CITIC Limited
中國中信股份有限公司

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear shareholders,

In the first half of 2023, CITIC Limited remained fully committed to the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and thoroughly implemented the guiding principles set forth by the 20th National Congress of the Communist Party of China as well as the major decisions and plans of the Party Central Committee. We made solid progress in studying and implementing the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We are dedicated to following the principle of seeking progress while maintaining stability, supporting national development and implementing national strategies. Our substantial progress in advancing reforms and addressing challenges to consolidate and strengthen our comprehensive operational advantages have yielded fruitful results in high-quality development. Despite a series of economic challenges both in China and globally, CITIC Limited achieved steady growth. The company recorded total revenue of RMB334 billion, a year-on-year increase of 2.8%. Profit attributable to ordinary shareholders was RMB32.1 billion, a year-on-year increase of 2.3% on a comparable basis excluding the one-off revaluation gain of CITIC Securities' consolidated earnings of RMB10.3 billion in the same period last year. The board recommends a dividend distribution of RMB0.18 per share, with a total dividend amount of RMB5.236 billion. Earlier this year, CITIC Group made its debut among the top 100 organisations on the Fortune Global 500 list. S&P Global Ratings upgraded CITIC Limited's outlook from "Stable" to "Positive", and the company's stock price has outperformed the Hang Seng Index during the first half of the year, further enhancing our international image and credibility. These achievements are testaments to the company's steady development, stable growth in profitability and strengthened risk resilience, reflecting the investment community's confidence in the company's high-quality development.

BUILDING A STRONG FOUNDATION FOR COMPREHENSIVE FINANCIAL SERVICES

CITIC is dedicated to implementing the decisions and action plan of the Party Central Committee regarding financial work. The company is comprehensively carrying out the "three tasks", which guide the allocation of financial resources to key areas including strategic and cutting-edge industries as well as those affecting the national economy and people's livelihoods, to drive the high-quality development of the real economy.

Developing major drivers for high-quality development: We have been making significant progress in our goal to become a top-tier financial holding company under the "One-Four-Three-Five" strategy. We have leveraged the advantage of having comprehensive financial licences to strengthen the core competence of our comprehensive financial services. We are supporting the development of our comprehensive financial services business by enhancing corporate governance, risk management, capital management and wealth management systems. We are building a top-tier digital platform to harness the potential of CITIC Financial Holdings and to lead industry-wide digitalisation with Chinese characteristics. Our optimised capital allocation with migration to lower risk-weighted assets resulted in a capital saving of RMB10.5 billion. Additionally, we successfully hosted the First Session of the CITIC Wealth Manager Conference, which gathered a significant number of asset management institutions to build a comprehensive wealth management ecosystem. The new "CITIC Fortune Plaza" was successfully launched as well.

Committed to serving the real economy: We are committed to consolidating our comprehensive financial services as a "ballast stone" and emphasising the very essence of finance. CITIC Bank achieved double-digit loan growth in key areas such as inclusive finance, medium-to-long-term financing for the manufacturing sector, green lending, strategic emerging industries and agricultural loans compared to the beginning of the year. ROA and ROE both recorded year-on-year improvement, while the non-performing loan ratio and non-performing loan balance decreased. CITIC Securities has increased its support for strategic emerging industries and is ranked first in both equity and bond underwriting value. China Securities has actively facilitated the development of specialised and sophisticated enterprises. It has maintained an industry-leading position in total sponsored listings and fundraising value on the Beijing Stock Exchange. CITIC Trust, closely aligned with the developmental needs of the real economy, has further accelerated its business transformation, surpassing RMB1.2 trillion in the scale of its innovative business, marking a major breakthrough. CITIC-Prudential Life has remained committed to implementing new regulations under the second phase of the China Risk-Oriented Solvency System. CITIC-Prudential Life has also optimised its business structure, resulting in growth in both new business value and margin. The number of customers served by CITIC Consumer Finance, which has been improving its consumer lending capabilities, has exceeded tens of millions. With a cumulative loan amount of RMB87 billion, it helps boost domestic consumption and stimulate domestic demand.

Building a strong line of defence against risks: Our ability to respond and address risks has been enhanced by the establishment of a comprehensive risk management system, which has strengthened the integration of compliance and internal controls and given us a thorough understanding of our risk profile. Our financial subsidiaries have shown improvements in reducing the balance and ratios of non-performing assets as well as the proportion of special-mention assets. The exploration and application of CITIC's distinctive approach to promoting synergies among financial and non-financial sectors has yielded tangible results in risk mitigation. To help rebuild market confidence and foster social stability, and guided by the 16-point set of financial measures, CITIC has played a role in supporting key property developers to ensure the completion and delivery of projects.

ENHANCING THE VALUE CREATION CAPABILITY OF NON-FINANCIAL SUBSIDIARIES

With a focus on stabilising the supply chain and ensuring a steady supply of strategic resources for the country, we strive to promote the supporting and catalytic role of the industrial chain. As we actively integrate and support the construction of a Chinese-style modern industrial system, we are also capitalising on opportunities for industrial transformation and upgrading to accelerate the development of the "second growth curve" and help our industrial businesses grow stronger, better and bigger.

Consolidating our industry-leading advantage: CITIC Dicastal is conducting R&D on integrated chassis die-casting projects for automobiles, to reduce production costs and improve the strength of vehicle bodies. The initiative will contribute to the development of intelligent manufacturing in China's automobile industry. CITIC Heavy Industries recorded rapid growth in orders from the offshore wind power sector, as part of the continuous expansion of its new business portfolio. CITIC Pacific Special Steel aims to become the world's largest producer of seamless steel tubes. It has manufactured tubes specifically designed for use in the underwater pipeline infrastructure of "Deep Sea No.1", China's first-ever ultra-deepwater high-pressure gas field development project. Overall, CITIC owns four specialised and sophisticated "little giant" enterprises, 20 specialised and sophisticated enterprises and 24 national high-tech enterprises.

Continuously improving the resilience of the industrial chain: CITIC Metal's Kamoa-Kakula Copper Project in the Democratic Republic of Congo has maintained steady production and met production targets, retaining its leading position in the production of key non-ferrous metals for trading. The Sino Iron project has ensured the stable seaborne supply of magnetite concentrate for China, achieving a production volume of 10.41 million wet tonnes. Sino Iron remains the world's largest seaborne supplier of magnetite concentrate to China. CITIC Resources has further improved production efficiency and asset value, yielding an equity oil production of 4.67 million barrels.

Contributing to better lives: CITIC Telecom International has a penetration rate of over 50% in the 5G market in Macau, supporting the city's "Digital Macau 3.0" initiative. CITIC Press's market share in the publishing sector has continued to grow, further solidifying its leading position in the industry. CITIC Environment won the bid for China's largest seawater desalination project under construction. Dah Chong Hong has leveraged its strong channel network to expand its healthy snacks portfolio and identify business opportunities in the new energy vehicle market. CITIC Agriculture is working to build a leading enterprise in the seed industry, actively contributing to China's development as an agricultural powerhouse.

Promoting globalised industrial development: Marking the 10th anniversary of the Belt and Road Initiative, we are strategically expanding our presence in key markets and advantageous sectors along the Belt and Road with the purpose of raising our global competitiveness. CITIC Dicastal's aluminium casting parts manufacturing base in Morocco and aluminium wheels manufacturing base in Mexico have continuously strengthened their global competitiveness, with year-on-year increases in the sales of aluminium wheels and castings. CITIC Construction has made significant progress in the 20,000-unit Social Housing Project in Riyadh, Saudi Arabia, whilst the subway car project in Buenos Aires, Argentina, was successfully inspected and completed.

ACCELERATING GROWTH THROUGH INNOVATION

Capitalising on our advantages of having both financial and non-financial businesses, we are facilitating the integration of innovation, industry and finance to continuously cultivate CITIC's comprehensive strengths.

Stimulating innovation and creativity: We have constructed a result-oriented system for technological innovation, founded a science and technology association and optimised top-level design. Incentives have been introduced to expedite innovative developments, such as R&D credits and scientific and technological achievement awards. We are also advancing the construction of a science and technology innovation platform system, which is predominantly comprised of State Key Laboratories. Ten national-level and 117 provincial-level R&D platforms have been established to date. To deepen cooperation with national strategic scientific and technological bodies, the "PCL & CITIC Joint Laboratory" was officially launched with a mission to create a competitive and open innovation ecosystem.

Empowering industrial transformation and upgrading: CITIC has launched a dedicated campaign for digital transformation, establishing "Digital CITIC" as a cornerstone. Through the implementation of cloud-based management, we have built a digitalised intelligent management system to improve management quality and efficiency. With our "Blooming Application" initiative, we have leveraged the advantages of CITIC's diverse business model, extensive use cases and vast data volumes. The company has capitalised on AI technology across our five business segments to drive continuous transformation in the areas of smart finance, smart manufacturing, smart cities, smart agriculture, smart publishing and new digital infrastructure. Our cutting-edge achievements, such as the three-dimensional digital banking outlet, seamless steel tube manufacturing with digital twins, large-scale integrated smart cities, BIDS (Breeding information decision system), AIGC+ publishing and intelligent network infrastructure, were showcased at the 2023 World Artificial Intelligence Conference, demonstrating CITIC's thriving, collaborative AI ecosystem.

PROMOTING LEAN MANAGEMENT

In our endeavour to become a world-class enterprise, we strive to continuously build a highly efficient management system through integration, collaboration and expansion. To achieve this, we focus on the concept of "creating excellent products, building a distinguished brand, leading innovation and modernising governance".

Fostering integration and collaboration efforts: We are actively engaged in deepening strategic restructuring and professional integration, which has contributed to the stable and sustainable development of our environmental businesses. Our proactive approach to separate listings for our subsidiaries has facilitated CITIC Metal's successful A-share debut. Driven by enhanced synergies, joint financing by our financial subsidiaries has reached RMB979.5 billion, while sales from business-to-business cross-selling has reached RMB36.9 billion, marking a year-on-year growth of 24%. Our financial subsidiaries also achieved sales of RMB59.1 billion through a retail consignment system for their products. We have fostered extensive collaboration with strategic clients, including businesses, universities and governments, providing products and services as well as research and development support, to enable us to explore new markets. By actively seizing opportunities in industrial upgrading and technological transformation, such as the successful acquisition and integration of Tianjin Pipe Corporation, we have solidified our leading position in the high-end seamless steel tube sector.

Enhancing quality and efficiency through state-owned enterprise reform: We have witnessed the increasing advantages of empowerment at the headquarters level and the effectiveness of refined management. The 2.0 version of our "Cost Reduction and Efficiency Enhancement" initiative has established a long-term control mechanism that focuses on comprehensive efficiency across all areas of our operations instead of single metrics. Meanwhile, we have worked on managing losses, reducing redundancies, streamlining processes and improving efficiency with the 2.0 version of the special project, "Streamlining and Strengthening". This has prompted the iterative improvement of our centralised fund management, significantly sharpening the efficiency of capital operations and enhancing the quality of our business. In line with our approach to introduce market-based mechanisms, performance assessments serve as a guiding tool to drive our focus toward front line staff in the non-financial segments. We aim to create a positive work environment with a fulfilling atmosphere and to promote a "Happy CITIC" culture by enhancing employee satisfaction with organisational care and fostering cultural cohesion. We have also strengthened our brand management efforts to enhance brand value, while improving communications with stakeholders in both overseas and local capital markets to promote a more comprehensive understanding of the company's investment value.

ACTIVELY IMPLEMENTING ESG VALUES

We firmly believe that responsibility and accountability are fundamental to achieving high-quality development. Therefore, we are dedicated to relentlessly integrating sustainable development principles into our business management and operations. We have issued the "CITIC Limited ESG Guidelines" to enhance the level of ESG-integrated management throughout our organisation. We have also employed the strategy of "Two Increases, One Decrease" and made tangible progress in our dual-carbon efforts. As a result, CITIC Bank has achieved a double-digit year-on-year growth rate in the underwriting value of green loans and green bonds, while CITIC Securities has emerged as the first securities firm in the country to lead national carbon emissions trading. Our non-financial subsidiaries are rapidly transitioning towards more sustainable development practices, such as strengthening carbon asset management, implementing advanced carbon-reduction technologies, improving the efficiency of resource utilisation and adopting clean production processes. CITIC Environment actively supports the development of the green economy through significant innovations in energy conservation, consumption reduction and resource utilisation. The utilisation of CITIC

Dicastal's green-power aluminium and recycled aluminium is steadily increasing, and our green, low-carbon manufacturing technologies have reached advanced levels in the sector. CITIC Pacific Energy has also expanded its implementation and operation of new energy projects, accelerating our efforts towards a green, low-carbon transition. These achievements in ESG practices have earned us recognition within the industry. We were shortlisted for "Top 100 ESG Listed Companies in China", securing second place among all competing diversified companies, and were acknowledged as a "Leader in ESG Development of Listed Companies".

Our mission is a call to action; our dedication steers the course to the future. Not only has the year of 2023 been a new start for implementing the guiding principles of the 20th National Congress of the Communist Party, but it is also a critical year for CITIC Limited to execute our strategic plan. Guided by the approach of seeking progress amidst stability, CITIC Limited will continue to completely embrace and precisely implement new development philosophy, accelerate our adaption to evolving environment and strive to become a world-class enterprise. As we work towards building CITIC into an excellent and lasting enterprise, we are firmly committed to driving reforms with the objective of promoting high-quality development to reach new heights. Our unwavering dedication will enable us to make further and greater contributions to the Chinese path to modernisation on all fronts while driving value creation for our shareholders and the wider community.

Zhu Hexin
Chairman
Beijing, 31 August 2023

CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Unaudited Six months ended 30 June **2023** *RMB million*	 2022 *RMB million* (Restated)
Interest income		**169,660**	160,519
Interest expenses		**(93,943)**	(83,691)
Net interest income	*4(a)*	**75,717**	76,828
Fee and commission income		**39,524**	31,625
Fee and commission expenses		**(5,025)**	(3,362)
Net fee and commission income	*4(b)*	**34,499**	28,263
Sales of goods and services	*4(c)*	**197,166**	196,916
Other revenue	*4(d)*	**26,604**	22,840
		223,770	219,756
Total revenue		**333,986**	324,847
Cost of sales and services		**(176,981)**	(175,084)
Other net income		**2,507**	11,956
Expected credit losses		**(33,213)**	(44,296)
Impairment losses		**(1,304)**	(1,175)
Other operating expenses		**(55,337)**	(45,676)
Net valuation loss on investment properties		**(84)**	(147)
Share of profits of associates, net of tax		**2,912**	4,055
Share of profits of joint ventures, net of tax		**1,732**	1,869
Profit before net finance charges and taxation		**74,218**	76,349
Finance income		**739**	482
Finance costs		**(5,694)**	(3,935)
Net finance charges	*5*	**(4,955)**	(3,453)
Profit before taxation	*6*	**69,263**	72,896
Income tax	*7*	**(11,792)**	(11,799)
Profit for the period		**57,471**	61,097

CONSOLIDATED INCOME STATEMENT (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023

		Unaudited	
		Six months ended 30 June	
		2023	2022
	Note	***RMB million***	*RMB million*
			(Restated)
Profit for the period		**57,471**	61,097
Attributable to:			
– Ordinary shareholders of the Company		**32,092**	41,665
– Non-controlling interests		**25,379**	19,432
Profit for the period		**57,471**	61,097
Earnings per share for profit attributable to ordinary shareholders of the Company during the period:			
Basic and diluted earnings per share *(RMB)*	*9*	**1.10**	1.43

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB million	*RMB million*
		(Restated)
Profit for the period	**57,471**	61,097
Other comprehensive gain/(loss) for the period		
Items that may be reclassified subsequently to profit or loss:		
Fair value changes on debt instruments at fair value through other comprehensive income	**3,839**	(3,416)
Loss allowance changes on debt instruments at fair value through other comprehensive income	**586**	(23)
Cash flow hedge: net movement in the hedging reserve	**43**	498
Share of other comprehensive loss of associates and joint ventures	**(1,701)**	(966)
Exchange differences on translation of financial statements and others	**2,205**	2,213
Items that will not be reclassified subsequently to profit or loss:		
Revaluation (loss)/gain on owner-occupied property reclassified as investment property	**(10)**	7
Fair value changes on investments in equity instruments designated at fair value through other comprehensive income	**(247)**	(26)
Other comprehensive gain/(loss) for the period	**4,715**	(1,713)
Total comprehensive income for the period	**62,186**	59,384
Attributable to:		
– Ordinary shareholders of the Company	**34,115**	39,488
– Non-controlling interests	**28,071**	19,896
Total comprehensive income for the period	**62,186**	59,384

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2023

	Note	**30 June 2023** *RMB million* **(Unaudited)**	31 December 2022 *RMB million* (Restated)	1 January 2022 *RMB million* (Restated)
Assets				
Cash and deposits		**643,485**	676,978	588,864
Cash held on behalf of customers		**264,550**	245,723	–
Placements with banks and non-bank financial institutions		**207,328**	217,354	142,061
Derivative financial instruments		**107,982**	80,867	22,858
Trade and other receivables		**289,118**	211,273	141,312
Contract assets		**19,320**	19,506	10,962
Inventories		**116,250**	109,050	92,718
Financial assets held under resale agreements		**93,093**	45,713	91,757
Loans and advances to customers and other parties	*10*	**5,257,646**	5,042,734	4,749,680
Margin accounts		**111,104**	106,976	–
Investments in financial assets	*11*	**3,198,559**	3,143,196	2,376,651
– Financial assets at amortised cost		**1,154,867**	1,124,596	1,173,929
– Financial assets at fair value through profit or loss		**1,279,879**	1,135,886	545,508
– Debt investments at fair value through other comprehensive income		**755,005**	873,367	648,511
– Equity investments at fair value through other comprehensive income		**8,808**	9,347	8,703
Refundable deposits		**70,636**	69,158	–
Interests in associates		**106,656**	104,384	126,058
Interests in joint ventures		**60,856**	61,010	52,189
Fixed assets		**171,671**	159,803	144,965
Investment properties		**36,095**	35,407	32,709
Right-of-use assets		**40,086**	41,220	31,480
Intangible assets		**19,543**	16,718	15,047
Goodwill		**26,022**	25,623	17,652
Deferred tax assets		**86,379**	88,818	67,549
Other assets		**49,926**	35,806	34,612
Total assets		**10,976,305**	10,537,317	8,739,124

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2023

	Note	**30 June 2023** *RMB million* **(Unaudited)**	31 December 2022 *RMB million* (Restated)	1 January 2022 *RMB million* (Restated)
Liabilities				
Borrowing from central banks		**155,251**	119,421	189,257
Deposits from banks and non-bank financial institutions		**981,540**	1,103,099	1,162,895
Placements from banks and non-bank financial institutions		**102,785**	108,736	88,136
Financial liabilities at fair value through profit or loss		**99,138**	94,845	4,648
Customer brokerage deposits		**305,138**	279,001	–
Funds payable to securities issuers		**1,356**	15,253	–
Derivative financial instruments		**108,989**	72,393	24,563
Trade and other payables		**422,966**	378,271	151,206
Contract liabilities		**33,391**	29,596	27,380
Financial assets sold under repurchase agreements		**376,014**	470,477	100,117
Deposits from customers	*12*	**5,574,033**	5,150,772	4,785,168
Employee benefits payables		**51,711**	54,938	31,517
Income tax payable		**8,739**	15,727	13,232
Bank and other loans	*13*	**195,028**	154,114	118,848
Debt instruments issued	*14*	**1,209,702**	1,182,140	1,022,266
Lease liabilities		**17,870**	19,528	16,975
Provisions		**17,017**	17,410	20,361
Deferred tax liabilities		**17,403**	18,153	11,839
Other liabilities		**22,060**	18,756	15,087
Total liabilities		**9,700,131**	9,302,630	7,783,495
Equity				
Share capital		**307,576**	307,576	307,576
Reserves		**377,037**	352,902	309,416
Total ordinary shareholders' funds		**684,613**	660,478	616,992
Non-controlling interests		**591,561**	574,209	338,637
Total equity		**1,276,174**	1,234,687	955,629
Total liabilities and equity		**10,976,305**	10,537,317	8,739,124

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

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

The parent and the ultimate holding company of the Company is CITIC Group Corporation ("CITIC Group").

These unaudited consolidated interim accounts (the "Accounts") are presented in millions of Renminbi ("RMB"), unless otherwise stated.

The financial information relating to the year ended 31 December 2022 that is included in the Accounts as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is extracted from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6, to the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

2 BASIS OF PREPARATION AND CHANGES IN MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The Accounts have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting and Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Accounts should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies adopted in the preparation of the Accounts are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2022, except for the following amendments which became effective for the first time for the financial year beginning on or after 1 January 2023.

HKFRS 17	Insurance Contracts [(1)]
HKAS 1 (Amendments) and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies[(2)]
Amendments to HKAS 8	Definition of Accounting Estimates [(2)]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction [(2)]

(1) The impact of Adoption of the standard is set out in Note 2(b).

(2) Adoption of these amendments does not have a significant impact on the Accounts.

2 BASIS OF PREPARATION AND CHANGES IN MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

The Group has not applied the following amendments which are not yet effective for the financial year beginning on or after 1 January 2023 and which have not been early adopted in the Accounts:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (1)
Amendments to HKAS 1	Non-current Liabilities with Covenants (1)
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback (2)
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements (2)
Amendments to HKFRS 10 and HKAS 28	Sale of contribution of assets between an investor and its associate or joint venture (3)

(1) In December 2022, the Hongkong Institute of Certified Public Accountants ("HKICPA") deferred the effective date of these amendments to annual reporting periods beginning on or after 1 January 2024.

(2) Effective for the annual reporting periods beginning on or after 1 January 2024.

(3) In December 2015, the HKICPA decided to defer the application date of these amendments until such time as the HKICPA has finalised its research project on the equity method.

The Group is in the process of making an assessment of the impact of the above amendments to standards. None of these is expected to have a significant effect on the consolidated financial statements of the Group.

(b) Changes in material accounting policies

Changes in presentation currency

The Group has changed its presentation currency from Hong Kong dollars ("HK$") to Renminbi ("RMB") for the preparation of its interim financial information for the six months ended 30 June 2023. Since the Group mainly operates its business in the People's Republic of China ("PRC") and most of the Group's transactions are denominated and settled in Renminbi, the Board believes it is more appropriate to adopt RMB as its presentation currency for the Group's financial statements. Furthermore, the Board considers that the change of presentation currency enables the shareholders and potential investors of the Company to have a more accurate picture of the Group's financial performance. The change in presentation currency has been applied retrospectively.

HKFRS 17 Insurance Contracts

The Group has adopted HKFRS 17 Insurance Contracts ("HKFRS 17") replacing HKFRS 4 Insurance Contract with a date of initial application as 1 January 2023, which resulted in changes in accounting policies. The Group has adjusted the consolidated financial statements retrospectively and the amounts previously recognised in the Accounts. The Group did not early adopt HKFRS 17 in previous periods.

3 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, aluminum wheels, aluminum 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 and others.

3 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities

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 six months ended 30 June is set out below:

	Six months ended 30 June 2023							
	Comprehensive financial services *RMB million*	Advanced intelligent manufacturing *RMB million*	Advanced materials *RMB million*	New consumption *RMB million*	New-type urbanisation *RMB million*	Operation management *RMB million*	Elimination *RMB million*	Total *RMB million*
Revenue from external customers	138,277	24,145	130,603	24,870	16,077	14	–	333,986
Inter-segment revenue	1,220	106	137	59	703	93	(2,318)	–
Reportable segment revenue	139,497	24,251	130,740	24,929	16,780	107	(2,318)	333,986
Disaggregation of revenue:								
– Net interest income *(Note 4(a))*	76,749	–	–	–	–	90	(1,122)	75,717
– Net fee and commission income *(Note 4(b))*	34,534	–	–	–	–	–	(35)	34,499
– Sales of goods *(Note 4(c))*	1,461	24,092	129,877	17,943	4,389	–	(261)	177,501
– Services rendered to customers-construction contracts *(Note 4(c))*	–	99	–	–	6,556	–	(512)	6,143
– Services rendered to customers-others *(Note 4(c))*	–	60	863	6,986	5,835	11	(233)	13,522
– Other revenue *(Note 4(d))*	26,753	–	–	–	–	6	(155)	26,604
Share of profits/(losses) of associates, net of tax	751	2	820	(1)	1,299	41	–	2,912
Share of profits of joint ventures, net of tax	659	1	476	25	546	25	–	1,732
Finance income *(Note 5)*	–	48	515	59	389	361	(633)	739
Finance costs *(Note 5)*	–	(239)	(1,547)	(295)	(787)	(4,296)	1,470	(5,694)
Depreciation and amortisation *(Note 6)*	(4,787)	(622)	(3,715)	(1,003)	(994)	(35)	–	(11,156)
Expected credit losses	(33,993)	(218)	60	(3)	941	–	–	(33,213)
Impairment losses	(246)	(288)	(146)	(49)	–	(575)	–	(1,304)
Profit/(loss) before taxation	60,944	1,099	7,741	1,075	3,578	(4,639)	(535)	69,263
Income tax *(Note 7)*	(9,716)	(196)	(1,146)	(247)	(484)	4	(7)	(11,792)
Profit/(loss) for the period	51,228	903	6,595	828	3,094	(4,635)	(542)	57,471
Attributable to:								
– Ordinary shareholders of the Company	27,529	426	5,789	481	3,042	(4,633)	(542)	32,092
– Non-controlling interests	23,699	477	806	347	52	(2)	–	25,379

	As at 30 June 2023							
	Comprehensive financial services *RMB million*	Advanced intelligent manufacturing *RMB million*	Advanced materials *RMB million*	New consumption *RMB million*	New-type urbanisation *RMB million*	Operation management *RMB million*	Elimination *RMB million*	Total *RMB million*
Reportable segment assets	10,347,568	58,712	276,706	55,990	326,395	65,685	(154,751)	10,976,305
Including:								
Interests in associates	27,955	846	22,317	7,158	47,175	1,205	–	106,656
Interests in joint ventures	14,658	567	7,752	1,795	34,567	1,517	–	60,856
Reportable segment liabilities	9,265,112	38,748	134,545	25,805	139,483	239,836	(143,398)	9,700,131
Including:								
Bank and other loans *(Note 13) (note)*	13,922	9,980	65,357	5,935	46,928	114,763	(62,350)	194,535
Debt instruments issued *(Note 14) (note)*	1,108,844	–	4,885	3,247	–	84,562	(183)	1,201,355

Note: The amount is the principal excluding interest accrued.

3 SEGMENT REPORTING (CONTINUED)

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

	Six months ended 30 June 2022 (Restated)							
	Comprehensive financial services *RMB million*	Advanced intelligent manufacturing *RMB million*	Advanced materials *RMB million*	New consumption *RMB million*	New-type urbanisation *RMB million*	Operation management *RMB million*	Elimination *RMB million*	Total *RMB million*
Revenue from external customers	131,533	24,094	125,937	25,313	17,933	37	–	324,847
Inter-segment revenue	366	147	555	41	624	7	(1,740)	–
Reportable segment revenue	131,899	24,241	126,492	25,354	18,557	44	(1,740)	324,847
Disaggregation of revenue:								
– Net interest income *(Note 4(a))*	77,181	–	–	–	–	5	(358)	76,828
– Net fee and commission income *(Note 4(b))*	28,271	–	–	–	–	–	(8)	28,263
– Sales of goods *(Note 4(c))*	3,605	23,829	125,608	19,072	3,604	4	(681)	175,041
– Services rendered to customers-construction contracts *(Note 4(c))*	–	206	–	–	8,832	–	(361)	8,677
– Services rendered to customers-others *(Note 4(c))*	–	206	884	6,282	6,121	30	(325)	13,198
– Other revenue *(Note 4(d))*	22,842	–	–	–	–	5	(7)	22,840
Share of profits/(losses) of associates, net of tax	1,666	(2)	724	(73)	1,762	(22)	–	4,055
Share of profits/(losses) of joint ventures, net of tax	753	(1)	458	19	618	22	–	1,869
Finance income *(Note 5)*	–	31	203	27	384	132	(295)	482
Finance costs *(Note 5)*	–	(204)	(901)	(204)	(559)	(2,813)	746	(3,935)
Depreciation and amortization *(Note 6)*	(3,869)	(597)	(3,171)	(989)	(737)	(40)	–	(9,403)
Expected credit losses	(43,910)	(65)	(8)	(28)	(285)	–	–	(44,296)
Impairment losses	(250)	(78)	(770)	(77)	–	–	–	(1,175)
Profit/(loss) before taxation	51,510	830	10,605	942	3,476	5,690	(157)	72,896
Income tax *(Note 7)*	(8,288)	(123)	(1,959)	(252)	(410)	(760)	(7)	(11,799)
Profit/(loss) for the period	43,222	707	8,646	690	3,066	4,930	(164)	61,097
Attributable to:								
– Ordinary shareholders of the Company	25,506	342	7,690	386	2,973	4,932	(164)	41,665
– Non-controlling interests	17,716	365	956	304	93	(2)	–	19,432

	As at 31 December 2022 (Restated)							
	Comprehensive financial services *RMB million*	Advanced intelligent manufacturing *RMB million*	Advanced materials *RMB million*	New consumption *RMB million*	New-type urbanisation *RMB million*	Operation management *RMB million*	Elimination *RMB million*	Total *RMB million*
Reportable segment assets	9,970,318	58,955	234,215	55,397	331,732	51,174	(164,474)	10,537,317
Including:								
Interests in associates	26,798	846	22,895	6,899	45,927	1,019	–	104,384
Interests in joint ventures	15,862	526	7,236	1,745	34,155	1,486	–	61,010
Reportable segment liabilities	8,924,482	39,907	105,363	24,715	152,720	203,277	(147,834)	9,302,630
Including:								
Bank and other loans *(Note 13) (note)*	12,716	12,840	41,813	5,670	47,680	94,793	(62,015)	153,497
Debt instruments issued *(Note 14) (note)*	1,081,892	–	5,011	3,129	–	86,878	(1,831)	1,175,079

Note: The amount is the principal excluding interest accrued.

3 SEGMENT REPORTING (CONTINUED)

(b) Geographical information

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

	Revenue from external customers Six months ended 30 June		**Reportable segment assets**	
	2023	2022	**30 June 2023**	31 December 2022
	RMB million	*RMB million* (Restated)	***RMB million***	*RMB million* (Restated)
China's Mainland	**286,198**	286,454	**9,942,177**	9,632,205
Hong Kong, Macau and Taiwan	**21,838**	21,321	**637,167**	591,800
Overseas	**25,950**	17,072	**396,961**	313,312
	333,986	324,847	**10,976,305**	10,537,317

4 REVENUE

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

For comprehensive financial services segment, revenue mainly comprises net interest income, net fee and commission income, net trading gain and net gain on financial investment (Notes 4(a), 4(b) and 4(d)). For non-comprehensive financial services segment, revenue mainly comprises total invoiced value of sales of goods and services rendered to customers (Note 4(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.

4 REVENUE (CONTINUED)

(a) Net interest income

	Six months ended 30 June	
	2023	2022
	RMB million	*RMB million*
		(Restated)
Interest income arising from *(note)*:		
Deposits with central banks, banks and non-bank financial institutions	**8,192**	5,954
Placements with banks and non-bank financial institutions	**3,890**	2,719
Financial assets held under resale agreements	**1,326**	1,079
Investments in financial assets		
– Financial assets at amortised cost	**18,607**	20,554
– Debt investments at fair value through other comprehensive income (“FVOCI”)	**10,615**	8,506
Loans and advances to customers and other parties	**122,502**	119,535
Margin financing and securities lending	**4,207**	2,113
Others	**321**	59
	169,660	160,519
Interest expenses arising from:		
Borrowing from central banks	**(1,904)**	(2,821)
Deposits from banks and non-bank financial institutions	**(11,344)**	(12,658)
Placements from banks and non-bank financial institutions	**(2,320)**	(1,383)
Financial assets sold under repurchase agreements	**(4,486)**	(1,826)
Deposits from customers	**(57,273)**	(49,089)
Debt instruments issued	**(14,609)**	(14,892)
Customer brokerage deposits	**(802)**	(381)
Lease liabilities	**(728)**	(259)
Others	**(477)**	(382)
	(93,943)	(83,691)
Net interest income	**75,717**	76,828

Note:

Interest income includes interest income accrued on credit-impaired financial assets of RMB291 million for the six months ended 30 June 2023 (six months ended 30 June 2022: RMB177 million).

4 REVENUE (CONTINUED)

(b) Net fee and commission income

	Six months ended 30 June	
	2023	2022
	RMB million	*RMB million*
		(Restated)
Bank card fees	**8,200**	8,040
Trustee commission and fees	**6,547**	7,688
Agency fees and commission	**3,538**	3,069
Guarantee and advisory fees	**2,751**	3,065
Commission on securities brokerage	**6,314**	3,219
Commission on fund management	**3,874**	1,863
Commission on investment banking	**4,153**	1,710
Settlement and clearing fees	**1,213**	1,167
Commission on asset management	**1,224**	840
Commission on futures brokerage	**1,440**	730
Others	**270**	234
	39,524	31,625
Fee and commission expenses	**(5,025)**	(3,362)
Net fee and commission income	**34,499**	28,263

(c) Sales of goods and services

	Six months ended 30 June	
	2023	2022
	RMB million	*RMB million*
		(Restated)
Sales of goods	**177,501**	175,041
Services rendered to customers		
– Revenue from construction contracts	**6,143**	8,677
– Revenue from other services	**13,522**	13,198
	197,166	196,916

4 REVENUE (CONTINUED)

(d) Other revenue

	Six months ended 30 June	
	2023	2022
	RMB million	*RMB million*
		(Restated)
Net trading (loss)/gain under comprehensive financial services segment *(note (i))*	**(9,883)**	3,310
Net gain on investments in financial assets under comprehensive financial services segment	**35,725**	19,347
Others	**762**	183
	26,604	22,840

(i) Net trading (loss)/gain under comprehensive financial services segment

	Six months ended 30 June	
	2023	2022
	RMB million	*RMB million*
		(Restated)
Trading (loss)/gain:		
– debt securities and certificates of deposits	**5,739**	1,440
– foreign currencies	**(1,136)**	(1,075)
– derivatives	**(14,486)**	2,945
	(9,883)	3,310

5 NET FINANCE CHARGES

	Six months ended 30 June 2023 RMB million	2022 RMB million (Restated)
Finance costs		
– Interest on bank and other loans	**4,229**	2,136
– Interest on debt instruments issued	**1,790**	2,145
– Interest and finance charges paid for lease liabilities	**133**	103
	6,152	4,384
Less: interest expense capitalised	**(569)**	(537)
	5,583	3,847
Other finance charges	**111**	88
	5,694	3,935
Finance income	**(739)**	(482)
	4,955	3,453

6 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:

	Six months ended 30 June 2023 RMB million	2022 RMB million (Restated)
Salaries and bonuses	**28,796**	24,309
Include:		
– Salaries and bonuses without taking into account of consolidation scope change	**23,632**	24,309
– Consolidation scope change *(note)*	**5,164**	–
Depreciation	**9,498**	8,127
Amortisation	**1,658**	1,276
Tax and surcharges	**1,622**	1,901

Note:

Consolidation scope change represented including CITIC Securities Company Limited ("CITIC Securities"), Shanghai Electric Group Steel Pipe Co., Ltd. ("Shanghai Electric Steel") and Shenzhen Chengkai Xinyin Investment Co., Ltd. ("Chengkai Xinyin") into the consolidated financial statements of the Group.

During the six months ended 30 June 2023, the amount of other operating expenses was RMB55,337 million, and the amount of other operating expenses without taking into account of the above consolidation scope change was RMB47,057 million (six months ended 30 June 2022: RMB45,676 million).

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
	RMB million	*RMB million*
		(Restated)
Current tax – China's Mainland		
Provision for enterprise income tax	**9,958**	12,784
Land appreciation tax	**12**	19
	9,970	12,803
Current tax – Hong Kong		
Provision for Hong Kong profits tax	**285**	662
Current tax – Overseas		
Provision for the period	**220**	86
	10,475	13,551
Deferred tax		
Origination and reversal of temporary differences	**1,317**	(1,752)
	11,792	11,799

The statutory income tax rate of the Company and its subsidiaries located in Hong Kong for the six months ended 30 June 2023 is 16.5% (six months ended 30 June 2022: 16.5%).

Except for the preferential tax treatments, the income tax rate applicable to the Group's other subsidiaries in China's Mainland for the six months ended 30 June 2023 is 25% (six months ended 30 June 2022: 25%).

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

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

8 DIVIDENDS

	Six months ended 30 June	
	2023	2022
	RMB million	*RMB million*
		(Restated)
2022 Final dividend proposed: HK$0.451 (2021 Final dividend paid: HK$0.456) per share	**11,608**	11,404
2023 Interim dividend proposed: RMB0.18 (2022 Interim dividend paid: HK$0.20) per share	**5,236**	5,081

9 EARNINGS PER SHARE

Basic earnings per share for the six months ended 30 June 2023 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 six months ended 30 June 2023 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, China CITIC Bank Corporation Limited ("CITIC Bank"), a subsidiary of the Group, issued convertible bonds, The Group has subscribed 65.97% of the convertible bonds, which is the same as the Group's interest in CITIC Bank's common shares. Therefore, the convertible bonds issued by CITIC Bank has no dilutive effect on earnings per share.

In 2022, CITIC Pacific Special Steel Group Co., Ltd. ("CITIC Special Steel"), a subsidiary of the Group, issued convertible bonds, The convertible bonds issued by CITIC Special Steel has a dilutive effect on profit attributable to ordinary shareholders of the Company, the calculation results of which are listed as below:

	Six months ended 30 June	
	2023	2022
	RMB million	*RMB million*
		(Restated)
Profit attributable to ordinary shareholders of the Company	**32,092**	41,665
Less: impact on profit attributable to ordinary shareholders of the Company assuming above convertible bonds converted	**(54)**	–
Profit attributable to ordinary shareholders of the Company (adjusted)	**32,038**	41,665
Weighted average number of ordinary shares *(in million)*	**29,090**	29,090
Basic earnings per share *(RMB)*	**1.10**	1.43
Diluted earnings per share *(RMB)*	**1.10**	1.43

10 LOANS AND ADVANCES TO CUSTOMERS AND OTHER PARTIES

	30 June 2023 *RMB million*	31 December 2022 *RMB million* (Restated)
Loans and advances to customers and other parties at amortised cost		
Corporate loans:		
– Loans	**2,608,837**	2,419,077
– Discounted bills	**2,820**	3,704
– Finance lease receivables	**49,934**	46,566
	2,661,591	2,469,347
Personal loans:		
– Residential mortgages	**985,349**	975,807
– Credit cards	**519,471**	511,101
– Business loans	**428,489**	378,819
– Personal consumption	**288,285**	260,436
– Finance lease receivables	**561**	370
	2,222,155	2,126,533
	4,883,746	4,595,880
Accrued interest	**19,049**	17,385
	4,902,795	4,613,265
Less: allowance for impairment losses	**(137,173)**	(137,495)
Carrying amount of loans and advances to customers and other parties at amortised cost	**4,765,622**	4,475,770
Loans and advances to customers and other parties at fair value through profit and loss (“FVPL”)		
Corporate Loans:		
– Loans	**5,383**	3,881
Loans and advances to customers and other parties at FVOCI		
Corporate loans:		
– Loans	**60,788**	54,851
– Discounted bills	**425,853**	508,232
Carrying amount of loans and advances to customers and other parties at FVOCI	**486,641**	563,083
Total carrying amount of loans and advances	**5,257,646**	5,042,734
Allowance for impairment losses on loans and advances to customers and other parties at FVOCI	**(384)**	(629)

11 INVESTMENTS IN FINANCIAL ASSETS

	30 June 2023 *RMB million*	31 December 2022 *RMB million* (Restated)
Financial assets at amortised cost		
Debt securities	**933,156**	873,628
Investment management products managed by non-bank financial institutions	**36,109**	39,628
Trust investment plans	**203,450**	226,256
Certificates of deposit and certificates of interbank deposit	**1,090**	3,923
Investment in creditor's rights on assets	**1,900**	1,900
Others	**353**	336
	1,176,058	1,145,671
Accrued interest	**11,866**	10,495
	1,187,924	1,156,166
Less: allowance for impairment losses on financial assets at amortised cost	**(33,057)**	(31,570)
	1,154,867	1,124,596
Financial assets at FVPL		
Debt securities	**297,029**	242,969
Investment management products managed by non-bank financial institutions	**20,893**	19,149
Trust investment plans	**8,623**	6,315
Certificates of deposit and certificates of interbank deposit	**73,882**	48,083
Wealth management products	**4,551**	3,022
Investment funds	**579,365**	555,883
Equity investment	**252,522**	224,831
Others	**43,014**	35,634
	1,279,879	1,135,886
Debt investments at FVOCI		
Debt securities	**708,060**	822,379
Certificates of deposit and certificates of interbank deposit	**41,235**	44,525
	749,295	866,904
Accrued interest	**5,710**	6,463
	755,005	873,367
Equity investments at FVOCI		
Equity investment	**8,462**	8,996
Investment funds	**346**	351
	8,808	9,347
	3,198,559	3,143,196
Allowance for impairment losses on debt investments at FVOCI	**(4,513)**	(3,069)

12 DEPOSITS FROM CUSTOMERS

(a) Types of deposits from customers

	30 June 2023 *RMB million*	31 December 2022 *RMB million* (Restated)
Demand deposits		
– Corporate customers	**2,201,334**	1,931,755
– Personal customers	**350,579**	349,013
	2,551,913	2,280,768
Time and call deposits		
– Corporate customers	**1,849,158**	1,854,108
– Personal customers	**1,099,639**	942,803
	2,948,797	2,796,911
Outward remittance and remittance payables	**16,530**	14,420
Accrued interest	**56,793**	58,673
	5,574,033	5,150,772

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

	30 June 2023 *RMB million*	31 December 2022 *RMB million* (Restated)
Bank acceptances	**338,978**	348,926
Letters of credit	**29,572**	25,132
Guarantees	**20,225**	17,091
Others	**47,514**	55,709
	436,289	446,858

13 BANK AND OTHER LOANS

(a) Types of loans

	30 June 2023 *RMB million*	31 December 2022 *RMB million* (Restated)
Bank loans		
Unsecured loans	**145,536**	108,070
Loans pledged with assets	**14,835**	14,562
	160,371	122,632
Other loans		
Unsecured loans	**32,563**	30,262
Loans pledged with assets	**1,601**	603
	34,164	30,865
	194,535	153,497
Accrued interest	**493**	617
	195,028	154,114

13 BANK AND OTHER LOANS (CONTINUED)

(b) Maturity of loans

	30 June 2023 *RMB million*	31 December 2022 *RMB million* (Restated)
Bank loans		
– Within 1 year or on demand	**61,461**	51,187
– Between 1 and 2 years	**30,209**	19,717
– Between 2 and 5 years	**49,766**	34,600
– Over 5 years	**18,935**	17,128
	160,371	122,632
Other loans		
– Within 1 year or on demand	**12,437**	7,689
– Between 1 and 2 years	**18,588**	17,865
– Between 2 and 5 years	**3,085**	5,257
– Over 5 years	**54**	54
	34,164	30,865
	194,535	153,497
Accrued interest	**493**	617
	195,028	154,114

14 DEBT INSTRUMENTS ISSUED

	30 June 2023 *RMB million*	31 December 2022 *RMB million* (Restated)
Corporate bonds issued	**235,832**	202,077
Notes issued	**141,268**	128,709
Subordinated bonds issued	**97,120**	98,926
Certificates of deposit issued	**1,679**	1,035
Certificates of interbank deposit issued	**696,091**	720,080
Convertible corporate bonds	**17,771**	18,212
Beneficiary certificates	**11,594**	6,040
	1,201,355	1,175,079
Accrued interest	**8,347**	7,061
	1,209,702	1,182,140
Analysed by remaining maturity:		
– Within 1 year or on demand	**812,299**	832,239
– Between 1 and 2 years	**122,552**	61,436
– Between 2 and 5 years	**114,917**	128,629
– Over 5 years	**151,587**	152,775
	1,201,355	1,175,079
Accrued interest	**8,347**	7,061
	1,209,702	1,182,140

The Group did not have any defaults of principal, interest or other breaches with respect to its debt instruments issued for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

15 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In addition to those described below, the critical accounting estimates and judgments required to be made in preparation of the Accounts are consistent with those set out in the Company's annual financial statements for the year ended 31 December 2022.

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes

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. 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 (management and major shareholder of Mineralogy, "Mr. Palmer") on the other hand, arising from the MRSLAs and other project agreements. Set out below are the details of those disputes considered to be material.

FCD Indemnity Disputes

Mineralogy and Mr. Palmer have commenced proceedings to pursue claims pursuant to an indemnity given by the Company under the Fortescue Coordination Deed ("FCD"). Mineralogy and Mr. Palmer allege that the CITIC Parties' failure to make certain royalty payments caused them loss which they would be entitled to be indemnified against pursuant to the indemnity contained in the FCD.

(i) 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") claiming damages in the sum of AUD2,324,000,000 (now reduced by an amended statement of claim to AUD1,800,438,000). The amount claimed is alleged to represent the diminution in the value of the nickel and cobalt refinery business located at Yabulu in North Queensland, which was carried on by the Queensland Nickel group of companies controlled by Mr. Palmer ("Yabulu Refinery"), and a consequential diminution in the value of Mr. Palmer's ultimate beneficial shareholding in the joint venturers that own the Yabulu Refinery.

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

15 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

FCD Indemnity Disputes (continued)

(i) Queensland Nickel FCD Indemnity Claim (continued)

On 2 September 2022, Mineralogy and Mr. Palmer filed their fifth amended statement of claim. That statement of claim alleges that if the CITIC Parties had paid to Mineralogy royalty on products produced by Sino Iron and Korean Steel ("Royalty Component B") when it was due for payment under the MRSLAs, then in about November 2015 Mineralogy would have paid Queensland Nickel Pty Limited ("QNI") AUD28,000,000. Mineralogy and Mr. Palmer claim that because the CITIC Parties did not pay amounts of Royalty Component B to Mineralogy, including for the period ended 30 September 2015 and/or 31 December 2015, Mineralogy did not provide QNI with the funds to enable it to continue managing and operating the Yabulu Refinery business. Later, in January 2016, QNI was placed in administration, followed by liquidation in April 2016. Mineralogy and Mr. Palmer claim that the liquidation of QNI led to the diminution in value of the Yabulu Refinery, and a consequential 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 CITIC Parties are liable for those losses pursuant to the indemnity in the FCD.

On 14 October 2022, the CITIC Parties filed their further re-amended defence. The CITIC Parties plead a number of defences, including construction arguments, causation, mitigation, abuse of process and Anshun estoppel.

On 11 November 2022, Mineralogy and Mr. Palmer filed a further re-amended reply. The reply contains allegations that certain conduct of the CITIC Parties, specifically alleged activities of the Fulcrum Group, has the effect of disentitling the CITIC Parties from obtaining relief claimed in the form of a permanent stay of the proceeding on grounds of Anshun estoppel or abuse of process ("Fulcrum Allegations"). The CITIC Parties applied to strike out the paragraphs of the reply which contain the Fulcrum Allegations but that application was refused on 13 June 2023. This means that the Fulcrum Allegations contained in Mineralogy and Mr. Palmer's reply will be heard and determined at trial.

Mineralogy and Mr. Palmer applied for leave to amend their statement of claim in January 2023. That application was refused on 22 June 2023. Justice Lundberg found that the amendments proposed would make Mineralogy and Mr. Palmer's case overly generalised, with the effect that the CITIC Parties would not be able to understand the case they would have to meet at trial. Mineralogy and Mr. Palmer filed their minute of sixth amended statement of claim on 23 July 2023 and their submissions in support of their application for leave to amend on 7 August 2023. On 21 August 2023, the CITIC Parties filed their responsive submissions. Mineralogy and Mr. Palmer filed their submissions in reply on 29 August 2023.

Following the strategic conference on 28 July 2023, Justice Lundberg listed Mineralogy and Mr. Palmer's application for leave to amend their statement of claim in this proceeding for a hearing on 27 September 2023.

A number of other interlocutory applications in this proceeding have not yet been determined, including interlocutory applications filed by Mineralogy and Mr. Palmer on 23 January 2023 to be relieved of certain discovery obligations, to strike out certain paragraphs of the CITIC Parties' defence filed on 14 October 2022 and to obtain discovery from the CITIC Parties of documents related to the Fulcrum Allegations. These applications, if pressed by Mineralogy and Mr. Palmer, will be programmed to be heard at an appropriate time once pleadings issues have been resolved.

15 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

FCD Indemnity Disputes (continued)

(i) Queensland Nickel FCD Indemnity Claim (continued)

Pursuant to orders made by Justice K Martin in September 2020, this proceeding will be heard together with Proceeding CIV 1267/2018 mentioned in 15(a)(ii). Orders previously made in this proceeding that damages would be determined separately and subsequently to liability have been vacated. This means that all issues will be heard and determined together in a single trial.

No trial date has been set for this proceeding.

(ii) Palmer Petroleum FCD Indemnity Claim

On 16 February 2018, Mineralogy commenced a proceeding against the CITIC Parties in the Supreme Court of Western Australia ("Proceeding CIV 1267/2018") in which it claims damages in the sum of AUD2,675,400,000. That amount is alleged to represent the diminution in the value of Mineralogy's shares in a subsidiary of Mineralogy arising from the cancellation of petroleum prospecting licences in the Gulf of Papua held by that subsidiary, or, alternatively, the diminution in value of another subsidiary of Mineralogy arising from that subsidiary having been delayed or impaired from developing the relevant petroleum prospecting licences.

On 29 June 2023, Mineralogy filed its third amended statement of claim, pursuant to orders made by Justice Lundberg on 22 June 2023 granting Mineralogy leave to amend. In that statement of claim, Mineralogy alleges that Palmer Petroleum Pty Ltd. (now named Aspenglow Pty Ltd.) ("Palmer Petroleum") was engaged in the business of owning, exploring, developing, and exploiting petroleum prospecting licences in Papua New Guinea. Mineralogy alleges that in June 2016, following the exercise of an option contained in a Funding Agreement, Palmer Petroleum transferred certain petroleum prospecting licences to Blaxcell Limited. Mineralogy is the holder and beneficial owner of all of the shares in both Palmer Petroleum and Blaxcell Limited.

Mineralogy claims that, if the CITIC Parties had paid Royalty Component B in accordance with their obligations under the MRSLAs and the FCD, Mineralogy would have provided such of those funds to Palmer Petroleum to meet its contractual obligations, pay the amount of a statutory demand, meet working capital requirements and operate its business, among other things. In July 2016, Palmer Petroleum became insolvent and was ordered to be wound up in insolvency.

Mineralogy pleads that Palmer Petroleum, or alternatively Blaxcell Limited, suffered a diminution in its value equivalent to the sale value of oil that allegedly would have been recoverable under rights to certain Papua New Guinea petroleum prospecting licences. Mineralogy claims that it suffered a loss equivalent to the diminution in value of its shareholding in Palmer Petroleum, or alternatively Blaxcell Limited, and that the CITIC Parties are liable for that loss pursuant to the indemnity in the FCD.

As at the date of issuance of these financial statements, the CITIC Parties have not yet filed a further re-amended defence following the filing of Mineralogy's third amended statement of claim. However, in the CITIC Parties' re-amended defence filed on 14 October 2022, the CITIC Parties plead a number of defences, including construction arguments, causation, mitigation, abuse of process and Anshun estoppel.

15 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

FCD Indemnity Disputes (continued)

(ii) Palmer Petroleum FCD Indemnity Claim (continued)

On 11 November 2022, Mineralogy filed its further re-amended reply, which includes the Fulcrum Allegations. The CITIC Parties applied to strike out the paragraphs of the reply which contain the Fulcrum Allegations but that application was refused on 13 June 2023. This means that the Fulcrum Allegations contained in Mineralogy's reply will be heard and determined at trial.

The CITIC Parties' defence and Mineralogy's reply will be further amended following the hearing before Justice Lundberg on 27 September 2023 at which his Honour will determine Mineralogy and Mr. Palmer's application for leave to amend their statement of claim in Proceeding CIV 2072/2017.

A number of other interlocutory applications in this proceeding have not yet been determined, including interlocutory applications filed by Mineralogy on 23 January 2023 to be relieved of certain discovery obligations, to strike out certain paragraphs of the CITIC Parties' defence filed on 14 October 2022 and to obtain discovery from the CITIC Parties of documents related to the Fulcrum Allegations. These applications, if pressed by Mineralogy, will be programmed to be heard at an appropriate time once pleadings issues have been resolved.

Pursuant to orders made by Justice K Martin in September 2020, this proceeding will be heard together with Proceeding 2072/2017. Orders previously made in this proceeding that damages would be determined separately and subsequently to liability have been vacated. This means that all issues will be heard and determined together in a single trial.

No trial date has been set for this proceeding.

Mine Continuation Proposals Dispute

(i) Mine Continuation Proposals Proceedings

The continued operation of the Sino Iron Project requires it to extend beyond the footprint it currently occupies. The need for extension is driven by the need to extend the mine pit and accommodate 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 the CITIC Parties wish to extend in order to continue operation, are all held by Mineralogy.

15 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

Mine Continuation Proposals Dispute (continued)

(i) Mine Continuation Proposals Proceedings (continued)

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 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. Proceeding CIV 2326/2021 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 MCP Proceedings").

The primary trial in the Consolidated MCP 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 MCP Proceedings other than the quantification of any loss or damage suffered by the CITIC Parties.

15 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

Mine Continuation Proposals Dispute (continued)

(i) Mine Continuation Proposals Proceedings (continued)

On 7 March 2023, Justice K Martin delivered his reasons in the Consolidated MCP 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 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.

– 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.

While not operationally and financially optimal for life-of-mine operations, the Court's decision means that there is now a pathway forward that should enable the CITIC Parties to seek approval of a proposal for extension of the mine pit and expansion of waste rock and tailings storage within the areas already made available by Mineralogy to Sino Iron and Korean Steel.

In its orders made on 10 March 2023, the Court ordered Mineralogy to submit the Programme of Works to the State for its consideration. On 6 April 2023, Mineralogy applied for a stay of that order pending the determination of its appeal of that aspect of the trial judgment as described below.

On 20 April 2023, Justice K Martin heard Mineralogy's stay application. On 2 June 2023, his Honour delivered his decision in which he dismissed Mineralogy's stay application. On 7 June 2023, Mineralogy applied to the Court of Appeal for a stay of the order made on 10 March 2023. On 9 June 2023, the Court of Appeal refused Mineralogy's stay application.

15 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

Mine Continuation Proposals Dispute (continued)

(i) Mine Continuation Proposals Proceedings (continued)

On 9 June 2023, Mineralogy submitted the Programme of Works to the State. The Programme of Works was approved on 28 July 2023. That approval will allow the CITIC Parties to undertake investigative works necessary for the extension of the mine pit and the establishment of a new tailings storage facility.

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 referred to below. His Honour also ordered the CITIC Parties to pay Mineralogy's and Mr. Palmer's costs of the Consolidated MCP 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.

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

(ii) Mine Continuation Proposals Appeals

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

- 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 Project, including because Mineralogy has been paid for those areas;
- Mineralogy's failure to submit the 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 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.

15 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Mineralogy Pty Ltd. ("Mineralogy") disputes (continued)

Mine Continuation Proposals Dispute (continued)

(ii) Mine Continuation Proposals Appeals (continued)

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 MRSLA, so that Mineralogy could make an informed assessment of whether to do so having regard to its own commercial interests.

On 1 May 2023, the Court of Appeal ordered that Proceeding CACV 35/2023 and Proceeding CACV 37/2023 be consolidated ("Consolidated MCP Appeal Proceedings").

On 16 June 2023, the CITIC Parties filed their responsive answer to Mineralogy's appellant's case. On 17 June 2023, Mineralogy filed its responsive answer to the CITIC Parties' appellants' case.

No date has been set for the hearing of the appeals.

Site Remediation Fund Disputes

Under clause 20.5 of the MRSLAs, Mineralogy may require Sino Iron and Korean Steel to provide reasonable security for the performance of their obligations under clause 20 of the MRSLAs, relating to the protection of the environment and rehabilitation following Mine Closure (i.e. the permanent cessation of operations at the Mine). In accordance with clause 20.6 of the MRSLAs, such security is to be provided by way of contributions by Sino Iron and Korean Steel into a Site Remediation Fund.

There has been previous litigation between Mineralogy and the CITIC Parties regarding the proper construction of clause 20.6 of the MRSLAs, Mineralogy's determination of the annual charge to be contributed by Sino Iron and Korean Steel to the Site Remediation Fund and the validity of Mineralogy's notices purporting to require such contributions. All those disputes have now been determined and there are no ongoing Court proceedings between the CITIC Parties and Mineralogy in relation to the Site Remediation Fund.

15 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) 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. The fixed price contract amount was US$3.4 billion.

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 million to MCC Mining (Western Australia) Pty Ltd. ("MCC WA"), its wholly owned subsidiary company responsible for delivering MCC's obligations under the contract.

As at the date of issuance of these 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 million per day, with a cap of approximately US$530 million in total). As at balance sheet date 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 30 June 2023.

FINANCIAL REVIEW AND ANALYSIS

RMB million	Six months ended 30 June **2023**	 2022 (Restated)	 %
Revenue	**333,986**	324,847	2.8%
Profit before taxation	**69,263**	72,896	(5.0%)
Net profit	**57,471**	61,097	(5.9%)
Net Profit attributable to ordinary shareholders	**32,092**	41,665	(23%)
Basic earnings per share *(RMB)*	**1.10**	1.43	(23%)
Diluted earnings per share *(RMB)*	**1.10**	1.43	(23%)
Dividend per share *(RMB)*	**0.18**	Not Applicable	Not Applicable
Dividend per share *(HK$)*	**Not Applicable**	0.20	Not Applicable
Net cash (used in)/generated from operating activities	**(132,313)**	12,803	(1,133%)
Capital expenditure	**7,093**	11,980	(41%)

	As at 30 June 2023	As at 31 December 2022	%
Total assets	**10,976,305**	10,537,317	4.2%
Total liabilities	**9,700,131**	9,302,630	4.3%
Total ordinary shareholders' funds	**684,613**	660,478	3.7%

Major indicators by business

Revenue from external customers

RMB million	Six months ended 30 June **2023**	 2022 (Restated)	Increase/(Decrease) Amount	 %
Comprehensive financial services	**138,277**	131,533	6,744	5.1%
Advanced intelligent manufacturing	**24,145**	24,094	51	0.2%
Advanced materials	**130,603**	125,937	4,666	3.7%
New consumption	**24,870**	25,313	(443)	(1.8%)
New-type urbanisation	**16,077**	17,933	(1,856)	(10%)

Profit

RMB million	**Six months ended 30 June 2023**	2022 (Restated)	Increase/(Decrease) Amount	%
Comprehensive financial services	**51,228**	43,222	8,006	19%
Advanced intelligent manufacturing	**903**	707	196	28%
Advanced materials	**6,595**	8,646	(2,051)	(24%)
New consumption	**828**	690	138	20%
New-type urbanisation	**3,094**	3,066	28	0.9%

Profit attributable to ordinary shareholders

RMB million	**Six months ended 30 June 2023**	2022 (Restated)	Increase/(Decrease) Amount	%
Comprehensive financial services	**27,529**	25,506	2,023	7.9%
Advanced intelligent manufacturing	**426**	342	84	25%
Advanced materials	**5,789**	7,690	(1,901)	(25%)
New consumption	**481**	386	95	25%
New-type urbanisation	**3,042**	2,973	69	2.3%

Assets

RMB million	**As at 30 June 2023**	As at 31 December 2022 (Restated)	Increase/(decrease) Amount	%
Comprehensive financial services	**10,347,568**	9,970,318	377,250	3.8%
Advanced intelligent manufacturing	**58,712**	58,955	(243)	(0.4%)
Advanced materials	**276,706**	234,215	42,491	18%
New consumption	**55,990**	55,397	593	1.1%
New-type urbanisation	**326,395**	331,732	(5,337)	(1.6%)

Revenue by nature

RMB million	Six months ended 30 June **2023**	2022 (Restated)	Increase/(Decrease) Amount	%
Net interest income	**75,717**	76,828	(1,111)	(1.4%)
Net fee and commission income	**34,499**	28,263	6,236	22%
Sales of goods and services	**197,166**	196,916	250	0.1%
– Sales of goods	**177,501**	175,041	2,460	1.4%
– Revenue from construction contracts	**6,143**	8,677	(2,534)	(29%)
– Revenue from other services	**13,522**	13,198	324	2.5%
Other revenue	**26,604**	22,840	3,764	16%

Capital Expenditures

RMB million	Six months ended 30 June **2023**	2022 (Restated)	Increase/(Decrease) Amount	%
Comprehensive financial services	**1,532**	5,742	(4,210)	(73%)
Advanced intelligent manufacturing	**703**	831	(128)	(15%)
Advanced materials	**2,917**	2,877	40	1.4%
New consumption	**709**	626	83	13%
New-type urbanisation	**1,232**	1,904	(672)	(35%)
Total	**7,093**	11,980	(4,887)	(41%)

Group Financial Position

RMB million	**As at 30 June 2023**	As at 31 December 2022 (Restated)	Increase/(decrease) Amount	%
Total assets	**10,976,305**	10,537,317	438,988	4.2%
Loans and advances to customers and other parties	**5,257,646**	5,042,734	214,912	4.3%
Investments in financial assets	**3,198,559**	3,143,196	55,363	1.8%
Cash and deposits	**643,485**	676,978	(33,493)	(4.9%)
Trade and other receivables	**289,118**	211,273	77,845	37%
Fixed assets	**171,671**	159,803	11,868	7.4%
Placements with bank and non-bank financial institutions	**207,328**	217,354	(10,026)	(4.6%)
Total liabilities	**9,700,131**	9,302,630	397,501	4.3%
Deposits from customers	**5,574,033**	5,150,772	423,261	8.2%
Deposits from banks and non-bank financial institutions	**981,540**	1,103,099	(121,559)	(11%)
Debt instruments issued	**1,209,702**	1,182,140	27,562	2.3%
Borrowing from central banks	**155,251**	119,421	35,830	30%
Trade and other payables	**422,966**	378,271	44,695	12%
Bank and other loans	**195,028**	154,114	40,914	27%
Total ordinary shareholders' funds	**684,613**	660,478	24,135	3.7%

Loans and advances to customers and other parties

As at 30 June 2023, the net loans and advances to customers and other parties of the Group was RMB5,257,646 million, an increase of RMB214,912 million, increased 4.3% compared with 31 December 2022. The proportion of loans and advances to customers and other parties to total assets was 47.9%, an increase of 0.04 percentage point compared with 31 December 2022.

RMB million	**As at 30 June 2023**	As at 31 December 2022 (Restated)	Increase/(decrease) Amount	%
Loans and advances to customers and other parties measured at amortised cost				
Corporate loans	**2,658,771**	2,465,643	193,128	7.8%
Discounted bills	**2,820**	3,704	(884)	(24%)
Personal loans	**2,222,155**	2,126,533	95,622	4.5%
Accrued interest	**19,049**	17,385	1,664	9.6%
Total loans and advances to customers and other parties measured at amortised cost	**4,902,795**	4,613,265	289,530	6.3%
Impairment allowances	**(137,173)**	(137,495)	322	0.2%
Carrying amount of loans and advances to customers and other parties measured at amortised cost	**4,765,622**	4,475,770	289,852	6.5%
Loans and advances to customers and other parties at fair value through profit and losses (“FVPL”)				
Loans	**5,383**	3,881	1,502	39%
Loans and advances to customers and other parties measured at fair value through other comprehensive income				
Corporate loans	**60,788**	54,851	5,937	11%
Discounted bills	**425,853**	508,232	(82,379)	(16%)
Carrying amount of loans and advances to customers and other parties measured at fair value through other comprehensive income	**486,641**	563,083	(76,442)	(14%)
Net loans and advances to customers and other parties	**5,257,646**	5,042,734	214,912	4.3%

Investments in financial assets

As at 30 June 2023, the investments in financial assets of the Group was RMB3,198,559 million, an increase of RMB55,363 million, increased 1.8% compared with 31 December 2022. The proportion of Investments in financial assets to total assets was 29.14%, an decrease of 0.69 percentage point compared with 31 December 2022.

(a) Analysed by types

RMB million	**As at 30 June 2023**	As at 31 December 2022 (Restated)	Increase/(decrease) Amount	%
Debt securities	**1,938,245**	1,938,976	(731)	(0.04%)
Investment management products managed by non-bank financial institutions	**57,002**	58,777	(1,775)	(3.0%)
Investment funds	**579,711**	556,234	23,477	4.2%
Trust investment plans	**212,073**	232,571	(20,498)	(8.8%)
Certificates of deposit and certificates of interbank deposit	**116,207**	96,531	19,676	20%
Equity investment	**260,984**	233,827	27,157	12%
Wealth management products	**4,551**	3,022	1,529	51%
Investments in creditor's rights on assets	**1,900**	1,900	–	–
Others	**43,367**	35,970	7,397	21%
Subtotal	**3,214,040**	3,157,808	56,232	1.8%
Accrued interest	**17,576**	16,958	618	3.6%
Less: allowance for impairment losses	**(33,057)**	(31,570)	(1,487)	(4.7%)
Total	**3,198,559**	3,143,196	55,363	1.8%

(b) Analysed by measurement attribution

RMB million	**As at 30 June 2023**	As at 31 December 2022 (Restated)	Increase/(decrease) Amount	%
Financial assets at amortised cost	**1,154,867**	1,124,596	30,271	2.7%
Financial assets at FVPL	**1,279,879**	1,135,886	143,993	13%
Debt investments at FVOCI	**755,005**	873,367	(118,362)	(14%)
Equity investments at FVOCI	**8,808**	9,347	(539)	(5.8%)
Total	**3,198,559**	3,143,196	55,363	1.8%

Deposits from customers

As at 30 June 2023, total deposits from customers of the financial institutions under the Group was RMB5,574,033 million, an increase of RMB423,261 million, or up by 8.2% compared with 31 December 2022. The proportion of deposits from customers to total liabilities was 57.46%, an increase of 2.09 percentage points compared with 31 December 2022.

RMB million	**As at 30 June 2023**	As at 31 December 2022 (Restated)	Increase/(decrease) Amount	%
Corporate deposits				
Time and call deposits	**1,849,158**	1,854,108	(4,950)	(0.3%)
Demand deposits	**2,201,334**	1,931,755	269,579	14%
Subtotal	**4,050,492**	3,785,863	264,629	7.0%
Personal deposits				
Time and call deposits	**1,099,639**	942,803	156,836	17%
Demand deposits	**350,579**	349,013	1,566	0.4%
Subtotal	**1,450,218**	1,291,816	158,402	12%
Outward remittance and remittance payables	**16,530**	14,420	2,110	15%
Accrued interest	**56,793**	58,673	(1,880)	(3.2%)
Total	**5,574,033**	5,150,772	423,261	8.2%

RISK MANAGEMENT

CITIC Limited has established a risk management and internal control system covering all business segments to identify, assess and manage various risks in the Company's business activities. The business, operating results, financial position and profitability of CITIC Limited may be subject to a number of risk factors and uncertainties, directly or indirectly, relating to the Company. The risk factors set out below are not exhaustive and CITIC Limited, in addition to these risk factors, may also be exposed to other unknown risks or risks that may not be material at present but may become material in future.

Financial Risk

As a sub-committee of the Executive Committee, the Asset and Liability Management Committee ("ALCO") has been established to monitor financial risks of the Group in accordance with the relevant treasury and financial risk management policies.

Asset and liability management

CITIC Limited's sources of funds for different businesses include long-term and short-term debt and equity, of which ordinary shares, preferred shares and perpetual securities are the alternative forms of equity financing instruments. CITIC Limited manages its capital structure to finance its overall operations and growth by using different sources of funds. The type of funding is targeted to match the characteristics of our underlying business.

1. Debt

ALCO centrally manages and regularly monitors the existing and projected debt levels of CITIC Limited and its major non-financial subsidiaries to ensure that the Group's debt size, structure and cost are at reasonable levels.

As at 30 June 2023, consolidated debt of CITIC Limited(1) was RMB1,395,890 million, including loans of RMB194,535 million and debt instruments issued(2) of RMB1,201,355 million. Debt of CITIC Bank(3) accounted for RMB942,967 million. CITIC Limited attaches importance to cash flow management, the head office of CITIC Limited had cash and deposits of RMB5,180 million and available committed facilities of RMB40,993 million.

The details of debt are as follows:

As at 30 June 2023	*RMB million*
Consolidated debt of CITIC Limited	1,395,890
Among which: Debt of CITIC Bank	942,967

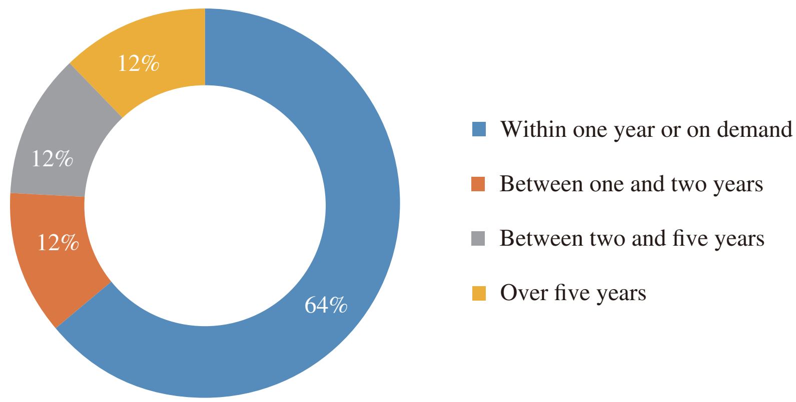
Note:

(1) Consolidated debt of CITIC Limited is the sum of "bank and other loans" and "debt instruments issued" in the Consolidated Balance Sheet of CITIC Limited excluding interest accrued;

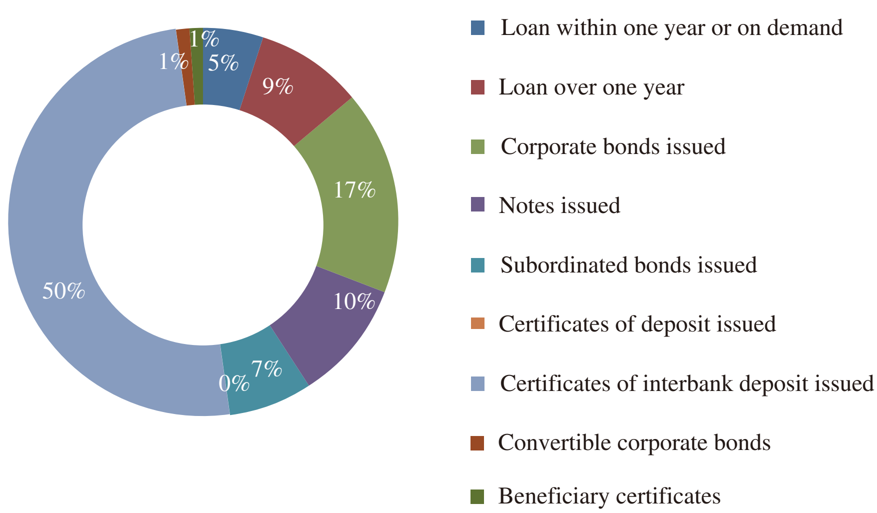
(2) Debt instruments issued include corporate bonds, notes, subordinated bonds, certificates of deposit issued, certificates of interbank deposit issued, convertible corporate bonds and beneficiary certificates excluding interest accrued;

(3) Debt of CITIC Bank refers to CITIC Bank's consolidated debt securities issued, including long-term debt securities, subordinated bonds, certificates of deposit issued, certificates of interbank deposit issued and convertible corporate bonds excluding interest accrued and convertible corporate bonds that has been subscribed by another subsidiary of the group.

Consolidated debt by maturity as at 30 June 2023



Consolidated debt by type as at 30 June 2023



The debt to equity ratio of CITIC Limited as at 30 June 2023 is as follows:

In RMB million	**Consolidated**
Debt	1,395,890
Total equity[4]	1,276,174
Debt to equity ratio	109%

Note:

(4) Total consolidated equity is based on the "total equity" in the Consolidated Balance Sheet.

2. *Liquidity risk management*

The objective of liquidity risk management is to ensure that CITIC Limited always has sufficient cash to repay its maturing debt, perform other payment obligations and meet other funding requirements for normal business development.

CITIC Limited's liquidity management involves the regular cash flow forecast for the next three years and the consideration of its liquid assets level and new financings necessary to meet future cash flow requirements.

CITIC Limited centrally monitors and graded manages its own liquidity and that of its major non-financial subsidiaries and improves the efficiency of fund utilisation. With flexible access to domestic and overseas markets, CITIC Limited seeks to diversify sources of funding through different financing instruments, in order to raise low-cost funding of medium and long terms, maintain a mix of staggered maturities and minimise refinancing risk.

3. *Credit ratings*

	Standard & Poor's	**Moody's**
30 June 2023	BBB+/Positive	A3/Stable

Treasury risk management

Treasury risk management essentially covers the following financial risks inherent in CITIC Limited's businesses:

- Interest rate risk
- Currency risk
- Counterparty risk for financial products
- Commodity risk
- Market price risk

CITIC Limited manages the above risks by using appropriate financial derivatives or other means, and priority will be given to simple, cost-efficient and effective hedge instruments which meet the HKFRS 9 in performing treasury risk management responsibilities. To the extent possible, gains and losses of the derivatives offset the losses and gains of the assets, liabilities or transactions being hedged.

CITIC Limited is committed to establishing a comprehensive and uniform treasury risk management system. Within the group-wide treasury risk management framework, member companies are required to, according to their respective business characteristics and regulatory requirements, implement suitable treasury risk management strategies and procedures and submit reports on a regular and ad hoc basis.

1. *Interest rate risk*

   CITIC Limited regularly monitors current and projected interest rate changes, with each of the operating entities of the Group implementing its own interest rate risk management system covering identification, measurement, monitoring and control of market risks. Interest rate risk is managed by taking into account market conditions and controlled at a reasonable level.

   For our financial subsidiaries, repricing risk and benchmark risk are the main sources of interest rate risk. Observing the principle of prudent risk appetite, they closely track changes in the macroeconomic situation and internal business structure, continue to optimise the maturity structure of deposits, make timely adjustments to the loan repricing lifecycle, and take the initiative to manage sensitive gaps in interest rates for the overall objective of achieving steady growth both in net interest income and economic value within a tolerable level of interest rate risk.

   For our head office and non-financial subsidiaries, the interest rate risk arises primarily from debt. Borrowings at floating rates expose CITIC Limited to cash flow interest rate risk, while borrowings at fixed rates expose CITIC Limited to fair value interest rate risk. Based on its balance sheet and market conditions, CITIC Limited and its non-financial subsidiaries will conduct analysis and sensitivity testing on interest rate risk, adopt a flexible approach in choosing financing instruments at floating and fixed rates, or choose to employ, at the suitable time, the interest rate swaps and other derivative instruments approved for use by the ALCO to manage interest rate risk.

2. *Currency risk*

   CITIC Limited has major operations in mainland China, Hong Kong and Australia, with Renminbi ("RMB"), Hong Kong dollar ("HKD") and United States dollar ("USD") as functional currencies respectively. The Group's member companies are exposed to currency risk from gaps between financial assets and liabilities, future commercial transactions and net investments in foreign operations that are denominated in a currency that is not the member company's functional currency. The reporting currency of the consolidated financial statements of CITIC Limited is RMB. Translation exposures from the consolidation of subsidiaries, whose functional currency is not RMB, are not hedged by using derivative instruments as no cash exposures are involved.

   CITIC Limited measures its currency risk mainly by currency gap analysis. Where it is appropriate, the Group seeks to lower its currency risk by matching its foreign currency denominated assets with corresponding liabilities in the same currency or using forward contracts, cross currency swaps and other derivative instruments, provided that hedging is only considered for firm commitments and highly probable forecast transactions.

3. *Counterparty risk for financial products*

CITIC Limited has business with various financial institutions, including deposits, interbank lending, financial investment products and derivative financial instruments. To mitigate the risk of non-recovery of deposited funds or financial instrument gains, member companies of CITIC Limited approve and adjust the list of counterparties and credit limits of approved financial institutions through internal credit extension processes. A regular report is required.

4. *Commodity risk*

Some businesses of CITIC Limited involve the production, procurement, and trading of commodities, and they face exposure to price risks of commodities such as iron ore, crude oil, gas and coal.

To manage some of its raw material exposures such as supply shortages and price volatility, CITIC Limited has entered into long-term supply contracts for certain inputs or used plain vanilla futures, forward contracts and other derivative instruments for hedging. While CITIC Limited views that natural offsetting is being achieved to a certain extent across its different business sectors, it performs a continual risk management review to ensure commodity risks are well understood and controlled within its business strategies.

5. *Market price risk*

CITIC Limited holds investments in financial assets classified as Derivative financial instruments or Investments in financial assets in the consolidated balance sheet, including shares of listed company. To control price risks arising from such investments, the Group actively monitors the price changes and diversifies the relevant investment risks through appropriate asset allocation.

Economic Environment

CITIC Limited operates diversified businesses globally in various countries and regions. As a result, its financial condition, operational results and business prospects are, to a significant degree, subject to the development of both international and domestic economies, as well as the political and legislative environment.

As China's economy is undergoing structural changes, the formation of new growth drivers involves further reforms in a variety of areas, including politics, economy, technology, culture and society. The global economy is still on the way of recovery, but the performances in main economic entities and regions are divergent. Due to factors including challenges from trade friction, prevalent global pandemic, and the continuous mutation of the virus, the growth prospect is with uncertainty. If negative economic factors appear in countries and regions in which CITIC Limited operates, there might be an adverse impact on its operational results, financial condition and profitability.

Operational Risk

The financial services segment of the CITIC Limited covers various sectors, including banking, securities, trust, insurance and asset management. As information technology is widely applied in the modern financial services industry, the reliability of computer systems, computer networks and information management software is essential to both traditional financial and innovative businesses. Unreliable information technology systems or underdeveloped network technologies may result in inefficient trading systems, business interruption, or loss of important information, thus affecting the reputation and service quality of financial institutions and even incurring economic losses and legal disputes.

CITIC Limited carries out resources and energy, manufacturing, engineering contracting, property development and management, and other businesses in countries and regions across the world, and these businesses might continue to encounter a diversity of operational difficulties. Certain difficulties, if beyond the control of CITIC Limited, might result in production delays or increases in production costs. These operational risks include delay of government payments, deterioration of tax policies, labour disputes, unforeseen technical failures, various disasters and emergencies, unexpected changes in mineral, geological or mining conditions, pollution and other environmental damage, as well as potential disputes with foreign partners, customers, subcontractors, suppliers or local residents or communities. Such risks would cause damage or loss to the relevant businesses of CITIC Limited, which in turn could adversely affect its operations, financial condition and profitability.

Credit Risk

With the proliferation of new market entities, innovative business models, new products, businesses and counterparties, credit risks could increase in both width and complexity. In this unpredictable economic climate, with extensive business operations and counterparties, the Company pays close attention to market developments and credit risks arising from business partners. If the Company fails to investigate and prevent such risks, they may have an adverse impact on its operations, financial condition and profitability.

Competitive Markets

CITIC Limited operates in highly competitive markets. Failure to compete in terms of product specifications, service quality, reliability or price may have an adverse impact on the Company.

– The comprehensive financial services business faces fierce competition from domestic and international commercial banks and other financial institutions.

– The engineering contracting business is challenged by global peers as well as China’s large state-owned enterprises and private companies.

– Resources and energy, manufacturing, property development and management, and other businesses in different sectors also face severe competition over resources, technologies, prices and services.

Intensification of competition might result in lower product prices, narrower profit margins as well as loss of market share for CITIC Limited.

Other External Risks and Uncertainties

Impact of local, national and international laws and regulations

CITIC Limited faces local business risks in different countries and regions. Such risks might have a significant impact on the financial condition, operations and business prospects of CITIC Limited in the relevant markets. The investments of CITIC Limited in countries and regions across the world might at present or in future be affected by changes in local, national or international political, social, legal, tax, regulatory and environmental requirements from time to time. In addition, new government policies or measures, if introducing changes in fiscal, tax, regulatory, environmental or other aspects that may affect competitiveness, could result in an additional or unforeseen increase in operating expenses and capital expenditures, produce risks to the overall return on investment of CITIC Limited, and delay or impede its business operations and hence adversely affect revenue and profit.

Impact of new accounting standards

The Hong Kong Institute of Certified Public Accountants ("HKICPA") issues new and revised Hong Kong Financial Reporting Standards ("HKFRSs") from time to time. As the accounting standards continue to evolve, HKICPA might further issue new and revised HKFRSs in the future. The new accounting policies, if required to be adopted by CITIC Limited, could have a significant impact on its financial condition and operations.

Natural disasters or events, terrorism and diseases

The business of CITIC Limited could be affected by events such as earthquakes, typhoons, tropical cyclones, inclement weather, acts or threats of terrorism, or outbreaks of highly contagious diseases, which would directly or indirectly reduce the supply of essential goods or services or reduce economic activities on a local, regional or global scale. Any of these disasters might damage the businesses of CITIC Limited, which would have a material adverse impact on the financial condition and operations of CITIC Limited.

HUMAN RESOURCES

Protecting Employees' Rights and Interests

During the period, we complied fully with relevant laws, regulations and policies, including those concerning labour contracts. We are committed to protecting the lawful rights and interests of our staff to build harmonious relationships with them. In our recruitment and career development practices, we provide equal opportunities for all, based on individual merit and overall fairness, without regard to race, gender, religion, ethnicity, nationality or physical disability. We also prohibit child and forced labour in all of our operations.

We and our subsidiaries have established a competitive remuneration policy, which is guided by the remuneration policies of relevant local governments and based on business results. This market-oriented mechanism puts equal emphasis on market competitiveness and fairness, and correlates salary with performance. During the period, we continued to optimise our performance appraisal and remuneration systems to help the Company achieve better performance. In addition, we made further improvements to our staff benefits schemes, including insurance and policies on working hours and rest periods. As required by the Hong Kong SAR Government, we made contributions to the Mandatory Provident Fund for all staff based in Hong Kong and provided full coverage of basic social insurance for our mainland staff according to the requirements of local governments.

Developing our Staff

Focusing on improving the human capital efficiency, we advance "The Programme of Talent Development during the Fourteenth Five Year" which proposes building "Four Teams" and cultivating "Six Core Talents". We recommended high-level professionals to take part in the review of Honors Programs. We also strengthen our approach to talent cultivation with highlighting our unique features, continuously improve the construction of the training system, build up a strong training guarantee mechanism, and insist on serving the overall situation and provide all staff with training based on demands and classification.

In line with our people-oriented philosophy, and capitalising on the strength of our integrated network, we arrange for staff postings, internal rotations and exchanges between our headquarters and subsidiaries and among our subsidiaries in different sectors. These are also arranged between CITIC and provincial and municipal governments as well as strategic partner companies. By organising these programmes, we are able to enrich the experience of our employees and allow them to improve their professional knowledge and skills.

Caring for CITIC Employees

The quality of life of our employees is one of our greatest concerns. To improve employees' sense of achievement and belonging, we have taken various measures including providing awards and recognition, giving publicity, organizing cultural and sports activities, and staff visit at special time points and offering regular support and caring.

CORPORATE GOVERNANCE

CITIC Limited is committed to maintaining high standards of corporate governance. The board of directors believes that good corporate governance practices are important to promote investor confidence and protect the interests of our shareholders. Looking ahead, we will keep our governance practices under continual review to ensure their consistent application and will continue to improve our practices having regard to the latest developments. Details of CITIC Limited's corporate governance practices can be found in CITIC Limited's Annual Report 2022 and on CITIC Limited's website at www.citic.com.

CITIC Limited has applied the principles of the Corporate Governance Code ("CG Code") and complied with all code provisions set out in the CG Code during the six months ended 30 June 2023.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The audit and risk management committee of the board reviewed the unaudited consolidated interim financial statements for the six months ended 30 June 2023 in conjunction with the management and CITIC Limited's external auditor. The committee consists of four non-executive directors of whom three are independent.

The interim financial information is prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". It has been reviewed by CITIC Limited's independent auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The board of directors of the Company has resolved to declare an interim dividend ("2023 Interim Dividend") of RMB0.18 per share (equivalent to HK$0.1964844 per share (2022: HK$0.20 per share) at the exchange rate of RMB1.0:HK$1.09158, being the average benchmark exchange rate of RMB to HK$ as published by the People's Bank of China during the five business days immediately before 31 August 2023) for the year ending 31 December 2023, payable on Thursday, 16 November 2023 to shareholders whose names appear on CITIC Limited's register of members on Friday, 29 September 2023. The register of members of CITIC Limited will be closed from Tuesday, 26 September 2023 to Friday, 29 September 2023, both days inclusive, during which period no transfer of shares will be effected. To qualify for the 2023 Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with CITIC Limited's Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 25 September 2023.

The 2023 Interim Dividend will be payable in cash to each shareholder in HK Dollars ("HK$") unless an election is made to receive the same in Renminbi ("RMB").

Shareholders will be given the option to elect to receive all (but not part) of the 2023 Interim Dividend in RMB, such dividend will be paid at RMB0.18 per share. To make such election, shareholders should complete the Dividend Currency Election Form, which is expected to be despatched to shareholders in early October 2023 as soon as practicable after the record date of 29 September 2023 to determine shareholders' entitlement to the 2023 Interim Dividend, and return it to CITIC Limited's Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 19 October 2023.

Shareholders who are minded to elect to receive all (but not part) of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honoured for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant shareholders by ordinary post on Thursday, 16 November 2023 at the shareholders' own risk.

If no election is made by a shareholder or no duly completed Dividend Currency Election Form in respect of that shareholder is received by CITIC Limited's Share Registrar, Tricor Tengis Limited, by 4:30 p.m. on Thursday, 19 October 2023, such shareholder will automatically receive the 2023 Interim Dividend in HK$. All dividend payments in HK$ will be made in the usual way on Thursday, 16 November 2023.

If shareholders wish to receive the 2023 Interim Dividend in HK$ in the usual way, no additional action is required.

Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the dividend payment.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 17 January 2023, CITIC Limited fully redeemed the USD1,400 million 6.8% notes under the Medium Term Note Programme upon maturity. These notes were issued in three tranches, namely, (i) USD750 million issued on 17 October 2012, (ii) USD250 million issued on 11 December 2012 and (iii) USD400 million issued on 18 July 2014. The notes issued as mentioned above were listed on The Stock Exchange of Hong Kong Limited.

Save as disclosed above, neither CITIC Limited nor any of its subsidiary companies has purchased, sold or redeemed any of CITIC Limited's listed securities during the six months ended 30 June 2023.

FORWARD LOOKING STATEMENTS

This announcement contains certain forward looking statements with respect to the financial condition, results of operations and business of the Group. These forward looking statements represent CITIC Limited's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Forward looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ, in some cases materially, from those implied or anticipated in any forward looking statement or assessment of risk.

HALF-YEAR REPORT AND FURTHER INFORMATION

A copy of the announcement is posted on CITIC Limited's website (www.citic.com) and Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk). The Half-Year Report 2023 will be made available on the respective websites of CITIC Limited and Hong Kong Exchanges and Clearing Limited around 18 September 2023.

By Order of the Board
CITIC Limited
Zhu Hexin
Chairman

Beijing, 31 August 2023

As at the date of this announcement, the executive directors of CITIC Limited are Mr. Zhu Hexin (Chairman), Mr. Xi Guohua, Mr. Liu Zhengjun and Mr. Wang Guoquan; the non-executive directors of CITIC Limited are Ms. Yu Yang, Mr. Zhang Lin, Ms. Li Yi, Mr. Yue Xuekun and Mr. Yang Xiaoping; and the independent non-executive directors of CITIC Limited are Mr. Francis Siu Wai Keung, Dr. Xu Jinwu, Mr. Anthony Francis Neoh, Mr. Gregory Lynn Curl and Mr. Toshikazu Tagawa.