



# CITIC Limited

## 中國中信股份有限公司

*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 00267)

### CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear shareholders,

In the first half of 2025, the global economic recovery was tepid, geopolitical risks became more pronounced and external uncertainties rose. Amid this challenging environment, CITIC Limited forged ahead to overcome difficulties, driven by the resilience of the Chinese economy and the vibrancy of the Hong Kong capital market. With the steadfast support of our shareholders, we responded to shifting market dynamics with prudent management and advanced our transformation through reform and innovation to deliver solid results.

For the first half of the year, CITIC Limited recorded operating revenue of RMB368.8 billion, net profit of RMB59.8 billion and profit attributable to ordinary shareholders of RMB31.2 billion, in line with expectations. Subsidiaries within the financial segment recorded across-the-board profit increases, while key non-financial subsidiaries delivered improving results. As of the end of June 2025, CITIC Limited's share price closed at HK\$10.78 per share with a 21% increase since the beginning of 2025, outperforming the Hang Seng Index and bringing total market capitalisation to HK\$313.6 billion. The company's S&P credit rating remained at its highest level since 2016. These achievements would not have been possible without the support of our shareholders. **The Board recommends an interim dividend of RMB0.2 per share, an increase of RMB0.01 per share over last year's interim dividend, resulting in a total dividend payout of RMB5.818 billion.**

### **Strategic leadership: advancing quality and efficiency across core businesses**

Over the past six months, the company has focused on the “One Deepening, Three Promotions and Five Breakthroughs” strategic direction for reform and development, while exploring pathways for high-quality development. We strive to build an advantageous structure that supports the implementation of national priorities across multiple sectors and unlocks the full potential of our diversified business.

Further advancing the “Financial Core” initiative: During the year, we have made significant progress in developing a coordinated and comprehensive financial system to better serve the nation and our society. Accordingly, **our core functions have been reinforced.** With a focus on serving the real economy, we have embraced innovation and continued to drive progress across “Five Major Tasks” in finance to achieve strong brand leadership in techfin

and green finance. To date, we have served over 14,100 enterprises recognised in the first six batches of national-level specialised and sophisticated enterprises and the first eight batches of single-product champion in manufacturing, covering more than 92% of such companies. The size of green bond underwriting remains among the highest in the market. **Our cross-border financial services have also seen robust growth.** Capitalising on the expansion of Hong Kong's financial market, we made consistent progress in bond underwriting, cross-border lending and capital market services. A recent highlight was our successful sponsorship of CATL's listing in Hong Kong, marking the world's largest IPO in the past three years. Additionally, our subsidiary, China Asset Management (Hong Kong), launched the world's first RMB-denominated tokenised fund, becoming the first asset management firm in Asia to offer a full range of tokenised money market funds denominated in HKD, RMB and USD. **The quality of our key business lines has also continued to improve.** Our banking business performance has maintained upward momentum, with its A-share and H-share prices and total market capitalisation reaching record highs in the first half of the year. Regulatory approval to establish an asset investment company (AIC) was also obtained, which broadens business channels and enhances our diversified service capabilities. Our securities business maintained its leading performance indicators, reinforcing its role as a stabilising force in the capital market. Reform and transformation efforts in trust and insurance businesses have also accelerated, further strengthening our competitive advantages in niche markets. Our financial leasing business enhanced its capital base, laying a stronger foundation for a new growth engine within our comprehensive financial segment.

Progressing the “Industrial Starlink” initiative: **Our traditional industries have continued to improve** as we advanced our three key actions of “Star Renewal”, “Star Creation” and “Star Exploration” in a coordinated effort to cultivate and reinforce new quality productive forces. Guided by the philosophy that the company itself is also a product, we have remained focused on building leading enterprises, advancing specialised and sophisticated technologies and delivering flagship projects. CITIC Dicastal achieved record-high sales of aluminium wheels and castings, climbing to 42nd place among the world's top 100 automotive parts companies. CITIC Metal consolidated its position in niobium, developed its copper business, continuously optimised its trading structure, strengthened post-investment management and achieved a substantial increase in net profit. Special steel business maintained its industry-leading position in aggregate profit. Longping High-Tech completed a RMB1.2 billion private placement, accelerating its journey to become a global leader in the seed industry. **Emerging and future industries also gained momentum.** We are actively monitoring and exploring opportunities for mergers and acquisitions in different industries, incorporating key projects into our strategic pipeline. We are actively integrating into the regional low-altitude economic development, with CITIC Offshore Helicopter expanding into offshore oilfield services and successfully conducting the world's first test flight of a 2-tonne eVTOL on an offshore oil platform. We also deepened our “AI+” initiative, launching the “YuanYe” large language model for the steel industry, driving transformation and upgrading through the integration of AI and industrial expertise.

New heights in overseas development: Internationalisation remains a unique strength and long-term strategic priority for CITIC. We have tailored targeted strategies for our international and Hong Kong-Macau businesses. By leveraging our service brand “CITIC, Your Trusted Partner for Going Global and Coming to China”, we have implemented initiatives such as the “Nanjing Tour of German Enterprises” and “Guangdong Tour of Japanese Enterprises” which have yielded a significant number of tangible outcomes, effectively demonstrating our role

as a bridge and facilitator. Overseas business development has achieved breakthroughs, with substantial growth recorded in overseas investment banking net profit. Landmark projects, such as the housing project in Dubai, UAE and a caustic soda plant in Uzbekistan, represent new contributions to the high-quality advancement of the Belt and Road Initiative.

### **Accelerating value creation through technology**

We continue to prioritise innovation-driven development, advancing technological progress in a coordinated and integrated way to strengthen our high-quality growth engine.

**Robust innovation base:** We have deepened our implementation of “Operation Rock” for technological innovation, establishing a “2+4+N” science and innovation platform cluster. This ecosystem is anchored by two state key laboratories, supported by four company-level technology innovation centres and underpinned by numerous sector-level R&D centres to provide a strong foundation for technological innovation. In March, we launched the CITIC HK AI Innovation Center as a pioneering effort to integrate global innovation resources and drive breakthroughs in industrial intelligence, embodied AI and fintech.

**Transforming innovation into impact:** Leveraging CITIC’s vast operational use cases and data points, we are focused on dismantling silos and sharing resources to foster a virtuous cycle between technological innovation and practical applications. CITIC Pacific Special Steel’s 2200MPa-grade bridge cable wire steel, for example, will be deployed in the construction of the world’s largest span bridge, while CITIC Heavy Industries’ high-strength metal castings and forgings have contributed to 20 consecutive major national pillar projects. Higentec’s project on “R&D and Application of Liquid-phase Biochips in Molecular and Intelligent Breeding” earned first prize in the bioeconomics track of the 2025 BRICS Solutions Awards. Multiple technological achievements of CITIC Limited have been nominated for the 2025 National Science and Technology Awards.

**Unleashing talent to drive innovation:** To cultivate scientific and technological talent, we have launched the “Operation Galaxy” initiative. In the first half of the year, we appointed multiple chief scientists, senior experts and young scientific and technological innovation talents, building a “pyramid-shaped” talent matrix. The introduction of the new talent assessment system places greater emphasis on innovation capability, quality, effectiveness and contribution. We have also explored reforms in areas such as compensation incentives, project funding mechanisms and commercialisation pathways to encourage talent in all fields to make new breakthroughs and contribute to our ongoing development.

### **Enhancing management and control for high-quality development**

We remain committed to driving efficiency through refined management and to advancing development through lean practices, continuously reinforcing our core competitive advantages as a conglomerate.

**Optimising resource allocation:** We have proactively addressed structural challenges to streamline organisational layers and enhance operational efficiency, which has reduced corporate hierarchies across the company and exposure to discrete sectors. Internal consolidation has also progressed. We have overhauled our equity portfolio management, pooled strategic resources and further strengthened our industry expertise.

**Tangible results in lean operations:** We have enhanced systems for procurement management and expense control, exploring opportunities to reduce financing costs and intensifying efforts to address high capital consumption. As a result of these efforts, our financial subsidiaries saved RMB6.4 billion in capital in the first half of 2025. Additionally, we launched an integrated “Navigator Platform” and coordinated the construction of the data and computing centres to drive digital intelligence in management innovation.

**Strengthening risk management framework:** We have proactively implemented risk response strategies, which enable us to anticipate external impacts, optimise operational strategies and prudently mitigate potential risks. We achieved a breakthrough in the resolution of land access issues at Sino Iron project, with the 2023 Mine Continuation Proposals receiving approval from the State of Western Australia, marking an important step for the project’s continued operation. The model of risk mitigation through collaboration has been further expanded, with newly restructured and revitalised projects amounting to RMB9.8 billion. Exposure to real estate and government financing vehicles continued to reduce, firmly upholding the bottom line of systemic risk prevention.

This year marks the conclusion of the 14th Five-Year Plan and the beginning of the strategic layout for the 15th Five-Year Plan. At this pivotal juncture, we remain deeply committed to value-driven development to harness our full potential and fulfil our responsibilities to our customers, shareholders and society at large. We are advancing our high-quality development by continuously elevating our management and operations, enhancing efficiency and driving innovation.

**First, we will adopt a holistic view to clarify strategic positioning.** We are committed to meticulously formulating our 15th Five-Year Development Plan, defining primary responsibilities and core businesses, setting clear targets and planning a series of pivotal reforms and key projects. To enhance our distinctive management and control mechanisms, we will align our direction with “One Strategy”, clarify rights and responsibilities with “Two Lists” and foster organisational vitality through a balanced system of incentives and accountability. A practical and effective Five-Timely Supervision System will be developed to strengthen risk prevention and help us build a world-class enterprise.

**Second, we will focus on the long term to fulfil our mission through reform.** Reform remains a powerful engine for progress. We will continue to unlock the full potential of our integrated industry-finance model and solidify our ability to implement national strategies. We will strengthen our “Financial Core” by building a stronger financial holding platform, enhancing the core functions and competitiveness of our financial business lines. We will deepen our comprehensive financial innovation, establish a full-cycle, multi-dimensional investment matrix and improve the quality and effectiveness of services for the real economy. At the same time, we aim to accelerate the “Industrial Starlink” initiative, intensifying efforts to upgrade traditional industries, expand emerging industries and nurture future industries, thereby driving the development of new quality productive forces.

**Third, we will analyse broader trends and respond to challenges with innovation.** We are keenly aware that standing still in today’s market equates to falling behind, slow progress is a form of regression and a lack of innovation results in obsolescence. To address deep-rooted issues and build new competitive advantages, we are vigorously promoting comprehensive innovation across philosophies, models, technologies and mechanisms. We will leverage

our innovation clusters to deliver distinctive and influential outcomes for CITIC Limited. By continuously enhancing synergy and building an efficient and collaborative management platform, we aim to unleash the full potential of our workforce and foster a culture of shared value creation.

**Fourth, we will embrace openness to write a new chapter.** CITIC Limited is committed to bridging China and the world in the new era, building a comprehensive service platform that facilitates both outbound and inbound engagement. While we consolidate our established strengths in regions such as Central Asia and Australia, we will further expand into opportunities along the Belt and Road regions and actively participate in the development of Hong Kong's Northern Metropolis. With a focus on achieving mutual benefit and win-win outcomes, we will vigorously promote the service brand "CITIC, Your Trusted Partner for Going Global and Coming to China", exploring cooperation models such as strategic equity investment, project follow-up investment and government-enterprise collaboration. Furthermore, we will organise overseas business coordination subcommittees to encourage international development under the "One CITIC, One Customer" philosophy.

Looking ahead, as domestic and international imperatives converge and interact, a new wave of technological revolution and industrial transformation is reshaping the global landscape. CITIC Limited stands ready to meet the moment. Guided by national strategies and supported by our shareholders and clients, we are confident in our ability to seize emerging opportunities even as we navigate evolving challenges. We will continue to strive toward our goal of becoming a world-class, technology-driven and outstanding enterprise, creating enduring value and making new contributions to build a great country and move toward national rejuvenation.

**Xi Guohua**

*Chairman*

29 August 2025