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CITIC Limited
中國中信股份有限公司

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

ANNOUNCEMENT

**FINANCIAL STATEMENTS AND AUDITOR'S REPORT
OF CITIC CORPORATION LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2023**

This announcement is made by CITIC Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).

CITIC Corporation Limited (“**CITIC Corporation**”), a wholly-owned subsidiary of the Company, is a company incorporated in the People’s Republic of China (“**PRC**”). As CITIC Corporation has issued enterprise bond and corporate bond in the PRC, it is required to announce the financial statements of itself and its subsidiaries prepared in accordance with the PRC Generally Accepted Accounting Principles in accordance with the relevant regulations of the People’s Bank of China, National Development and Reform Commission, China Securities Regulatory Commission and Shanghai Stock Exchange.

The financial statements and auditor’s report of CITIC Corporation for the year ended 31 December 2023 are available on China Bond and Shanghai Stock Exchange at www.chinabond.com.cn and www.sse.com.cn, respectively, and are set out at the end of this announcement.

By Order of the Board
CITIC Limited
Xi Guohua
Chairman

Hong Kong, 30 April 2024

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

CITIC Corporation Limited

FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

CITIC Corporation Limited
Consolidated balance sheet
as at 31 December 2023
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

	Note	31 December 2023	31 December 2022 (Restated)
Assets			
Cash and deposits	6(1)	786,272,166	863,000,078
Settlement reserve	6(2)	45,999,598	41,891,039
Placements with banks and non-bank financial institutions	6(3)	237,741,850	217,354,011
Derivative financial instruments	6(4)	77,024,468	80,281,998
Trade and other receivables	6(5)	199,781,215	185,019,352
Contract assets	6(6)	24,006,885	20,450,821
Inventories	6(7)	50,258,507	47,433,654
Financial assets held under resale agreements	6(8)	164,982,969	45,713,102
Loans and advances to customers and other parties	6(9)	5,401,591,731	5,059,992,874
Margin accounts	6(10)	118,745,730	106,976,333
Investments in financial assets	6(11)		
- Financial assets held for trading		1,281,010,217	1,129,097,515
- Bond investments		1,074,304,531	1,124,595,845
- Other bond investments		967,937,705	873,367,436
- Other equity instruments investments		18,280,046	8,997,392
Refundable deposits	6(12)	62,181,920	69,158,115
Long-term equity investments	6(13)	64,615,980	67,185,377
Investment properties	6(14)	13,049,857	10,956,902
Fixed assets	6(15)	63,072,436	56,591,833
Construction in progress	6(16)	7,632,149	10,422,921
Right-of-use assets		14,346,354	13,965,223
Intangible assets		27,810,496	26,929,076
Goodwill	6(17)	14,338,589	14,769,547
Deferred tax assets	6(18)	66,131,452	72,257,804
Other assets		55,665,031	38,801,668
Total assets		<u>10,836,781,882</u>	<u>10,185,209,916</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Consolidated balance sheet
as at 31 December 2023 (continued)
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

	Note	31 December 2023	31 December 2022 (Restated)
Liabilities and owners' equity			
Liabilities			
Borrowing from central banks	6(20)	273,225,934	119,421,572
Placements from banks and non-bank financial institutions	6(21)	149,558,141	108,378,874
Financial liabilities held for trading	6(22)	88,551,897	94,845,091
Customer brokerage deposits	6(23)	282,720,643	279,246,863
Funds payable to securities issuers		35,356	15,253,774
Derivative financial instruments	6(4)	73,387,551	71,722,279
Trade and other payables	6(24)	338,927,089	340,030,929
Contract liabilities	6(6)	11,608,191	19,507,583
Financial assets sold under repurchase agreements	6(25)	744,571,158	470,477,239
Deposits from banks and non-bank financial institutions and customers	6(26)	6,367,255,231	6,268,676,165
Employee benefits payables	6(27)	51,363,845	50,421,826
Taxes payable	4(3)	10,041,599	18,484,955
Bank and other loans	6(28)	59,541,967	56,438,032
Debt instruments issued	6(29)	1,168,829,353	1,118,870,856
Lease liabilities		15,029,850	14,545,931
Provisions	6(30)	15,187,198	16,268,733
Deferred tax liabilities	6(18)	7,633,884	10,545,812
Other liabilities		28,295,175	18,928,324
Total liabilities		<u>9,685,764,062</u>	<u>9,092,064,838</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Consolidated balance sheet
as at 31 December 2023 (continued)
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

	<i>Note</i>	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Liabilities and owners' equity (continued)			
Owners' equity			
Paid-in capital	6(31)	139,000,000	139,000,000
Capital reserve	6(32)	45,848,544	38,577,993
Other comprehensive income	6(33)	4,771,953	205,088
Surplus reserve	6(34)	15,068,678	13,864,249
General reserve	6(35)	59,264,578	55,492,872
Retained earnings	6(36)	<u>294,286,716</u>	<u>273,368,815</u>
Total equity attributable to owners of the Company		558,240,469	520,509,017
Non-controlling interests		<u>592,777,351</u>	<u>572,636,061</u>
Total owners' equity		<u>1,151,017,820</u>	<u>1,093,145,078</u>
Total liabilities and owners' equity		<u>10,836,781,882</u>	<u>10,185,209,916</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Company balance sheet
as at 31 December 2023
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

	Note	31 December 2023	31 December 2022
Assets			
Cash and deposits	6(1)	3,606,311	2,458,633
Trade and other receivables	6(5)	26,943,838	28,742,124
Loans and advances to customers and other parties	6(9)	327,978	5,393,401
Investments in financial assets	6(11)		
- Financial assets held for trading		3,446,214	4,192,589
Long-term equity investments	6(13)	280,405,900	266,698,157
Fixed assets	6(15)	400,795	443,064
Right-of-use assets		354,598	-
Intangible assets		14,451	15,401
Other assets		20,270	32,661
		<u>315,520,355</u>	<u>307,976,030</u>
Total assets			
Liabilities and owners' equity			
Liabilities			
Trade and other payables	6(24)	39,077,333	29,903,217
Bank and other loans	6(28)	6,978,057	6,993,219
Debt instruments issued	6(29)	31,056,940	33,053,704
Lease liabilities		360,044	-
Deferred tax liabilities		3,243	146,095
Other liabilities		830,812	999,370
		<u>78,306,429</u>	<u>71,095,605</u>
Total liabilities			

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Company balance sheet
as at 31 December 2023 (continued)
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

	<i>Note</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Liabilities and owners' equity (continued)			
Owners' equity			
Paid-in capital	6(31)	139,000,000	139,000,000
Capital reserve	6(32)	56,903,307	49,610,809
Other comprehensive income	6(33)	465,811	540,892
Surplus reserve	6(34)	15,068,678	13,864,249
Retained earnings	6(36)	<u>25,776,130</u>	<u>33,864,475</u>
Total owners' equity		<u>237,213,926</u>	<u>236,880,425</u>
Total liabilities and owners' equity		<u>315,520,355</u>	<u>307,976,030</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Consolidated income statement
as at 31 December 2023
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

<i>Item</i>	<i>Note</i>	<i>2023</i>	<i>2022</i> (Restated)
Operating income	6(37)	365,848,375	373,946,601
Including: Operating income from non-financial services business		100,066,785	108,776,485
Net interest income		149,018,029	158,024,433
Net fee and commission income		61,663,236	65,242,957
Other income from financial services business		55,100,325	41,902,726
Less: Total operating costs	6(39)	265,481,029	276,401,218
Including: Operating costs	6(38)	84,562,722	89,039,904
Taxes and surcharges		3,402,991	3,538,257
Selling and distribution expenses		1,746,765	2,772,657
General and administrative expenses		102,159,479	92,981,963
Research and development expenses		1,973,844	2,399,223
Financial expenses/ (income)	6(40)	1,467,887	(503,969)
Including: Interest expenses		2,909,784	2,986,774
Interest income		564,918	590,662
Expected credit losses	6(41)	65,393,951	78,978,767
Impairment losses	6(42)	4,773,390	7,194,416
Add: Gain/ (loss) from changes in fair value	6(43)	859,097	(440,762)
Investment income	6(44)	1,793,820	12,990,263
Including: Investment income from associates and joint ventures		660,679	530,627
Assets disposal gain	6(45)	138,692	22,145
Other gain		806,816	645,525
Operating profit		103,965,771	110,762,554
Add: Non-operating income		2,071,689	1,291,256
Less: Non-operating expenses		584,715	270,213
Profit before income tax	6(39)	105,452,745	111,783,597
Less: Income tax expense	6(46)	14,514,525	17,374,587
Net profit for the year		90,938,220	94,409,010
Attributable to:			
Owners of the Company		44,969,448	54,054,132
Non-controlling interests		45,968,772	40,354,878

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Consolidated income statement
as at 31 December 2023 (continued)
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

	Note	2023	2022 (Restated)
Other comprehensive income/ (loss) net of tax	6(47)	7,267,250	(3,086,232)
Attributable to equity owners of the Company		4,482,435	(2,842,428)
Items that may be reclassified subsequently to profit or loss:			
1. Share of other comprehensive income/ (loss) of the equity-accounted investee that may be reclassified to profit or loss		874,779	(1,920,832)
2. Fair value changes on other bond investments		3,176,689	(5,214,134)
3. Allowance on other bond investments		(270,793)	137,648
4. Effective hedging portion of gains or losses arising from cash flow hedging instruments		(541)	(4,304)
5. Revaluation gain on owner-occupied property reclassified as investment property		3,994	4,381
6. Exchange differences on translation of financial statements and others		874,762	4,010,874
Items that will not be reclassified subsequently to profit or loss:			
1. Fair value changes on investments in other equity instruments		<u>(176,455)</u>	<u>143,939</u>
Attributable to non-controlling interests		<u>2,784,815</u>	<u>(243,804)</u>
Total comprehensive income for the year		98,205,470	91,322,778
Attributable to:			
Owners of the Company		49,451,883	51,211,704
Non-controlling interests		<u>48,753,587</u>	<u>40,111,074</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Company income statement
as at 31 December 2023
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

<i>Item</i>	<i>Note</i>	<i>2023</i>	<i>2022</i>
Operating income	6(37)	14,870,158	17,373,444
Including: Net interest income		113,556	152,693
Net fee and commission income		4,117	4,399
Other income from financial services business		14,752,485	17,216,352
Less: Total operating costs		2,985,003	2,861,781
Including: Taxes and surcharges		227,649	39,924
General and administrative expenses		1,050,667	1,064,042
Financial expenses	6(40)	1,741,134	1,730,869
Including: Interest expense		1,768,002	1,763,256
Interest income		49,009	57,902
Impairment losses		-	83,465
Expected credit losses		(34,447)	(56,519)
Add: Assets disposal gain		(274)	-
Operating profit		11,884,881	14,511,663
Add: Non-operating income		19,019	-
Less: Non-operating expenses		1,871	1,125
Profit before income tax		11,902,029	14,510,538
Less: Income tax expense	6(46)	(142,257)	(845,219)
Net profit for the year		12,044,286	15,355,757
Other comprehensive income net of tax	6(47)	(97,909)	(1,271,304)
Items that may be reclassified to profit or loss:			
Share of other comprehensive income of the equity-accounted investee that may be reclassified to profit or loss		(97,909)	(1,271,304)
Total comprehensive income for the year		11,946,377	14,084,453

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Consolidated cash flow statement
as at 31 December 2023
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

<i>Item</i>	<i>Note</i>	<i>2023</i>	<i>2022</i> <i>(Restated)</i>
Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		99,011,556	109,511,679
Net decrease in deposits with banks and non-bank financial institutions		-	9,790,306
Net increase in deposits from customers		285,433,464	339,154,711
Net decrease in deposits with central banks		8,707,379	-
Net increase in borrowing from central banks		152,670,400	-
Net decrease in placements with banks and non-bank financial institutions		5,305,154	-
Net increase in placements from banks and non-bank financial institutions		42,848,602	-
Interests, fee and commission received		417,879,952	408,887,259
Net increase in sales of repurchased financial assets		245,599,047	120,301,637
Net decrease in financial assets held under resale agreements		-	78,191,671
Net decrease in investments in financial assets		-	29,383,879
Net decrease in margin accounts		-	6,298,412
Net increase in financial liabilities held for trading		4,637	-
Net increase in customer brokerage deposits		4,460,273	6,024,204
Refund of taxes		1,279,819	1,973,073
Cash received from other operating activities		<u>41,219,372</u>	<u>79,370,109</u>
Sub-total of cash inflows from operating activities		<u>1,304,419,655</u>	<u>1,188,886,940</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Consolidated cash flow statement
as at 31 December 2023 (continued)
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

<i>Item</i>	<i>Note</i>	<i>2023</i>	<i>2022</i> (Restated)
Cash flows from operating activities: (continued)			
Cash paid for goods and services		(81,102,671)	(89,539,624)
Net increase in loans and advance to customers and other parties		(377,447,209)	(345,898,920)
Net increase in deposits with central banks		-	(3,363,467)
Net decrease in borrowing from central banks		-	(69,147,437)
Net increase in deposits with banks and non-bank financial institutions		(1,119,126)	-
Net decrease in deposits from banks and non-bank financial institutions		(209,525,522)	(59,125,598)
Net increase in deposits with banks and other financial institutions		-	(86,442,429)
Net decrease in deposits from banks and non-bank financial institutions		-	(7,070,873)
Net increase in financial assets held under resale agreements		(88,488,084)	-
Net increase in investments in financial assets		(163,737,235)	-
Net increase in margin accounts		(11,382,348)	-
Net decrease in financial liabilities held for trading		-	(680,247)
Interests, fee and commission paid		(160,299,704)	(146,464,099)
Cash paid to and on behalf of employees		(68,526,911)	(61,190,178)
Cash paid for various taxes		(48,993,216)	(51,255,169)
Cash paid for other operating activities		<u>(132,157,817)</u>	<u>(113,491,372)</u>
Sub-total of cash outflows from operating activities		<u>(1,342,779,843)</u>	<u>(1,033,669,413)</u>
Net cash flows (used in)/generated from operating activities	6(48)(a)	<u>(38,360,188)</u>	<u>155,217,527</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Consolidated cash flow statement
as at 31 December 2023 (continued)
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

<i>Item</i>	<i>Note</i>	<i>2023</i>	<i>2022</i> (Restated)
Cash flows from investing activities:			
Cash received from disposal of financial investments		2,808,227,059	2,599,629,519
Cash received from returns on investments		4,503,991	3,689,959
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		302,192	232,964
Net cash received from disposal of associates and joint ventures		181,868	925,682
Net cash received from acquisition of subsidiaries		-	426,350,593
Cash received from other investing activities		<u>986,620</u>	<u>686,217</u>
Sub-total of cash inflows from investing activities		<u>2,814,201,730</u>	<u>3,031,514,934</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		(17,438,033)	(11,895,775)
Cash paid for acquisition of financial investments		(2,815,650,299)	(2,706,071,674)
Net cash payment for disposal of subsidiaries		(825)	(1,011)
Net cash payment for acquisition of subsidiaries		(411,186)	-
Net cash payment for acquisition of associates and joint ventures		(49,000)	(4,518,869)
Cash paid for other investing activities		<u>(629,016)</u>	<u>(1,073,077)</u>
Sub-total of cash outflows from investing activities		<u>(2,834,178,359)</u>	<u>(2,723,560,406)</u>
Net cash flows (used in)/generated from investing activities		<u>(19,976,629)</u>	<u>307,954,528</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Consolidated cash flow statement
as at 31 December 2023 (continued)
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

Item	Note	2023	2022 (Restated)
Cash flows from financing activities:			
Cash received from capital contributions (Including: Cash received by subsidiaries from non-controlling interests)		125,773	100,107
		125,773	100,107
Cash received from new banks and other loans		132,388,393	50,785,432
Cash received from issuance of new debt instruments		1,340,776,847	903,159,694
Cash received from issue of other equity instruments by subsidiaries		3,000,000	3,990,041
Cash received from other financing activities		<u>202,227</u>	<u>313,788</u>
Sub-total of cash inflows from financing activities		<u>1,476,493,240</u>	<u>958,349,062</u>
Cash paid for repayment of banks and other loans and debt instruments issued		(1,424,118,582)	(987,423,075)
Principal and interest elements of lease payment		(4,846,604)	(4,281,692)
Cash paid for dividends, profit distributions or interest (Including: Dividends and profits paid by subsidiaries to non-controlling interests)		(63,851,323)	(63,724,720)
		(20,238,600)	(18,344,912)
Transactions with non-controlling interests		(1,706,829)	(5,767)
Cash paid for other financing activities (Including: repayment of perpetual capital securities)		(4,494,213)	(887,622)
		<u>(3,516,345)</u>	<u>-</u>
Sub-total of cash outflows from financing activities		<u>(1,499,017,551)</u>	<u>(1,056,322,876)</u>
Net cash flows used in financing activities		<u>(22,524,311)</u>	<u>(97,973,814)</u>
Effect of foreign exchange rate changes on cash and cash equivalents		<u>3,727,070</u>	<u>10,422,761</u>
Net (decrease)/increase in cash and cash equivalents	6(48)(b)	(77,134,058)	375,621,002
Add: Cash and cash equivalents at the beginning of the year	6(48)(b)	<u>651,869,370</u>	<u>276,248,368</u>
Cash and cash equivalents at the end of the year	6(48)(c)	<u>574,735,312</u>	<u>651,869,370</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Company cash flow statement
as at 31 December 2023
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

<i>Item</i>	<i>Note</i>	<i>2023</i>	<i>2022</i>
Cash flows from operating activities:			
Interests, fee and commission received		180,069	177,567
Cash received from other operating activities		<u>17,139,428</u>	<u>14,115,686</u>
Sub-total of cash inflows from operating activities		<u>17,319,497</u>	<u>14,293,253</u>
Interests, fee and commission paid		(8,692)	(9,548)
Cash paid for various taxes		(230,237)	(182,304)
Cash paid for other operating activities		<u>(2,056,983)</u>	<u>(1,234,527)</u>
Sub-total of cash outflows from operating activities		<u>(2,295,912)</u>	<u>(1,426,379)</u>
Net cash flows generated from operating activities	6(48)(a)	<u>15,023,585</u>	<u>12,866,874</u>
Cash flows from investing activities:			
Cash received from disposal of investments		42,651,718	11,063,007
Cash received from profits of investments		<u>273,500</u>	<u>395,821</u>
Sub-total of cash inflows from investing activities		<u>42,925,218</u>	<u>11,458,828</u>
Cash paid for acquisition of investments		(42,142,049)	(19,756,821)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		(6,160)	(1,551)
Entrusted loans granted to subsidiaries		<u>(700,000)</u>	<u>(4,280,000)</u>
Sub-total of cash outflows from investing activities		<u>(42,848,209)</u>	<u>(24,038,372)</u>
Net cash flows generated from/(used in) investing activities		<u>77,009</u>	<u>(12,579,544)</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Company cash flow statement
as at 31 December 2023 (continued)
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

<i>Item</i>	<i>Note</i>	<i>2023</i>	<i>2022</i>
Cash flows from financing activities:			
Cash received from issuance of new debt instruments		10,000,000	-
Cash received from new bank and other loans		<u>10,000,000</u>	<u>11,000,000</u>
Sub-total of cash inflows from financing activities		<u>20,000,000</u>	<u>11,000,000</u>
Cash paid for repayment of bank and other loans and debt instruments issued		(22,014,000)	(15,514,000)
Interest paid		(1,756,973)	(2,055,579)
Cash paid for dividends or profit distributions		(9,500,000)	(10,040,276)
Cash paid for other financing activities		<u>(194,245)</u>	<u>(382)</u>
Sub-total of cash outflows from financing activities		<u>(33,465,218)</u>	<u>(27,610,237)</u>
Net cash flows used in financing activities		<u>(13,465,218)</u>	<u>(16,610,237)</u>
Effect of foreign exchange rate changes on cash and cash equivalents		<u>11,557</u>	<u>34,586</u>
Net increase/ (decrease) in cash and cash equivalents	6(48)(b)	1,646,933	(16,288,321)
Add: Cash and cash equivalents at the beginning of the year	6(48)(b)	<u>1,954,500</u>	<u>18,242,821</u>
Cash and cash equivalents at the end of the year	6(48)(c)	<u>3,601,433</u>	<u>1,954,500</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Consolidated statement of changes in owners' equity
as at 31 December 2023
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

Item	Note	Attributable to owners of the Company						Sub-total	Non-controlling interests	Total
		Paid-in capital	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings			
Balance at 1 January 2023 (restated)		139,000,000	38,577,993	205,088	13,864,249	55,492,872	273,368,815	520,509,017	572,636,061	1,093,145,078
Movements for the year ended 31 December 2023										
Total comprehensive income										
Net profit		-	-	-	-	-	44,969,448	44,969,448	45,968,772	90,938,220
Other comprehensive income		-	-	4,482,435	-	-	-	4,482,435	2,784,815	7,267,250
Total comprehensive income		-	-	4,482,435	-	-	44,969,448	49,451,883	48,753,587	98,205,470
Capital contribution and withdrawal by owners										
1. Capital contribution/ (withdrawal) by owners		-	7,292,498	-	-	-	-	7,292,498	(7,302,274)	(9,776)
2. Transactions with non-controlling interests	6(59)	-	-	-	-	-	-	-	(1,700,522)	(1,700,522)
3. Other equity instruments issued by subsidiaries		-	-	-	-	-	-	-	3,000,000	3,000,000
4. Other equity instruments redeemed by subsidiaries		-	-	-	-	-	-	-	(3,505,933)	(3,505,933)
Profit distribution										
1. Appropriation to surplus reserve	6(34)	-	-	-	1,204,429	-	(1,204,429)	-	-	-
2. Appropriation to general reserve	6(35)	-	-	-	-	3,771,706	(3,771,706)	-	-	-
3. Profit distribution to owners	6(36)	-	-	-	-	-	(18,905,373)	(18,905,373)	(19,209,977)	(38,115,350)
Internal transfer of equity:										
Disposal of equity investments at fair value through other comprehensive income		-	-	84,430	-	-	(84,430)	-	-	-
Business combination under common control	6(58)	-	(100,933)	-	-	-	(85,609)	(186,542)	-	(186,542)
Others		-	78,986	-	-	-	-	78,986	106,409	185,395
Balance at 31 December 2023		139,000,000	45,848,544	4,771,953	15,068,678	59,264,578	294,286,716	558,240,469	592,777,351	1,151,017,820

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Consolidated statement of changes in owners' equity (continued)
as at 31 December 2022
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

Item	Note	Attributable to owners of the Company						Sub-total	Non-controlling interests	Total
		Paid-in capital	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings			
Balance at 31 December 2021		139,000,000	40,192,177	3,003,336	12,328,674	51,320,806	241,402,377	487,247,370	331,027,224	818,274,594
Business combination under common control	6(58)	-	134,272	-	-	-	124,173	258,445	308,996	567,441
Balance at 1 January 2022		<u>139,000,000</u>	<u>40,326,449</u>	<u>3,003,336</u>	<u>12,328,674</u>	<u>51,320,806</u>	<u>241,526,550</u>	<u>487,505,815</u>	<u>331,336,220</u>	<u>818,842,035</u>
Movements for the year ended 31 December 2022										
Total comprehensive income		-	-	-	-	-	54,054,132	54,054,132	40,354,878	94,409,010
Net profit		-	-	-	-	-	54,054,132	54,054,132	40,354,878	94,409,010
Other comprehensive loss		-	-	(2,842,428)	-	-	-	(2,842,428)	(243,804)	(3,086,232)
Total comprehensive income		-	-	(2,842,428)	-	-	54,054,132	51,211,704	40,111,074	91,322,778
Capital contribution and withdrawal by owners										
1. Capital contribution by owners		-	-	-	-	-	-	-	100,107	100,107
2. Acquisition of non-wholly owned subsidiaries and transfer out capital reserve of equity method		-	(1,728,993)	-	-	-	-	(1,728,993)	215,439,336	213,710,343
3. Disposal of subsidiaries		-	-	-	-	-	-	-	(37,188)	(37,188)
4. Other equity instruments issued by subsidiaries		-	-	-	-	-	-	-	3,990,041	3,990,041
Profit distribution										
1. Appropriation to surplus reserve	6(34)	-	-	-	1,535,575	-	(1,535,575)	-	-	-
2. Appropriation to general reserve	6(35)	-	-	-	-	4,172,066	(4,172,066)	-	-	-
3. Profit distribution to owners	6(36)	-	-	-	-	-	(16,460,046)	(16,460,046)	(18,344,912)	(34,804,958)
Internal transfer of equity:										
Disposal of equity investments at fair value through other comprehensive income		-	-	44,180	-	-	(44,180)	-	-	-
Others		-	(19,463)	-	-	-	-	(19,463)	41,383	21,920
Balance at 31 December 2022		<u>139,000,000</u>	<u>38,577,993</u>	<u>205,088</u>	<u>13,864,249</u>	<u>55,492,872</u>	<u>273,368,815</u>	<u>520,509,017</u>	<u>572,636,061</u>	<u>1,093,145,078</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC Corporation Limited
Company statement of changes in owners' equity
as at 31 December 2023 and 2022
(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

<i>Item</i>	<i>Note</i>	<i>Paid-in capital</i>	<i>Capital reserve</i>	<i>Other comprehensive income</i>	<i>Surplus reserve</i>	<i>Retained earnings</i>	<i>Total</i>
Balance at 1 January 2023		139,000,000	49,610,809	540,892	13,864,249	33,864,475	236,880,425
Movements for the year ended 31 December 2023							
Total comprehensive income		-	-	(97,909)	-	12,044,286	11,946,377
Capital contribution by owners		-	7,292,498	-	-	-	7,292,498
Appropriation to surplus reserve	6(34)	-	-	-	1,204,429	(1,204,429)	-
Profit distribution to owners	6(36)	-	-	-	-	(18,905,374)	(18,905,374)
Net amounts in other comprehensive income transferred to profit or loss		-	-	22,828	-	(22,828)	-
Balance at 31 December 2023		<u>139,000,000</u>	<u>56,903,307</u>	<u>465,811</u>	<u>15,068,678</u>	<u>25,776,130</u>	<u>237,213,926</u>
Balance at 1 January 2022		139,000,000	49,706,126	1,812,196	12,328,674	36,386,456	239,233,452
Movements for the year ended 31 December 2022							
Total comprehensive income		-	-	(1,271,304)	-	15,355,757	14,084,453
Appropriation to surplus reserve	6(34)	-	-	-	1,535,575	(1,535,575)	-
Profit distribution to owners	6(36)	-	-	-	-	(16,342,163)	(16,342,163)
Diluted share of net assets in associates		-	(95,317)	-	-	-	(95,317)
Balance at 31 December 2022		<u>139,000,000</u>	<u>49,610,809</u>	<u>540,892</u>	<u>13,864,249</u>	<u>33,864,475</u>	<u>236,880,425</u>

The notes on pages 18 to 171 form part of these financial statements.

CITIC CORPORATION LIMITED

Notes to the financial statements

(Expressed in thousands of Renminbi Yuan unless otherwise indicated)

1 General information

CITIC Corporation Limited (formerly known as “CITIC Limited” and herein referred to as “the Company”) was jointly established by CITIC Group Corporation (“CITIC Group”) and Beijing CITIC Enterprise Management Company Limited (a wholly-owned subsidiary of CITIC Group, “CITIC Enterprise Management”) on 27 December 2011 and obtained a business license (No. 100000000044124(4-1)) issued by the State Administration of Industry and Commerce of the Peoples Republic of China (“PRC”). The Company’s head office is located in Beijing and its registered address is 89-102 Floor, CITIC Building, Builyinxiang ding, 10 Guanghua Road, Chaoyang District, Beijing. The registered capital of the Company is RMB139 billion.

CITIC Pacific Limited (“Former CITIC Pacific”) is incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited. The Company held 57.51% equity interests in Former CITIC Pacific through its overseas wholly-owned subsidiaries. The Company’s overseas wholly-owned subsidiaries transferred their shares of Former CITIC Pacific to certain overseas wholly-owned subsidiaries of CITIC Group on 8 May 2014.

On 16 April 2014, CITIC Group, CITIC Enterprise Management and Former CITIC Pacific entered into a share transfer agreement, pursuant to which Former CITIC Pacific acquired 100% equity interests in the Company from CITIC Group and CITIC Enterprise Management (“the Acquisition”). The Acquisition was completed on 25 August 2014. Upon the completion of the Acquisition, the name of the Company was changed from CITIC Limited to CITIC Corporation Limited and the name of Former CITIC Pacific was changed from CITIC Pacific Limited to CITIC Limited (“CITIC Limited”). The Company became a wholly-owned subsidiary of CITIC Limited.

The Company and its subsidiaries (“the Group”) is principally engaged in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption, new-type urbanisation and other businesses.

Details of the additions and reductions of subsidiaries of the Group during the reporting period are set out in Note 5.

Approved by the board of directors on 28 March 2024.

2 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis.

(1) Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance (“MOF”) of the PRC. These financial statements truly and completely present the consolidated and the Company’s financial position as at 31 December 2023, and their financial performance and cash flows for the year then ended.

(2) Accounting year

The accounting year of the Group is from 1 January to 31 December.

(3) Functional currency and presentation currency

The functional currency of the Company is Renminbi and these financial statements are presented in Renminbi. The functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled. Some of the Company's subsidiaries have functional currencies that are different from the Company's functional currency. Their financial statements have been translated based on the accounting policy set out in Note 3(2).

3 Material accounting policies and accounting estimates

(1) Business combinations and consolidated financial statements

(a) Business combinations involving entities under common control

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

(b) Business combinations not involving entities under common control

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

(c) Consolidated financial statements

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries, as well as structured entities controlled by the Group. Control exists when the investor has all of the following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where a subsidiary was acquired during the reporting period, through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated. In the preparation of the consolidated financial statements, the subsidiary's assets and liabilities based on their carrying amounts in the financial statements of the ultimate controlling party are included in the consolidated balance sheet, and financial performance is included in the consolidated income statement, respectively, from the date that the ultimate parent company of the Company obtains the control of the subsidiary to be consolidated.

Where a subsidiary was acquired during the reporting period, through a business combination not involving entities under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date. For a business combination not involving entities under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date and recognises any resulting difference between the fair value and the carrying amount as investment income for the current period. In addition, any amount recognised in other comprehensive income that can be reclassified to profit or loss, in prior reporting periods relating to the previously-held equity interest, and any other changes in the owners' equity under equity, are transferred to investment income in the period in which the acquisition occurs.

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the non-controlling interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve (capital surplus) in the consolidated balance sheet, with any excess adjusted to retained earnings.

When the Group loses control of a subsidiary due to the disposal of a portion of an equity investment, the Group derecognises assets, liabilities, non-controlling interests and other related items in owners' equity in relation to that subsidiary. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any resulting gains or losses are recognised as investment income of the current period.

Non-controlling interests are presented separately in the consolidated balance sheet within owners' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in the financial statements.

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

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

(2) Translation of foreign currencies

Foreign currency transactions are, on initial recognition, translated by applying the foreign exchange rates ruling at the transaction dates. Monetary items denominated in foreign currencies are translated at the foreign exchange rates ruling at the reporting date, the resulting exchange differences are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates ruling at the transaction dates. Non-monetary items that are measured at fair value in a foreign currency are translated using the foreign exchange rates ruling at the dates the fair value was determined. The exchange differences are recognised in profit or loss.

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

Income and expenses in the profit or loss are translated into Renminbi at the foreign exchange rates or the rates that approximate the foreign exchange rates at the transaction dates. The resulting exchange differences are presented as "Other comprehensive income" in the consolidated balance sheet within the shareholder's equity. The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency are reported in the statement of cash flows.

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

(3) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdrawn on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

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

(4) Inventories

(a) Advanced intelligent manufacturing, Advanced materials

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

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

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

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

(b) New-type urbanisation

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

- Property under development

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

- Completed property held for sale

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

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(5) Long-term equity investments

(a) Investments in subsidiaries

Investments in subsidiaries are measured as follows:

- The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amounts of the consideration given is adjusted to the share premium in the capital reserve, when there is not enough share premium, the adjustment is made to retained earnings.
- For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving entities under common control and achieved in stages, the initial cost comprises the carrying value of the previously-held equity investment in the acquiree immediately before acquisition date, and the additional investment cost at the acquisition date.
- An investment in a subsidiary acquired otherwise than through a business combination is initially recognised in accordance with the principles described in: at the amount of cash paid if the Company acquires the investment by cash or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the subsidiary as investment income in the current period. The investments in subsidiaries are stated in the balance sheet at cost less impairment losses.

(b) Investments in joint ventures and associates

A joint venture is a joint arrangement which is structured through a separate vehicle over which the Group has joint control together with other parties and only has rights to the net assets of the arrangement based on legal forms, contractual terms and other facts and circumstances; An associate is the investee over which the Group has significant influence on its financial and operating policy decisions.

An investment in a joint venture or an associate is initially recognised in accordance with the following principles: at the amount of cash paid if the Group acquires the investment by cash or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

An investment in a joint venture or an associate is accounted for using the equity method, unless the investment is classified as held for sale.

Under the equity method:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After the acquisition of the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income, as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.
- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.
- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The Group makes provision for impairment of investments in long-term equity investments in accordance with the principles described in Note 3(13).

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

(6) Investment properties

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

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

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

(7) Fixed assets and construction in progress

Fixed assets represent the tangible assets held by the Group for use in the production of goods, supply of services, for rental to others or for administrative purposes with useful lives over one year.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses. Construction in progress is stated in the balance sheet at cost less impairment losses.

Fixed assets shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs, and any other costs directly attributable to bringing the asset to working condition for its intended use. Costs of environmental protection and ecological restoration arising from obligations incurred when fixed assets are disposed of are included in the initial cost of fixed assets.

Construction in progress is transferred to fixed assets when it is ready for its intended use. No depreciation is provided against construction in progress.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets if the criteria to recognise fixed assets are satisfied, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

The cost of fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over their estimated useful lives, unless the fixed asset is classified as held for sale.

The estimated useful lives and residual rates of each class of fixed assets are as follows:

	<i>Estimated useful life</i>	<i>Residual rate</i>
Plant and buildings	10 - 50 years	5%
Machinery and equipment	3 - 26 years	5%
Office equipment and other equipment, vehicles and vessels	3 - 10 years	0 - 15%
Others	3 - 10 years	0 - 10%

Useful lives, residual value and depreciation methods of fixed assets are reviewed at least at each year-end.

(8) Leases

The Group recognises the leases as a ROU asset and a corresponding liability by the lessee at the commencement date.

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

(a) Lease liabilities

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

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

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

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

To determine the incremental borrowing rate, the Group:

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

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

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

(b) ROU assets

ROU assets are measured at cost comprising the following:

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

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

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

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

(9) Intangible assets

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

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

- Land use rights Over the estimated useful lives of 10 - 70 years
- Mining assets Over the estimated useful lives using the unit-of-production method
- Franchise rights Over the estimated useful lives of the franchise right
- Software Over the estimated useful lives of the software

Both the period and method of amortisation are reviewed by the Group annually.

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

(10) Goodwill

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

Impairment losses on goodwill can not be reversed in the future.

(11) Held for sale and discontinued operations

A non-current asset or a disposal group is classified as held for sale when all of the following conditions are satisfied: (1) the non-current asset or the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such non-current asset or disposal group; (2) the Group has entered a legally enforceable sales agreement with other party and obtained relevant approval, and the sales transaction is expected to be completed within one year.

Non-current assets (except for financial assets, investment properties measured at fair value and deferred tax assets) that meet the recognition criteria for held for sale are recognised at the amount equal to the lower of the fair value less costs to sell and the carrying amount, any excess of the original carrying amount over the fair value less costs to sell is recognised as asset impairment losses.

Such non-current assets and assets and liabilities included in disposal groups classified as held for sale are classified as current assets and current liabilities respectively, and are separately presented in the balance sheet.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and is separately identifiable operationally and for financial reporting purposes, and satisfies one of the following conditions:

- (1) represents a separate major line of business or geographical area of operations;
- (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;
- (3) is a subsidiary acquired exclusively with a view to resale.

The net profit from discontinued operations in the income statement includes operating profit or loss and disposal gains or losses of discontinued operations.

(12) Financial instruments

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

(a) Financial assets

(i) Classification and Measurement

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

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

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

Debt instruments

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

- Amortised cost:

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

- FVOCI:

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

- FVPL:

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

Equity instruments

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

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

(ii) Impairment

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

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

For notes receivable, accounts receivable and contract assets, whether there is significant financing component or not, the Group recognises life-time ECL.

Except for the above notes receivable, accounts receivable and contract assets, at each balance sheet date, the Group calculates the ECL of financial instruments in different stages. Stage 1 refers to financial instruments that have not had a significant increase in credit risk since initial recognition, which recognise the 12-month ECL; Stage 2 refers to financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment, which recognise the life-time ECL; Stage 3 refers to financial assets for which there are objective evidence of impairment at the reporting date since initial recognition, which recognise the life-time ECL.

For the financial instruments with low credit risk as at the balance sheet date, the Group assumes there is no significant increase in credit risk since initial recognition. The Group determines them as the financial instruments in Stage 1 and recognises the 12-month ECL.

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

The Group recognises the provision or reversal for losses in profit or loss for the current period. For debt instruments classified as fair value through other comprehensive income, the Group recognises the impairment loss or gain in profit or loss and at the same time adjusts other comprehensive income.

(iii) Derecognition

The Group derecognises a financial asset if the portion being considered for derecognition meets one of the following conditions:

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

When the Group's equity instruments at FVOCI are derecognised, the difference between the carrying amount and the consideration is recognised in retained earnings, also, the cumulative gains or losses previously recognised in other comprehensive income are recycled to the retained earnings; for other financial assets, the difference between the carrying amount and the aggregate amount of consideration and accumulated fair value gain or loss recognised in other comprehensive income is recognised in profit and loss.

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

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

(iv) Modification of investment in financial assets

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

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

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

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

(b) Financial liabilities

The financial liabilities are classified into those measured at amortised cost and those at fair value through profit and loss at initial recognition.

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

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

(c) Financial guarantee contracts

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

- the amount determined in accordance with the expected credit loss model with and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of New Revenue Standard.

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

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

(d) Fair value measurement principles

Fair value measurement principles of financial instruments are set out in Note 3(14).

(e) Offsetting

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

(f) Derivatives

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

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

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

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

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

(13) Impairment of non-financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on the internal and external sources of information to determine whether there is any indication of impairment, including:

- fixed assets
- construction in progress
- ROU
- intangible assets
- goodwill
- long-term equity investments, etc.

If any indication exists, the recoverable amount of the asset is estimated.

In addition, the Group estimates the recoverable amount of intangible assets not ready for use at least annually and the recoverable amounts of goodwill at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group, or set of asset groups, that is expected to benefit from the synergies of the combination for the purpose of impairment testing.

An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets.

The recoverable amount of an asset (or asset group, set of asset groups, same as below) is the higher of its fair value less costs to sell and its present value of expected future cash flows.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly.

Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets (if any) in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

(14) Fair value measurement principles

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

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

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

(15) Employee benefits

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

(a) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance, housing fund, labour union fee and staff and workers' education fee, measured at the amount incurred or at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(b) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Group participated in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions are recognised as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

The Group's employees have joined its annuity scheme which was established by the Group in accordance with policies regarding the state owned enterprise annuity policy. The Group has made annuity contributions in proportion to its employees' gross wages which are expensed in profit or loss when the contributions are made.

The Group also operates defined contribution retirement schemes and Mandatory Provident Fund schemes for certain subsidiaries operating in overseas. Contributions are charged to profit or loss as and when the contribution fall due.

(c) Post-employment benefits - defined benefit plans

Defined benefit plans of the Group are supplementary retirement benefits provided to the domestic employees.

In accordance with the projected unit credit method, the Group measures its obligations under defined benefit plans using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, and discounts obligations under the defined benefit plans to determine the present value of the defined benefit liability.

The Group attributes benefit obligations under a defined benefit plan to periods of service provided by respective employees. Service cost and interest expense on the defined benefit liability are charged to profit or loss or recognised as part of the cost of assets, and remeasurements of defined benefit liability are recognised in other comprehensive income.

(d) Termination benefits

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

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

(16) Income tax

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

The balance sheet liability method is adopted whereby deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; for lease transactions in which the lessee initially recognises lease liabilities and right-of-use assets on the commencement date of the lease term, as well as transactions in which fixed assets are recognised as provisions and corresponding fixed asset costs related to decommissioning obligations, the Group recognises the corresponding deferred income tax liabilities and deferred income tax assets at the time of the transaction for the taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities. In respect of those temporary differences which arise either from goodwill not deductible for tax purposes, or relating to investments in subsidiaries to the extent that the Group controls the timing of the reversal and it is probable that the temporary differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

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

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

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

(17) Financial guarantees issues, provisions and contingent liabilities

(a) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised: (a) less accumulated amortisation where appropriate, (b) the amount that would be determined in accordance with Note 3(17)(b). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with Note 3(17)(b).

(b) Other provisions and contingent liabilities

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

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

(18) Revenue recognition

The Group's revenue mainly includes income from customers, interest income, fee and commission income, etc.

(a) Income from customers

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

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

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

The detailed accounting policies are as follows:

(i) Sales of goods

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

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

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

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

(ii) Services rendered to customers

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

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

(b) Interest Income

Recognition of interest income is referred to Note 3(12) financial instruments for details.

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

(c) Fee and commission income

Fee and commission income is recognised when the Group fulfills its performance obligation, either over time or at a point in time when a customer obtains control of the service, refer to Note 3(18)(a)(ii) for details. Origination or commitment fees received by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate, refer to Note 3(12) for details. If the commitment expires without the Group making a loan or anticipating will not, the fee is recognised as revenue on expiry.

(19) Government grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contribution from the government in the capacity as an investor in the Group. Specific transfers from the government, such as investment grants that have been clearly defined in official documents as part of “capital reserve” are also dealt with as capital contributions, rather than government grants.

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value.

Government grants related to assets refer to government grants which are obtained by the Group for the purposes of purchase, construction or acquisition of the long-term assets. Government grants related to income refer to the government grants other than those related to assets.

Government grants related to assets are either deducted against the carrying amount of the assets, or recorded as deferred income and recognised in profit or loss on a systemic basis over the useful lives of the assets. Government grants related to income that compensate the future costs, expenses or losses are recorded as deferred income and recognised in profit or loss, or deducted against related costs, expenses or losses in reporting the related expenses; government grants related to income that compensate the incurred costs, cost expenses or losses are recognised in profit or loss, or deducted against related costs, expenses or losses directly in current period. The Group applies the presentation method consistently to the similar government grants in the financial statements.

Government grants that are related to ordinary activities are included in operating profit, otherwise, they are recorded in non-operating income or expenses.

For the policy loans with favourable interest rates, the Group records the loans at the actual amounts and calculates the interests by loan principals and the favourable interest rates. The interest subsidies directly received from government are recorded as a reduction of interest expenses.

(20) Special reserve

The Group recognises a safety fund in the specific reserve pursuant to relevant government regulations, with a corresponding increase in the costs of the related products or expense. When the safety fund is subsequently used for revenue expenditure, the specific reserve is reduced accordingly. On utilisation of the safety production fund for fixed assets, the specific reserve is reduced as the fixed assets are recognised, which is the time when the related assets are ready for their intended use; in such cases, an amount that corresponds to the reduction in the specific reserve is recognised in accumulated depreciation. with respect to the related fixed assets. As a consequence, such fixed assets are not depreciated in subsequent periods.

(21) Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset.

Other borrowing costs are recognised as financial expenses when incurred.

During the capitalisation period, the amount of interest (including amortisation of any discount or premium on borrowing) to be capitalised in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense when incurred.

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalization is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, construction or production that are necessary to prepare the asset for its intended use or sale are in progress, and ceases when the assets become ready for their intended use or sale. Capitalisation of borrowing costs is suspended when the acquisition, construction or production activities are interrupted abnormally for a period of more than three months.

(22) Hedging

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

(a) Fair value hedge

A hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss. If the hedged item is an equity instrument for which the Group has elected to present changes in fair value in other comprehensive income, the hedged exposure referred to fair value must be one that could affect other comprehensive income. In that case, and only in that case, the recognised hedge ineffectiveness is presented in other comprehensive income.

The gain or loss on the hedging instrument shall be recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument for which the Group has elected to present changes in fair value in other comprehensive).

The hedging gain or loss on the hedged item shall adjust the carrying amount of the hedged item (if applicable) and be recognised in profit or loss. However, if the hedged item is an equity instrument for which the Group has elected to present changes in fair value in other comprehensive income, those amounts shall remain in other comprehensive income.

(b) Cash flow hedge

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction, and could affect profit or loss.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income. Any remaining gain or loss on the hedging instrument is hedge ineffectiveness that shall be recognised in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the entity shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or the liability. For cash flow hedges other than those covered by the preceding policy statement, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

However, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

When the Group discontinues hedge accounting for a cash flow hedge, it shall account for the amount that has been accumulated in the cash flow hedge reserve as follows: if the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedge reserve until the future cash flows occur, if the hedged future cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment .

(c) Hedge of a net investment in a foreign operation

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

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

(d) Hedge effectiveness testing

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

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

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

(23) Profit distributions

Distributions of profit proposed in the profit appropriation plan to be approved after the balance sheet date are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

(24) Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related-party relationships are not regarded as related parties.

(25) Segment reporting

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

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

Business segments are identified based on the Group's internal management requirements as well as following aspects. If two or more business segments or regional segments satisfy the following conditions at the same time, they may be merged:

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

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

(26) Material accounting estimates and judgements

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

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

(a) Classification of financial assets

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

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

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

(b) Measurement of ECL

Measurement of ECL for financial assets at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 6(50)(a).

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

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;

- Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in Note 6(50)(a).

(c) Provision for inventories

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

(d) Impairment of non-financial assets

Goodwill and assets with any indication of impairment such as fixed assets, intangible assets, ROU assets and interests in associates and joint ventures are reviewed at each balance sheet date to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised.

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

(e) Depreciation and amortisation of fixed assets and intangible assets

Fixed assets and intangible assets with limited useful lives are depreciated and amortised over their useful lives after taking into account residual value. The useful lives of the assets are regularly reviewed to determine the depreciation and amortisation costs charged in each reporting period. The useful lives of the assets are determined based on historical experience of similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

(f) Fair value of financial instruments

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

(g) Income taxes

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

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

(h) Assets acquired/liabilities assumed in business combination

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

(i) De-recognition of financial assets

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

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

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

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

(j) Control and consolidation

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

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

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

(27) Material changes in accounting policies

In 2023, the Group has adopted "The accounting treatment of deferred tax related to assets and liabilities arising from a single transaction excluded from the scope of the initial recognition exemption" in CAS Bulletin No.16 (Caikuai [2022] No.31) ("CAS Bulletin No.16").

According to the provisions, the Group does not apply the initial recognition exemption under CAS 18 *Income Taxes* to temporary differences arising from the initial recognition of assets or liabilities in a single transaction that is not a business combination, affects neither accounting profits nor taxable profit (or deductible losses) and gives rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. When such transactions occur, the Group recognises the corresponding deferred tax liabilities for the new taxable temporary differences arising from the initial recognition of the transaction in accordance with relevant provisions in CAS 18 *Income Tax*.

In addition, the Group has sufficient deductible temporary differences, for which deferred tax assets have not yet been recognised, in the future periods when the aforementioned new taxable temporary differences are expected to reverse. Therefore, the Group has recognised additional deferred tax assets at the equal amount to the new deferred tax liabilities. The additional deferred tax assets and liabilities meet the conditions for offsetting and are presented on a net basis in the balance sheet. As a result of the net presentation, applying the above provisions does not have a material impact on the financial position or financial performance of the Group.

4 Taxation

- (1) The types of taxes applicable to the Group's sale of goods and rendering of services include value added tax ("VAT") and land appreciation tax.

<u>Tax Name</u>	<u>Tax basis</u>
VAT	Output VAT is 6-13% of product sales and taxable services revenue, based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable. If the simplified tax calculation method is adopted, the VAT payable shall be calculated at the rate of 3% or 5% of the taxable services revenue, and the input tax shall not be deducted.
Land appreciation tax	Appreciation amount in transferring property and applicable tax rate

- (2) Income tax

The statutory income tax rate of the Company for the year ended 31 December 2023 is 25% (2022: 25%).

Except for certain subsidiaries of the Group which are entitled to preferential tax treatment, the statutory income tax rate applicable to the Group's other domestic subsidiaries for the year ended 31 December 2023 is 25% (2022: 25%).

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

- (3) Taxes payable

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Income tax payable	4,772,331	11,998,199
VAT unpayable	3,699,686	4,736,445
Others	<u>1,569,582</u>	<u>1,750,311</u>
	<u>10,041,599</u>	<u>18,484,955</u>

5 Subsidiaries

(1) As at 31 December 2023, the consolidated financial statements included the following subsidiaries:

Name of subsidiary	Place of registration	Principal place of business	Registered principal activities	Registered capital		Percentage of equity attributable to the Company direct / indirect
				In thousands	Currency	
China CITIC Financial Holdings Co., Ltd. ("CITIC Financial Holdings")(note (a))	Chinese mainland	Chinese mainland	Financial services	33,800,000	RMB	100.00%
China CITIC Bank Corporation Limited("CITIC Bank")	Chinese mainland	Chinese mainland	Banking industry	48,966,866	RMB	65.35%
CITIC Securities Co., Ltd. ("CITIC Securities")	Chinese mainland	Chinese mainland	Securities related services	14,820,547	RMB	19.24%
CITIC Trust Co., Ltd.	Chinese mainland	Chinese mainland	Trust industry	11,276,000	RMB	100.00%
CITIC Finance Company Limited	Chinese mainland	Chinese mainland	Financial services	4,751,348	RMB	68.17%
CITIC Consumer Finance Co., Ltd.	Chinese mainland	Chinese mainland	Consumer finance	700,000	RMB	70.00%
CITIC Resources Holdings Limited ("CITIC Resources") (note (b))	Bermuda	Hong Kong	Resources and energy	500,000	HKD	59.50%
CITIC Australia Pty limited	Australia	Australia	Resources and energy	85,882	AUD	100.00%
CITIC Kazakhstan LLP	Kazakhstan	Kazakhstan	Resources and energy	10	USD	100.00%
CITIC Heavy Industries Co., Ltd. ("CITIC Heavy Industries")	Chinese mainland	Chinese mainland	Manufacturing	4,339,419	RMB	67.27%
CITIC Construction Company Limited	Chinese mainland	Chinese mainland	Engineering construction	6,637,000	RMB	100.00%
CITIC Urban Development & Operation Co., Ltd.	Chinese mainland	Chinese mainland	Real estate development	13,680,000	RMB	100.00%
CITIC Heye Investment Co., Ltd.	Chinese mainland	Chinese mainland	Real estate development	2,447,812	RMB	100.00%
CITIC Capital Mansion Co., Ltd.	Chinese mainland	Chinese mainland	Development management	800,000	RMB	100.00%
CITIC Building Property Management Co., Ltd.	Chinese mainland	Chinese mainland	Development management	27,400	RMB	100.00%
CITIC Industrial Investment Group Corp., Ltd.	Chinese mainland	Chinese mainland	Infrastructure and elderly service	2,600,000	RMB	100.00%
CITIC Environment Investment Group Co., Limited	Chinese mainland	Chinese mainland	Energy conservation and environment protection	8,020,000	RMB	100.00%
China Zhonghaizhi Corporation	Chinese mainland	Chinese mainland	General aviation	1,000,000	RMB	51.03%
CITIC Investment Holdings Limited	Chinese mainland	Chinese mainland	Investment and holding	928,000	RMB	100.00%
CITIC Asia Satellite Holding Company Limited (note (c))	British Virgin Islands	Hong Kong	Information industry	100,000	USD	100.00%
CITIC Press Corporation	Chinese mainland	Chinese mainland	Publishing	190,152	RMB	73.50%
CITIC Holdings Co., Ltd.	Chinese mainland	Chinese mainland	Service	65	RMB	100.00%
CITIC Dicastal Company Limited	Chinese mainland	Chinese mainland	Manufacturing	1,971,343	RMB	42.11%

Notes:

- (a) CITIC Financial Holdings was established on 24 March 2022 by the Company. In 2023, the Company gratuitously transferred the equity of its financial subsidiaries to CITIC Financial Holdings.
- (b) CITIC Resources is directly held by CITIC Australia Limited and Keentech Group Limited, a wholly-owned subsidiary of the Group.
- (c) CITIC Asia Satellite Holdings Limited is directly held by CITIC Projects Management (HK) Limited, a wholly-owned subsidiary of the Group.
- (d) There is no material difference between the proportion of the Group's direct and indirect shareholdings in the above subsidiaries and the proportion of the Group's direct and indirect voting rights in them.

(2) Material non-controlling interests

Details of the Group's subsidiaries that have material non-controlling interests ("NCI") are set out below:

<i>Name of subsidiary</i>	<i>Proportion of equity interest held by NCI</i>	<i>Profit for 2023 allocated to NCI</i>	<i>Dividends paid to NCI during 2023</i>	<i>Accumulated balances of NCI at 31 December 2023</i>
CITIC Bank	34.65%	24,266,976	7,831,539	265,970,478
CITIC Securities	80.76%	16,745,112	6,352,025	222,474,467
CITIC Resources	40.50%	261,619	171,938	2,920,894
CITIC Heavy Industries	32.73%	135,735	16,191	2,844,727

<i>Name of subsidiary</i>	<i>Proportion of equity interest held by NCI</i>	<i>Profit for 2022 allocated to NCI</i>	<i>Dividends paid to NCI during 2022</i>	<i>Accumulated balances of NCI at 31 December 2022</i>
CITIC Bank	34.61%	25,472,108	10,371,772	325,869,683
CITIC Securities	84.48%	14,478,104	7,589,173	221,406,944
CITIC Resources	40.50%	520,492	-	2,820,194
CITIC Heavy Industries	32.73%	67,443	34,659	2,706,567

The following table sets forth the key financial information on the above-mentioned subsidiaries. Relevant figures represent amounts before intra-group offsetting conducted by the Group.

<i>Listed in</i>	<u>CITIC Bank</u>		<u>CITIC Heavy Industries</u>		<u>CITIC Resources</u>		<u>CITIC Securities</u>	
	2023	2022	2023	2022	2023	2022	31 December 2022/Combinati on date to 31	
	<i>Hong Kong, Shanghai</i>		<i>Shanghai</i>		<i>Hong Kong</i>		<i>Hong Kong, Shanghai</i>	
Total assets	9,052,483,735	8,547,543,096	18,351,165	19,505,985	10,534,256	11,111,895	1,456,210,828	1,311,382,161
Total liabilities	(8,317,809,703)	(7,861,712,065)	(10,113,472)	(11,663,444)	(3,428,201)	(4,175,036)	(1,181,982,725)	(1,052,793,484)
Operating income	205,896,273	211,392,141	9,556,531	8,826,996	3,445,123	5,042,784	60,067,993	49,640,258
Net profit	68,061,910	62,950,552	393,780	165,456	557,290	1,203,600	20,379,043	16,953,871
Total comprehensive income	73,636,252	59,251,004	419,116	177,579	492,780	1,028,097	21,454,792	18,090,040
Cash flows from operating activities	(917,154)	195,065,600	1,199,972	1,213,209	1,039,773	1,851,127	(34,132,713)	(13,736,318)

6 Notes to the consolidated financial statements

(1) Cash and deposits

The Group

	31 December 2023	31 December 2022 (Restated)
Cash	4,496,602	5,589,090
Bank deposits	282,023,609	297,557,775
Balances with central banks (note (a))		
- Statutory deposit reserve funds (note (b))	357,686,103	367,350,378
- Surplus deposit reserve funds (note (c))	52,472,703	104,314,918
- Fiscal deposits (note (d))	355,737	298,307
- Foreign exchange reserves (note (e))	2,925,792	1,693,281
Deposits with banks and non-bank financial institutions	84,426,832	84,270,919
	784,387,378	861,074,668
Accrued interest	1,941,299	2,023,621
	786,328,677	863,098,289
Less: allowance for impairment losses on deposits with banks and non-bank financial institutions (Note 6(19))	(56,511)	(98,211)
	786,272,166	863,000,078

Notes:

- (a) The balances with central banks represent deposits placed with central banks by CITIC Bank and CITIC Finance Company Limited (“CITIC Finance”).
- (b) CITIC Bank and CITIC Finance place statutory deposit reserve funds with the People’s Bank of China and overseas central banks where they have operations. The statutory deposit reserve funds are not available for use in their daily business.

As at 31 December 2023, the statutory deposit reserve funds placed by CITIC Bank with the People’s Bank of China was calculated at 7% (31 December 2022: 7.5%) of eligible RMB deposits for domestic branches of CITIC Bank and at 7% (31 December 2022: 7.5%) of eligible RMB deposits from overseas financial institutions respectively. In addition, CITIC Bank was also required to deposit an amount equivalent to 4% (31 December 2022: 6%) of its foreign currency deposits from domestic branch customers as statutory deposit reserve funds.

As at 31 December 2023, the statutory RMB deposit reserve rate applicable to Zhejiang Lin'an CITIC Rural Bank Corporation Limited in Chinese mainland, a subsidiary of CITIC Bank, according to the corresponding regulations of the People's Bank of China, was at 5% (31 December 2022: 5%).

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

As at 31 December 2023, the statutory deposit reserve funds placed by CITIC Finance with the People's Bank of China was calculated at 5% (31 December 2022: 5%) of eligible RMB deposits from the customers of CITIC Finance. CITIC Finance is also required to deposit an amount equivalent to 6% (31 December 2022: 6%) of its foreign currency deposits from the customers as statutory deposit reserve funds.

- (c) The surplus deposit reserve funds are maintained with the People's Bank of China for the purposes of clearing.
- (d) Fiscal deposits placed with the People's Bank of China that are not available for use in the Group's daily operations, and are non-interest bearing (unless otherwise stipulated by the local People's Bank of China).
- (e) The foreign exchange reserve is maintained by CITIC Bank with the People's Bank of China in accordance with the related notice issued by the People's Bank of China. The reserve is provided as of 20% of customer-driven foreign exchange forward transactions volume on a monthly basis. Such foreign exchange reserve is non-interest bearing and will be repayable in 12 months according to the notice.
- (f) In addition to the statutory deposit reserve funds, fiscal deposits and foreign exchange reserves, RMB9,713 million (31 December 2022: RMB8,444 million) included in cash and deposits as at 31 December 2023 are restricted in use, mainly including guaranteed deposits and risk reserve.

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Bank deposits	3,574,308	2,328,805
Other cash balances (note (a))	<u>27,125</u>	<u>125,708</u>
	3,601,433	2,454,513
Accrued interest	<u>4,878</u>	<u>4,120</u>
	<u><u>3,606,311</u></u>	<u><u>2,458,633</u></u>

Note:

- (a) Other cash balances refer to the cash at bank and on hand deposited in the trading accounts of securities companies by the Company.

(2) Settlement reserve

The Group

- (a) By category

	<i>31 December 2023</i>	<i>31 December 2022</i>
Deposit of customer reserve	33,112,291	27,439,624
Deposit of company reserve	12,887,307	14,451,415
	45,999,598	41,891,039

- (b) By currency

	<i>31 December 2023</i>		
	<i>Original currency</i>	<i>Exchange rate</i>	<i>RMB equivalent</i>
General deposit of customer reserve			
RMB	29,537,235	1.00	29,537,235
USD	150,897	7.08	1,068,758
HKD	619,969	0.91	561,829
Other currencies			111,792
			31,279,614
Credit deposit of customer reserve			
RMB	1,832,677	1.00	1,832,677
Total deposit of customer reserve			33,112,291
Self-owned deposit of company reserve			
RMB	12,533,222	1.00	12,533,222
USD	2,824	7.08	19,998
HKD	261,492	0.91	236,969
Other currencies			97,118
Total deposit of company reserve			12,887,307
			45,999,598

	31 December 2022		
	Original currency	Exchange rate	RMB equivalent
General deposit of customer reserve			
RMB	22,592,782	1.00	22,592,782
USD	116,334	6.96	810,222
HKD	817,403	0.89	730,162
Other currencies			170,265
			24,303,431
Credit deposit of customer reserve			
RMB	3,136,193	1.00	3,136,193
Total deposit of customer reserve			27,439,624
Self-owned deposit of company reserve			
RMB	14,190,094	1.00	14,190,094
USD	2,489	6.96	17,334
HKD	173,898	0.89	155,338
Other currencies			88,649
Total deposit of company reserve			14,451,415
			41,891,039

(3) Placements with banks and non-bank financial institutions

The Group

	31 December 2023	31 December 2022
Banks	88,447,278	56,517,139
Non-bank financial institutions	148,150,000	159,939,340
	236,597,278	216,456,479
Accrued interest	1,287,586	1,038,105
	237,884,864	217,494,584
Less: allowance for impairment losses (Note 6(19))	(143,014)	(140,573)
	237,741,850	217,354,011

(4) Derivative financial instruments

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

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

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

The Group

	31 December 2023			31 December 2022		
	Nominal amount	Assets	Liabilities	Nominal amount	Assets	Liabilities
Hedging instruments						
Fair value hedge						
- Interest rate derivatives	5,216,032	167,717	-	600,478	9,243	30
Cash flow hedge						
- Other derivatives	45,942	45,942	-	92,002	92,002	-
Non-hedging instruments						
- Interest rate derivatives	6,881,222,952	24,521,294	24,057,916	4,932,626,781	22,729,891	21,350,960
- Currency derivatives	3,421,667,254	31,857,713	29,082,115	3,327,703,312	33,661,904	33,651,247
- Equity derivatives	681,453,912	18,336,780	16,412,905	507,787,735	19,695,668	11,610,629
- Precious metals derivatives	79,567,286	621,274	1,278,732	35,522,772	250,323	597,780
- Credit derivatives	14,166,896	36,643	47,127	12,110,451	78,606	151,622
- Other derivatives	767,513,853	1,437,105	2,508,756	831,431,631	3,764,361	4,360,011
	<u>11,850,854,127</u>	<u>77,024,468</u>	<u>73,387,551</u>	<u>9,647,875,162</u>	<u>80,281,998</u>	<u>71,722,279</u>

(a) Nominal amount analysed by remaining maturity

	31 December 2023	31 December 2022
Within 3 months	3,984,711,784	3,375,614,752
Between 3 months and 1 year	4,605,128,957	3,190,146,634
Between 1 and 5 years	3,025,714,562	2,537,545,220
Over 5 years	<u>235,298,824</u>	<u>544,568,556</u>
	<u>11,850,854,127</u>	<u>9,647,875,162</u>

(b) Credit risk weighted amounts

The credit risk weighted amounts are solely in connection with the derivatives held by CITIC Bank, and have been computed in accordance with “Regulation Governing Capital of Commercial Banks (provisional)” promulgated by the China Banking Regulatory Commission in the year of 2012, and depends on the status of the counterparties and the maturity characteristics of the instruments including those customer-driven back-to-back transactions. As at 31 December 2023, the credit risk weighted amount for counterparty was RMB28,225 million (31 December 2022: RMB 24,579 million).

(5) Trade and other receivables

The Group

	31 December 2023	31 December 2022 (Restated)
Bills receivables (notes (a), (b) & (d))	2,461,726	1,986,785
Trade receivables (notes (b), (c))	48,427,523	40,403,896
Prepayments (note (e))	12,197,408	11,358,123
Other receivables (note (f))	107,147,731	100,044,818
Dividends receivables	148,290	96,946
Accounts due from brokers	24,488,205	26,731,357
Long-term receivables(note(g))	<u>24,891,357</u>	<u>19,660,242</u>
	219,762,240	200,282,167
Less: allowance for impairment losses (Note 6(19))	<u>(19,981,025)</u>	<u>(15,262,815)</u>
	<u>199,781,215</u>	<u>185,019,352</u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Receivables due from subsidiaries	21,916,768	24,166,762
Long-term receivables	2,919,514	2,884,493
Other receivables	2,815,897	2,849,225
Prepayments	630,321	134,681
Dividends receivables	<u>485,306</u>	<u>511,566</u>
	28,767,806	30,546,727
Less: allowance for impairment losses	<u>(1,823,968)</u>	<u>(1,804,603)</u>
	<u><u>26,943,838</u></u>	<u><u>28,742,124</u></u>

(a) Bills receivables

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Bank acceptance bills	2,359,010	1,600,020
Commercial acceptance bills	<u>102,716</u>	<u>386,765</u>
	<u><u>2,461,726</u></u>	<u><u>1,986,785</u></u>

(b) Overdue analysis of trade and bill receivables at amortised cost

As at the balance sheet date, the analysis of trade and bills receivables at amortised cost of the Group based on the days overdue is as follows:

<i>As at 31 December 2023</i>			
	<i>Expected credit loss rate</i>	<i>Gross carrying amount</i>	<i>Loss allowance provision</i>
Current	4%	27,073,653	(1,049,943)
Up to 3 months overdue	9%	3,702,963	(350,691)
3 months to 1 year overdue	7%	2,592,507	(191,963)
Over 1 year overdue	59%	<u>15,693,466</u>	<u>(9,213,931)</u>
		<u><u>49,062,589</u></u>	<u><u>(10,806,528)</u></u>

	<i>As at 31 December 2022 (restated)</i>		
	<i>Expected credit loss rate</i>	<i>Gross carrying amount</i>	<i>Loss allowance provision</i>
Current	3%	21,612,489	(753,114)
Up to 3 months overdue	4%	1,112,926	(40,641)
3 months to 1 year overdue	4%	2,940,804	(131,997)
Over 1 year overdue	55%	15,564,432	(8,530,035)
		41,230,651	(9,455,787)

Note:

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

(c) Trade receivables at amortised cost

(i) Ageing analysis

the ageing analysis of account receivables at amortised cost of the Group based on invoice date is as follows:

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Within 1 year (inclusive)	26,287,913	20,239,132
Between 1 and 2 years (inclusive)	4,997,247	5,980,855
Between 2 and 3 years (inclusive)	3,386,657	2,942,317
Over 3 years	13,755,706	11,241,592
	48,427,523	40,403,896
Less: allowance for impairment losses	(10,806,042)	(9,454,008)
	37,621,481	30,949,888

(ii) Customer type:

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Related parties	3,835,330	2,595,087
Other customers	44,592,193	37,808,809
	48,427,523	40,403,896
Less: allowance for impairment losses	(10,806,042)	(9,454,008)
	37,621,481	30,949,888

- (iii) The movements in provisions for impairment of trade receivables at amortised cost are as follows:

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Balance at the beginning of the year	9,454,008	6,109,452
Charge	1,267,667	4,987,337
Write-off	(22,818)	(1,854,335)
Disposal of subsidiaries	-	(2,346)
Exchange differences and others	107,185	213,900
Balance at the end of the year	10,806,042	9,454,008

- (d) By 31 December 2023, the book value of the Group's bills receivables at FVOCI is RMB1,827 million (31 December 2022: RMB1,160 million).

- (e) Prepayments

The ageing analysis of prepayments is as follows:

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Within 1 year (inclusive)	10,219,212	8,225,847
Between 1 and 2 years (inclusive)	274,880	1,022,247
Between 2 and 3 years (inclusive)	832,273	1,178,360
Over 3 years	871,043	931,669
	12,197,408	11,358,123
Less: allowance for impairment losses (note 6(19))	(96,011)	(73,214)
	12,101,397	11,284,909

Prepayments by customer type:

The Group

	<i>31 December</i> 2023	<i>31 December</i> 2022 (Restated)
Related parties	1,477,480	377,503
Other customers	<u>10,719,928</u>	<u>10,980,620</u>
	12,197,408	11,358,123
Less: allowance for impairment losses	<u>(96,011)</u>	<u>(73,214)</u>
	<u><u>12,101,397</u></u>	<u><u>11,284,909</u></u>

(f) Other receivables

Other receivables by customer type:

The Group

	<i>31 December</i> 2023	<i>31 December</i> 2022 (Restated)
Related parties	22,368,467	21,870,200
Other customers	<u>84,779,264</u>	<u>78,174,618</u>
	107,147,731	100,044,818
Less: allowance for impairment losses	<u>(7,322,594)</u>	<u>(5,513,953)</u>
	<u><u>99,825,137</u></u>	<u><u>94,530,865</u></u>

The movements in provisions for impairment of other receivables are as follows:

The Group

	<i>31 December</i> 2023	<i>31 December</i> 2022
Balance at the beginning of the year	5,513,953	5,394,974
Charge/(reversal)	1,727,282	(286,514)
Write-off	(4,421)	(46,242)
Exchange differences and others	<u>85,780</u>	<u>451,735</u>
Balance at the end of the year	<u><u>7,322,594</u></u>	<u><u>5,513,953</u></u>

- (g) The long-term receivables primarily include PPP (Public-Private Partnership) project receivables and first-level land development. As at 31 December 2023, the allowance for impairment losses of the Group's long-term receivables is RMB1,756 million (31 December 2022: RMB220 million).

(6) Contract assets and contract liabilities

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

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Contract assets	24,201,180	20,492,684
Less: Allowance for impairment allowance (notes(a),6(19))	<u>(194,295)</u>	<u>(41,863)</u>
Total contract assets	<u>24,006,885</u>	<u>20,450,821</u>
Advances from customers for contract work	<u>11,608,191</u>	<u>19,507,583</u>
Total contract liabilities	<u>11,608,191</u>	<u>19,507,583</u>

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

	<i>As at 31 December 2023</i>		
	<i>Expected credit loss rate</i>	<i>Gross carrying amount</i>	<i>Loss allowance provision</i>
Impairment allowance	0.80%	<u>24,201,180</u>	<u>(194,295)</u>
	<i>As at 31 December 2022</i>		
	<i>Expected credit loss rate (Restated)</i>	<i>Gross carrying amount (Restated)</i>	<i>Loss allowance provision (Restated)</i>
Impairment allowance	0.20%	<u>20,492,684</u>	<u>(41,863)</u>

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

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022 (Restated)</i>
Revenue from contracts with customers	<u>12,811,050</u>	<u>8,991,692</u>

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

As at 31 December 2023, transaction price allocated to unsatisfied contracts of the Group is totalled at RMB57,611 million (31 December 2022: RMB79,730 million) of which RMB26,846 million (31 December 2022: RMB25,905 million) is expected to be recognised in the next year and the remaining RMB30,765 million (31 December 2022: RMB53,825 million) is expected to be recognised after more than one year.

(7) Inventories

(a) An analysis of the movements in inventories of the Group for the year is as follows:

	<i>Balance at the beginning of 2023</i>	<i>Additions</i>	<i>Reductions</i>	<i>Exchange differences and others</i>	<i>Balance at the end of 2023</i>
Raw materials	5,310,997	30,466,077	(30,701,894)	42,914	5,118,094
Work-in-progress	4,706,797	77,062,228	(77,471,008)	18,899	4,316,916
Finished goods	9,116,884	102,662,936	(102,225,432)	15,522	9,569,910
Properties	27,000,267	15,940,254	(9,968,157)	-	32,972,364
Others	<u>2,265,595</u>	<u>6,809,661</u>	<u>(6,538,990)</u>	<u>4,745</u>	<u>2,541,011</u>
	48,400,540	232,941,156	(226,905,481)	82,080	54,518,295
Less: provision for decline in value of inventories (note 6(19))	<u>(966,886)</u>	<u>(3,463,330)</u>	<u>180,008</u>	<u>(9,580)</u>	<u>(4,259,788)</u>
	<u>47,433,654</u>	<u>229,477,826</u>	<u>(226,725,473)</u>	<u>72,500</u>	<u>50,258,507</u>

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	<i>Balance at the beginning of 2022</i>	<i>Business combinations</i>	<i>Additions</i>	<i>Reductions</i>	<i>Exchange differences and others</i>	<i>Balance at the end of 2022</i>
Raw materials	1,987,991	34,028	15,688,098	(12,406,577)	7,457	5,310,997
Work-in-progress	5,319,284	-	20,129,271	(20,741,807)	49	4,706,797
Finished goods	8,279,053	2,847,924	31,884,515	(33,911,456)	16,848	9,116,884
Properties	18,880,407	1,611,048	14,158,119	(7,649,307)	-	27,000,267
Others	1,395,198	81,125	5,693,120	(4,903,848)	-	2,265,595
	<u>35,861,933</u>	<u>4,574,125</u>	<u>87,553,123</u>	<u>(79,612,995)</u>	<u>24,354</u>	<u>48,400,540</u>
Less: provision for decline in value of inventories (note 6(19))	<u>(862,206)</u>	<u>-</u>	<u>(306,679)</u>	<u>204,073</u>	<u>(2,074)</u>	<u>(966,886)</u>
	<u>34,999,727</u>	<u>4,574,125</u>	<u>87,246,444</u>	<u>(79,408,922)</u>	<u>22,280</u>	<u>47,433,654</u>

As at 31 December 2023, the Group's inventories include an amount of RMB23,587 million expected to be recovered after more than one year (31 December 2022: RMB20,431 million).

(b) An analysis of provision for decline in value of inventories of the Group is as follows:

	<i>Balance at the beginning of 2023</i>	<i>Charge for the year</i>	<i>Written back</i>		<i>Exchange differences and others</i>	<i>Balance at the end of 2023</i>
			<i>Reversal</i>	<i>Write-off</i>		
Raw materials	100,717	27,057	(2,622)	(3,322)	9,522	131,352
Work-in-progress	15,575	90,079	-	(27,480)	-	78,174
Finished goods	550,373	121,898	(54,586)	(1,209)	13	616,489
Properties	255,577	3,204,665	-	(73,719)	-	3,386,523
Others	44,644	19,631	(10,563)	(6,507)	45	47,250
	<u>966,886</u>	<u>3,463,330</u>	<u>(67,771)</u>	<u>(112,237)</u>	<u>9,580</u>	<u>4,259,788</u>

	<i>Balance at the beginning of 2022</i>	<i>Charge for the year</i>	<i>Written back</i>		<i>Exchange differences and others</i>	<i>Balance at the end of 2022</i>
			<i>Reversal</i>	<i>Write-off</i>		
Raw materials	92,639	12,252	(2,819)	(3,430)	2,075	100,717
Work-in-progress	14,954	1,287	-	(666)	-	15,575
Finished goods	418,219	284,045	(9,632)	(142,258)	(1)	550,373
Properties	268,965	2,277	-	(15,665)	-	255,577
Others	67,429	6,818	-	(29,603)	-	44,644
	<u>862,206</u>	<u>306,679</u>	<u>(12,451)</u>	<u>(191,622)</u>	<u>2,074</u>	<u>966,886</u>

(8) Financial assets held under resale agreements

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Debt securities	122,553,934	20,199,841
Stocks	35,507,172	22,718,875
Others	<u>6,000,899</u>	<u>2,694,996</u>
	164,062,005	45,613,712
Accrued interest	<u>150,367</u>	<u>99,612</u>
	164,212,372	45,713,324
Less: allowance for impairment losses	<u>770,597</u>	<u>(222)</u>
	<u><u>164,982,969</u></u>	<u><u>45,713,102</u></u>

(9) Loans and advances to customers and other parties

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

The Group

	31 December 2023	31 December 2022
Loans and advances to customers and other parties at amortised cost		
Corporate loans		
- Loans	2,599,421,349	2,436,586,626
- Discounted bills	1,783,732	3,703,557
- Finance lease receivables	<u>46,818,414</u>	<u>46,566,294</u>
	<u>2,648,023,495</u>	<u>2,486,856,477</u>
Personal loans:		
- Residential mortgages	1,003,320,305	975,807,262
- Credit cards	521,260,046	511,101,255
- Business loans	459,112,521	378,818,730
- Personal consumption	309,255,848	260,435,698
- Finance lease receivables	<u>1,591,329</u>	<u>370,060</u>
	<u>2,294,540,049</u>	<u>2,126,533,005</u>
Accrued interest	<u>20,225,643</u>	<u>17,385,006</u>
	4,962,789,187	4,630,774,488
Less: allowance for impairment losses (Note 6(19))	<u>(139,954,186)</u>	<u>(137,747,446)</u>
Carrying amount of loans and advances to customers and other parties at amortised cost	<u>4,822,835,001</u>	<u>4,493,027,042</u>

	31 December 2023	31 December 2022
Loans and advances to customers and other parties at FVPL		
- Loans	<u>5,557,881</u>	<u>3,881,158</u>
Loans and advances to customers and other parties at FVOCI		
Corporate loans		
- Loans	58,162,854	54,850,667
- Discounted bills	<u>515,035,995</u>	<u>508,234,007</u>
Carrying amount of loans and advances to customers and other parties at FVOCI	<u>573,198,849</u>	<u>563,084,674</u>
	<u>5,401,591,731</u>	<u>5,059,992,874</u>
Allowance for impairment losses on loans and advances to customers at FVOCI (Note 6(19))	<u>(655,549)</u>	<u>(628,685)</u>
The Company		
	31 December 2023	31 December 2022
Loans and advances to customers and other parties at amortised cost		
Corporate loans	576,151	5,662,257
Accrued interest	<u>-</u>	<u>7,064</u>
	576,151	5,669,321
Less: allowance for impairment losses	<u>(248,173)</u>	<u>(275,920)</u>
	<u>327,978</u>	<u>5,393,401</u>

(b) Assessment method of allowance for impairment losses

The Group

	<i>As at 31 December 2023</i>			<i>Total</i>
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3 (note)</i>	
Loans and advances at amortised cost	4,774,962,013	96,221,835	71,379,696	4,942,563,544
Accrued interest	19,157,008	411,297	657,338	20,225,643
Less: allowance for impairment losses	<u>(64,543,398)</u>	<u>(27,216,525)</u>	<u>(48,194,263)</u>	<u>(139,954,186)</u>
Carrying amount of loans and advances at amortised cost	4,729,575,623	69,416,607	23,842,771	4,822,835,001
Carrying amount of loans and advances at FVOCI	<u>572,742,479</u>	<u>344,634</u>	<u>111,736</u>	<u>573,198,849</u>
Total carrying amount of loans and advances for which allowance for impairment losses is recognised	<u>5,302,318,102</u>	<u>69,761,241</u>	<u>23,954,507</u>	<u>5,396,033,850</u>
Allowance for impairment losses of loans and advances at FVOCI	<u>(585,804)</u>	<u>(112)</u>	<u>(69,633)</u>	<u>(655,549)</u>
	<i>As at 31 December 2022</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3 (note)</i>	<i>Total</i>
Loans and advances at amortised cost	4,443,811,694	89,433,204	80,144,584	4,613,389,482
Accrued interest	14,546,919	2,124,951	713,136	17,385,006
Less: allowance for impairment losses	<u>(61,854,743)</u>	<u>(22,647,557)</u>	<u>(53,245,146)</u>	<u>(137,747,446)</u>
Carrying amount of loans and advances at amortised cost	4,396,503,870	68,910,598	27,612,574	4,493,027,042
Carrying amount of loans and advances at FVOCI	<u>562,209,236</u>	<u>719,983</u>	<u>155,455</u>	<u>563,084,674</u>
Total carrying amount of loans and advances for which allowance for impairment losses is recognised	<u>4,958,713,106</u>	<u>69,630,581</u>	<u>27,768,029</u>	<u>5,056,111,716</u>
Allowance for impairment losses of loans and advances at FVOCI	<u>(522,880)</u>	<u>(26,814)</u>	<u>(78,991)</u>	<u>(628,685)</u>

Note:

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

	31 December 2023	31 December 2022
Secured portion	34,987,668	43,327,273
Unsecured portion	<u>37,161,102</u>	<u>37,685,902</u>
Total loans and advances that are credit-impaired	<u>72,148,770</u>	<u>81,013,175</u>
Allowance for impairment losses	<u>(48,263,896)</u>	<u>(53,324,137)</u>

The fair value of the collateral is determined by management's valuation of the most recent available, including externally assessed value, based on its current experience with the disposal of collateral and market conditions. As at 31 December 2023, the maximum exposure covered by the fair value of the collateral corresponding to such loans was RMB34,094 million (31 December 2022: RMB42,542 million) .

(c) Analysis of overdue loans by overdue period

The Group

	As at 31 December 2023				Total
	Overdue within 3 months	Overdue between 3 months and 1 year	Overdue between 1 year and 3 years	Overdue over 3 years	
Unsecured loans	20,105,168	11,921,744	2,090,709	246,064	34,363,685
Guaranteed loans	1,557,771	4,243,272	2,600,428	1,017,599	9,419,070
Secured loans					
- Loans secured by collateral	15,564,454	12,520,278	10,617,617	1,053,248	39,755,597
- Pledged loans	<u>3,789,739</u>	<u>1,083,778</u>	<u>2,386,655</u>	<u>137,022</u>	<u>7,397,194</u>
	<u>41,017,132</u>	<u>29,769,072</u>	<u>17,695,409</u>	<u>2,453,933</u>	<u>90,935,546</u>
	As at 31 December 2022				
	Overdue within 3 months	Overdue between 3 months and 1 year	Overdue between 1 year and 3 years	Overdue over 3 years	Total
Unsecured loans	17,097,325	9,364,911	1,696,112	279,666	28,438,014
Guaranteed loans	2,892,841	2,341,248	2,365,039	1,989,735	9,588,863
Secured loans					
- Loans secured by collateral	12,441,746	13,045,934	7,090,887	2,336,847	34,915,414
- Pledged loans	<u>2,751,146</u>	<u>6,600,997</u>	<u>2,188,733</u>	<u>762,911</u>	<u>12,303,787</u>
	<u>35,183,058</u>	<u>31,353,090</u>	<u>13,340,771</u>	<u>5,369,159</u>	<u>85,246,078</u>

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

(10) Margin accounts

The Group

(a) By counterparties

	31 December 2023	31 December 2022
Chinese mainland:		
Individual	79,496,426	67,350,352
Institution	33,884,213	34,738,834
Less: allowance for impairment losses	592,012	-
	113,972,651	102,089,186
Outside Chinese mainland:		
Less: allowance for impairment losses	4,755,771 17,308	4,887,147 -
	4,773,079	4,887,147
	118,745,730	106,976,333

(b) Listed by types

	31 December 2023	31 December 2022
Margin accounts from financing and securities	113,409,669	102,036,711
Margin financing	4,726,741	4,939,622
Less: allowance for impairment losses	609,320	-
	118,745,730	106,976,333

(c) Information on collaterals

	31 December 2023	31 December 2022
Cash	14,705,257	19,436,682
Debt securities	1,634,312	1,204,056
Stocks	393,997,837	375,572,274
Funds	33,954,390	35,581,991
	444,291,796	431,795,003

As at 31 December 2023, the outstanding amount from customers after the termination of the mandatory settlement contract for the Group's margin accounts amounted to RMB573 million (31 December 2022: RMB646 million) .

(11) Investments in financial assets

(a) Analysed by types

The Group

	31 December 2023	31 December 2022
Financial assets held for trading		
Investment funds	546,451,529	551,914,338
Debt securities	312,247,302	242,969,559
Trust investment plans	11,431,558	6,314,859
Certificates of deposit and certificates of interbank deposit	99,971,730	48,082,737
Equity investment	254,295,870	222,026,136
Investment management products managed by non-bank financial institutions	12,706,333	19,148,847
Wealth management products	6,161,384	3,021,772
Others	37,744,511	35,619,267
	1,281,010,217	1,129,097,515
Bond investments		
Investment in creditor's rights on assets	1,900,000	1,900,000
Debt securities	869,968,735	873,627,187
Trust investment plans	194,110,100	226,256,820
Certificates of deposit and certificates of interbank deposit	1,063,740	3,923,410
Investment management products managed by non-bank financial institutions	22,907,858	39,627,749
Others	352,813	335,222
	1,090,303,246	1,145,670,388
Accrued interest	12,623,272	10,495,369
	1,102,926,518	1,156,165,757
Less: allowance for impairment losses (Note 6(19))	(28,621,987)	(31,569,912)
	1,074,304,531	1,124,595,845

	31 December 2023	31 December 2022
Other bond investments (note(i))		
Debt securities	934,825,830	822,379,313
Certificates of deposit and certificates of interbank deposit	<u>25,872,144</u>	<u>44,525,241</u>
	960,697,974	866,904,554
Accrued interest	<u>7,239,731</u>	<u>6,462,882</u>
	<u>967,937,705</u>	<u>873,367,436</u>
Other equity instruments investments (note(i))		
Equity investment	<u>18,280,046</u>	<u>8,997,392</u>
	<u>18,280,046</u>	<u>8,997,392</u>
	<u>3,341,532,499</u>	<u>3,136,058,188</u>
Allowance for impairment losses on debt investments at FVOCI	<u>(3,284,261)</u>	<u>(3,069,947)</u>

Note:

(i) Other bond investments and other equity instruments investments

	As at 31 December 2023		
	<i>Equity instruments</i>	<i>Debt instruments</i>	<i>Total</i>
Cost/amortised cost	18,522,614	961,091,586	979,614,200
Accumulative fair value change in OCI	(242,568)	(393,612)	(636,180)
Accrued interest	<u>-</u>	<u>7,239,731</u>	<u>7,239,731</u>
Net carrying amount	<u>18,280,046</u>	<u>967,937,705</u>	<u>986,217,751</u>
Allowance for impairment losses (Note 6(19))	<u>N/A</u>	<u>(3,284,261)</u>	<u>(3,284,261)</u>

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	<i>As at 31 December 2022</i>		
	<i>Equity instruments</i>	<i>Debt instruments</i>	<i>Total</i>
Cost/amortised cost	9,113,393	873,432,997	882,546,390
Accumulative fair value change in OCI	(116,001)	(6,528,443)	(6,644,444)
Accrued interest	-	6,462,882	6,462,882
Net carrying amount	8,997,392	873,367,436	882,364,828
Allowance for impairment losses (Note 6(19))	N/A	(3,069,947)	(3,069,947)

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Financial assets held for trading		
Investment funds	970,688	1,133,104
Trust investment plans	1,879,916	1,901,555
Equity investment	595,610	1,157,930
	3,446,214	4,192,589

(b) Analysed by counterparties

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Issued by:		
- Government	1,526,497,336	1,162,045,834
- Policy banks	75,991,706	109,548,903
- Banks and non-bank financial institutions	1,350,664,972	1,489,761,722
- Corporates	366,394,851	356,234,658
- Public entities	<u>2,197,154</u>	<u>1,593,010</u>
	3,321,746,019	3,119,184,127
Accrued interest	<u>19,786,480</u>	<u>16,874,061</u>
	<u>3,341,532,499</u>	<u>3,136,058,188</u>
- Listed in Hong Kong	91,648,896	101,419,091
- Listed outside Hong Kong	2,778,039,830	2,534,408,776
- Unlisted	<u>452,057,293</u>	<u>483,356,260</u>
	3,321,746,019	3,119,184,127
Accrued interest	<u>19,786,480</u>	<u>16,874,061</u>
	<u>3,341,532,499</u>	<u>3,136,058,188</u>

The Company

	31 December 2023	31 December 2022
Issued by:		
- Banks and non-bank financial institutions	2,850,604	3,034,659
- Corporates	<u>595,610</u>	<u>1,157,930</u>
	3,446,214	4,192,589
Accrued interest	<u>-</u>	<u>-</u>
	<u>3,446,214</u>	<u>4,192,589</u>
- Listed outside Hong Kong	595,610	1,157,930
- Unlisted	<u>2,850,604</u>	<u>3,034,659</u>
	3,446,214	4,192,589
Accrued interest	<u>-</u>	<u>-</u>
	<u><u>3,446,214</u></u>	<u><u>4,192,589</u></u>

Debt securities traded on the China Domestic Inter-bank Bond Market are included in “Listed outside Hong Kong”.

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

The Group

	As at 31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
Bond investments	1,035,008,978	6,080,833	49,213,435	1,090,303,246
Accrued interest	12,061,029	488,336	73,907	12,623,272
Less: allowance for impairment losses	<u>(3,383,163)</u>	<u>(1,405,413)</u>	<u>(23,833,411)</u>	<u>(28,621,987)</u>
Carrying amount of bond investments	<u>1,043,686,844</u>	<u>5,163,756</u>	<u>25,453,931</u>	<u>1,074,304,531</u>
Other bond investments	959,103,730	664,389	929,855	960,697,974
Accrued interest	<u>7,105,834</u>	<u>4,032</u>	<u>129,865</u>	<u>7,239,731</u>
Carrying amount of other bond investments	<u>966,209,564</u>	<u>668,421</u>	<u>1,059,720</u>	<u>967,937,705</u>
Total carrying amount of investments in financial assets for which allowance for impairment losses is recognised	<u>2,009,896,408</u>	<u>5,832,177</u>	<u>26,513,651</u>	<u>2,042,242,236</u>
Allowance for impairment losses on other bond investments	<u>(2,221,010)</u>	<u>(233,852)</u>	<u>(829,399)</u>	<u>(3,284,261)</u>

	As at 31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
Bond investments	1,083,385,097	5,158,280	57,127,011	1,145,670,388
Accrued interest	10,236,991	138,472	119,906	10,495,369
Less: allowance for impairment losses	<u>(3,517,450)</u>	<u>(1,433,807)</u>	<u>(26,618,655)</u>	<u>(31,569,912)</u>
Carrying amount of bond investments	<u>1,090,104,638</u>	<u>3,862,945</u>	<u>30,628,262</u>	<u>1,124,595,845</u>
Other bond investments	865,688,551	136,153	1,079,850	866,904,554
Accrued interest	<u>6,440,020</u>	<u>-</u>	<u>22,862</u>	<u>6,462,882</u>
Carrying amount of other bond investments	<u>872,128,571</u>	<u>136,153</u>	<u>1,102,712</u>	<u>873,367,436</u>
Total carrying amount of investments in financial assets for which allowance for impairment losses is recognised	<u>1,962,233,209</u>	<u>3,999,098</u>	<u>31,730,974</u>	<u>1,997,963,281</u>
Allowance for impairment losses on other bond investments	<u>(1,555,425)</u>	<u>(98,030)</u>	<u>(1,416,492)</u>	<u>(3,069,947)</u>

(12) Refundable deposits

The Group

	31 December 2023	31 December 2022
Trading deposits	58,682,419	52,895,340
Credit deposits	451,573	1,179,988
Performance deposits	<u>3,047,928</u>	<u>15,082,787</u>
	<u>62,181,920</u>	<u>69,158,115</u>

	31 December 2023		
	Original currency	Exchange rate	RMB equivalent
Trading deposits			
RMB	56,236,544	1.00	56,236,544
USD	227,594	7.08	1,611,978
HKD	831,281	0.91	753,323
Other currencies			<u>80,574</u>
			<u>58,682,419</u>
Credit deposits			
RMB	451,573	1.00	<u>451,573</u>
			<u>451,573</u>
Performance deposits			
RMB	2,597,123	1.00	2,597,123
USD	63,649	7.08	<u>450,805</u>
			<u>3,047,928</u>
			<u>62,181,920</u>

	31 December 2022		
	Original currency	Exchange rate	RMB equivalent
Trading deposits			
RMB	48,535,559	1.00	48,535,559
USD	440,567	6.96	3,068,371
HKD	1,356,958	0.89	1,212,130
Other currencies			79,280
			52,895,340
Credit deposits			
RMB	1,179,988	1.00	1,179,988
			1,179,988
Performance deposits			
RMB	13,753,524	1.00	13,753,524
USD	189,450	6.96	1,319,444
Other currencies			9,819
			15,082,787
			69,158,115

(13) Long-term equity investments

The Group

	31 December 2023	31 December 2022 (Restated)
Investments in joint ventures (note (b))	22,119,753	27,936,663
Investments in associates (note (c))	48,198,262	44,333,894
	70,318,015	72,270,557
Less: allowance for impairment losses (Note 6(19))		
- Joint ventures	(1,278,353)	(1,260,223)
- Associates	(4,423,682)	(3,824,957)
	(5,702,035)	(5,085,180)
	64,615,980	67,185,377

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Investments in subsidiaries (note (a))	280,688,939	259,271,970
Investments in joint ventures (note (b))	-	7,698,044
Investments in associates (note (c))	<u>379,232</u>	<u>390,414</u>
	281,068,171	267,360,428
Less: allowance for impairment losses		
- Subsidiaries	<u>(662,271)</u>	<u>(662,271)</u>
	<u><u>280,405,900</u></u>	<u><u>266,698,157</u></u>

(a) The Company's investments in principal subsidiaries are as follows:

	<i>31 December 2023</i>	<i>31 December 2022</i>
CITIC Bank (note(i))	2,429,921	120,142,372
CITIC Securities (note(i))	-	36,759,846
China CITIC Financial Holding Co., Ltd. ("CITIC Financial Holding") (note(i))	220,030,963	34,130,323
CITIC Urban Development & Operation Co., Ltd.	13,680,000	7,860,000
CITIC Trust Co., Ltd. ("CITIC Trust") (note(ii))	-	16,251,374
CITIC Industrial Investment Group Corp., Ltd.	6,884,723	6,884,723
CITIC Heavy Industries	3,657,012	3,657,012
CITIC Environment Investment Group Co., Limited	5,147,087	5,127,087
CITIC Construction Company Limited	8,996,975	8,996,975
CITIC Finance	2,511,200	2,511,200
Others	<u>17,351,058</u>	<u>16,951,058</u>
	<u><u>280,688,939</u></u>	<u><u>259,271,970</u></u>

Detailed information of the subsidiaries is set out in Note 5(1).

(i) In June 2022, the Company signed an equity transfer agreement with CITIC Financial Holding and agreed to gratuitously transfer some of the Company's equity shareholdings in CITIC Bank and the convertible bonds of CITIC Bank, and all of the Company's equity shareholdings in CITIC Securities and CITIC Trust, to CITIC Financial Holding. As at 31 December 2023, all the above-mentioned equity transfer has been completed.

(b) The Group's and the Company's investments in joint ventures are as follows:

The Group

	31 December 2023	31 December 2022
Material joint ventures (note (i))	7,190,092	7,698,044
Immaterial joint ventures (note (ii))	<u>14,929,661</u>	<u>20,238,619</u>
	22,119,753	27,936,663
Less: allowance for impairment losses	<u>(1,278,353)</u>	<u>(1,260,223)</u>
	<u>20,841,400</u>	<u>26,676,440</u>

The Company

	31 December 2023	31 December 2022
Material joint ventures (note (i))	<u>-</u>	<u>7,698,044</u>

(i) Details of material joint venture are as follows:

Name	Principal place of business	Place of registration	Registered principal activities	Registered capital in thousands	Currency	Percentage of equity attributable to the Company
CITIC-Prudential Life Insurance Co., Ltd. ("CITIC-Prudential Life")	Chinese mainland	Chinese mainland	Insurance and reinsurance	2,360,000	RMB	50%

In June 2022, the Company signed an equity transfer agreement with CITIC Financial Holding and agreed to gratuitously transfer all of the Company's equity shareholdings in CITIC-Prudential Life to CITIC Financial Holding. As at 31 December 2023, all the above-mentioned equity transfer has been completed.

The following table sets out the key financial information of the Group and the Company's material joint ventures, and the reconciliation of the key financial information to the carrying amount of the Group and the Company's investments in joint ventures using the equity method:

	<i>CITIC-Prudential Life</i>	
	<i>31 December 2023</i>	<i>31 December 2022</i>
Total assets	244,201,449	216,580,520
Including: Cash and deposits	23,931,394	9,312,240
Total liabilities	<u>(231,479,546)</u>	<u>(202,851,371)</u>
Net assets	<u>12,721,903</u>	<u>13,729,149</u>
Equity attributable to:		
- Joint ventures' shareholders	12,105,473	13,146,770
- Non-controlling interests in joint ventures	<u>616,430</u>	<u>582,379</u>
Group's share of net assets	6,052,737	6,573,385
Others	<u>1,137,355</u>	<u>1,124,659</u>
Carrying amount of investments in joint ventures	<u>7,190,092</u>	<u>7,698,044</u>
Operating income	37,319,523	37,315,958
Income tax expenses	611,476	(68,857)
Net (loss) / profit	(796,335)	1,096,149
Other comprehensive income / (loss)	1,044,515	(2,496,601)
Total comprehensive income / (loss)	248,180	(1,400,452)
Dividends received from joint ventures during the year	626,101	-

- (ii) Details of immaterial joint ventures accounted for using the equity method are summarised as follows:

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Aggregate carrying amount of investments	<u>13,651,308</u>	<u>18,978,396</u>
Aggregate amount of share of Net profit	1,316,671	1,048,158
Other comprehensive loss	<u>(202,909)</u>	<u>(30,316)</u>
Total comprehensive income	<u>1,113,762</u>	<u>1,017,842</u>

(c) The Group's and the Company's investments in associates are as follows:

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Material associates (note (i))	9,303,494	9,089,682
Immaterial associates (note (ii))	<u>38,894,768</u>	<u>35,244,212</u>
	48,198,262	44,333,894
Less: allowance for impairment losses	<u>(4,423,682)</u>	<u>(3,824,957)</u>
	<u><u>43,774,580</u></u>	<u><u>40,508,937</u></u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Immaterial associates (note (ii))	<u><u>379,232</u></u>	<u><u>390,414</u></u>

(i) Details of the Group's material associates are as follows:

<i>Name</i>	<i>Principal place of business</i>	<i>Place of registration</i>	<i>Registered principal activities</i>	<i>Registered capital</i>		<i>Percentage of equity attributable to the Company</i>
				<i>in thousands</i>	<i>Currency</i>	
CSC Financial Co., Ltd.	Chinese mainland	Chinese mainland	Securities related services	7,756,695	RMB	4.94%

The following table sets out the key financial information of the Group's material associates, and the reconciliation of the key financial information to the carrying amount of the Group's investments in associates using the equity method:

	<i>CSC Financial Co., Ltd.</i>	
	<u>31 December</u> 2023	<u>31 December</u> 2022
Total assets	522,752,189	509,206,010
Including: Cash and deposits	117,053,700	112,192,799
Total liabilities	<u>(425,225,782)</u>	<u>(415,910,468)</u>
Net assets	<u>97,526,407</u>	<u>93,295,542</u>
Equity attributable to:		
- Associates' shareholders	97,478,047	93,251,206
- Non-controlling interests in associates	<u>48,360</u>	<u>44,336</u>
Group's share of net assets	4,815,416	4,606,610
Others	<u>4,488,078</u>	<u>4,483,072</u>
Carrying amount of investments in associates	<u>9,303,494</u>	<u>9,089,682</u>
Fair value of investments in associates held by the Group which have quoted market prices	9,058,214	9,092,670
Operating income	23,243,300	27,565,198
Income tax expenses	(1,324,423)	(1,942,644)
Net profit	7,047,346	7,529,582
Other comprehensive income / (loss)	270,412	(103,669)
Total comprehensive income	7,317,758	7,425,913
Dividends received from associates during the year	103,369	151,225

- (ii) Details of immaterial associates accounted for using the equity method are summarised as follows:

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Aggregate carrying amount of investments	<u>34,471,086</u>	<u>31,419,255</u>
Aggregate amount of share of net income	1,265,571	2,210,288
Other comprehensive income / (loss)	<u>947,967</u>	<u>(457,880)</u>
Total comprehensive income	<u>2,213,538</u>	<u>1,752,408</u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Aggregate carrying amount of investments	<u>379,232</u>	<u>390,414</u>
Aggregate amount of share of net income	23,658	114,114
Other comprehensive income / (loss)	<u>809</u>	<u>(2,674)</u>
Total comprehensive income	<u>24,467</u>	<u>111,440</u>

(14) Investment properties

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
At 1 January	10,956,902	9,850,633
Business combinations	-	1,477,816
Additions	310,429	63,997
Disposals	(293,807)	(24,756)
Transfers from construction in progress	2,096,331	12,481
Transfers to fixed assets	(1,512)	(227,321)
Changes in fair value	(50,606)	(236,721)
Exchange difference	<u>32,120</u>	<u>40,773</u>
At 31 December	<u>13,049,857</u>	<u>10,956,902</u>

As at 31 December 2023, the Group was in the process of applying the investment properties' ownership certificate in respect of certain premises of RMB33 million (31 December 2022: RMB42 million). The Group anticipates that there would be no significant issues and costs in completing such procedures.

The Group's investment properties are mainly properties and buildings located in Chinese mainland and Hong Kong held by subsidiaries. These investment properties are located in an active real estate trading market, from which the Group is able to obtain the market price and other relevant information of the same or similar properties to assess the fair value of these investment properties as at 31 December 2023.

Investment properties were revalued as at 31 December by the following independent professionally qualified valuers. The management of the Group had discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each balance sheet date.

<i>Properties located in</i>	<i>Valuers in 2023</i>
Chinese mainland and Hong Kong	Knight Frank Petty Limited China United Assets Appraisal Group Jones Lang LaSalle Corporate Appraisal and Advisory Limited China Enterprise Appraisals Consultation Co., Ltd. Pan-China Assets Appraisal Co., Ltd. Zhonghe Asset Appraisal Co., Ltd. Prudential Surveyors (Hong Kong) Limited Martin Reynolds AAPI MRICS Centaline Surveyors Limited Savills
Overseas	Jones Lang LaSalle Corporate Appraisal and Advisory Company Limited

<i>Properties located in</i>	<i>Valuers in 2022</i>
Chinese mainland and Hong Kong	Knight Frank Petty Limited Prudential Surveyors (Hong Kong) Limited Martin Reynolds AAPI MRICS China United Assets Appraisal Group Jones Lang LaSalle Corporate Appraisal and Advisory Limited China Enterprise Appraisals Consultation Co., Ltd. Centaline Surveyors Limited Savills
Overseas	Jones Lang LaSalle Corporate Appraisal and Advisory Company Limited

For disclosure information of fair value, please refer to Note 6(51).

(15) Fixed assets

The Group

	<i>Plant & buildings</i>	<i>Machinery & equipment</i>	<i>Office & other equipment</i>	<i>Vehicles and vessels</i>	<i>Others</i>	<i>Total</i>
Cost						
Balance at 1 January 2022	40,685,681	22,551,497	15,192,158	4,367,698	1,797,425	84,594,459
Business combinations	5,459,484	237	485,525	2,305,593	1,160	8,251,999
Additions	808,217	178,329	2,667,884	26,638	91,175	3,772,243
Transfers from construction in progress	458,191	442,295	100,102	480	1,197,320	2,198,388
Decrease	(808,262)	(1,595,589)	(2,205,882)	(106,540)	(226,671)	(4,942,944)
Transfers from investment properties	239,285	-	-	-	-	239,285
Exchange difference	174,553	364,444	186,269	217,083	307,791	1,250,140
Balance at 31 December 2022	47,017,149	21,941,213	16,426,056	6,810,952	3,168,200	95,363,570
Additions	235,117	3,946,780	7,516,823	169,687	1,162,780	13,031,187
Transfers from construction in progress	1,206,904	1,384,810	50,919	560,510	-	3,203,143
Decrease	(875,825)	(229,142)	(807,690)	(390,512)	(53,772)	(2,356,941)
Transfers from investment properties	1,512	-	-	-	-	1,512
Exchange difference	54,499	155,095	43,799	43,719	63	297,175
Balance at 31 December 2023	47,639,356	27,198,756	23,229,907	7,194,356	4,277,271	109,539,646
Less: Accumulated depreciation						
Balance at 1 January 2022	(10,961,511)	(9,841,314)	(9,485,609)	(2,084,094)	(1,430,763)	(33,803,291)
Charge for the year	(1,482,134)	(955,202)	(1,856,650)	(203,419)	(631,888)	(5,129,293)
Decrease	601,725	1,415,302	2,096,275	100,581	219,444	4,433,327
Transfers from investment properties	(11,964)	-	-	-	-	(11,964)
Exchange difference	(95,538)	(102,030)	(165,235)	(55,198)	(95,899)	(513,900)
Balance at 31 December 2022	(11,949,422)	(9,483,244)	(9,411,219)	(2,242,130)	(1,939,106)	(35,025,121)
Charge for the year	(2,167,128)	(2,412,247)	(2,478,459)	(558,879)	(684,287)	(8,301,000)
Decrease	99,984	151,307	705,184	371,761	5,222	1,333,458
Exchange difference	(22,117)	(62,583)	(36,870)	(17,130)	(293)	(138,993)
Balance at 31 December 2023	(14,038,683)	(11,806,767)	(11,221,364)	(2,446,378)	(2,618,464)	(42,131,656)

CITIC CORPORATION LIMITED
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English translation for reference only

	<i>Plant & buildings</i>	<i>Machinery & equipment</i>	<i>Office & other equipment</i>	<i>Vehicles and vessels</i>	<i>Others</i>	<i>Total</i>
Less: Allowance for impairment Losses (Note 6(19))						
Balance at 1 January 2022	(131,538)	(3,334,535)	(1,083)	(714)	(28,852)	(3,496,722)
Charge for the year	(135)	(13,258)	(453)	(274)	(2,293)	(16,413)
Transfers from construction in progress	-	-	-	-	(81,973)	(81,973)
Decrease	992	90,052	1,196	765	5,078	98,083
Exchange difference	(10,397)	(236,933)	-	-	(2,261)	(249,591)
Balance at 31 December 2022	(141,078)	(3,494,674)	(340)	(223)	(110,301)	(3,746,616)
Charge for the year	(3,438)	(352,043)	(2,777)	(63,495)	(173)	(421,926)
Decrease	-	-	221	273	374	868
Exchange difference	(6,764)	(153,025)	(974)	(2,326)	(4,791)	(167,880)
Balance at 31 December 2023	(151,280)	(3,999,742)	(3,870)	(65,771)	(114,891)	(4,335,554)
Net carrying amount						
At 31 December 2023	33,449,393	11,392,247	12,004,673	4,682,207	1,543,916	63,072,436
At 31 December 2022	34,926,649	8,963,295	7,014,497	4,568,599	1,118,793	56,591,833

As at 31 December 2023, the Group was in the process of applying the fixed assets' ownership certificate in respect of certain premises of RMB273 million (31 December 2022: RMB602 million). The Group anticipates that there would be no significant issues and costs in completing such procedures.

The Company

	<i>Plant & buildings</i>	<i>Office & other equipment</i>	<i>Vehicles and vessels</i>	<i>Total</i>
Cost				
Balance at 1 January 2022	638,723	76,488	11,646	726,857
Additions	-	1,509	-	1,509
Balance at 31 December 2022	638,723	77,997	11,646	728,366
Additions	-	2,130	-	2,130
Disposals	-	(5,474)	-	(5,474)
Balance at 31 December 2023	638,723	74,653	11,646	725,022
Less: Accumulated depreciation				
Balance at 1 January 2022	(189,660)	(38,551)	(11,286)	(239,497)
Charge for the year	(30,339)	(15,466)	-	(45,805)
Balance at 31 December 2022	(219,999)	(54,017)	(11,286)	(285,302)
Charge for the year	(30,339)	(13,786)	-	(44,125)
Disposals	-	5,200	-	5,200
Balance at 31 December 2023	(250,338)	(62,603)	(11,286)	(324,227)
Net carrying amount				
At 31 December 2023	388,385	12,050	360	400,795
At 31 December 2022	418,724	23,980	360	443,064

(16) Construction in Progress

The Group

Cost

Balance at 1 January 2022	8,287,509
Business combinations	1,332,009
Additions	3,908,536
Including: capitalised interest	31,223
Transfers to fixed assets	(2,198,388)
Transfers to investment properties	(12,481)
Decrease	(852,304)
Exchange difference	<u>29,878</u>
Balance at 31 December 2022	10,494,759
Additions	3,183,079
Including: capitalised interest	4,982
Transfers to fixed assets	(3,203,143)
Transfers to investment properties	(2,096,331)
Decrease	(687,670)
Exchange difference	<u>13,859</u>
Balance at 31 December 2023	<u>7,704,553</u>
Less: Allowance for impairment losses (Note 6(19))	
Balance at 1 January 2022	(165,398)
Charge for the year	(49,420)
Disposals	65,222
Transfers to fixed assets	81,973
Exchange difference	<u>(4,215)</u>
Balance at 31 December 2022	(71,838)
Charge for the year	(20,407)
Disposals	19,840
Exchange difference	<u>1</u>
Balance at 31 December 2023	<u>(72,404)</u>
Net carrying amount	
At 31 December 2023	<u>7,632,149</u>
At 31 December 2022	<u>10,422,921</u>

(17) Goodwill

The Group

Cost

Balance at 1 January 2022	8,621,561
Additions	11,841,719
Disposals	(21,217)
Exchange differences and others	<u>94,968</u>
Balance at 31 December 2022	20,537,031
Additions	-
Disposals	-
Exchange differences and others	<u>(408,778)</u>
Balance at 31 December 2023	<u>20,128,253</u>
Less: Allowance for impairment losses (Note 6(19))	
Balance at 1 January 2022	(1,353,753)
Additions	(4,362,391)
Disposals	21,217
Exchange differences and others	<u>(72,557)</u>
Balance at 31 December 2022	(5,767,484)
Additions	(25,619)
Disposals	-
Exchange differences and others	<u>3,439</u>
Balance at 31 December 2023	<u>(5,789,664)</u>
Net book value	
At 31 December 2023	<u>14,338,589</u>
At 31 December 2022	<u>14,769,547</u>

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

	31 December 2023	31 December 2022
Advanced intelligent manufacturing	980,984	996,039
Comprehensive financial services	12,782,861	13,162,166
New-type urbanisation	574,744	611,342
	14,338,589	14,769,547

In conducting goodwill impairment test, the carrying value of goodwill is allocated to the related asset group or groups of asset groups which are expected to benefit from the synergies of the business combination.

The recoverable amount of an asset group or a group of asset groups is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The corresponding impairment loss of an asset group or a group of asset groups will not be recognised if either the fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset is higher than the carrying value.

In this amount, for the comprehensive financial service segment, the Group included CITIC Securities in the consolidation scope in 2023, generating goodwill of RMB11,430 million. As at 31 December 2023, the Group allocated such goodwill to CITIC Securities for impairment test, and evaluated whether it was impaired by adopting the present value of the expected future cash flows. In the calculation, the Group determined the growth rate based on historical experience and forecasts of market development. The growth rate of the forecast period was determined according to the budget of the management, and 2% of the growth rate of the stable period was the growth rate used after the forecast period. The Group adopted 15.13%, which could reflect the overall risk of CITIC Securities, as the pre-tax discount rate. As the calculation showed, the goodwill arising from consolidation of CITIC Securities had not been impaired.

For the new-type urbanisation segment, RMB4,801 million in the original carrying amount of the Group's goodwill was generated from acquisition of a subsidiary of CITIC Environment Investment Group Co., Ltd. ("CITIC Environment"), and an impairment loss of RMB4,323 million was provided in 2022. As at 31 December 2023, management evaluated whether it was impaired based on the present value of the expected future cash flows. As the calculation showed, there is no further impairment on the goodwill in 2023.

(18) Deferred tax assets and liabilities

Non-offset deferred tax assets and deferred tax liabilities:

The Group

	<i>Deferred tax assets</i>				
	<i>Balance at 1 January 2023</i>	<i>Charged/(credited) to profit or loss</i>	<i>Charged/(credited) to equity</i>	<i>Exchange difference and others</i>	<i>Balance at 31 December 2023</i>
Tax losses	125,271	486,144	-	3,327	614,742
Accrued expenses	8,717,605	1,687,246	11,816	51	10,416,718
Impairment loss on assets other than fixed assets and intangible assets	56,913,979	(593,829)	(4,376)	19,492	56,335,266
Fair value changes of financial instruments	4,172,109	(2,433,436)	48,712	4,800	1,792,185
Fixed assets and intangible assets	142,247	417,384	6,978	43,305	609,914
Others	2,645,687	(207,917)	165,313	(4,824)	2,598,259
	<u>72,716,898</u>	<u>(644,408)</u>	<u>228,443</u>	<u>66,151</u>	<u>72,367,084</u>

	<i>Deferred tax assets</i>					
	<i>Balance at 1 January 2022</i>	<i>Business combinations</i>	<i>Charged/(credited to profit or loss</i>	<i>Charged/(credited to equity</i>	<i>Exchange difference and others</i>	<i>Balance at 31 December 2022</i>
Tax losses	242,653	-	(129,700)	-	12,318	125,271
Accrued expenses	3,721,285	4,678,526	318,364	(71,252)	70,682	8,717,605
Impairment loss on assets other than fixed assets and intangible assets	48,147,952	2,951,457	5,766,808	8,167	39,595	56,913,979
Fair value changes of financial instruments	406,311	570,652	3,173,357	9,167	12,622	4,172,109
Fixed assets and intangible assets	121,400	9,041	(20,642)	-	32,448	142,247
Others	1,312,955	354,101	1,063,402	79,695	(164,466)	2,645,687
	<u>53,952,556</u>	<u>8,563,777</u>	<u>10,171,589</u>	<u>25,777</u>	<u>3,199</u>	<u>72,716,898</u>

The Group

	<i>Deferred tax liabilities</i>				<i>Balance at 31 December 2023</i>
	<i>Balance at 1 January 2023</i>	<i>Credited/ (charged) to profit or loss</i>	<i>Credited/ (charged) to equity</i>	<i>Exchange difference and others</i>	
Fair value changes of financial instruments	(4,035,079)	131,968	(1,833,036)	6,192	(5,729,955)
Fixed assets and intangible assets	(2,785,293)	(219,300)	(4,980)	42	(3,009,531)
Revaluation of Investment properties	(930,590)	196,726	-	-	(733,864)
Others	(3,253,944)	(1,002,945)	(167,605)	28,328	(4,396,166)
	<u>(11,004,906)</u>	<u>(893,551)</u>	<u>(2,005,621)</u>	<u>34,562</u>	<u>(13,869,516)</u>

	<i>Deferred tax liabilities</i>					<i>Balance at 31 December 2022</i>
	<i>Balance at 1 January 2022</i>	<i>Business combinations</i>	<i>Credited/ (charged) to profit or loss</i>	<i>Credited/ (charged) to equity</i>	<i>Exchange difference and others</i>	
Fair value changes of financial instruments	(2,780,162)	(3,098,654)	(596,807)	2,435,866	4,678	(4,035,079)
Fixed assets and intangible assets	(826,623)	(1,638,367)	(238,989)	-	(81,314)	(2,785,293)
Revaluation of Investment properties	(996,835)	-	67,402	-	(1,157)	(930,590)
Others	(1,933,317)	(1,341,617)	(124,749)	64,097	81,642	(3,253,944)
	<u>(6,536,937)</u>	<u>(6,078,638)</u>	<u>(893,143)</u>	<u>2,499,963</u>	<u>3,849</u>	<u>(11,004,906)</u>

As at 31 December 2023, the deferred tax assets/liabilities offset by the Group were RMB6,236 million (31 December 2022: RMB459 million).

- (a) The net balances of after offsetting at the balance sheet date are as follows: deferred tax assets and liabilities:

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Deferred tax assets	66,131,452	72,257,804
Deferred tax liabilities	<u>(7,633,884)</u>	<u>(10,545,812)</u>
	<u>58,497,568</u>	<u>61,711,992</u>

- (b) Deferred tax assets not recognised

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

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Deductible temporary differences	10,486,882	2,048,908
Tax losses	<u>18,815,978</u>	<u>10,876,655</u>
	<u>29,302,860</u>	<u>12,925,563</u>

It is not probable that future taxable profits against which the above deductible temporary differences and tax losses can be utilised by the Group. As at 31 December 2023, tax losses amounting to RMB14,920 million (31 December 2022: RMB4,188 million) that can be carried forward against future taxable income are expiring within 5 years.

(19) Movement of allowances for impairment losses

As at 31 December 2023, the movements of allowance for impairment losses of the Group are set out as follows:

	<i>Note</i>	<i>Balance at 1 January 2023</i>	<i>(Reversal)/charge for the year</i>	<i>Write-offs/transfer out</i>	<i>Exchange differences and others (note(i))</i>	<i>Balance at 31 December 2023</i>
Allowances for expected credit losses						
Deposits and placements with banks and non-bank financial institutions	6(1),6(3)	238,784	(41,482)	-	2,223	199,525
Receivables (excluded prepayments)	6(5)	15,189,601	4,546,054	(27,239)	176,598	19,885,014
Loans and advances to customers and other parties	6(9)	137,963,869	49,594,144	(61,895,024)	14,265,832	139,928,821
Investments in financial assets	6(11)					
- Bond investments		31,531,829	2,466,602	(5,500,678)	86,150	28,583,903
- Other bond investments		3,069,947	1,249,740	(1,488,449)	453,023	3,284,261
Credit commitments and guarantees provided	6(30)	11,424,765	1,057,567	(785)	10,471	12,492,018
Others (note(ii))		7,293,055	6,521,326	(5,104,681)	485,001	9,194,701
		<u>206,711,850</u>	<u>65,393,951</u>	<u>(74,016,856)</u>	<u>15,479,298</u>	<u>213,568,243</u>

	<i>Note</i>	<i>Balance at 1 January 2023</i>	<i>Charge for the year</i>	<i>Write-offs/transfer out</i>	<i>Exchange differences and others (note(i))</i>	<i>Balance at 31 December 2023</i>
Allowances for impairment losses						
Inventories	6(7)	966,886	3,395,559	(112,237)	9,580	4,259,788
Long-term equity investments	6(13)	5,085,180	518,268	-	98,587	5,702,035
Fixed assets	6(15)	3,746,616	421,926	(868)	167,880	4,335,554
Construction in Progress	6(16)	71,838	20,407	(19,840)	(1)	72,404
Intangible assets		460,578	125	-	4,958	465,661
Contract assets	6(6)	41,863	152,446	-	(14)	194,295
Prepayments	6(5)	73,214	22,797	-	-	96,011
Goodwill	6(17)	5,767,484	25,619	-	(3,439)	5,789,664
Others		1,607,486	216,243	(367,657)	(29,186)	1,426,886
		<u>17,821,145</u>	<u>4,773,390</u>	<u>(500,602)</u>	<u>248,365</u>	<u>22,342,298</u>
		<u>224,532,995</u>	<u>70,167,341</u>	<u>(74,517,458)</u>	<u>15,727,663</u>	<u>235,910,541</u>

As at 31 December 2022, the movements of allowance for impairment losses of the Group are set out as follows:

	<i>Note</i>	<i>Balance at 1 January 2022</i>	<i>Charge for the year</i>	<i>Write-offs/ transfer out</i>	<i>Exchange differences and others (note(i))</i>	<i>Balance at 31 December 2022</i>
Allowances for expected credit losses						
Deposits and placements with banks and non-bank financial institutions	6(1),6(3)	234,202	1,411	-	3,171	238,784
Receivables (excluded prepayments)	6(5)	11,717,937	5,048,725	(2,270,918)	693,857	15,189,601
Loans and advances to customers and other parties	6(9)	126,893,909	57,100,222	(58,031,981)	12,001,719	137,963,869
Investments in financial assets	6(11)					
- Bond investments		29,947,984	2,219,828	(2,580,586)	1,944,603	31,531,829
- Other bond investments		2,386,857	716,027	(137,059)	104,122	3,069,947
Credit commitments and guarantees provided	6(30)	14,482,530	7,999,260	(11,112,464)	55,439	11,424,765
Others (note(ii))		4,303,586	5,893,294	(4,351,688)	1,447,863	7,293,055
		<u>189,967,005</u>	<u>78,978,767</u>	<u>(78,484,696)</u>	<u>16,250,774</u>	<u>206,711,850</u>

	Note	<i>Balance at 1 January 2022</i>	<i>Charge for the year</i>	<i>Write-offs/transfer out</i>	<i>Exchange differences and others (note(i))</i>	<i>Balance at 31 December 2022</i>
Allowances for impairment losses						
Inventories	6(7)	862,206	294,228	(191,622)	2,074	966,886
Long-term equity investments	6(13)	2,531,486	2,336,697	(661)	217,658	5,085,180
Fixed assets	6(15)	3,496,722	16,413	(98,083)	331,564	3,746,616
Construction in Progress	6(16)	165,398	49,420	(147,195)	4,215	71,838
Intangible assets		460,578	-	-	-	460,578
Contract assets	6(6)	9,632	32,210	-	21	41,863
Prepayments	6(5)	61,491	12,168	-	(445)	73,214
Goodwill	6(17)	1,353,753	4,362,391	(21,217)	72,557	5,767,484
Others		1,506,117	90,889	(166,258)	176,738	1,607,486
		<u>10,447,383</u>	<u>7,194,416</u>	<u>(625,036)</u>	<u>804,382</u>	<u>17,821,145</u>
		<u>200,414,388</u>	<u>86,173,183</u>	<u>(79,109,732)</u>	<u>17,055,156</u>	<u>224,532,995</u>

Notes:

- (i) Others include recovery of loans written off.
- (ii) Movement of allowances for accrued interest of the loans and advances to customers and other parties, investments in financial assets are included in others.

(20) Borrowing from central bank

The Group's borrowing from central bank is borrowed by CITIC Bank, a subsidiary of the Company.

(21) Placements from banks and non-bank financial institutions

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Banks	138,522,444	102,379,776
Non-bank financial institutions	<u>10,649,570</u>	<u>5,716,557</u>
	149,172,014	108,096,333
Accrued interest	<u>386,127</u>	<u>282,541</u>
	<u>149,558,141</u>	<u>108,378,874</u>

Analysed by remaining maturity:

	<i>31 December 2023</i>	<i>31 December 2022</i>
Within 3 months	98,939,392	71,524,799
Between 3 months and 1 year	47,005,056	35,917,855
Over 1 year	<u>3,227,566</u>	<u>653,679</u>
	149,172,014	108,096,333
Accrued interest	<u>386,127</u>	<u>282,541</u>
	<u>149,558,141</u>	<u>108,378,874</u>

(22) Financial liabilities held for trading

The Group

	31 December 2023	31 December 2022
Not designated		
Debt instruments	7,302,031	7,902,593
Stocks	10,049,854	9,226,012
Minority interests in consolidated structured entities and others	<u>1,158,000</u>	<u>1,306,143</u>
	<u>18,509,885</u>	<u>18,434,748</u>
Financial liabilities designated as at fair value through profit or loss		
Stocks	46,650	-
Beneficiary certificates and structured notes	64,280,371	65,483,963
Minority interests in consolidated structured entities and others	<u>5,714,991</u>	<u>10,926,380</u>
	<u>70,042,012</u>	<u>76,410,343</u>
	<u>88,551,897</u>	<u>94,845,091</u>

As at 31 December 2023 and 31 December 2022, there were no significant changes in the fair value of financial liabilities designated as at fair value through profit or loss due to the changes in credit risks of the Group.

(23) Customer brokerage deposits

The Group

	31 December 2023	31 December 2022
Domestic:		
General brokerage business	240,826,890	233,416,721
Individual	76,823,591	75,393,210
Institution	164,003,299	158,023,511
Credit business	14,705,257	19,436,682
Individual	6,973,842	8,577,753
Institution	<u>7,731,415</u>	<u>10,858,929</u>
Subtotal	255,532,147	252,853,403
Overseas:	<u>27,188,496</u>	<u>26,393,460</u>
Total	<u>282,720,643</u>	<u>279,246,863</u>

(24) Trade and other payables

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Bills payables	10,240,293	9,996,448
Trade payables	51,574,457	47,575,931
Advances from leasees	35,607	68,629
Settlement accounts	32,534,322	30,584,465
Customer deposits payables	134,849,752	134,916,690
Other payables (note (a))	69,437,494	86,821,948
Dividends payables	38,480,530	29,100,841
Others	<u>1,774,634</u>	<u>965,977</u>
	<u>338,927,089</u>	<u>340,030,929</u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Other payables (note (a))	945,381	1,176,639
Dividends payables	<u>38,131,952</u>	<u>28,726,578</u>
	<u>39,077,333</u>	<u>29,903,217</u>

(a) Other payables

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Related parties	767,476	243,851
Third parties	<u>68,670,018</u>	<u>86,578,097</u>
	<u>69,437,494</u>	<u>86,821,948</u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Subsidiaries	396,596	966,566
Related parties	473,547	136,632
Third parties	<u>75,238</u>	<u>73,441</u>
	<u>945,381</u>	<u>1,176,639</u>

(25) Financial assets sold under repurchase agreements

Analysis by types of counterparties:

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
The People's Bank of China	391,152,417	217,857,643
Banks	194,181,730	104,804,936
Non-bank financial institutions	37,938,772	27,692,778
Others	<u>121,105,282</u>	<u>119,564,503</u>
	744,378,201	469,919,860
Accrued interest	<u>192,957</u>	<u>557,379</u>
	<u><u>744,571,158</u></u>	<u><u>470,477,239</u></u>

Analysis by types of collateral:

	<i>31 December 2023</i>	<i>31 December 2022</i>
Debt securities	553,471,753	308,492,879
Discounted bills	93,212,358	69,354,192
Stocks	31,623,529	30,519,678
Precious metals	19,197,222	14,953,993
Others	<u>46,873,339</u>	<u>46,599,118</u>
	744,378,201	469,919,860
Accrued interest	<u>192,957</u>	<u>557,379</u>
	<u><u>744,571,158</u></u>	<u><u>470,477,239</u></u>

The Group did not derecognise financial assets transferred as collateral in connection with repurchase agreements. As at 31 December 2023, legal title of these collateral pledged has not been transferred to counterparties (31 December 2022: Nil).

(26) Deposits from banks and non-bank financial institutions and customers

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Demand deposits		
- Corporate customers	2,163,496,213	1,937,863,889
- Personal customers	<u>340,431,984</u>	<u>349,012,549</u>
	<u>2,503,928,197</u>	<u>2,286,876,438</u>
Time and call deposits		
- Corporate customers	1,755,882,273	1,862,861,352
- Personal customers	<u>1,125,384,307</u>	<u>942,802,872</u>
	<u>2,881,266,580</u>	<u>2,805,664,224</u>
Deposits from banks and non-bank financial institutions	889,807,489	1,103,099,491
Outward remittance and remittance payables	<u>19,021,860</u>	<u>14,420,142</u>
	<u>908,829,349</u>	<u>1,117,519,633</u>
Accrued interest	<u>73,231,105</u>	<u>58,615,870</u>
	<u>6,367,255,231</u>	<u>6,268,676,165</u>

Deposits from customers include pledged deposit for the following items:

	<i>31 December 2023</i>	<i>31 December 2022</i>
Bank acceptances	407,635,227	348,925,705
Letters of credit	23,735,836	25,132,273
Guarantees	21,004,844	17,091,416
Others	<u>38,650,704</u>	<u>55,708,179</u>
	<u>491,026,611</u>	<u>446,857,573</u>

(27) Employee benefits payable

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Short-term employee benefits (note (a))	49,275,373	48,797,634
Post-employment benefits-Defined contribution plans (note (b))	451,773	457,643
Termination benefits	99,885	92,368
Other long-term employee benefits	1,536,814	1,074,181
	51,363,845	50,421,826

(a) Short-term employee benefits

	<i>Balance at 1 January 2023</i>	<i>Accrued</i>	<i>Paid</i>	<i>Balance at 31 December 2023</i>
Salaries, bonuses and allowances	46,325,801	53,945,769	(53,456,697)	46,814,873
Staff welfare	194,173	2,087,249	(2,058,741)	222,681
Social insurance				
- Medical insurance	574,615	2,801,314	(2,704,176)	671,753
- Work-related injury insurance	7,540	73,686	(72,442)	8,784
- Maternity insurance	1,807	48,168	(48,035)	1,940
Housing funds	36,266	3,250,445	(3,252,726)	33,985
Labour union fee, staff and workers' education fee	1,499,214	1,255,247	(1,316,738)	1,437,723
Short-term paid absences	15,092	160,516	(163,626)	11,982
Other short-term employee benefits	143,126	1,137,782	(1,209,256)	71,652
	<u>48,797,634</u>	<u>64,760,176</u>	<u>(64,282,437)</u>	<u>49,275,373</u>

	<i>Balance at 1 January 2022 (Restated)</i>	<i>Accrued</i>	<i>Paid</i>	<i>Business combinations</i>	<i>Balance at 31 December 2022 (Restated)</i>
Salaries, bonuses and allowances	24,106,157	50,416,304	(47,441,413)	19,244,753	46,325,801
Staff welfare	187,659	2,003,379	(1,999,503)	2,638	194,173
Social insurance					
- Medical insurance	205,540	2,912,743	(2,827,872)	284,204	574,615
- Work-related injury insurance	4,527	81,377	(79,519)	1,155	7,540
- Maternity insurance	1,439	40,774	(40,827)	421	1,807
Housing funds	36,115	2,726,420	(2,727,706)	1,437	36,266
Labour union fee, staff and workers' education fee	916,811	1,296,069	(995,326)	281,660	1,499,214
Short-term paid absences	-	80,517	(80,481)	15,056	15,092
Other short-term employee benefits	136,056	899,468	(892,636)	238	143,126
	<u>25,594,304</u>	<u>60,457,051</u>	<u>(57,085,283)</u>	<u>19,831,562</u>	<u>48,797,634</u>

(b) Post-employment benefits – defined contribution plans

	<i>Balance at 1 January 2023</i>	<i>Accrued</i>	<i>Paid</i>	<i>Balance at 31 December 2023</i>
Basic pension insurance	78,009	3,829,654	(3,831,029)	76,634
Unemployment insurance	2,933	122,189	(121,874)	3,248
Annuity payment and supplementary pension	273,399	2,982,151	(2,980,609)	274,941
Others	103,302	18,760	(25,112)	96,950
	<u>457,643</u>	<u>6,952,754</u>	<u>(6,958,624)</u>	<u>451,773</u>

	<i>Balance at 1 January 2022 (Restated)</i>	<i>Accrued</i>	<i>Paid</i>	<i>Business combinations</i>	<i>Balance at 31 December 2022 (Restated)</i>
Basic pension insurance	29,433	3,284,294	(3,294,648)	58,930	78,009
Unemployment insurance	1,642	101,079	(101,221)	1,433	2,933
Annuity payment and supplementary pension	20,583	2,484,113	(2,438,342)	207,045	273,399
Others	99,555	19,385	(15,638)	-	103,302
	<u>151,213</u>	<u>5,888,871</u>	<u>(5,849,849)</u>	<u>267,408</u>	<u>457,643</u>

(28) Bank and other loans

Analysis by types of collaterals:

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Bank loans		
- Unsecured loans	34,819,573	38,537,753
- Loans pledged with assets	<u>14,463,225</u>	<u>10,438,301</u>
	<u>49,282,798</u>	<u>48,976,054</u>
Other loans		
- Unsecured loans	7,894,596	6,491,731
- Loans pledged with assets	<u>2,240,482</u>	<u>603,515</u>
	<u>10,135,078</u>	<u>7,095,246</u>
Accrued interest	<u>124,091</u>	<u>366,732</u>
	<u>59,541,967</u>	<u>56,438,032</u>

As at 31 December 2023, certain of the Group's cash and deposits, trade and other receivables, inventories, financial assets held for trading, fixed assets, ROU assets and intangible assets with an aggregate carrying amount of RMB33,823 million (31 December 2022: RMB 19,469 million) was pledged to secure loans granted to the Group.

The Group's banking facilities are subject to the fulfilment of covenants relating to balance sheet ratios or ownership of a minimum shareholding in certain entities of the Group, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 6(50)(c). As at 31 December 2023, none of the covenants relating to drawn down facilities have been breached (31 December 2022: none of the covenants relating to drawn down facilities have been breached).

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Bank loans		
- Unsecured loans	6,972,000	6,986,000
Accrued interest	<u>6,057</u>	<u>7,219</u>
	<u>6,978,057</u>	<u>6,993,219</u>

Analysis by currencies:

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
RMB	34,636,919	34,270,977
US\$	19,114,420	17,922,131
HK\$	971,546	537,749
Other currencies	4,694,991	3,340,443
	<u>59,417,876</u>	<u>56,071,300</u>
Accrued interest	<u>124,091</u>	<u>366,732</u>
	<u><u>59,541,967</u></u>	<u><u>56,438,032</u></u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
RMB	6,972,000	6,986,000
Accrued interest	<u>6,057</u>	<u>7,219</u>
	<u><u>6,978,057</u></u>	<u><u>6,993,219</u></u>

The maturity analysis of loans is as follows:

The Group

	<i>31 December 2023</i>	<i>31 December 2022 (Restated)</i>
Within one year (inclusive) or on demand	22,912,387	25,978,656
Between one and two years (inclusive)	12,978,186	4,362,946
Between two and five years (inclusive)	12,904,756	17,860,926
Over five years	<u>10,622,547</u>	<u>7,868,772</u>
	59,417,876	56,071,300
Accrued interest	<u>124,091</u>	<u>366,732</u>
	<u><u>59,541,967</u></u>	<u><u>56,438,032</u></u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Between one and two years (inclusive)	6,972,000	2,990,000
Between two and five years (inclusive)	-	3,996,000
	<u>6,972,000</u>	<u>6,986,000</u>
Accrued interest	<u>6,057</u>	<u>7,219</u>
	<u><u>6,978,057</u></u>	<u><u>6,993,219</u></u>

(29) Debt instruments issued

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Corporate bonds issued	186,205,328	144,140,816
Notes issued	151,812,690	128,709,435
Subordinated bonds issued	82,568,777	98,925,943
Certificates of deposit issued	1,417,885	1,035,308
Certificates of interbank deposits issued	705,272,980	720,080,620
Convertible corporate bonds (note(a))	12,911,069	13,600,112
Income certificates	<u>21,546,998</u>	<u>6,039,260</u>
	1,161,735,727	1,112,531,494
Accrued interest	<u>7,093,626</u>	<u>6,339,362</u>
	<u><u>1,168,829,353</u></u>	<u><u>1,118,870,856</u></u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Corporate bonds issued	<u>30,475,036</u>	<u>32,469,480</u>
	30,475,036	32,469,480
Accrued interest	<u>581,904</u>	<u>584,224</u>
	<u><u>31,056,940</u></u>	<u><u>33,053,704</u></u>

The maturity analysis of debt instruments issued is as follows:

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Within one year (inclusive) or on demand	825,773,086	820,343,258
Between one and two years (inclusive)	116,476,633	59,667,764
Between two and five years (inclusive)	111,947,143	107,384,820
Over five years	<u>107,538,865</u>	<u>125,135,652</u>
	1,161,735,727	1,112,531,494
Accrued interest	<u>7,093,626</u>	<u>6,339,362</u>
	<u><u>1,168,829,353</u></u>	<u><u>1,118,870,856</u></u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Within one year (inclusive) or on demand	1,499,750	5,995,352
Between one and two years (inclusive)	3,996,541	1,499,471
Between two and five years (inclusive)	4,197,327	4,994,748
Over five years	<u>20,781,418</u>	<u>19,979,909</u>
	30,475,036	32,469,480
Accrued interest	<u>581,904</u>	<u>584,224</u>
	<u><u>31,056,940</u></u>	<u><u>33,053,704</u></u>

The Group did not have any defaults of principal, interest or other breaches with respect to its debt securities issued in 2023 (2022: Nil).

- (a) As approved by the relevant regulatory authorities in China, CITIC Bank made a public offering of RMB 40 Billion A-share convertible corporate bonds (the “convertible bonds”) on 4 March 2019, of which RMB26.4 billion has been subscribed by the Company, and it was transferred to CITIC Financial Holdings Co., Ltd. at nil consideration on 22 June 2022. The convertible bonds of CITIC Bank have a term of six years from 4 March 2019 to 3 March 2025, at coupon rates of 0.3% for the first year, 0.8% for the second year, 1.5% for the third year, 2.3% for the fourth year, 3.2% for the fifth year and 4.0% for the sixth year. The conversion of these convertible bonds begins on the first trading day (8 March 2019) after six months upon the completion date of the offering until the maturity date (from 11 September 2019 to 3 March 2025). As at 31 December 2023, convertible bonds (including accrued interest) were recorded as debt instruments issued amounted to RMB13,728 million and non-controlling interests amounted to RMB1,051 million.

(30) Provisions

The Group

	<i>Balance at 31 December 2022</i>	<i>Charge for the year</i>	<i>Payments during the year</i>	<i>Reversal</i>	<i>Exchange difference</i>	<i>Balance at 31 December 2023</i>
Environment restoration expenditures	575,271	51,626	-	(29,330)	4,626	602,193
Impairment loss of credit commitments and guarantees provided (note6(19))	11,424,765	1,057,567	-	(785)	10,471	12,492,018
Others	4,268,697	933,115	(1,614,661)	(1,491,488)	(2,676)	2,092,987
	<u>16,268,733</u>	<u>2,042,308</u>	<u>(1,614,661)</u>	<u>(1,521,603)</u>	<u>12,421</u>	<u>15,187,198</u>
	<i>Balance at 31 December 2021</i>	<i>Charge for the year</i>	<i>Payments during the year</i>	<i>Reversal</i>	<i>Exchange difference</i>	<i>Balance at 31 December 2022</i>
Environment restoration expenditures	505,667	67,857	-	-	1,747	575,271
Impairment loss of credit commitments and guarantees provided (note6(19))	14,482,530	7,999,260	-	(11,112,464)	55,439	11,424,765
Others	4,111,716	2,116,689	(902,872)	(1,064,500)	7,664	4,268,697
	<u>19,099,913</u>	<u>10,183,806</u>	<u>(902,872)</u>	<u>(12,176,964)</u>	<u>64,850</u>	<u>16,268,733</u>

(31) Paid-in capital

The Company's paid-in capital structure is as follows:

	<i>31 December 2023</i>		<i>31 December 2022</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
CITIC Limited	139,000,000	100%	139,000,000	100%

Upon the completion of the Acquisition mentioned in Note 1, the Company became a wholly-owned subsidiary of CITIC Limited in 2014.

The movements in the Company's paid-in capital are as follows:

	<i>Balance at 1 January 2023</i>	<i>Issue of new shares</i>	<i>Balance at 31 December 2023</i>
Paid-in capital	139,000,000	-	139,000,000

(32) Capital reserve

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Capital premium	45,052,827	37,843,494
Others	795,717	734,499
	45,848,544	38,577,993

On 25 August 2023, CITIC Limited transferred 2.93% of CITIC Securities' shares to CITIC Financial Holdings, increasing the Group's capital reserve by RMB7,292 million.

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Capital premium	55,578,218	48,285,720
Others	1,325,089	1,325,089
	56,903,307	49,610,809

(33) Other comprehensive income

The Group

Other comprehensive income in the balance sheet

	<i>Shares of other comprehensive income of the investee accounted for using equity method that will be reclassified to profit or loss</i>	<i>Fair value changes on other bond investments</i>	<i>Loss allowance on other bond investments</i>	<i>Effective hedging portion of gains or losses arising from cash flow hedging instruments</i>	<i>Reclassification of owner-occupied property as investment property: revaluation gain</i>	<i>Translation differences arising on translation of foreign currency financial statements and others</i>	<i>Fair value changes on investments in equity instruments designated at FVOCI</i>	<i>Total</i>
31 December 2021	(12,456)	1,352,591	1,522,909	769,705	1,175,035	(2,225,362)	420,914	3,003,336
(Decrease)/increase (note6(47))	(1,920,832)	(5,214,134)	137,648	(4,304)	4,381	4,010,874	143,939	(2,842,428)
Transfer of other comprehensive income to retained earnings	N/A	N/A	N/A	N/A	N/A	N/A	44,180	44,180
31 December 2022	(1,933,288)	(3,861,543)	1,660,557	765,401	1,179,416	1,785,512	609,033	205,088
Increase/(decrease) (note6(47))	874,779	3,176,689	(270,793)	(541)	3,994	874,762	(176,455)	4,482,435
Transfer of other comprehensive income to retained earnings	N/A	N/A	N/A	N/A	N/A	N/A	84,430	84,430
31 December 2023	<u>(1,058,509)</u>	<u>(684,854)</u>	<u>1,389,764</u>	<u>764,860</u>	<u>1,183,410</u>	<u>2,660,274</u>	<u>517,008</u>	<u>4,771,953</u>

The Company

	<i>Other comprehensive income in the balance sheet</i>		
	<i>Shares of other comprehensive income of the investee accounted for using equity method that will be reclassified to profit or loss</i>	<i>Transfer to retained earnings</i>	<i>Total</i>
31 December 2021	1,812,196	-	1,812,196
(Decrease)/increase (note 6(47))	<u>(1,271,304)</u>	<u>-</u>	<u>(1,271,304)</u>
31 December 2022	540,892	-	540,892
(Decrease)/increase (note 6(47))	<u>(97,909)</u>	<u>22,828</u>	<u>(75,081)</u>
31 December 2023	<u>442,983</u>	<u>22,828</u>	<u>465,811</u>

(34) Surplus reserve

The Group and the Company

	<i>Note</i>	<i>Balance at 1 January 2023</i>	<i>Additions</i>	<i>Balance at 31 December 2023</i>
Statutory surplus reserve	6(36)(a)	<u>13,864,249</u>	<u>1,204,429</u>	<u>15,068,678</u>
	<i>Note</i>	<i>Balance at 1 January 2022</i>	<i>Additions</i>	<i>Balance at 31 December 2022</i>
Statutory surplus reserve	6(36)(a)	<u>12,328,674</u>	<u>1,535,575</u>	<u>13,864,249</u>

(35) General reserve

The Group

	<i>Note</i>	<i>Balance at 1 January 2023</i>	<i>Additions</i>	<i>Balance at 31 December 2023</i>
General reserve	6(36)(b)	<u>55,492,872</u>	<u>3,771,706</u>	<u>59,264,578</u>
	<i>Note</i>	<i>Balance at 1 January 2022</i>	<i>Additions</i>	<i>Balance at 31 December 2022</i>
General reserve	6(36)(b)	<u>51,320,806</u>	<u>4,172,066</u>	<u>55,492,872</u>

(36) Profit distribution and retained earnings as at the balance sheet date

(a) Appropriation to statutory surplus reserve

In accordance with the Articles of Association and relevant laws and regulations, the Company is required to make appropriations to statutory surplus reserve based on 10% of net profit for the year ended 31 December 2023.

(b) Appropriation to general reserve

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

(c) Retained earnings as at the balance sheet date

As at 31 December 2023, the consolidated retained earnings attributable to owners' of the Company included an appropriation of RMB41,423 million (31 December 2022: RMB33,893 million) to surplus reserve made by the subsidiaries.

(d) Profit distribution for the year ended 31 December 2023

In accordance with the resolution of the 5th board meeting dated on 31 March 2023, the Company proposed a dividend in the amount of RMB18,905 million.

(37) Operating income

The Group

	2023	2022
Operating income from non-financial services business		
Sales of goods	71,703,109	74,195,471
Services rendered to customers		
- Revenue from construction services	16,356,330	21,089,530
- Revenue from other services	12,007,346	13,491,484
	100,066,785	108,776,485
Operating income from financial services business		
Net interest income (note (a))	149,018,029	158,024,433
Net fee and commission income (note (b))	61,663,236	65,242,957
Operating income from other financial services business (note)		
- Investment income from financial services business	46,293,870	51,021,072
- Other net income/(loss) from financial services business	8,806,455	(9,118,346)
	265,781,590	265,170,116
	365,848,375	373,946,601

The Company

	2023	2022
Net interest income	113,556	152,693
Net fee and commission income	4,117	4,399
Operating income from other financial services business		
- Investment income from financial services business	14,493,386	15,482,210
- Other net income from financial services business	259,099	1,734,142
	14,870,158	17,373,444

Note:

Among the Group's operating income from other financial services business, the investment income of the Group's subsidiaries with financial business are disclosed under investment income from financial services business, the fair value gains or losses and exchange gains or losses of the Group's subsidiaries with financial business are disclosed under other income from financial services business.

(a) Net interest income

The Group

	2023	2022
Interest income arising from:		
Deposits with central banks, banks and non-bank financial institutions	16,529,551	14,264,060
Placements with banks and non-bank financial institutions	8,088,542	6,345,497
Financial assets held under resale agreements	2,798,518	2,284,683
Investments in financial assets		
- Bond investments	36,073,284	40,017,919
- Other bond investments	22,156,568	19,597,912
Loans and advances to customers and other parties	245,059,187	241,756,201
Financing and securities	8,343,309	6,484,211
Others	610,660	288,985
	<u>339,659,619</u>	<u>331,039,468</u>
Interest expenses arising from:		
Borrowing from central banks	(4,281,517)	(4,973,821)
Deposits from banks and non-bank financial institutions	(21,687,053)	(23,098,562)
Placements from banks and non-bank financial institutions	(4,714,372)	(3,358,211)
Financial assets sold under repurchase agreements	(10,625,464)	(5,007,241)
Deposits from customers	(115,698,894)	(102,967,445)
Debt instruments issued	(29,752,736)	(30,430,252)
Customer brokerage deposits	(1,675,224)	(1,302,575)
Lease liabilities	(552,416)	(522,146)
Others	(1,653,914)	(1,354,782)
	<u>(190,641,590)</u>	<u>(173,015,035)</u>
Net interest income	<u>149,018,029</u>	<u>158,024,433</u>

Interest income includes interest income accrued on credit-impaired financial assets of RMB715 million in 2023 (2022: interest income of RMB462 million).

(b) Net fee and commission income

The Group

	2023	2022
Bank card fees	16,799,425	16,480,106
Trustee commission and fees	8,855,940	16,056,958
Agency fees and commission	5,898,667	5,584,489
Guarantee and advisory fees	5,693,759	5,770,193
Securities brokerage fees	12,162,845	9,819,321
Fund management fees	7,642,356	6,137,162
Investment banking charges	6,807,786	7,130,421
Settlement and clearing fees	2,253,684	2,136,098
Asset management fees	2,340,106	2,203,114
Futures brokerage fees	3,594,377	2,114,109
Others	1,069,578	466,688
	73,118,523	73,898,659
Fee and commission expenses	(11,455,287)	(8,655,702)
Net fee and commission income	61,663,236	65,242,957

(38) Operating costs

The Group

	2023	2022
Costs of goods sold	62,655,098	64,959,878
Costs of services rendered		
- Costs of construction contracts	13,573,899	14,571,649
- Costs of other services	8,333,725	9,508,377
	84,562,722	89,039,904

(39) Profit before income tax

Profit before income tax is arrived at after charging below items in total operating costs:

The Group

	2023	2022
Staff costs	67,734,933	66,172,603
Including: salaries, bonuses, allowances and subsidies	53,945,769	50,416,304
Property management fees	913,929	856,505
Depreciation	9,835,900	9,252,766
Amortisation	3,532,293	2,660,589
Lease charges	670,408	491,530
Professional fees	1,359,304	1,267,602
	<u>84,046,767</u>	<u>80,701,595</u>

(40) Financial expenses/ (income)

The Group

	2023	2022 (Restated)
Non-financial services business		
Interest expenses from loans and payables	3,497,881	3,140,770
Add: interest on lease liabilities	85,263	82,381
Less: borrowing costs capitalised	(673,360)	(236,377)
Net interest expenses	2,909,784	2,986,774
Interest income from deposits and receivables	(564,918)	(590,662)
Net exchange gain	(1,047,152)	(3,020,101)
Other financial expenses	170,173	120,020
	<u>1,467,887</u>	<u>(503,969)</u>

The capitalization rates used by the Group to calculate and determine the capitalization amount of loan interest this year is 4.55% ~ 4.74% (2022: 4.59% ~ 4.85%).

The Company

	2023	2022
Interest expenses	1,768,002	1,763,256
Interest income from deposits	(49,009)	(57,902)
Other financial expenses	22,141	25,515
	<u>1,741,134</u>	<u>1,730,869</u>

(41) Expected credit losses

The Group

	2023	2022
Deposits and placements with banks and non-bank financial institutions	(41,482)	1,411
Receivables (excluded prepayments)	4,546,054	5,048,725
Loans and advances to customers and other parties	49,594,144	57,100,222
Investments in financial assets		
- Bond investments	2,466,602	2,219,828
- Other bond investments	1,249,740	716,027
Impairment provision of credit commitments and guarantees provided	1,057,567	7,999,260
Others	6,521,326	5,893,294
	<u>65,393,951</u>	<u>78,978,767</u>

(42) Impairment losses

The Group

	2023	2022
Inventories	3,395,559	294,228
Long-term equity investments	518,268	2,336,697
Fixed assets	421,926	16,413
Construction in progress	20,407	49,420
Intangible assets	125	-
Contract assets	152,446	32,210
Prepayments	22,797	12,168
Goodwill (Note 6(17))	25,619	4,362,391
Others	216,243	90,889
	<u>4,773,390</u>	<u>7,194,416</u>

(43) Gain / (loss) from changes in fair value

The Group

	2023	2022
Investment properties	(70,577)	(259,063)
Financial instruments		
- financial assets/liabilities held for trading	929,674	(272,444)
Derivative financial instruments	-	90,745
	<u>859,097</u>	<u>(440,762)</u>

(44) Investment income

The Group

	2023	2022
Long-term equity investments		
- Associates/joint ventures accounted for under the equity method	660,679	530,627
- (Loss)/gain on disposal/deemed disposal	(12,606)	12,848,148
Others	<u>1,145,747</u>	<u>(388,512)</u>
	<u>1,793,820</u>	<u>12,990,263</u>

(45) Assets disposal gains

The Group

	2023	2022
Gains on disposal of fixed assets	34,795	21,788
Others	<u>103,897</u>	<u>357</u>
	<u>138,692</u>	<u>22,145</u>

(46) Income tax expense

(a) Details of income tax expense for the year are as follows:

The Group

	2023	2022
Current income tax expense	12,976,566	26,653,033
Deferred income tax	<u>1,537,959</u>	<u>(9,278,446)</u>
	<u>14,514,525</u>	<u>17,374,587</u>

The Company

	2023	2022
Current income tax expense	-	-
Deferred income tax	<u>(142,257)</u>	<u>(845,219)</u>
	<u>(142,257)</u>	<u>(845,219)</u>

(b) Reconciliation between income tax expense and accounting profit is as follows:

The Group

	2023	2022
Profit before income tax	105,452,745	111,783,597
Income tax expense calculated at statutory tax rate of 25%	26,363,186	27,945,899
Effect of different tax rates applicable to certain subsidiaries	(45,666)	832,157
Tax effect of non-deductible expenses	2,298,458	5,523,058
Tax effect of share of results of associates / joint ventures	(648,331)	(1,103,499)
Tax effect of other non-taxable income	(15,346,596)	(15,536,717)
Deductible temporary difference and tax losses not recognised as deferred tax	1,912,416	551,770
Others	(18,942)	(838,081)
	14,514,525	17,374,587

The Company

	2023	2022
Profit before income tax	11,902,029	14,510,538
Income tax expense calculated at statutory tax rate of 25%	2,975,507	3,627,634
Tax effect of non-deductible expenses	-	12,460
Tax effect of dividend distribution from subsidiaries	(3,450,260)	(3,510,016)
Tax effect of share of results of associates / joint ventures	(77,201)	(362,134)
Tax effect of other non-taxable income	-	-
Utilisation of previously unrecognised temporary differences and tax losses	-	(686,779)
Deductible temporary difference and tax losses not recognised as deferred tax	422,709	(4,549)
Others	(13,012)	78,165
	(142,257)	(845,219)

(47) Other comprehensive income

The Group

	<i>Other comprehensive income in the income statement in 2023</i>		
	<i>Total</i>	<i>Owners of the Company</i>	<i>Non-controlling interests</i>
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive income of the equity-accounted investee that may be reclassified to profit or loss	922,426	874,779	47,647
Less: Net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	-	-	-
	<u>922,426</u>	<u>874,779</u>	<u>47,647</u>
Fair value changes on other bond investments	7,199,129	4,523,317	2,675,812
Less: Tax effect	(1,328,213)	(867,987)	(460,226)
Net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	<u>(732,427)</u>	<u>(478,641)</u>	<u>(253,786)</u>
	<u>5,138,489</u>	<u>3,176,689</u>	<u>1,961,800</u>
Loss allowance on other bond investments	(87,848)	(377,817)	289,969
Less: Tax effect	15,418	107,024	(91,606)
Net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(72,430)</u>	<u>(270,793)</u>	<u>198,363</u>
Effective hedging portion of losses arising from cash flow hedging instruments	(828)	(541)	(287)
Less: Tax effect	-	-	-
Net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(828)</u>	<u>(541)</u>	<u>(287)</u>
Revaluation gain on owner-occupied property reclassified as investment property	6,112	3,994	2,118
Less: Tax effect	-	-	-
	<u>6,112</u>	<u>3,994</u>	<u>2,118</u>
Exchange differences on translation of financial statements and others	<u>1,390,485</u>	<u>874,762</u>	<u>515,723</u>
Items that will not be reclassified subsequently to profit or loss			
Fair value changes on investments in other equity instruments	(132,743)	(197,854)	65,111
Less: Tax effect	15,739	21,399	(5,660)
	<u>(117,004)</u>	<u>(176,455)</u>	<u>59,451</u>
	<u>7,267,250</u>	<u>4,482,435</u>	<u>2,784,815</u>

	<u>Other comprehensive income in the income statement in 2022</u>		
	<i>Total</i>	<i>Owners of the Company</i>	<i>Non-controlling interests</i>
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive income of the equity-accounted investee that may be reclassified to profit or loss	(1,689,637)	(1,737,305)	47,668
Less: Net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	<u>(183,527)</u>	<u>(183,527)</u>	<u>-</u>
	<u>(1,873,164)</u>	<u>(1,920,832)</u>	<u>47,668</u>
Fair value changes on other bond investments	(7,760,951)	(4,782,662)	(2,978,289)
Less: Tax effect	2,202,283	1,440,073	762,210
Net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	<u>(2,862,128)</u>	<u>(1,871,545)</u>	<u>(990,583)</u>
	<u>(8,420,796)</u>	<u>(5,214,134)</u>	<u>(3,206,662)</u>
Loss allowance on other bond investments	534,242	166,110	368,132
Less: Tax effect	(113,485)	(28,462)	(85,023)
Net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	<u>-</u>	<u>-</u>	<u>-</u>
	<u>420,757</u>	<u>137,648</u>	<u>283,109</u>
Effective hedging portion of losses arising from cash flow hedging instruments	(8,476)	(5,218)	(3,258)
Less: Tax effect	1,547	914	633
Net amounts previously recognised in other comprehensive income transferred to profit or loss in the current year	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(6,929)</u>	<u>(4,304)</u>	<u>(2,625)</u>
Revaluation gain on owner-occupied property reclassified as investment property	6,699	4,381	2,318
Less: Tax effect	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,699</u>	<u>4,381</u>	<u>2,318</u>
Exchange differences on translation of financial statements and others	<u>6,578,038</u>	<u>4,010,874</u>	<u>2,567,164</u>
Items that will not be reclassified subsequently to profit or loss			
Fair value changes on investments in other equity instruments	253,231	168,625	84,606
Less: Tax effect	<u>(44,068)</u>	<u>(24,686)</u>	<u>(19,382)</u>
	<u>209,163</u>	<u>143,939</u>	<u>65,224</u>
	<u>(3,086,232)</u>	<u>(2,842,428)</u>	<u>(243,804)</u>

The Company

	2023	2022
Items that may be reclassified to profit or loss		
Share of other comprehensive income of the equity-accounted investee	69,500	(1,271,304)
Less: Net amounts previously recognised in other comprehensive loss transferred to profit or loss in the current year	(167,409)	-
	(97,909)	(1,271,304)

(48) Supplementary information to cash flow statement

(a) Reconciliation of net profit to cash flows from operating activities

The Group

	2023	2022 (Restated)
Net profit	90,938,220	94,409,010
Add: Impairment losses	4,773,390	7,194,416
Expected Credit Losses	65,393,951	78,978,767
Depreciation expenses	9,835,900	9,252,766
Amortisation expenses	3,532,293	2,660,589
Gain on disposal of fixed assets, intangible assets and other long-term assets	(138,692)	(22,145)
(Profit)/loss from changes in fair value	(859,097)	440,762
Financial expenses	2,367,331	2,497,182
Investment income	(26,915,646)	(33,743,900)
Net movement in deferred tax assets/liabilities	1,537,959	(9,278,446)
Increase in inventories	(2,824,853)	(3,711,184)
Increase in operating receivables	(640,828,249)	(1,022,928,934)
Increase in operating payables	454,827,305	1,029,468,644
Net cash flows (used in)/generated from operating activities	(38,360,188)	155,217,527

The Company

	2023	2022
Net profit	12,044,286	15,355,757
Add: Depreciation of fixed assets and amortisation of intangible assets	227,564	52,386
Impairment losses	-	83,465
Expected Credit Losses	(34,447)	(56,519)
Loss on disposal of fixed assets	274	-
Loss from change in fair value	142,587	376,417
Financial expenses	1,781,746	1,705,172
Investment income	(693,684)	(1,497,188)
Net change in deferred tax liabilities	(142,257)	(845,219)
Decrease / (increase) in operating receivables	1,925,909	(2,325,551)
(Decrease) / increase in operating payables	<u>(228,393)</u>	<u>18,154</u>
 Net cash flows generated from operating activities	 <u>15,023,585</u>	 <u>12,866,874</u>

(b) Change in cash and cash equivalents:

The Group

	2023	2022
Cash at the end of the year	320,618,575	334,772,806
Less: cash at the beginning of the year	(334,772,806)	(19,351,707)
Add: cash equivalents at the end of the year	254,116,737	317,096,564
Less: cash equivalents at the beginning of the year	<u>(317,096,564)</u>	<u>(256,896,661)</u>
 Net (decrease) / increase in cash and cash equivalents	 <u>(77,134,058)</u>	 <u>375,621,002</u>

The Company

	2023	2022
Cash and cash equivalents at the end of the year	3,601,433	1,954,500
Less: cash and cash equivalents at the beginning of the year	<u>(1,954,500)</u>	<u>(18,242,821)</u>
 Net increase/(decrease) in cash and cash equivalents	 <u>1,646,933</u>	 <u>(16,288,321)</u>

(c) Cash and cash equivalents held are as follows:

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Cash at bank and on hand		
- Cash on hand	4,496,602	5,589,090
- Bank deposits on demand	270,124,024	287,292,350
- Settlement reserve on demand	45,997,949	41,891,366
- Deposits due over three months	2,307,009	1,791,401
- Cash with restricted use	9,713,334	8,474,024
Cash equivalents		
- Surplus deposit reserve funds	52,472,703	104,314,918
- Investments in debt securities and others due with original maturities of three months or less	90,682,014	134,924,496
- Deposits with banks and non-bank financial institutions due within three months	51,254,706	41,637,694
- Placements with banks and non-bank Financial institutions due within three months	<u>59,707,314</u>	<u>36,219,456</u>
Closing balance of cash and cash equivalents	586,755,655	662,134,795
Less: deposits due over three months	(2,307,009)	(1,791,401)
Less: cash with restricted use	<u>(9,713,334)</u>	<u>(8,474,024)</u>
Closing balance of cash and cash equivalents available on demand	<u>574,735,312</u>	<u>651,869,370</u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Cash at bank and on hand		
- Bank deposits on demand	3,574,308	1,828,792
- Other cash balances on demand	27,125	125,708
- Deposits due over three months	-	500,000
- Cash with restricted use	<u>-</u>	<u>13</u>
Closing balance of cash	3,601,433	2,454,513
Less: deposits due over three months	-	(500,000)
Less: cash with restricted use	<u>-</u>	<u>(13)</u>
Closing balance of cash available on demand	<u>3,601,433</u>	<u>1,954,500</u>

(d) Disposal of subsidiaries

The Group had no disposal of significant subsidiaries for the years ended 31 December 2023 and 31 December 2022.

(49) Segment reporting

The group comprises five business segments, namely comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation. An operating segment is an integral part of the Group, which is engaged in business activities from which revenues and expenses are derived and provides separate financial information for the board of Directors of the Group to periodically evaluate the operating performance of this component and decide to allocate resources to it and evaluate its performance. The Group is able to obtain relevant financial information such as the financial position, operating results and cash flows of the component. The details of the five divisions are as follows:

- Comprehensive financial services: this segment includes banking, trust, securities and insurance services.
- Advanced intelligent manufacturing: this segment includes manufacturing of heavy machineries, specialised robotics, aluminium wheels, aluminium casting parts and other products.
- Advanced materials: this segment includes exploration, processing and trading of resources and energy products, including crude oil, coal, and others.
- New consumption: this segment includes publication services, modern agriculture, and others.
- New-type urbanisation: this segment includes development, sale and holding of properties, contracting and design services, infrastructure services, commercial aviation services, environmental services and others.

(a) Segment results, assets and liabilities

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

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

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

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

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

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 in 2023 and 2022 is set out below:

2023

	<i>Comprehensive financial services</i>	<i>Advanced intelligent manufacturing</i>	<i>Advanced materials</i>	<i>New consumption</i>	<i>New-type urbanisation</i>	<i>Operations Management</i>	<i>Elimination</i>	<i>Total</i>
Operating income from external customers	270,191,233	50,588,703	3,457,751	1,666,961	39,520,496	423,231	-	365,848,375
Inter-segment operating income	<u>1,612,217</u>	<u>10,826</u>	<u>-</u>	<u>50,357</u>	<u>813,746</u>	<u>110,614</u>	<u>(2,597,760)</u>	<u>-</u>
Segment operating income	<u>271,803,450</u>	<u>50,599,529</u>	<u>3,457,751</u>	<u>1,717,318</u>	<u>40,334,242</u>	<u>533,845</u>	<u>(2,597,760)</u>	<u>365,848,375</u>
Disaggregation of revenue								
Net interest income (note 37(a))	150,382,437	-	-	-	-	91,169	(1,455,577)	149,018,029
Net fee and commission income (note 37(b))	61,700,103	-	-	-	-	4,117	(40,984)	61,663,236
Sales of goods (note 37)	4,740,088	49,795,416	3,445,123	1,608,746	12,179,557	-	(65,821)	71,703,109
Services rendered to customers -construction contracts (note 37)	-	797,068	-	-	16,053,216	-	(493,954)	16,356,330
Services rendered to customers -others (note 37)	-	7,045	12,628	108,572	12,101,469	55,765	(278,133)	12,007,346
Other operating income from financial services business (note 37)	54,980,822	-	-	-	-	382,794	(263,291)	55,100,325
Income/(loss) from investments in associates and joint ventures	-	87,392	266,566	416,782	(138,993)	28,932	-	660,679
Interest income from deposits and receivables (note 40)	-	57,777	8,908	27,286	515,045	270,075	(314,173)	564,918
Net interest expenses (note 40)	-	(293,037)	(129,678)	(10,046)	(1,494,445)	(2,098,232)	1,115,654	(2,909,784)
Depreciation and amortisation (note 39)	(9,896,819)	(1,270,162)	(430,011)	(73,886)	(1,634,631)	(62,684)	-	(13,368,193)
Expected credit losses (note 41)	(61,029,252)	(467,144)	665	(1,851)	(3,918,141)	21,772	-	(65,393,951)
Impairment losses (note 42)	<u>(286,325)</u>	<u>(457,836)</u>	<u>(290,831)</u>	<u>(155,343)</u>	<u>(3,558,350)</u>	<u>(24,705)</u>	<u>-</u>	<u>(4,773,390)</u>
Profit/(loss) before income tax	106,739,011	1,903,079	507,362	329,299	(2,632,953)	(439,873)	(953,180)	105,452,745
Income tax (note 46)	<u>(13,733,152)</u>	<u>(169,229)</u>	<u>(61,143)</u>	<u>41,756</u>	<u>(548,192)</u>	<u>(29,613)</u>	<u>(14,952)</u>	<u>(14,514,525)</u>
Profit/(loss) for the year	93,005,859	1,733,850	446,219	371,055	(3,181,145)	(469,486)	(968,132)	90,938,220
- Attributable to owners of the company	48,075,155	827,037	204,921	337,012	(3,038,150)	(468,395)	(968,132)	44,969,448
- Attributable to non-controlling interests	44,930,704	906,813	241,298	34,043	(142,995)	(1,091)	-	45,968,772

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	<i>Comprehensive financial services</i>	<i>Advanced intelligent manufacturing</i>	<i>Advanced materials</i>	<i>New consumption</i>	<i>New-type urbanisation</i>	<i>Operations Management</i>	<i>Elimination</i>	<i>Total</i>
Segment assets	10,584,251,280	60,414,486	11,226,641	13,558,516	184,046,521	49,969,941	(66,685,503)	10,836,781,882
Including:								
- Investments in associates (note 13(c))	24,196,733	1,116,294	2,278,603	10,498,698	5,251,124	433,128	-	43,774,580
- Investments in joint ventures(note 13(b))	14,174,697	553,098	2,525,302	1,444,518	2,143,785	-	-	20,841,400
Segment liabilities	(9,482,933,831)	(40,136,559)	(3,668,055)	(2,141,405)	(116,777,438)	(89,004,550)	48,897,776	(9,685,764,062)
Including:								
- Bank and other loans (note 28)(note)	(10,344,127)	(6,017,976)	(1,575,223)	(806,107)	(48,270,520)	(13,042,607)	20,638,684	(59,417,876)
- Debt instruments issued (note 29)(note)	(1,133,945,955)	-	-	-	-	(30,475,036)	2,685,264	(1,161,735,727)

Note:

The amount is the principal excluding interest accrued.

2022

	<i>Comprehensive financial services (Restated)</i>	<i>Advanced intelligent manufacturing</i>	<i>Advanced materials</i>	<i>New consumption</i>	<i>New-type urbanisation (Restated)</i>	<i>Operations Management</i>	<i>Elimination</i>	<i>Total (Restated)</i>
Operating income from external customers	270,387,932	51,794,126	5,059,473	1,752,291	45,135,790	(183,011)	-	373,946,601
Inter-segment operating income	1,253,707	20,136	-	54,218	1,212,519	119,107	(2,659,687)	-
Segment operating income	271,641,639	51,814,262	5,059,473	1,806,509	46,348,309	(63,904)	(2,659,687)	373,946,601
Disaggregation of revenue								
Net interest income (note 37(a))	159,173,037	-	-	-	-	113,410	(1,262,014)	158,024,433
Net fee and commission income (note 37(b))	65,281,436	-	-	-	-	4,399	(42,878)	65,242,957
Sales of goods (note 37)	5,013,523	50,609,029	5,038,849	1,639,473	11,976,446	-	(81,849)	74,195,471
Services rendered to customers -construction contracts (note 37)	-	443,489	-	-	21,387,685	-	(741,644)	21,089,530
Services rendered to customers -others(note 37)	-	761,744	20,624	167,036	12,984,178	26,858	(468,956)	13,491,484
Other operating income from financial services business (note 37)	42,173,643	-	-	-	-	(208,571)	(62,346)	41,902,726
Income/(loss) from investments in associates and joint ventures	-	45,960	375,441	94,890	119,316	(104,980)	-	530,627
Interest income from deposits and receivables (note 40)	-	199,349	2,680	35,317	556,837	110,214	(313,735)	590,662
Net interest expenses (note 40)	-	(334,208)	(116,895)	(7,217)	(1,338,160)	(1,967,560)	777,266	(2,986,774)
Depreciation and amortisation (note 39)	(8,630,069)	(1,327,711)	(415,500)	(95,999)	(1,373,593)	(70,483)	-	(11,913,355)
Expected credit losses (note 41)	(72,978,359)	(134,069)	(35,584)	(312)	(5,859,580)	29,137	-	(78,978,767)
Impairment losses (note 42)	(255,487)	(203,438)	(33,186)	(536,914)	(6,159,178)	(6,213)	-	(7,194,416)
Profit/(loss) before income tax	103,436,675	1,341,070	1,620,332	(383,072)	(4,918,622)	11,516,606	(829,392)	111,783,597
Income tax (note 46)	(16,823,528)	(158,239)	(355,449)	(28,005)	109,932	(105,094)	(14,204)	(17,374,587)
Profit/(loss) for the year	86,613,147	1,182,831	1,264,883	(411,077)	(4,808,690)	11,411,512	(843,596)	94,409,010
- Attributable to owners of the company	46,409,893	532,137	740,033	(428,154)	(3,771,708)	11,415,527	(843,596)	54,054,132
- Attributable to non-controlling interests	40,203,254	650,694	524,850	17,077	(1,036,982)	(4,015)	-	40,354,878

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	<i>Comprehensive financial services</i>	<i>Advanced intelligent manufacturing (Restated)</i>	<i>Advanced materials</i>	<i>New consumption</i>	<i>New-type urbanisation (Restated)</i>	<i>Operations Management</i>	<i>Elimination</i>	<i>Total (Restated)</i>
Segment assets	9,948,028,642	58,981,864	11,936,261	13,103,910	198,537,210	50,231,026	(95,608,997)	10,185,209,916
Including:								
- Investments in associates (note 13(c))	23,283,981	845,876	2,588,876	7,766,161	5,147,663	876,380	-	40,508,937
- Investments in joint ventures (note 13(b))	13,984,837	26,849	2,121,429	1,409,729	9,133,596	-	-	26,676,440
Segment liabilities	(8,908,220,808)	(39,907,465)	(4,465,129)	(2,110,192)	(136,620,694)	(78,753,203)	78,012,653	(9,092,064,838)
Including:								
- Bank and other loans (note 28)(note)	(12,716,081)	(12,840,050)	(2,307,143)	(806,107)	(46,044,630)	(10,334,070)	28,976,781	(56,071,300)
- Debt instruments issued (note 29)(note)	(1,081,892,013)	-	-	-	-	(32,469,481)	1,830,000	(1,112,531,494)

Note:

The amount is the principal excluding interest accrued.

(b) Geographic information

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

	<i>Revenue from external customers</i>		<i>Reportable segment assets</i>	
	<i>For the year ended 31 December</i>		<i>As at 31 December</i>	
	2023	2022 (Restated)	2023	2022 (Restated)
Chinese mainland	337,045,612	342,991,230	10,034,776,492	9,421,954,584
Hong Kong, Macau and Taiwan	15,721,172	13,190,147	512,243,042	522,337,110
Overseas	13,081,591	17,765,224	289,762,348	240,918,222
	<u>365,848,375</u>	<u>373,946,601</u>	<u>10,836,781,882</u>	<u>10,185,209,916</u>

(c) Major customers

Operating income from each individual customer of the Group is below 10% of the Group's total operating income.

(50) Financial risk management

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

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

(a) Credit risk

Credit risk management

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

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

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

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

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

Measurement of ECL

The Group adopts the "ECL model" on its debt instruments which are classified as financial assets measured at amortised cost and at FVOCI, securities lending and credit commitments and financial guarantees.

The Group measures expected credit losses which uses a lifetime expected loss allowance for all account and bills receivable and contract assets, regardless of whether there is significant financing component or not. For other financial assets that are included in the measurement of ECL, the Group evaluates whether the credit risks of related financial assets have increased significantly since initial recognition. The impairment model is used to measure their loss allowances respectively to recognise ECL and their movements:

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

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

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

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

The Group estimates the ECL, and the key judgments and assumptions adopted by the Group are as follows:

(1) Significant increase in credit risk

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

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

(2) Definition of default and credit-impaired assets

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

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

- The issuer or borrower/debtor is in significant financial difficulties;
- The borrower/debtor is in breach of financial covenant(s) such as default or overdue in repayment of interests or principal etc.;
- The creditor gives the debtor concession that would not be offered otherwise, considering economic or contractual factors relating to the debtor's financial difficulties;
- It is becoming probably that the borrower/debtor will enter bankruptcy or other debt restructuring;
- An active market for that financial asset has disappeared because of financial difficulties from issuer or borrower/debtor;

- Financing financial assets are subject to mandatory liquidation measures and the collateral value is no longer sufficient for financing amounts;
- Violation grade for bond issuers or bonds in the latest external rating;
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

(3) Inputs for measurement of ECL

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

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

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

The Group categorises exposures with similar risk characteristics and estimates the PD, LGD, EAD by the exposures respectively. During the year, based on data accumulation, the Group optimised and updated relevant models and parameters. The Group has obtained sufficient information to ensure its statistical reliability. ECL of the Group is measured based on the continuous assessment and follow-up of individuals and their financial status.

(4) Forward-looking information

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

These economic variables and their associated impact on the PD and LGD vary by financial instruments. Expert judgment has also been applied in this process, forecasts of these economic variables are estimated by the experts of the Group on a semi-annually basis, and the impact of these economic variables on the PD and the LGD was determined by statistical regression analysis.

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

Macroeconomic scenario and weighting information

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

(I) Maximum credit risk exposure

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

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Deposits with central banks, banks and non-bank financial institutions	781,775,564	857,410,988
Placements with banks and non-bank financial institutions	237,741,850	217,354,011
Trade and other receivables	187,679,818	173,734,443
Financial assets held under resale agreements	164,982,969	45,713,102
Loans and advances to customers and other parties	5,396,033,850	5,056,111,716
Refundable deposits	62,181,920	69,158,115
Margin accounts	118,745,730	106,976,333
Investments in financial assets		
- Bond investments	1,074,304,531	1,124,595,845
- Other bond investments	967,937,705	873,367,436
Cash held on behalf of customers	45,999,598	41,891,039
Contract Assets	24,006,885	20,450,821
Other financial assets	5,985,819	4,528,326
	<u>9,067,376,239</u>	<u>8,591,292,175</u>
Credit commitments and guarantees provided	<u>2,192,201,040</u>	<u>2,020,020,396</u>
Maximum credit risk exposure	<u>11,259,577,279</u>	<u>10,611,312,571</u>

The maximum exposure to credit risk at the balance sheet date without taking into consideration of any collateral held or other credit enhancement is represented by the balance of each type of debt instruments in the balance sheet. A summary of the maximum exposure is as follows:

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Derivative financial assets	77,024,468	80,281,998
Loans and advances to customers and other parties at FVPL	5,557,881	3,881,158
Investments in financial assets		
- Financial assets held for trading (debt instruments)	<u>924,823,062</u>	<u>804,509,161</u>
Maximum credit risk exposure	<u>1,007,405,411</u>	<u>888,672,317</u>

(II) Expected credit loss

The following table explains the changes in the gross carrying amount for loans and advances to customers and other parties for the year:

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balance at 1 January 2023	5,020,567,849	92,278,138	81,013,175	5,193,859,162
Movements				
Net transfer out from stage 1	(104,735,560)	-	-	(104,735,560)
Net transfer into stage 2	-	25,745,966	-	25,745,966
Net transfer into stage 3	-	-	78,989,594	78,989,594
Net increase/(decrease) during the year (note (1))	441,562,049	(21,285,898)	(26,889,058)	393,387,093
Write-offs	-	-	(61,895,024)	(61,895,024)
Others (note (2))	9,467,162	239,560	930,083	10,636,805
Balance at 31 December 2023	<u>5,366,861,500</u>	<u>96,977,766</u>	<u>72,148,770</u>	<u>5,535,988,036</u>
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balance at 1 January 2022	4,736,833,638	89,678,178	75,766,332	4,902,278,148
Movements				
Net transfer out from stage 1	(110,179,144)	-	-	(110,179,144)
Net transfer into stage 2	-	24,741,833	-	24,741,833
Net transfer into stage 3	-	-	85,437,311	85,437,311
Net increase/(decrease) during the year (note (1))	374,998,885	(24,051,281)	(23,244,100)	327,703,504
Write-offs	-	-	(58,031,981)	(58,031,981)
Others (note (2))	18,914,470	1,909,408	1,085,613	21,909,491
Balance at 31 December 2022	<u>5,020,567,849</u>	<u>92,278,138</u>	<u>81,013,175</u>	<u>5,193,859,162</u>

The following table explains the changes in the gross carrying amount for financial assets:

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balance at 1 January 2023	1,965,750,659	5,432,905	58,349,629	2,029,533,193
Movements				
Net transfer out from stage 1	(6,510,881)	-	-	(6,510,881)
Net transfer into stage 2	-	4,636,652	-	4,636,652
Net transfer into stage 3	-	-	1,874,229	1,874,229
Net increase/(decrease) during the year (note (1))	46,926,652	(2,945,011)	(3,448,694)	40,532,947
Write-offs	-	-	(6,509,973)	(6,509,973)
Others (note (2))	7,113,141	113,044	81,871	7,308,056
Balance at 31 December 2023	2,013,279,571	7,237,590	50,347,062	2,070,864,223
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balance at 1 January 2022	1,781,967,418	18,794,851	51,727,882	1,852,490,151
Movements				
Business combinations (note 6(58))	62,417,043	1,570,695	-	63,987,738
Net transfer out from stage 1	(3,878,382)	-	-	(3,878,382)
Net transfer out from stage 2	-	(10,916,969)	-	(10,916,969)
Net transfer into stage 3	-	-	14,795,351	14,795,351
Net increase/(decrease) during the year (note (1))	111,651,514	(3,908,487)	(5,682,059)	102,060,968
Write-offs	-	-	(2,717,645)	(2,717,645)
Others (note (2))	13,593,066	(107,185)	226,100	13,711,981
Balance at 31 December 2022	1,965,750,659	5,432,905	58,349,629	2,029,533,193

Notes:

- (1) Net increase/(decrease) mainly includes changes in carrying amount due to newly purchased or originated credit-impaired financial assets or de-recognition excepting for write-off.
- (2) Others includes changes in interest accrual and exchange adjustment.

Movements of the loss allowances for loans and advances to customers and other parties for the year is as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	62,377,623	22,674,371	53,324,137	138,376,131
Movements (note (1))				
Net transfer out from stage 1	(3,045,326)	-	-	(3,045,326)
Net transfer into stage 2	-	9,082,201	-	9,082,201
Net transfer into stage 3	-	-	34,776,103	34,776,103
Net increase/(decrease) during the year (note (2))	6,898,261	(4,026,879)	(7,029,500)	(4,158,118)
Write-offs	-	-	(61,895,024)	(61,895,024)
Parameters change (note (3))	(1,169,603)	(148,603)	14,257,490	12,939,284
Others (note (4))	68,247	(364,453)	14,830,690	14,534,484
Balance at 31 December 2023	<u>65,129,202</u>	<u>27,216,637</u>	<u>48,263,896</u>	<u>140,609,735</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2022	52,056,863	25,894,924	49,176,247	127,128,034
Movements (note (1))				
Net transfer out from stage 1	(2,838,351)	-	-	(2,838,351)
Net transfer out from stage 2	-	(1,223,617)	-	(1,223,617)
Net transfer into stage 3	-	-	37,958,294	37,958,294
Net increase/(decrease) during the year (note (2))	6,209,636	(4,602,003)	(14,161,720)	(12,554,087)
Write-offs	-	-	(58,031,981)	(58,031,981)
Parameters change (note (3))	7,407,868	567,343	27,783,251	35,758,462
Others (note (4))	(458,393)	2,037,724	10,600,046	12,179,377
Balance at 31 December 2022	<u>62,377,623</u>	<u>22,674,371</u>	<u>53,324,137</u>	<u>138,376,131</u>

Movements of the loss allowances for financial assets for the year is as follows:

	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	5,072,875	1,531,837	28,035,147	34,639,859
Movements (note (1))				
Net transfer out from stage 1	(244,563)	-	-	(244,563)
Net transfer into stage 2	-	717,306	-	717,306
Net transfer into stage 3	-	-	893,197	893,197
Net increase/(decrease) during the year (note (2))	396,863	63,162	2,542,797	3,002,822
Write-offs	-	-	(6,509,973)	(6,509,973)
Parameters change (note (3))	6,073	(675,677)	(350,656)	(1,020,260)
Others (note (4))	372,925	2,637	52,298	427,860
Balance at 31 December 2023	<u>5,604,173</u>	<u>1,639,265</u>	<u>24,662,810</u>	<u>31,906,248</u>
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2022	7,028,941	5,725,477	19,683,547	32,437,965
Movements (note (1))				
Net transfer out from stage 1	(309,662)	-	-	(309,662)
Net transfer out from stage 2	-	(3,602,008)	-	(3,602,008)
Net transfer into stage 3	-	-	8,168,299	8,168,299
Net increase/(decrease) during the year (note (2))	1,426,204	(719,564)	(1,592,873)	(886,233)
Write-offs	-	-	(2,717,645)	(2,717,645)
Parameters change (note (3))	(1,200,003)	56,893	2,468,427	1,325,317
Others (note (4))	(1,872,605)	71,039	2,025,392	223,826
Balance at 31 December 2022	<u>5,072,875</u>	<u>1,531,837</u>	<u>28,035,147</u>	<u>34,639,859</u>

Notes:

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

(III) Analysis of loans and advances to customers and other parties analysed by economic sector :

The Group

	31 December 2023			31 December 2022		
	Gross balance	%	Loans and advances secured by collaterals	Gross balance	%	Loans and advances secured by collaterals
Corporate loans						
- Manufacturing	493,117,600	9%	179,687,872	416,249,787	8%	172,612,528
- Wholesale and retail	216,173,925	4%	100,650,008	180,645,976	2%	95,000,350
- Real estate	264,361,283	5%	170,157,911	285,948,799	5%	231,897,754
- Rental and business services	534,480,463	10%	148,750,950	495,997,368	10%	193,562,224
- Transportation, storage and postal services	139,241,320	3%	63,158,657	149,931,404	3%	79,475,296
- Water, environment and public utility management	432,723,897	8%	104,234,443	413,399,454	8%	129,983,444
- Construction	123,775,524	2%	45,390,257	103,599,550	2%	54,690,743
- Production and supply of electric power, gas and water	98,482,437	2%	39,997,642	90,508,574	2%	41,649,845
- public management and social organisations	50,913,839	1%	18,398,831	8,673,990	1%	1,930,193
- Others	356,690,210	6%	90,197,642	396,929,843	8%	117,282,282
	2,709,960,498	50%	960,624,213	2,541,884,745	49%	1,118,084,659
Personal loans	2,294,540,049	40%	1,510,756,798	2,126,533,005	41%	1,423,097,155
Discounted bills	516,819,727	9%	-	511,937,564	9%	-
	5,521,320,274	99%	2,471,381,011	5,180,355,314	99%	2,541,181,814
Accrued interest	20,225,643	1%	-	17,385,006	1%	-
	<u>5,541,545,917</u>	<u>100%</u>	<u>2,471,381,011</u>	<u>5,197,740,320</u>	<u>100%</u>	<u>2,541,181,814</u>

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

The Group

	31 December 2023			31 December 2022		
	Gross balance	%	Loans and advances secured by collateral	Gross balance	%	Loans and advances secured by collateral
Chinese mainland	5,309,875,240	95%	2,375,527,099	4,953,795,831	95%	2,444,008,824
Excluding Chinese mainland	211,445,034	4%	95,853,912	226,559,483	4%	97,172,990
	5,521,320,274	99%	2,471,381,011	5,180,355,314	99%	2,541,181,814
Accrued interest	20,225,643	1%	-	17,385,006	1%	-
	5,541,545,917	100%	2,471,381,011	5,197,740,320	100%	2,541,181,814

(V) Loans and advances to customers and other parties analysed by type of security

The Group

	31 December 2023	31 December 2022
Unsecured loans	1,560,096,687	1,394,838,658
Guaranteed loans	972,914,294	732,397,278
Secured loans		
- Loans secured by collateral	2,058,048,287	2,022,314,661
- Pledged loans	413,441,279	518,867,153
	5,004,500,547	4,668,417,750
Discounted bills	516,819,727	511,937,564
	5,521,320,274	5,180,355,314
Accrued interest	20,225,643	17,385,006
	5,541,545,917	5,197,740,320

(VI) Rescheduled loans and advances to customers and other parties

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

	31 December 2023		31 December 2022	
	Gross balance	% of total loans and advances	Gross balance	% of total loans and advances
Rescheduled loans and advances	17,741,587	0.32%	14,414,988	0.28%
- Rescheduled loans and advances overdue more than 3 months	3,412,466	0.06%	6,370,290	0.12%

(VII) Offsetting

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

As at 31 December 2023, the Group did not enter into significant enforceable master netting arrangements with counterparties and therefore there were no significant offsettings of any assets and liabilities in the consolidated balance sheet (31 December 2022: Nil).

(b) Market risk

Each of the Group's operating entity has formulated its own market risk management policies and procedures covering identification, measurement, monitoring and control of risks. The Group manages market risk based on the market condition to control potential loss from market risk at an acceptable level.

Interest rate risk and currency risk are major market risks that confront the Group.

(I) Interest rate risk

(i) Financial asset-liability gap

Interest rate risk arises from mismatch between repricing dates of financial assets and liabilities affected by market interest rate volatility.

	31 December 2023					Total
	Non-interest bearing	Within 3 months	Between 3 months and 1 year	Between 1 year to 5 years	More than 5 years	
Total financial assets	1,015,838,757	4,729,837,094	2,346,351,802	1,553,579,891	784,131,024	10,429,738,568
Total financial liabilities	(534,973,842)	(5,852,572,217)	(1,659,073,810)	(1,395,293,608)	(119,685,086)	(9,561,598,563)
Financial asset-liability surplus/(gap)	480,864,915	(1,122,735,123)	687,277,992	158,286,283	664,445,938	868,140,005

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	31 December 2022 (Restated)					Total
	Non-interest bearing	Within 3 months	Between 3 months and 1 year	Between 1 year to 5 years	More than 5 years	
Total financial assets	1,280,033,534	3,778,887,143	2,360,928,485	1,889,043,620	489,795,855	9,798,688,637
Total financial liabilities	(762,880,797)	(5,139,993,706)	(1,842,211,662)	(1,073,094,645)	(139,658,166)	(8,957,838,976)
Financial asset-liability surplus/(gap)	<u>517,152,737</u>	<u>(1,361,106,563)</u>	<u>518,716,823</u>	<u>815,948,975</u>	<u>350,137,689</u>	<u>840,849,661</u>

(ii) Effective interest rate

	31 December 2023		31 December 2022 (Restated)	
	Effective Interest rate	RMB('000)	Effective Interest rate	RMB('000)
Assets				
Cash and deposits	0.35% ~ 2.07%	786,272,166	0.35% ~ 1.75%	863,000,078
Placements with banks and non-bank financial institutions	3.18%	237,741,850	2.49%	217,354,011
Financial assets held under resale agreements	1.61%	164,982,969	1.45%	45,713,102
Loans and advances to customers and other parties	4.56%	5,401,591,731	4.81%	5,059,992,874
Investments in financial assets	2.73% ~ 3.16%	3,341,532,499	2.66% ~ 3.55%	3,136,058,188
Others		<u>904,660,667</u>		<u>863,091,663</u>
		<u>10,836,781,882</u>		<u>10,185,209,916</u>

	31 December 2023		31 December 2022 (Restated)	
	Effective Interest rate	RMB('000)	Effective Interest rate	RMB('000)
Liabilities				
Borrowing from central bank	2.61%	273,225,934	2.94%	119,421,572
Deposits from banks and non-bank financial institutions	2.12%	893,565,293	2.09%	1,103,099,491
Placements from banks and non-bank financial institutions	3.00%	149,558,141	2.41%	108,378,874
Financial assets sold under repurchase agreements	2.13%	744,571,158	2.00%	470,477,239
Deposits from customers	2.12%	5,473,689,937	2.06%	5,165,576,674
Bank and other loans	0.31% ~ 10%	59,541,967	1.28% ~ 7.25%	56,438,032
Debt instruments issued	0.88% ~ 5.75%	1,168,829,353	2.45% ~ 6.80%	1,118,870,856
Others		<u>922,782,279</u>		<u>949,802,100</u>
		<u>9,685,764,062</u>		<u>9,092,064,838</u>

(iii) Sensitivity analysis

As at 31 December 2023, it is estimated that a general increase or decrease of 100 basis points in interest rates, with all other variables held constant, the Group's profit before taxation would decrease or increase by RMB6,073 million (31 December 2022: decrease or increase by RMB9,683 million).

This sensitivity analysis is based on a static interest rate risk profile of the Group's financial assets and financial liabilities and certain simplified assumptions. The analysis only measures the impact of changes in the interest rates within one year, showing how annualised interest income would have been affected by repricing of the Group's financial assets and financial liabilities within the one-year period. The analysis is based on the following assumptions: (i) all assets and liabilities that reprice or mature within three months and after three months but within one year reprice or mature at the beginning of the respective periods; (ii) there is a parallel shift in the yield curve and in interest rates; and (iii) there are no other changes to the portfolio, all positions will be retained and rolled over upon maturity. The analysis does not take into account the effect of risk management measures taken by management. Because of its hypothetical nature with the assumptions adopted, actual changes in the Group's profit before taxation resulting from increases or decreases in interest rates may differ from the results of this sensitivity analysis.

(II) Currency risk

Currency risk arises from the changes in exchange rates on the Group's foreign currency denominated assets and liabilities. The Group measures its currency risk with foreign currency exposures, and manages currency risk by entering into spot foreign exchange transactions, use of derivatives (mainly foreign forwards and swaps), and matching its foreign currency denominated assets with corresponding liabilities in the same currency.

The exposure to currency risk arising from the financial assets and financial liabilities at the balance sheet date is as follows (denominated in RMB thousand equivalence):

The Group

	31 December 2023				
	RMB	US\$	HK\$	Others	Total
Total financial assets	9,551,951,710	523,490,469	277,302,202	76,994,187	10,429,738,568
Total financial liabilities	(8,807,646,872)	(507,929,619)	(193,724,204)	(52,297,868)	(9,561,598,563)
Financial asset-liability gap	<u>744,304,838</u>	<u>15,560,850</u>	<u>83,577,998</u>	<u>24,696,319</u>	<u>868,140,005</u>
	31 December 2022 (Restated)				
	RMB	US\$	HK\$	Others	Total
Total financial assets	8,988,548,505	522,604,460	216,827,670	70,708,002	9,798,688,637
Total financial liabilities	(8,243,785,073)	(489,277,921)	(185,906,631)	(38,869,351)	(8,957,838,976)
Financial asset-liability gap	<u>744,763,432</u>	<u>33,326,539</u>	<u>30,921,039</u>	<u>31,838,651</u>	<u>840,849,661</u>

Assuming all other risk variables remained constant, a 100 basis points strengthening or weakening of RMB against US\$, HK\$ and other currencies as at 31 December 2023 would decrease or increase the Group's total comprehensive income by RMB1,129 million (31 December 2022: decrease or increase by RMB961 million).

This sensitivity analysis is based on a static foreign exchange exposure profile of assets and liabilities and certain simplified assumptions. The analysis is based on the following assumptions: (i) the foreign exchange sensitivity is the gain and loss recognised as a result of 100 basis point fluctuation in the in the absolute value of the closing (middle) of each foreign currency against RMB; (ii) the exchange rates against RMB for all foreign currencies change in the same direction simultaneously, and does not take into account the correlation effect of changes in different foreign currencies; (iii) the foreign exchanges exposures calculated include both spot foreign exchanges, forward foreign exchanges and options, and all positions will be retained and rolled over upon maturity. The analysis does not take into account the effect of risk management measures taken by management. Because of its hypothetical nature with the assumptions adopted, actual changes in the Group's total comprehensive income resulting from increases or decreases in foreign exchange rates may differ from the results of this sensitivity analysis.

(c) Liquidity risk

Liquidity risk arises when there is mismatch between amounts and maturity dates of financial assets and financial liabilities.

Each of the Group's operating entity formulate liquidity risk management policies and procedures within the Group's overall liquidity risk management framework and takes into consideration of the business and regulatory requirements applicable to individual entity.

The Group manages liquidity risk by holding liquid assets (including deposits, other short-term funds and securities) of appropriate quality and quantity to ensure that short-term funding requirements are covered within prudent limits. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material demand for payments in the ordinary course of business.

The following tables indicate the analysis by remaining maturities of the Group's financial assets and liabilities:

The Group

	31 December 2023						Total
	Repayable on demand	Within 3 months	Between 3 month and 1 year	Between 1 year and 5 years	More than 5 years	Indefinite maturity date(note)	
Total financial assets	580,768,849	1,811,302,385	1,955,768,039	2,697,661,003	2,219,233,521	1,165,004,771	10,429,738,568
Total financial liabilities	<u>(3,698,563,382)</u>	<u>(2,574,502,343)</u>	<u>(1,712,566,556)</u>	<u>(1,432,193,292)</u>	<u>(126,156,090)</u>	<u>(17,616,900)</u>	<u>(9,561,598,563)</u>
Financial asset-liability (gap)/surplus	<u>(3,117,794,533)</u>	<u>(763,199,958)</u>	<u>243,201,483</u>	<u>1,265,467,711</u>	<u>2,093,077,431</u>	<u>1,147,387,871</u>	<u>868,140,005</u>

	31 December 2022 (Restated)						Total
	Repayable on demand	Within 3 months	Between 3 month and 1 year	Between 1 year and 5 years	More than 5 years	Indefinite maturity date(note)	
Total financial assets	626,179,714	1,445,943,264	2,011,578,105	2,304,052,864	2,184,908,551	1,226,026,139	9,798,688,637
Total financial liabilities	<u>(3,535,569,765)</u>	<u>(2,308,331,339)</u>	<u>(1,886,824,139)</u>	<u>(1,080,747,657)</u>	<u>(125,063,547)</u>	<u>(21,302,529)</u>	<u>(8,957,838,976)</u>
Financial asset-liability (gap)/surplus	<u>(2,909,390,051)</u>	<u>(862,388,075)</u>	<u>124,753,966</u>	<u>1,223,305,207</u>	<u>2,059,845,004</u>	<u>1,204,723,610</u>	<u>840,849,661</u>

The table below presents the undiscounted cash flows of the Group's financial assets and liabilities by remaining maturities at the financial position date:

The Group

31 December 2023							
	Repayable on demand	Within 3 months	Between 3 month and 1 year	Between 1 year and 5 years	More than 5 years	Indefinite maturity date (note)	Total
Total financial assets	580,768,849	1,869,398,424	2,119,925,135	3,206,725,379	2,635,861,122	1,167,303,348	11,579,982,257
Total financial liabilities	<u>(3,698,563,382)</u>	<u>(2,632,745,324)</u>	<u>(1,795,452,268)</u>	<u>(1,564,982,279)</u>	<u>(147,984,209)</u>	<u>(17,652,929)</u>	<u>(9,857,380,391)</u>
Financial asset-liability (gap)/surplus	<u>(3,117,794,533)</u>	<u>(763,346,900)</u>	<u>324,472,867</u>	<u>1,641,743,100</u>	<u>2,487,876,913</u>	<u>1,149,650,419</u>	<u>1,722,601,866</u>

31 December 2022 (Restated)							
	Repayable on demand	Within 3 months	Between 3 month and 1 year	Between 1 year and 5 years	More than 5 years	Indefinite maturity date (note)	Total
Total financial assets	626,178,857	1,521,262,750	2,181,457,456	2,763,027,600	2,716,664,080	1,233,782,696	11,042,373,439
Total financial liabilities	<u>(3,535,527,378)</u>	<u>(2,342,444,137)</u>	<u>(1,962,863,619)</u>	<u>(1,190,096,217)</u>	<u>(138,919,410)</u>	<u>(21,302,274)</u>	<u>(9,191,153,035)</u>
Financial asset-liability (gap)/surplus	<u>(2,909,348,521)</u>	<u>(821,181,387)</u>	<u>218,593,837</u>	<u>1,572,931,383</u>	<u>2,577,744,670</u>	<u>1,212,480,422</u>	<u>1,851,220,404</u>

Note:

For cash and balances with central banks, the indefinite maturity date amount represented statutory deposit reserve funds and fiscal deposits maintained with the People's Bank Of China. For placements with and loans to banks and non-bank financial institutions, loans and advances to customers and investments, the indefinite maturity date amount represented the balances being impaired or overdue for more than one month. Equity investments were also reported under indefinite maturity date.

For loans and advances to customers which are overdue within one month yet are not impaired, the balances are reported under repayable on demand.

Credit Commitments include acceptances, credit card commitments, guarantees, loan commitments and letters of credit. The tables below summarise the amounts of credit commitments by remaining contractual maturity.

The Group

31 December 2023				
	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Loan commitments	4,287,651	11,889,025	30,591,615	46,768,291
Guarantees	154,861,895	81,751,741	625,798	237,239,434
Letters of credit	255,478,416	872,908	-	256,351,324
Acceptances	867,522,534	-	-	867,522,534
Credit card commitments	<u>779,946,778</u>	<u>-</u>	<u>-</u>	<u>779,946,778</u>
Total	<u>2,062,097,274</u>	<u>94,513,674</u>	<u>31,217,413</u>	<u>2,187,828,361</u>

31 December 2022 (Restated)				
	Within 1 year	Between 1 and 5 years	More than 5 years	Total
Loan commitments	16,727,850	18,427,795	22,805,296	57,960,941
Guarantees	119,249,559	65,801,935	1,566,130	186,617,624
Letters of credit	269,892,722	944,312	-	270,837,034
Acceptances	795,832,674	-	-	795,832,674
Credit card commitments	<u>704,267,684</u>	<u>-</u>	<u>-</u>	<u>704,267,684</u>
Total	<u>1,905,970,489</u>	<u>85,174,042</u>	<u>24,371,426</u>	<u>2,015,515,957</u>

(51) Fair value

(a) Fair value measurement

(I) Fair value hierarchy

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels of inputs are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

The fair value of the Group's financial assets and financial liabilities are determined as follows:

If traded in active markets, fair values of financial assets and financial liabilities with standard terms and conditions are determined with reference to quoted market bid prices and ask prices, respectively.

If not traded in active markets, fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models or discounted cash flow analysis using prices from observable current market transactions for similar instruments. If there were no available observable current market transactions prices for similar instruments, quoted prices from counterparty is used for the valuation, and management performs analysis on these prices. Discounted cash flow analysis using the applicable yield curve for the duration of the instruments is used for derivatives other than options, and option pricing models are used for option derivatives.

The Group

	31 December 2023	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements
Recurring fair value measurements assets				
Bills receivables at FVOCI	1,826,660	-	1,826,660	-
Loans and advances to customers and other parties at FVOCI	573,198,849	-	573,198,849	-
Loans and advances to customers and other parties at FVPL	5,557,881	-	-	5,557,881
Derivative financial assets	77,024,468	1,365,386	69,322,528	6,336,554
Investments in financial assets	2,267,227,968	554,642,268	1,554,421,340	158,164,360
Investment properties	13,049,857	-	-	13,049,857
Total assets measured at fair value on a recurring basis	<u>2,937,885,683</u>	<u>556,007,654</u>	<u>2,198,769,377</u>	<u>183,108,652</u>
Recurring fair value measurements liabilities				
Financial liabilities held for trading	(88,551,897)	(11,615,217)	(56,308,993)	(20,627,687)
Derivative financial liabilities	(73,387,551)	(780,737)	(67,379,106)	(5,227,708)
Total liabilities measured at fair value on a recurring basis	<u>(161,939,448)</u>	<u>(12,395,954)</u>	<u>(123,688,099)</u>	<u>(25,855,395)</u>
	31 December 2022	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements
Recurring fair value measurements assets				
Bills receivables at FVOCI	1,160,030	-	1,160,030	-
Loans and advances to customers and other parties at FVOCI	563,084,674	-	563,084,674	-
Loans and advances to customers and other parties at FVPL	3,881,158	-	-	3,881,158
Derivative financial assets	80,281,998	531,140	73,210,194	6,540,664
Investments in financial assets	2,011,462,343	597,798,239	1,277,632,934	136,031,170
Investment properties	10,956,902	-	-	10,956,902
Total assets measured at fair value on a recurring basis	<u>2,670,827,105</u>	<u>598,329,379</u>	<u>1,915,087,832</u>	<u>157,409,894</u>
Recurring fair value measurements liabilities				
Financial liabilities held for trading	(94,845,091)	(17,880,062)	(45,489,608)	(31,475,421)
Derivative financial liabilities	(71,722,279)	(581,888)	(66,726,479)	(4,413,912)
Total liabilities measured at fair value on a recurring basis	<u>(166,567,370)</u>	<u>(18,461,950)</u>	<u>(112,216,087)</u>	<u>(35,889,333)</u>

As at 31 December 2023, the Group did not have any assets or liabilities measured at fair value on a non-recurring basis (31 December 2022: Nil).

For the year ended 31 December 2023, the Group's investment properties have no Level 1 and Level 2 fair value hierarchy (2022: Nil) and no transfers into or out of Level 3 (2022: Nil).

(II) Level 2 fair value measurement

Level 2 fair value is generally obtained from third party pricing services for identical or comparable assets, or through the use of valuation methodologies using observable market inputs, or recent quoted market prices. Valuation service providers typically gather, analyse and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, providing a theoretical quote on various securities.

For the year ended 31 December 2023, there were no changes in valuation techniques for the recurring Level 2 fair value measurements (31 December 2022: Nil).

(III) Level 3 fair value measurement

The following table shows a reconciliation from the beginning to the ending balances for fair value measurement in recurring Level 3 of the fair value hierarchy:

	2023							
	Assets					Liabilities		
	<i>Loans and advances to customers and other parties at FVPL</i>	<i>Derivatives financial assets</i>	<i>Investments in financial assets</i>	<i>Investment properties</i>	<i>Total</i>	<i>Financial liabilities held for trading</i>	<i>Derivative financial liabilities</i>	<i>Total</i>
At 1 January 2023	3,881,158	6,540,664	136,031,170	10,956,902	157,409,894	(31,475,421)	(4,413,912)	(35,889,333)
Total gains/ (losses):								
- in profit or loss	25,360	(2,606,766)	913,314	(50,606)	(1,718,698)	4,871,631	5,020,824	9,892,455
- in other comprehensive income	-	-	660,466	-	660,466	-	-	-
Net settlements	1,651,363	2,402,656	20,559,410	2,143,561	26,756,990	5,976,103	(5,834,620)	141,483
At 31 December 2023	<u>5,557,881</u>	<u>6,336,554</u>	<u>158,164,360</u>	<u>13,049,857</u>	<u>183,108,652</u>	<u>(20,627,687)</u>	<u>(5,227,708)</u>	<u>(25,855,395)</u>
	2022							
	Assets					Liabilities		
	<i>Loans and advances to customers and other parties at FVPL</i>	<i>Derivatives financial assets</i>	<i>Investments in financial assets</i>	<i>Investment properties</i>	<i>Total</i>	<i>Financial liabilities held for trading</i>	<i>Derivative financial liabilities</i>	<i>Total</i>
At 1 January 2022	-	-	29,425,260	9,850,633	39,275,893	(211,613)	-	(211,613)
Total gains/ (losses):								
- in profit or loss	-	2,261,310	6,661,157	(236,721)	8,685,746	(457,916)	2,544,810	2,086,894
- in other comprehensive income/ (losses)	-	229	(227,430)	-	(227,201)	-	-	-
Net settlements	3,881,158	(623,219)	(4,552,449)	(134,826)	(1,429,336)	2,486,058	(2,603,212)	(117,154)
Business combinations	-	4,902,344	104,724,632	1,477,816	111,104,792	(33,291,950)	(4,355,510)	(37,647,460)
At 31 December 2022	<u>3,881,158</u>	<u>6,540,664</u>	<u>136,031,170</u>	<u>10,956,902</u>	<u>157,409,894</u>	<u>(31,475,421)</u>	<u>(4,413,912)</u>	<u>(35,889,333)</u>

(b) Fair value of other financial instruments (items not measured at fair value as at the balance sheet date)

The carrying amounts and fair values of the Group's financial assets and liabilities, other than those with carrying amounts that reasonably approximate to their fair values, are as follows:

	<i>31 December 2023</i>				
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Financial assets					
Investments in financial assets					
- At amortised cost	<u>1,074,304,531</u>	<u>1,082,341,072</u>	<u>8,884,753</u>	<u>854,989,795</u>	<u>218,466,524</u>
Financial liabilities					
Debt instruments issued					
- Corporate bonds issued	188,974,512	190,439,266	162,093,730	28,345,536	-
- Notes issued	154,309,148	154,833,177	4,671,304	150,161,873	-
- Subordinated bonds issued	83,396,783	84,350,708	7,254,735	77,095,973	-
Certificate of Deposit issued (non-trading purpose)	1,429,680	1,429,680	-	-	1,429,680
- Certificates of interbank deposit issued	705,316,951	694,130,304	-	694,130,304	-
- Convertible corporate bonds	13,727,588	17,538,769	-	-	17,538,769
- Income certificates	<u>21,674,691</u>	<u>21,674,921</u>	<u>-</u>	<u>-</u>	<u>21,674,921</u>
	<u>1,168,829,353</u>	<u>1,164,396,825</u>	<u>174,019,769</u>	<u>949,733,686</u>	<u>40,643,370</u>

	31 December 2022				
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Financial assets					
Investments in financial assets					
- At amortised cost	<u>1,124,595,845</u>	<u>1,130,152,115</u>	<u>7,746,994</u>	<u>886,459,000</u>	<u>235,946,121</u>
Financial liabilities					
Debt instruments issued					
- Corporate bonds issued	146,774,057	147,867,134	116,701,565	31,165,569	-
- Notes issued	130,663,047	140,736,509	11,163,000	129,573,509	-
- Subordinated bonds issued	100,374,316	101,501,056	3,462,000	98,039,056	-
Certificate of Deposit issued (non-trading purpose)	1,047,209	1,047,000	-	-	1,047,000
- Certificates of interbank deposit issued	720,096,079	703,847,000	-	703,847,000	-
- Convertible corporate bonds	13,861,008	17,805,308	-	-	17,805,308
- Income certificates	6,055,140	6,055,117	-	-	6,055,117
	<u>1,118,870,856</u>	<u>1,118,859,124</u>	<u>131,326,565</u>	<u>962,625,134</u>	<u>24,907,425</u>

(52) Capital management

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

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

Certain subsidiaries under the financial services segment are subject to capital adequacy requirements imposed by the external regulators. There was no non-compliance of capital requirements as at 31 December 2023 (31 December 2022: Nil).

(53) Commitments and contingent liabilities

(a) Credit commitments

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

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

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

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Contractual amount		
Loan commitments		
With an original maturity of within 1 year	13,995,096	16,319,438
With an original maturity of 1 year or above	<u>32,773,195</u>	<u>41,641,503</u>
	46,768,291	57,960,941
Guarantees	237,239,434	186,617,624
Letters of credit	256,351,324	270,837,034
Acceptances	867,522,534	795,832,674
Credit card commitments	<u>779,946,778</u>	<u>704,267,684</u>
	<u>2,187,828,361</u>	<u>2,015,515,957</u>

Credit commitments analysed by credit risk weighted amount

	<i>31 December 2023</i>	<i>31 December 2022</i>
Credit risk weighted amount on credit commitments	<u>602,231,000</u>	<u>541,153,120</u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Guarantees	<u>4,364,325</u>	<u>4,364,325</u>

Notes:

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

(b) Redemption commitment for treasury bonds

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

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

	<i>31 December</i> 2023	<i>31 December</i> 2022
Redemption commitment for treasury bonds	<u>2,734,713</u>	<u>2,903,717</u>

The original maturities of these bonds vary from one to five years. Management of the Group expects the amount of redemption before maturity dates of these bonds will not be material. The MOF will not provide funding for the early redemption of these bonds on a back-to-back basis, but will settle the principal and interest upon maturity.

(c) Guarantees provided

Except for guarantees that have been recognised as liabilities, guarantee issued by the Group for other enterprises are as follows:

The Group

	<i>31 December</i> 2023	<i>31 December</i> 2022
Related parties(note)	1,082,944	1,315,441
Third parties	<u>3,356,546</u>	<u>3,188,998</u>
	<u>4,439,490</u>	<u>4,504,439</u>

As at balance date, the counter guarantees issued to the Group by related parties mentioned above are as follows:

	<i>31 December</i> 2023	<i>31 December</i> 2022
Related parties(note)	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Related parties (note)	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>

Note:

As at 31 December 2023, the guarantees provided to related parties by the Group include guarantees provided to former subsidiaries of the Company that were disposed to China Overseas Land & Investment Limited (“China Overseas”) in 2016 amounting to RMB1 billion (31 December 2022: RMB1 billion). China Overseas has provided counter guarantees to the Group.

Details of related party relationships and transactions are set forth in Note 6(56)(c).

(d) Capital commitments

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

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Contracted for	<u>10,597,866</u>	<u>12,750,984</u>

(54) Non-adjustment events after the balance sheet date

The Group does not have any significant non-adjustment events after the balance sheet date that need to be disclosed.

(55) Comparative amounts

Restatements have been made on some of the comparative amounts to ensure the comparability.

(56) Related party relationships and transactions

(a) Information on the parent of the Company is listed as follows:

<i>Company name</i>	<i>Registered place</i>	<i>Business nature</i>	<i>Share capital (HKD'000)</i>	<i>Shareholding percentage</i>	<i>Proportion of voting rights</i>
CITIC Limited	Hong Kong	Investment holding	381,710,400	100%	100%

(b) Further information on the subsidiaries of the Company is set out in Note 5.

(c) Transactions with related parties:

(I) Transaction amounts with related parties:

The Group

	2023	2022
Sales of goods	522,629	509,836
Purchase of goods	2,211,908	2,671,627
Net interest incomes	1,112,884	2,121,334
Net fee and commissions expenses	130,474	70,864
Income from services	4,441,931	2,424,568
Expenses for services	220,876	63,217
Interest income from deposits and receivables	87,243	29,970
Business and administrative expenses	2,131,448	2,106,998

The Company

	2023	2022
Interest income from loans	113,556	152,693
Fee and commissions incomes	4,117	4,399
Interest income from deposits	42,982	57,660
Financial expenses	30,699	54,785
Business and administrative expenses	303,276	288,049

Notes:

- (i) The above transactions with related parties were conducted under normal commercial terms or relevant agreements.
- (ii) Interest rates of loans and advances to customers and other parties to the related parties were determined at rates negotiated between the Group and the related parties on a case by case basis.

- (iii) During the relevant years, CITIC Bank, a subsidiary of the Group, entered into transactions with related parties in the ordinary course of its banking businesses including lending, assets transfer (i.e. issuance of asset-backed securities in the form of public placement), wealth management, investment, deposit, settlement and clearing, off-balance sheet transactions, and purchase, sale and leases of property. These banking transactions were conducted under normal commercial terms and conditions and priced at the relevant market rates prevailing at the time of each transaction.

- (II) The balances with related parties as at the balance sheet date are set out as follows:

The Group

	<i>31 December 2023</i>	<i>31 December 2022</i>
Trade and other receivables	31,287,349	25,781,211
Loans and advances to customers and other parties (ii)	38,253,683	41,784,479
Cash and deposits	34,035,956	36,126,171
Investments in financial assets		
- Financial assets at FVPL	4,714,208	4,495,406
- Debt investments at FVOCI	2,983,059	3,049,747
- Financial assets at amortised cost	985,080	920,413
Derivative financial instruments and other assets	903,739	1,521,508
Financial assets held under resale agreements	1,182,178	1,182,178
Contract assets	928,184	249,524
Trade and other payables	40,415,555	34,134,938
Deposits from customers, banks and non-bank institutions	82,005,515	57,085,829
Derivative financial instruments and other liabilities	1,014,195	946,461
Contract liabilities	1,482,558	787,279
Lease liabilities	235,971	244,464
Bank and other loans	6,770,525	5,558,720
Off-balance sheet items		
Guarantees provided (iii)	1,082,944	1,315,441

(II) The balances with related parties as at the balance sheet date are set out as follows:

The Company

	<i>31 December 2023</i>	<i>31 December 2022</i>
Trade and other receivables	26,912,900	28,745,890
Loans and advances to customers and other parties (ii)	327,978	5,393,401
Cash and deposits	3,399,371	2,437,791
Trade and other payables	39,002,096	29,829,776
Debt instruments issued	1,818,264	1,888,134
Guarantees provided (iii)	1,000,000	1,000,000

Notes:

- (i) The above transactions with related party transactions which were conducted under the normal commercial terms.
 - (ii) Interest rates of loans and advances to customers and other parties to the related parties were determined at rates negotiated between the Group and the corresponding related parties on a case by case basis.
 - (iii) The guarantees provided by the Group to the related parties were based on the terms agreed between the Group and the related parties on a case by case basis.
 - (iv) As at 31 December 2023, the balance of cash and deposit funds deposited by the Company in the account of CITIC Finance Co., LTD. was RMB1,554 million, which can be withdrawn without restriction.
- (III) Relationships with the related parties under the transactions stated in Notes 6(56)(c)(I) and 6(56)(c)(II) above

<i>Company Name</i>	<i>Relationship with the Group</i>
CITIC Group	Ultimate holding company
CITIC Limited	Parent company
CITIC Pacific Special Steel Co., Ltd.	Controlled by the parent company
CITIC Pacific Mining Management Pty Ltd.	Controlled by the parent company
Castle Metro Limited	Controlled by the parent company
CITIC Polaris Limited	Controlled by the ultimate holding company
CITIC Asset Management Co., Ltd.	Controlled by the ultimate holding company
CITIC-Prudential Life Insurance Co., Ltd.	Joint venture
China Overseas	Significantly influenced by the Group's parent company
Guangdong Honglianjiuwu Information Industry Co., Ltd.	Controlled by the parent company

(57) Structured entities

(a) Structured entities in which the Group holds an interest

The Group holds an interest in some structured entities through investments in debt securities issued by these structured entities. Such structured entities include wealth management products, investment management products, trust investment plans, asset-backed securities and investment funds and the Group does not consolidate these structured entities.

The following table sets out an analysis of the carrying amounts of interests held by the Group as at the balance sheet date in the structured entities, as well as an analysis of the line items in the balance sheet in which the relevant assets are recognised:

	<i>As at 31 December 2023</i>			<i>Total</i>	<i>Maximum loss exposure</i>
	<i>Investments in financial assets</i>				
<i>Gross amount</i>	<i>Financial assets held for trading</i>	<i>Bond investments</i>	<i>Other bond investments</i>		
Wealth management products	6,161,384	-	-	6,161,384	6,161,384
Investment management products managed by non-bank institutions	12,706,333	22,907,858	-	35,614,191	35,614,191
Trust investment plans	11,431,558	194,110,100	-	205,541,658	205,541,658
Asset-backed securities	912,038	123,157,697	19,666,469	143,736,204	143,736,204
Investment funds	546,451,529	-	-	546,451,529	546,451,529
	<u>577,662,842</u>	<u>340,175,655</u>	<u>19,666,469</u>	<u>937,504,966</u>	<u>937,504,966</u>

As at 31 December 2022

<i>Gross amount</i>	<i>Investments in financial assets</i>			<i>Total</i>	<i>Maximum loss exposure</i>
	<i>Financial assets held for trading</i>	<i>Bond investments</i>	<i>Other bond investments</i>		
Wealth management products	1,553,504	-	-	1,553,504	1,553,504
Investment management products managed by non-bank institutions	10,711,868	39,627,749	-	50,339,617	50,339,617
Trust investment plans	5,346,597	226,256,820	-	231,603,417	231,603,417
Asset-backed securities	1,434,803	252,525,156	44,697,456	298,657,415	298,657,415
Investment funds	458,328,784	-	-	458,328,784	458,328,784
	<u>477,375,556</u>	<u>518,409,725</u>	<u>44,697,456</u>	<u>1,040,482,737</u>	<u>1,040,482,737</u>

- (b) Structured entities sponsored by the Group which the Group does not consolidate but holds an interest

The investments issued by unconsolidated structured entities sponsored by the Group are primarily wealth management products, trust plans, investment funds and investment management products without principal and/or return guarantee. The nature and purpose of these structured entities are for the Group to generate fees from managing assets on behalf of investors. These structured entities are financed through issuance of products to investors. Interest held by the Group includes fees charged by providing management services and investment made by the Group.

Wealth management products, trust plans, investment funds and wealth management products

As at 31 December 2023, the aggregate amount of assets held by the unconsolidated wealth management products, trust plans, investment funds and investment management products which are sponsored by the Group was RMB6,859,588 million (31 December 2022: RMB6,397,450 million).

During the year ended 31 December 2023, the amount of fee and commission income and net interest income recognised from the above-mentioned structured entities sponsored by the Group was RMB12,777 million (2022: RMB18,741 million) and RMB220 million (2022: RMB72 million).

In order to achieve a smooth transition and steady development of the wealth management business, in 2023, in accordance with the requirements of the “Guiding Opinions on Regulating the Asset Management Business of Financial Institutions”, the Group continue to promote net-value-based reporting of its asset management products and dispose of existing portfolios.

- (c) Transfers of financial assets

The Group entered into transactions which involved securitisation transactions and transfers of non-performing financial assets.

These transactions were entered into in the normal course of business by which recognised financial assets were transferred to third parties or structured entities. Transfers of assets may give rise to full or partial de-recognition of the financial assets concerned. On the other hand, where transferred assets do not qualify for de-recognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

Details of securitisation transactions and non-performing financial assets transfer transactions conducted by the Group for the year ended 31 December 2023 totalling RMB45,172 million (2022: RMB34,212 million) are set forth below. Details of the financial assets sold under repurchase agreements are set forth in Note 6(25).

Securitisation transactions

In 2023, the original book value of financial assets transferred by the Group through asset securitisation transactions was RMB17,510 million (2022: RMB14,994 million), which qualified for full de-recognition.

Transfer of loans and other financial assets

In 2023, the Group transferred loans and other financial assets by other means with the original book value of RMB27,662 million (2022: RMB19,218 million), including RMB19,272 million (2022: RMB5,628 million) of non-performing loans, RMB7,990 million (2022: RMB13,590 million) of non-performing structured investments and RMB400 million (2022: Nil) of other financial assets. The Group carried out assessment based on the transfer of risks and rewards of ownership and concluded that these transferred assets qualified for full de-recognition.

(58) Major business combinations

In 2023, the subsidiaries of the Company acquired CITIC Zhengye Investment Development Co., Ltd. ("CITIC Zhengye Investment") and CITIC Technology Development Co., LTD. ("CITIC Technology"). The acquisition represents a business combination under common control as the subsidiaries of the Company, CITIC Zhengye Investment and CITIC Technology are ultimately controlled by CITIC Group both before and after the acquisition, and that control is not transitory. The financial statements of CITIC Zhengye Investment and CITIC Technology are included in the Group's consolidated financial statements as if the combination had occurred from the date when the ultimate controlling shareholder first obtained control. Therefore, the opening balances and the comparative figures of the consolidated financial statements are restated.

For a business combination involving entities under common control which occurred in 2023, the net profit of the investees before being consolidated was RMB114 million. The net profit in 2022 was RMB71 million.

(59) Major transactions with non-controlling interests

Acquisition of additional interest in an indirectly hold subsidiary

In 2023, CITIC Financial Holdings acquired an additional 0.79% of the issued shares of CITIC Securities for a purchase consideration of RMB1,707 million. The Group recognised a decrease in non-controlling interests of RMB1,707 million, and the equity attributable to shareholders of the Company remained unchanged. The effect of changes in the ownership interest of CITIC Securities on the equity attributable to shareholders of the Company during the year is summarised as follows:

	31 December 2023 RMB million
Carrying amount of non-controlling interests acquired	1,707
Consideration paid to non-controlling interests	(1,707)
Excess of consideration paid recognised within equity	-