities and research institutes to address key challenges and develop proprietary technologies. We strengthened our technical “hard power” and received 18 recognitions with two first prizes at the People's Bank of China's 2024 Fintech Development Awards, remaining the most-awarded financial enterprise. In the national “Data Elements x” final competition, we won four awards, including a first prize, to rank among the leading companies in the field. We further advanced the integration of artificial intelligence by establishing a dedicated AI innovation support system and building a group-level intelligent computing centre to power our AI applications. Nanjing Steel was designated as China's inaugural pioneer-level smart factory, while the number of excellence-level smart factories under CITIC increased to six. CITIC Securities deployed 27 digital employees, enhancing various functions such as intelligent investment research and smart investment banking. For three consecutive years, our internal “Blooming Cup” digitalisation contest has incubated smart applications with broad benefits and significant growth potential, further boosting total factor productivity.

**Demonstrating resilience for steady development through effective risk prevention and control.** Risk prevention remains our constant focus. We have enhanced our comprehensive risk management system through proactive measures and multi-dimensional oversight, while strengthening compliance and internal controls. We have accelerated the resolution of existing risks. Sino Iron project reached a major sustainable milestone with the approval of the 2023 Mine Continuation Proposals, securing its medium-to-long-term operations and its goal of becoming a world-class mining company. We also reduced real estate exposure by lowering both non-performing loan balances and non-performing loan ratios, and expedited the risk resolution of local government financing vehicles. Our collaborative risk management ecosystem overachieved annual risk diffusion targets, revitalising RMB31.3 billion in original creditor principal and interest, and recovering RMB16.7 billion from disposals. We also continued to refine CITIC's unique collaborative risk management system, expanding its adoption nationwide to support multiple joint-debt financial institutions in defusing risks, generating significant social and economic benefits.

As we embark on the 15th FYP, we are resolutely guided by national strategy, driven by rapid technological advancements and supported by Hong Kong's dynamic vitality. These strengths are creating unprecedented opportunities despite a complex and evolving external environment. Looking ahead to the next five years, China's 15th FYP formulation provides clear direction and broad opportunity for the company's development. Our country's economic structure is undergoing a comprehensive transformation, where “blue ocean” opportunities for new growth are poised to emerge in many leading industries including high-end manufacturing, advanced materials and new energy. The latest wave of technological revolution and industrial transformation is progressing rapidly, with innovations like artificial intelligence accelerating changes in the global economic landscape. CITIC's inherent spirit of innovation and ongoing commitment to technology investment will position the company at the forefront of future competition. In particular, Hong Kong, as a hotspot of flourishing industries, is rapidly transforming from a “super-connector” to a “super value-adder”. As it has restored order and is set to thrive, Hong Kong presents a prosperous outlook, serving as an anchor and strong foundation for us to advance our international strategy and expand our global footprint.

In the year ahead, CITIC Limited will build on this momentum and forge ahead with determination. As we continue our journey towards high-quality growth, we will align with national priorities, embrace opportunities created by technological transformation and grow alongside Hong Kong's revitalisation.

**Navigating the future with visionary strategies.** We have formulated the "3-3-5" strategy for high-quality development during the 15th FYP period to further strengthen and optimise our three core businesses – financial, industry and investment, as well as implement three key initiatives of "Financial Core", "Industrial Starlink" and "Technological Rock". Under this direction, we will focus on five key levers: robust management, risk prevention, enhanced synergy, talent cultivation and improved quality and efficiency, striving to open a new chapter in our efforts to build an outstanding, world-class and technologically advanced conglomerate. Notably, investment has been designated as one of our core businesses for its crucial role in fostering new quality productive forces and creating a "second growth curve". We will leverage the power of investment to serve as a "national team" for long-term capital and a "multiplier" for reform and transformation. By empowering finance and industry to enhance our competitiveness and expanding new growth drivers for value creation, we strive to achieve a more optimised structure and deliver even greater multiplier effects for growth.

**Building a new engine with the power of technology.** It is clear from both the national blueprint for industries of the future and the global wave of transformation: the key to winning in tomorrow's business landscape lies in the integration of technological and industrial innovation. We will further elevate the trinity of technology, industry and finance, creating a singular CITIC model that integrates independent innovation and investment-driven empowerment. Through M&A and joint ventures, we will enhance our competitiveness in advanced materials, biological breeding, high-end equipment and fintech. We will refine our integrated innovation mechanisms, unleash the potential of diverse talent and accelerate the development of the "CITIC Second Brain". We will also build a flexible, agile and intelligent new management model, making technological strengths a distinctive feature of CITIC as a world-class enterprise.

**Unlocking new opportunities through openness and cooperation.** We are committed to bridging China and the world in the new era, through our service brand "CITIC, Your Trusted Partner for Going Global and Coming to China". With Hong Kong as a strategic gateway, we will deepen international development and continue to enhance our cross-border service systems such as "CITIC · Hong Kong". By delivering bespoke services for Chinese firms expanding overseas and international companies investing in China, we are creating a new pathway for win-win success.

**Creating new value through outstanding performance.** We are committed to development of substance, embracing the concept that "the company is also a product" and optimising our performance evaluation system around value creation. We are allocating more resources to high growth and high potential return areas of our business. By coordinating development and security, we are strengthening proactive risk assessment and effective mitigation to ensure our operations at every level are fully compliant. We are advancing our ESG management, market value management and capital market communication to help investors better understand CITIC's intrinsic value. Our goal is to increase the sense of fulfilment for our shareholders through long-term and stable dividends.

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A successful venture begins with a sound plan and clear goals. With the nation's development as our guide, the unwavering support of our shareholders and the dedication of our people, we are confident in our ability to seize new opportunities, rise to new challenges and achieve even greater accomplishments. We will ensure a strong start to the 15th FYP and strive for a bright future of high-quality development.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name Xi Guohua.

**Xi Guohua**  
*Chairman*  
27 March 2026