THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any aspects of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your Shares in **China CITIC Financial Asset Management Co., Ltd.**, you should at once hand this circular with the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

中国中信金融资产
China CITIC Financial AMC

中國中信金融資產管理股份有限公司
China CITIC Financial Asset Management Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 2799)

VERY SUBSTANTIAL ACQUISITION — RESOLUTION ON FURTHER PROMOTING INVESTMENT ALLOCATION AND NOTICE OF EGM

China CITIC Financial Asset Management Co., Ltd. will convene the EGM on Friday, 29 November 2024 at 10:00 a.m. at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC. Notice of EGM is set out on pages 88 to 89 in this circular.

If you wish to appoint a proxy to attend the EGM on your behalf, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon no later than 24 hours before the time scheduled for holding the EGM (i.e. before 10:00 a.m. on Thursday, 28 November 2024) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any adjournment thereof should you so wish.

13 November 2024

CONTENTS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

"Articles of Association"	the Articles of Association of China CITIC Financial Asset Management Co., Ltd., as amended from time to time
"Bank of China"	Bank of China Limited, a joint stock limited liability company incorporated in the PRC, the H shares (stock code: 3988) and A shares (stock code: 601988) of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
"Board"	the board of directors of the Company
"CEB Bank"	China Everbright Bank Company Limited, a joint stock limited liability company incorporated in the PRC, the H shares (stock code: 6818) and A shares (stock code: 601818) of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
"Central Huijin"	Central Huijin Investment Ltd.
"Chairman"	the chairman of the Board of the Company
"China CITIC Bank"	China CITIC Bank Corporation Limited, a joint stock limited liability company incorporated in the PRC, the H shares (stock code: 998) and the A shares (stock code: 601998) of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively. As at the Latest Practicable Date, to the Company's knowledge, information and belief after making reasonable inquiries, China CITIC Bank is an indirect subsidiary of CITIC Group under the Listing Rules
"China Power"	China Power International Development Limited, a limited liability company incorporated in Hong Kong, the shares (stock code: 2380) of which are listed on the Hong Kong Stock Exchange
"China Telecom"	China Telecom Corporation Limited, a joint stock limited liability company incorporated in the PRC, the H shares (stock code: 0728) and A shares (stock code: 601728) of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
"CITIC Group"	CITIC Group Corporation, a substantial shareholder of the Company, whose ultimate beneficial owner is the MOF
"CITIC Limited"	CITIC Limited, a limited liability company incorporated in Hong Kong, the shares (stock code: 0267) of which are listed on the Hong Kong Stock Exchange

"CITIC Securities"	CITIC Securities Company Limited, a joint stock limited liability company incorporated in the PRC, the H shares (stock code: 6030) and the A shares (stock code: 600030) of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively. The operating performance and financial condition of CITIC Securities are consolidated into the financial statements of CITIC Corporation Limited. As at the Latest Practicable Date, to the Company's knowledge, information and belief after making reasonable inquiries, CITIC Securities is an indirect subsidiary of CITIC Group under the Listing Rules
"CITIC Securities AM"	CITIC Securities Asset Management Co., Ltd., a wholly-owned subsidiary of CITIC Securities as at the Latest Practicable Date
"CITIC Trust"	CITIC Trust Co., Ltd., an indirect wholly-owned subsidiary of CITIC Limited as at the Latest Practicable Date
"Company"	China CITIC Financial Asset Management Co., Ltd., a joint stock limited liability company incorporated in the PRC, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"CSC"	CSC Financial Co., Ltd., a joint stock limited liability company incorporated in the PRC, the H shares (stock code: 6066) and the A shares (stock code: 601066) of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively. To the knowledge, information and belief of the Directors after making reasonable inquiries, CSC and its ultimate beneficial owners are third parties independent of the Company and its connected persons
"CSRC"	China Securities Regulatory Commission
"Daqin Railway"	Daqin Railway Co., Ltd., a joint stock limited liability company incorporated in the PRC, the shares (stock code: 601006) of which are listed on the Shanghai Stock Exchange
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in Renminbi
"EGM" or "Extraordinary General Meeting"	the fourth extraordinary general meeting for 2024 to be held by the Company on Friday, 29 November 2024 at 10:00 a.m. at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC
"Group"	the Company and its subsidiaries

"H Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HKD and listed on the Main Board of the Hong Kong Stock Exchange
"HK$" or "HKD"	the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Kunlun Energy"	Kunlun Energy Company Limited, a limited liability company incorporated in Bermuda, the shares (stock code: 0135) of which are listed on the Hong Kong Stock Exchange
"Latest Practicable Date"	13 November 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
"MOF"	the Ministry of Finance of the People's Republic of China
"MOFCOM"	the Ministry of Commerce of the People's Republic of China
"NDRC"	the National Development and Reform Commission
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	share(s) of the Company, including Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of the Shares of the Company
"Single Asset Service Trust", "Trust Product" or "Trust"	a single asset service trust set up by the Company in cooperation with CITIC Trust and China CITIC Bank to make investments, and with CITIC Securities and CSC being appointed as advisors by the Company to provide professional investment opinions
"Social Security Fund" or "SSF"	the National Council for Social Security Fund of the PRC
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Trust Contract"	the Trust Contract for the No. 1 Asset Service Trust Project of CITIC Trust (《中信信託壹號資產服務信託項目信託合同》) dated 8 November 2024 entered into between the Company and CITIC Trust in relation to the establishment of the Single Asset Service Trust
"%"	percent

中国中信金融资产
China CITIC Financial AMC

中國中信金融資產管理股份有限公司
China CITIC Financial Asset Management Co., Ltd.
(A joint stock limited liability company incorporated in the People's Republic of China)
(Stock Code: 2799)

Executive Directors:
Mr. Liu Zhengjun *(Chairman)*
Mr. Li Zimin *(President)*

Non-executive Directors:
Ms. Zhao Jiangping
Mr. Xu Wei
Mr. Tang Hongtao

Independent Non-executive Directors:
Mr. Shao Jingchun
Mr. Zhu Ning
Ms. Chen Yuanling
Mr. Lo Mun Lam, Raymond

Registered Office:
No. 8 Financial Street, Xicheng District
Beijing
the PRC

Principal Place of Business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

13 November 2024

Dear Sir or Madam,

**VERY SUBSTANTIAL ACQUISITION —
RESOLUTION ON FURTHER PROMOTING INVESTMENT ALLOCATION
AND
NOTICE OF EGM**

I. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolution to be proposed at the EGM to enable you to make an informed decision on whether to vote for or against the resolution at the EGM.

II. MATTER TO BE CONSIDERED AT THE EGM

The special resolution to be proposed at the EGM for consideration and approval by Shareholders is to consider and approve the resolution on further promoting investment allocation.

In order to enable you to have a better understanding of the resolution to be proposed at the EGM and to make well-informed decisions, this circular provides detailed information on matter to be considered at the EGM.

TO CONSIDER AND APPROVE THE RESOLUTION ON FURTHER PROMOTING INVESTMENT ALLOCATION

In recent years, the Company has seized market opportunities and carried out a series of investment allocations, obtaining positive achievements. In order to maximize Shareholders' interests, the Company intends to further optimize investment paths and intensify efforts in investment allocation based on previous investments.

The Company proposes to appoint CITIC Securities and CSC as professional advisers to further promote investment allocation. The plan of further promoting investment allocation includes, within the scope of the total investment not exceeding RMB50.3 billion: ① further acquiring 4.88% of shares of CITIC Limited for RMB11,266,222,182.90 by entering into a share transfer agreement; ② further acquiring shares of Bank of China for not more than RMB26.0 billion; ③ further acquiring shares of CEB Bank for not more than RMB4.0 billion; and ④ entrusting CITIC Trust (as the trustee), CITIC Securities (as an adviser), CSC (as an adviser) and China CITIC Bank (as the custodian) to make investments by setting up a Single Asset Service Trust for not more than RMB20.0 billion. The Board of Directors of the Company is of the opinion that the transactions and related authorizations set forth in the preceding transactions ① to ④ are interdependent, interrelated and mutually supportive, and linked forming one significant resolution, which should be dealt with and considered together as a single resolution for the following main reasons:

(1) The plans for transactions ① to ④ are interdependent, interrelated and mutually supportive, and they jointly form an overall arrangement. From the perspective of the Company's strategic planning, the investment scale, selection criteria of investment targets, position level, industry distribution, and expected investment performance under the plan to further promote investment allocation (covering transactions ① to ④) is a holistic plan, which is in line with the Company's strategic plan of "one-three-five" (for details, please refer to the announcement of the Company on the Company's "14th Five-Year Plan" dated 29 August 2022). The transaction plan on further promoting investment allocation is a packaged solution provided by the two advisers (i.e., CITIC Securities and CSC) engaged by the Company under the current market environment. From the perspective of the expected investment performance, under the packaged solution on further promoting investment allocation, the impacts of the various investments on the Company's profit and cash flow are mutually supportive and interrelated, and will jointly help to achieve the Company's annual operating objectives and medium- and long-term strategic plans. From the perspective of transaction implementation, the transactions of further promoting investment allocation are equity investments, with open market investments as the mean of implementation; within the scope of Shareholders' approval and authorization, the Company is required to make timely and effective investment decisions in order to seize appropriate market opportunities; the stock trading prices and investment ratios of each specific investment target are uncertain to be locked in, and the Company will make decisions based on market conditions;

(2) Subject to the obtaining of Shareholders' approval for the resolution on further promoting investment allocation (covering transactions ① to ④), the actual investment amount of each of transaction ① to ④ will take up a total amount of RMB50.3 billion and will be carried out on the premise that the aggregate investment scale will not exceed RMB50.3 billion. In accordance with the Company's strategic plan of "one-three-five" and business plan, taking into account

factors such as the Company's asset size, business segments, financing scale and financing costs, the scale of this further promoting investment allocation is proposed to be no more than RMB50.3 billion. Among them, the specific quota of each investment will be appropriately deployed in accordance with the market situation and within the limit of its respective sub-quota of transactions ① to ④ and the aggregate quota of RMB50.3 billion. Subject to obtaining Shareholders' approval of the resolution on further promoting investment allocation (covering transactions ① to ④), the timing of investment implementation, implementation conditions and completion time of each transaction will be determined in accordance with its respective transaction status. The Company will take into account the share price and transaction level of the target companies as well as the overall trend of the capital market to grasp the pace of investment, exercise strict investment discipline and control the investment costs; for the transactions ② to ④, the Company will complete the transaction contributions in batches and installments within the scope of its respective authorization; for the transactions ① to ④, the total scale of contributions shall not exceed RMB50.3 billion. The Company will also adopt a mechanism to monitor the progress of investments on a day-to-day basis. For the investment under transaction ①, the Company will make a one-time payment; for the investment under transactions ② and ③, the Company will be aware of the status of the investment on the date of the actual transaction; and for the investment under transaction ④, it is agreed in the Trust Contract that the maximum scale of the investment shall not exceed RMB20.0 billion, and the Company has no mandatory contribution obligation or period requirement on the contribution under the Trust Contract (i.e. the Company will only make contribution to the Trust Product at its discretion on the premise that the investment conditions are met and the total scale of the contribution does not exceed RMB50.3 billion), the Company will be aware of the status of the investment on the day following the date of the actual transaction after contribution. The Company will make capital contributions to transactions ② to ④ in batches and installments, taking into account the implementation of the above transactions. The Company will control the total amount of actual capital contributions and adopt a mechanism to monitor the progress of investment on a day-to-day basis to ensure that the actual amount of investment will not exceed RMB50.3 billion; and

(3) The conditions precedent for any of the transactions ① to ④ include the obtaining of the Company's Shareholders' approval for the resolution on further promoting investment allocation (covering transactions ① to ④). Therefore, any of the transactions ① to ④ shall be an integral part of the resolution on further promoting investment allocation, i.e., the Company shall not enter into any of the transactions in transactions ① to ④ without obtaining the approval of the Company's Shareholders for the resolution on further promoting investment allocation.

Accordingly, the resolution on further promoting investment allocation (covering transactions ① to ④) is hereby proposed as one resolution to the EGM for approval.

(I) Share Transfer Agreement of CITIC Limited

The principal terms of the share transfer agreement of CITIC Limited are set out as follows:

Date

8 November 2024

Parties

Transferors:

(1) ICBC Credit Suisse Asset Management Co., Ltd. (工銀瑞信基金管理有限公司, the "**ICBC Credit Suisse**");

(2) ICBC Credit Suisse Asset Management (International) Company Limited (工銀瑞信資產管理(國際)有限公司, the "**ICBC Credit Suisse (International)**", a subsidiary of ICBC Credit Suisse);

(3) Bosera Asset Management Co., Limited (博時基金管理有限公司, the "**Bosera Funds**");

(4) Bosera Asset Management (International) Co., Limited (博時基金(國際)有限公司, the "**Bosera International**", a subsidiary of Bosera Funds);

(5) Dacheng Fund Management Co., Ltd. (大成基金管理有限公司, the "**Dacheng Fund**"); and

(6) Da Cheng International Asset Management Company Limited (大成國際資產管理有限公司, the "**Da Cheng International**", a subsidiary of Dacheng Fund)

To the knowledge, information and belief of the Directors after making reasonable inquiries, the transferors and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Purchaser: The Company or its wholly-owned subsidiary (the "**Purchaser**")

Acquisition

Transferors	**Shares to be acquired by the Purchaser (Shares)**	**Percentage of issued shares of CITIC Limited**
ICBC Credit Suisse and ICBC Credit Suisse (International)	645,125,000	2.22%
Bosera Funds and Bosera International	673,362,000	2.31%
Dacheng Fund and Da Cheng International	101,045,000	0.35%
Total	**1,419,532,000**	**4.88%**

Consideration and Basis of Determination

The parties to the agreement agreed that the price per share at which the Purchaser acquires 4.88% of shares of CITIC Limited (i.e. 1,419,532,000 shares) is HK$8.7 per share, with a total price of HK$12,349,928,400.00. At the same time, the parties to the agreement agreed that the Purchaser pays the consideration for the acquisition to the transferors in RMB within the territory of China. The parties to the agreement unanimously agreed to select the RMB central parity rate (i.e. HKD1 to RMB0.91225) announced by the People's Bank of China on 15 October 2024 (i.e. the date on which the parties to the agreement reached a trading intention) as the exchange rate for calculation. Accordingly, the total consideration for the Purchaser to acquire 4.88% of shares of CITIC Limited is RMB11,266,222,182.90, excluding taxes and transaction fees.

The above consideration was determined after arm's length negotiations between the parties to the agreement taking into account the following factors: (i) the weighted average trading price of the shares of CITIC Limited in the secondary market recently. On 15 October 2024, the closing price of the shares of CITIC Limited was HK$9.03 per share; as of 15 October 2024, the weighted average trading prices (turnover/trading volume) of the shares of CITIC Limited over the previous 30 days and 60 days were HK$9.043 and HK$8.5660 per share, respectively; and (ii) upon negotiation and agreement among all parties, the interim dividend (i.e. RMB269,711,080 or HKD equivalent) corresponding to 4.88% of shares of CITIC Limited announced by CITIC Limited on 30 August 2024 and to be distributed on 15 November 2024 will belong to the transferors.

The Purchaser shall complete the payment before 31 December 2024.

Conditions Precedent

The conditions precedent relating to the acquisition of 4.88% of the shares of CITIC Limited were as follows:

(1) The transferors shall obtain all necessary approval and authorization relating to the share transfer agreement and the share transfer transaction;

(2) The Purchaser shall complete internal decision-making process relating to the share transfer agreement and the share transfer transaction (including obtaining approval from Shareholders of the Company for the resolution on further promoting investment allocation, which covers transactions ① to ④);

(3) The Purchaser shall obtain necessary approval or filing from the competent authorities such as the NDRC and the MOFCOM in respect of the share transfer transaction.

As of the Latest Practicable Date, the resolution on further promoting investment allocation (covering transactions ① to ④) has been approved by the Board of the Company. The transferors have obtained all necessary approval and authorization relating to the share transfer agreement and the share transfer transaction.

Transitional Period Arrangements

The interim dividends (which were announced by CITIC Limited on 30 August 2024 and proposed to be distributed on 15 November 2024, i.e. RMB269,711,080 or HKD equivalent) declared by CITIC Limited for 4.88% of shares of CITIC Limited shall be owned by the transferors. The trading consideration was the ex-entitlement price after deducting the dividends. The dividends subsequently declared by CITIC Limited for 4.88% of shares of CITIC Limited shall be owned by the Purchaser.

Closing

The Purchaser will complete the acquisition by making a cash payment of RMB11,266,222,182.90 in domestic to the transferors. The transaction subject is in Hong Kong, and both parties completed the share transfer in Hong Kong.

The parties will implement the transaction as soon as possible after the completion of the conditions precedent, and the payment of the transfer price and the delivery of the shares shall be completed by 31 December 2024, subject to the specific time negotiated by the parties. In the event of failure to complete the payment of the total consideration of the transaction on 31 December 2024, either party may give written notice of termination of the agreement to the other party, and the terminating party shall not be liable for such termination, provided that the party giving the notice of termination is not in breach of contract itself and/or the failure to complete the transaction at the expiry of the term is not due to its breach of contract. The Purchaser shall make reasonable efforts to complete the payment of the total consideration as soon as possible within the agreed period; however, if an extension of time is required due to the Purchaser's performance of the procedures of the competent authorities, all parties shall cooperate accordingly.

Financial Impact of the Acquisition on the Group

(1) Assets

Assuming that on 30 June 2024, the Group acquired 1,419,532,000 shares (accounting for 4.88% of the issued shares of CITIC Limited as at 30 June 2024) of CITIC Limited by agreement from ICBC Credit Suisse and its subsidiary, ICBC Credit Suisse (International), Bosera Funds and its subsidiary, Bosera International, and Dacheng Fund and its subsidiary, Da Cheng International, at a consideration of RMB11,266 million, the impact on the financial position of the Group is set out in the following table:

Unit: in millions of RMB

Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group

	The Group as at 30 June 2024 *Unaudited*	**Pro forma adjustments** *Unaudited*	**Pro Forma Enlarged Group as at 30 June 2024** *Unaudited*
Assets			
Cash and balances with central bank	—	—	—
Deposits with financial institutions	64,932	(11,266)	53,666
Financial assets at fair value through profit or loss	374,637	—	374,637
Financial assets held under resale agreements	4,375	—	4,375
Contract assets	5,335	—	5,335
Finance lease receivables	42	—	42
Debt instruments at fair value through other comprehensive income	15,369	—	15,369
Equity instruments at fair value through other comprehensive income	1,547	—	1,547
Inventories	23,223	—	23,223
Debt instruments at amortized cost	309,688	—	309,688
Interests in associates and joint ventures	79,477	34,517	113,994
Investment properties	9,960	—	9,960
Property and equipment	2,434	—	2,434
Right-of-use assets	767	—	767
Deferred tax assets	16,194	—	16,194
Goodwill	18	—	18
Assets of a disposal group classified as held for sale	129,180	—	129,180
Other assets	18,163	—	18,163
Total assets	1,055,341	23,251	1,078,592

	The Group as at 30 June 2024 *Unaudited*	Pro forma adjustments *Unaudited*	Pro Forma Enlarged Group as at 30 June 2024 *Unaudited*
Liabilities			
Borrowings from central bank	5,972	—	5,972
Placements from financial institutions	7,291	—	7,291
Financial assets sold under repurchase agreements	5,675	—	5,675
Borrowings	669,439	—	669,439
Financial liabilities at fair value through profit or loss	62	—	62
Tax payable	1,147	—	1,147
Contract liabilities	703	—	703
Lease liabilities	445	—	445
Deferred tax liabilities	2,046	—	2,046
Bonds and notes issued	174,520	—	174,520
Liabilities directly associated with the assets held for sale	99,833	—	99,833
Other liabilities	35,503	—	35,503
Total liabilities	1,002,636	—	1,002,636
Equity			
Share capital	80,247	—	80,247
Other equity instruments	19,900	—	19,900
Capital reserve	16,464	—	16,464
Surplus reserve	8,564	—	8,564
General reserve	13,003	—	13,003
Other reserves	(1,835)	—	(1,835)
Accumulated losses	(83,528)	23,251	(60,277)
Equity attributable to equity holders of the Company	52,815	23,251	76,066
Perpetual capital instruments	1,753	—	1,753
Non-controlling interests	(1,863)	—	(1,863)
Total equity	52,705	23,251	75,956
Total equity and liabilities	1,055,341	23,251	1,078,592

Note: To illustrate the financial position of the Enlarged Group as at 30 June 2024 assuming that the acquisition of 4.88% of the shares of CITIC Limited was completed on 30 June 2024, the Group has prepared the pro forma financial information of the Enlarged Group as set out in Appendix III. The above table is extracted from the unaudited pro forma financial information of the Enlarged Group.

(2) Earnings

The acquisition of 4.88% of the shares of CITIC Limited is a medium- to long-term investment of the Group, which will bring steady financial benefits to the Group. Assuming that on 1 January 2024, the Group completed the aforementioned transaction of increasing its shareholding by 4.88% of CITIC Limited, the Group would continue to be able to exert significant influence on CITIC Limited, account for the increase of 4.88% of the shares of CITIC Limited as equity in associates and joint ventures, and initially recognize and subsequently measure the acquired equity in accordance with the equity method. From January to June 2024, the amount of continuing investment income obtained by the Group from the investment is as follows:

Assumed completion date of the acquisition of 4.88% of the shares of CITIC Limited	**Period**	**Continuing investment income obtained by the Group from the investment (Share of results of associates and joint ventures)** *In millions of RMB*
1 January 2024	January to June 2024	1,567

Information about the Transferors

(1) ICBC Credit Suisse and ICBC Credit Suisse (International): ICBC Credit Suisse, founded in June 2005, is a fund management company controlled by the Industrial and Commercial Bank of China Limited (stock code: 01398.HK and 601398.SH, the "**ICBC**"). After more than a decade of development, ICBC Credit Suisse (including subsidiaries) has various product manager qualification including public fund, private asset management plan, domestic and overseas SSF entrusted investment, basic pension insurance fund entrusted investment, insurance fund entrusted investment, enterprise annuity, occupational annuity and pension products, and various business qualifications including QDII, QFII and RQFII, and is one of the domestic fund management companies with comprehensive business qualifications, abundant product offerings, excellent operating results, leading asset management scale and balanced business development. ICBC Credit Suisse (International) is a subsidiary established by ICBC Credit Suisse in Hong Kong. ICBC Credit Suisse is owned as to 80% by ICBC and 20% by Credit Suisse AG, a bank headquartered in Switzerland with dual listing on the SIX Swiss Exchange (stock code: CSGN) and New York Stock Exchange (stock code: CS).

(2) Bosera Funds and Bosera International: Founded on 13 July 1998, Bosera Asset Management Co., Limited is one of the first 5 fund management companies established in mainland China, and is committed to providing professional and comprehensive asset management services for various domestic and overseas institutions and individual investors. Bosera International is a subsidiary established by Bosera Funds in Hong Kong. Bosera Funds is held as to 49%, 25%, 12%, 6%, 6% and 2% of its shares by China Merchants Securities Co., Ltd. (stock code: 06099.HK, 600999.SH), China Great Wall Asset Management Co., Ltd. (its ultimate beneficial owner is the MOF), Shanghai Huihua Industrial Co., Ltd. (its ultimate beneficial owner is Jin Xi, a natural person), Shanghai Shengye Equity Investment Fund Co., Ltd. (its ultimate beneficial owner is Jin Xi, a natural person), Tianjin Port (Group) Co., Ltd. (its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Tianjin People's Government),

Zhejiang International Business Group Asset Operating Co., Ltd. (its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the People's Government of Zhejiang Province), respectively.

(3) Dacheng Fund and Da Cheng International: Established on 12 April 1999 with a registered capital of RMB200 million, Dacheng Fund is one of the first ten fund management companies approved to be established in the PRC. The main businesses of Dacheng Fund are public funds, institutional investment, overseas investment, wealth management and pension management. Da Cheng International is a subsidiary of Dacheng Fund in Hong Kong. Dacheng Fund is owned as to 50%, 25% and 25% by Zhongtai Trust Co., Ltd. (the ultimate beneficial owner of its largest shareholder is Beijing Municipal People's Government), Everbright Securities Company Limited (stock code: 06178.HK and 601788.SH), and China Galaxy Investment Management Co. Ltd (owned as to approximately 69.07%, 29.32% and 1.61% by Central Huijin (a wholly state-owned company funded by the state), the MOF and the SSF, respectively), respectively.

The SSF entrusted the above transferors as investment managers to hold and manage 4.88% of the shares of CITIC Limited. As at the Latest Practicable Date, the SSF has agreed to transfer 4.88% of the shares of CITIC Limited by the transferors. To the knowledge, information and belief of the Directors after making all reasonable inquiries, the SSF is a third party independent of the Company and its connected persons.

Information about CITIC Limited

CITIC Limited is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 00267). CITIC Limited is one of China's largest conglomerates and a constituent of the Hang Seng Index. CITIC Limited has built a portfolio of businesses in five major sectors, including comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanization.

Set out below is the relevant financial information of CITIC Limited (extracted from the financial statements of CITIC Limited disclosed on the Hong Kong Stock Exchange):

Unit: in millions of RMB

	For the six months ended 30 June 2024 *(unaudited)*	**For the year ended 31 December 2023** *(audited)*	**For the year ended 31 December 2022** *(audited)*
Total revenue	377,647	680,832	663,438
Profit before taxation	71,747	123,287	127,292
Net profit	56,749	105,274	105,823

	As of 30 June 2024 *(unaudited)*	As of 31 December 2023 *(audited)*	As of 31 December 2022 *(audited)*
Total assets	11,429,264	11,330,920	10,542,043

As of 30 June 2024, the total equity attributable to shareholders (carrying amount of assets) of CITIC Limited was RMB1,405,077 million (unaudited).

Information about the Company

The Company mainly engages in distressed asset management, financial services, and asset management and investment businesses in the PRC.

Listing Rules Implications

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they are all conducted within a 12-month period or are otherwise related. Pursuant to the Company's announcement dated 15 November 2023, the Company acquired 5.01% of the shares of CITIC Limited for HK$13,626,897,177.3 (the "**Previous Transaction**"). As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the acquisition of 4.88% of the shares of CITIC Limited by the Company or its wholly-owned subsidiary exceeds 100% after taking into account the aggregation with the Previous Transaction, the acquisition constitutes a very substantial acquisition and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, CITIC Group held 21,230,929,783 Domestic Shares of the Company, representing 26.46% of the total issued Shares of the Company, and it is a substantial shareholder of the Company and constitutes a connected person of the Company under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, CITIC Securities is the indirect subsidiary of CITIC Group under the Listing Rules, and is therefore an associate of CITIC Group and constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the provision of consulting services by CITIC Securities to the Company in relation to the acquisition of 4.88% of the shares of CITIC Limited by the Company or its wholly-owned subsidiary constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

CITIC Securities and CSC provide consulting services to the Company at a rate of RMB180,000 per report. Pursuant to the Company's announcement dated 1 August 2022, the Company has entered into the comprehensive services framework agreement (the "**Comprehensive Services Framework Agreement**") with CITIC Group. The consulting services to be provided by CITIC Securities to the Company in connection with the Company's acquisition of 4.88% of the shares of CITIC Limited are in compliance with the transaction scope, pricing principles and annual caps as agreed in the Comprehensive Services Framework Agreement. The consulting services to be provided by CITIC Securities to the Company are consulting services provided by CITIC Group and its associates to the Company under the Comprehensive Services Framework Agreement. The service fees to be paid by the Company to CITIC Securities will be included in the annual cap on service fees paid by the Company to CITIC Group and its associates under the Comprehensive Services Framework

Agreement. The contract entered into between the Company and CITIC Securities will take effect after the resolution on further promoting investment allocation has been considered and approved at the EGM.

(II) Terms of Authorization for Proposed Further Acquisition of Shares of Bank of China

As at the Latest Practicable Date, the Group held 3.57% of the shares of Bank of China.

The terms of authorization for the proposed further acquisition of shares of Bank of China hereby to be sought from Shareholders at the EGM are set out as follows:

Authorization Period

The authorization is for the duration of the authorization period (i.e. a period of 12 months from the date on which the resolution on further promoting investment allocation is duly passed at the EGM).

Scope of Authorization

The Board will be authorized to determine, decide, execute and implement with full discretion matters in relation to the further acquisition of shares of Bank of China (including its A shares and H shares), including but not limited to the number and class of shares of Bank of China to be acquired under each specific transaction, as well as the timing and price in relation to the further acquisition of shares of Bank of China.

Maximum Amount

If the authorization is granted, the Board will be authorized to purchase shares of Bank of China in an aggregate amount not exceeding RMB26.0 billion (excluding stamp duty and related expenses).

For the avoidance of doubt, the above amount does not include the amount of shares of Bank of China acquired by the Group before the Shareholders' approval of the authorization for further acquisition of shares of Bank of China at the EGM.

The Company's strategic plan (for details, please refer to the Company's announcement dated 29 August 2022 regarding the "14th Five-Year" Development Plan of the Company) clarified the size and proportion orientation of equity (stock) investment and investment industry distribution, and grasped opportunity to increase equity investment, focusing on industries related to the national economy, people's livelihood and high-tech. In accordance with the strategic plan of the Company and combined with the market valuation and the financial indicators of the target companies, CSC and CITIC Securities have provided the investment allocation plans for the acquisition of shares of Bank of China of not exceeding RMB26.0 billion and the acquisition of shares of CEB Bank of not exceeding RMB4.0 billion, based on which the Company can obtain expected financial gains. According to the estimates conducted by the Company with the assistance of CSC and CITIC Securities, the Company expects to complete the investment allocation within the above quota at an appropriate price within the 12-month authorization period.

The specific acquisition price will be determined with reference to the trading price of the shares of Bank of China at the time of the transactions, and the acquisition price will not be higher than RMB7.78 (or HKD equivalent) per share of Bank of China (including A shares or H shares). Such price is determined with reference to one time of price to book ratio (PB, on the basis of the reviewed data from the 2024 interim report published by Bank of China) of Bank of China under the overall valuations in the prevailing market. For reference, as of 7 November 2024, the average price of Bank of China's A shares for the past 30 trading days was RMB4.93 per share and the average price of Bank of China's H shares was HKD3.77 per share, while the average price of Bank of China's A shares for the past 60 trading days was RMB4.86 per share and the average price of Bank of China's H shares was HKD3.624 per share.

The actual consideration for the further acquisition of shares of Bank of China will be determined according to the prevailing market prices at the time of acquisition of shares of Bank of China, and the Company will purchase shares of Bank of China at its discretion with reference to the market conditions and the suitability of the market price, which will be determined based on, among other things, (i) whether the market price represents a potential annual dividend yield of 4% or above based on historical distribution level; (ii) the financial position of Bank of China; and (iii) a dividend payout ratio of approximately 30% in the past five years.

Acquisition Method

By way of acquisition of shares of Bank of China in the open market.

Conditions Precedent

The conditions precedent to further acquisition of shares of Bank of China are as follows:

(1) the resolution on further promoting investment allocation (covering transactions ① to ④) has been approved by the Shareholders of the Company; and

(2) the further acquisition of shares of Bank of China has been approved by the relevant domestic industry regulators of the Company.

Financial Impact of the Proposed Further Acquisition of Shares of Bank of China on the Group

To illustrate the financial impact of the acquisition of the shares of Bank of China on the Group, to the extent that the total investment in further promoting investment allocation will not exceed RMB50.3 billion and the investment in the acquisition of the shares of Bank of China will not exceed RMB26.0 billion, the financial estimates below are based on the assumption that the actual amount of the Group's acquisition of the shares of Bank of China is RMB22.0 billion. The actual specific investment strategies of the Group need to be further determined based on market conditions, and the financial impact of the actual investment timing may differ from the following financial measurement assumptions.

(1) Assets

Assuming that on 30 June 2024, the Group purchased the shares of Bank of China at a price of RMB22,000 million, with reference to the average trading price of Bank of China's A shares of RMB4.49 per share for the thirty trading days before 30 June 2024, and without taking into account the relevant transaction taxes and fees, it is estimated that it will be able to purchase 4,899,777,283 shares of Bank of China, representing 1.66% of the shares in issue of Bank of China as at 30 June 2024. The impact on the Group's financial position is as follows:

Unit: in millions of RMB

Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group

	The Group as at 30 June 2024 *Unaudited*	**Pro forma adjustments** *Unaudited*	**Pro Forma Enlarged Group as at 30 June 2024** *Unaudited*
Assets			
Cash and balances with central bank	—	—	—
Deposits with financial institutions	64,932	(22,000)	42,932
Financial assets at fair value through profit or loss	374,637	22,000	396,637
Financial assets held under resale agreements	4,375	—	4,375
Contract assets	5,335	—	5,335
Finance lease receivables	42	—	42
Debt instruments at fair value through other comprehensive income	15,369	—	15,369
Equity instruments at fair value through other comprehensive income	1,547	—	1,547
Inventories	23,223	—	23,223
Debt instruments at amortized cost	309,688	—	309,688
Interests in associates and joint ventures	79,477	—	79,477
Investment properties	9,960	—	9,960
Property and equipment	2,434	—	2,434
Right-of-use assets	767	—	767
Deferred tax assets	16,194	—	16,194
Goodwill	18	—	18
Assets of a disposal group classified as held for sale	129,180	—	129,180
Other assets	18,163	—	18,163
Total assets	1,055,341	—	1,055,341

	The Group as at 30 June 2024	Pro forma adjustments	Pro Forma Enlarged Group as at 30 June 2024
	Unaudited	*Unaudited*	*Unaudited*
Liabilities			
Borrowings from central bank	5,972	—	5,972
Placements from financial institutions	7,291	—	7,291
Financial assets sold under repurchase agreements	5,675	—	5,675
Borrowings	669,439	—	669,439
Financial liabilities at fair value through profit or loss	62	—	62
Tax payable	1,147	—	1,147
Contract liabilities	703	—	703
Lease liabilities	445	—	445
Deferred tax liabilities	2,046	—	2,046
Bonds and notes issued	174,520	—	174,520
Liabilities directly associated with the assets held for sale	99,833	—	99,833
Other liabilities	35,503	—	35,503
Total liabilities	1,002,636	—	1,002,636
Equity			
Share capital	80,247	—	80,247
Other equity instruments	19,900	—	19,900
Capital reserve	16,464	—	16,464
Surplus reserve	8,564	—	8,564
General reserve	13,003	—	13,003
Other reserves	(1,835)	—	(1,835)
Accumulated losses	(83,528)	—	(83,528)
Equity attributable to equity holders of the Company	52,815	—	52,815
Perpetual capital instruments	1,753	—	1,753
Non-controlling interests	(1,863)	—	(1,863)
Total equity	52,705	—	52,705
Total equity and liabilities	1,055,341	—	1,055,341

Note: ① To illustrate the financial position of the Enlarged Group as at 30 June 2024 assuming that the acquisition of the shares of Bank of China was completed on 30 June 2024, the Group has prepared the pro forma financial information of the Enlarged Group as set out in Appendix III. The above table is extracted from the unaudited pro forma financial information of the Enlarged Group. ② The Group may acquire the A shares or H shares of Bank of China. For ease of understanding by the Shareholders and excluding factors such as the translation of exchange rate, estimates of the financial impact assume that the Company acquires all shares of Bank of China from the A-share market calculated by RMB4.49 per share, the average trading price of Bank of China's A shares for the 30 trading days before 30 June 2024. For reference, the average trading price of Bank of China's H shares for the 30 trading days before 30 June 2024 was HK$3.813 per share.

(2) Earnings

The acquisition of the shares of Bank of China is a medium- to long-term investment of the Group, which will bring steady financial benefits to the Group. Assuming that on 1 January 2024, the Group completed the above-mentioned transaction of the acquisition of the shares of Bank of China, from January to June 2024, gains on changes in fair value obtained by the Group from the investment would be RMB637 million.

Assumed completion date of the acquisition of the shares of Bank of China	**Period**	**Gains on changes in fair value obtained by the Group from the investment** *In millions of RMB*
1 January 2024	January to June 2024	637

Information about Bank of China

Bank of China is one of the five largest state-owned commercial banks in China, and also the bank with the longest operation time, which has an important position in China's financial system. Formally established in February 1912, the Bank served consecutively as the country's central bank, international exchange bank and specialised international trade bank. After 1949, drawing on its long history as the state-designated specialised foreign exchange and trade bank, the Bank became responsible for managing China's foreign exchange operations and offering international trade settlement, overseas fund transfer and other non-trade foreign exchange services. Restructured into a wholly state-owned commercial bank in 1994, the Bank fully provides various financial services, and has developed into a large commercial bank delivering services in local and foreign currencies and featuring complete business varieties and strong strength. Bank of China was successfully listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange in 2006, becoming the first Chinese bank to launch an A-share and H-share initial public offering and achieve a dual listing in both markets (stock code: 601988.SH; 03988.HK). The Bank is the only official banking partner of the Beijing 2008 Summer Olympics and the Beijing 2022 Winter Olympics, thus making it the only bank in China to serve two Olympic Games. In 2011, Bank of China became the first financial institution from an emerging economy to be designated as a Global Systemically Important Bank, a designation it has now maintained for 13 consecutive years. With its growing international status, competitiveness and comprehensive strengths, the Bank has marched forward into the ranks of the world's large banks.

As China's most globalised and integrated bank, Bank of China has a total of 534 overseas branches covering 64 countries and regions around the world, including 44 "Belt and Road" countries, and BOCHK and the Macau Branch serve as local note-issuing banks in their respective markets. The Bank has a well-established global service network and an integrated financial service system based on the pillars of its corporate banking, personal banking, financial markets and other commercial banking business, which covers investment banking, direct investment, securities, insurance, funds, aircraft leasing, asset management, financial technology, financing leasing and other areas, thus providing its customers with financial solutions featuring global expertise and all-round services accessible at any point of contact. Bank of China embodies a noble sense of commitment and responsibility. Since its establishment 112 years ago, the Bank has steadfastly upheld its historic mission of "promoting social welfare and contributing to a prosperous nation". This mission has formed a valuable spiritual legacy that aligns with the financial culture with Chinese characteristics: to remain committed to honesty and trustworthiness, to seek interest without compromising moral principles, to be prudent and cautious in work, to uphold fundamental principles and break new ground, and to be compliant with law and regulations. On the new journey towards building a modern socialist country in all respects, Bank of China will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and faithfully implement the new development philosophy. It will accurately identify the convergence points, focal points, and supporting points for implementing the national policies and plans and achieving its high-quality development. It will serve as the main force in supporting the real economy and as the bedrock for maintaining financial stability. It will unswervingly follow the path of financial development with Chinese characteristics, continue to open new grounds for its high-quality development, and make greater contributions to the comprehensive advancement of building a stronger country and the great cause of national rejuvenation with Chinese modernisation.

Set out below is the relevant financial information of Bank of China (extracted from the financial statements of Bank of China disclosed on the Hong Kong Stock Exchange):

Unit: in millions of RMB

	For the six months ended 30 June 2024 *(unaudited)*	**For the year ended 31 December 2023** *(audited)*	**For the year ended 31 December 2022** *(audited)*
Operating income	317,929	624,138	586,461
Profit before income tax	149,203	295,608	283,641
Profit for the period	126,536	246,371	236,725

	As of 30 June 2024 *(unaudited)*	**As of 31 December 2023** *(audited)*	**As of 31 December 2022** *(audited)*
Total assets	33,907,267	32,432,166	28,893,548

As of 30 June 2024, the total equity attributable to shareholders (carrying amount of assets) of Bank of China was RMB2,778,976 million (unaudited).

Listing Rules Implications

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Company's acquisition of the shares of Bank of China is expected to exceed 100%, the acquisition constitutes a very substantial acquisition and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

If the specific transaction on further acquisition of shares of Bank of China constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, the Company will separately comply with the applicable requirements of Chapter 14A of the Listing Rules in relation to the relevant specific transaction.

As at the Latest Practicable Date, CITIC Group held 21,230,929,783 Domestic Shares of the Company, representing 26.46% of the total issued Shares of the Company, and it is a substantial shareholder of the Company and constitutes a connected person of the Company under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, CITIC Securities is the indirect subsidiary of CITIC Group under the Listing Rules, and is therefore an associate of CITIC Group and constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, CITIC Securities provided consulting services to the Company in respect of the further acquisition of shares of Bank of China by the Company, which constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

CITIC Securities and CSC provide consulting services to the Company at a rate of RMB180,000 per report. The consulting services to be provided by CITIC Securities to the Company in connection with the further acquisition of shares of Bank of China by the Company are in compliance with the transaction scope, pricing principles and annual caps as agreed in the Comprehensive Services Framework Agreement. The consulting services to be provided by CITIC Securities to the Company are consulting and advisory services provided by CITIC Group and its associates to the Company under the Comprehensive Services Framework Agreement. The service fees to be paid by the Company to CITIC Securities will be included in the annual caps for the service fees to be paid by the Company to CITIC Group and its associates under the Comprehensive Services Framework Agreement. The contract entered into between the Company and CITIC Securities will take effect after the resolution on further promoting investment allocation has been considered and approved at the EGM.

Shareholders and potential investors of the Company should note that whether the Company will acquire shares of Bank of China may depend on market conditions and will be made at the Board's discretion. There is therefore no assurance as to the timing, quantity or price of any shares of Bank of China to be acquired by the Company. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares.

(III) Terms of Authorization for Proposed Further Acquisition of Shares of CEB Bank

As at the Latest Practicable Date, the Company held 7.08% of the shares of CEB Bank.

The terms of authorization for the proposed further acquisition of shares of CEB Bank hereby to be sought from Shareholders at the EGM are set out as follows:

Authorization Period

The authorization is for the duration of the authorization period (i.e. a period of 12 months from the date on which the resolution on further promoting investment allocation is duly passed at the EGM).

Scope of Authorization

The Board will be authorized to determine, decide, execute and implement with full discretion matters in relation to the further acquisition of shares of CEB Bank (including its A shares and H shares), including but not limited to the number and class of shares of CEB Bank to be acquired under each transaction, as well as the timing and price in relation to the further acquisition of shares of CEB Bank.

Maximum Amount

If the authorization is granted, the Board will be authorized to purchase shares of CEB Bank in an aggregate amount not exceeding RMB4.0 billion (excluding stamp duty and related expenses).

For the avoidance of doubt, the above amount does not include the amount of shares of CEB Bank acquired by the Company before the Shareholders' approval of the authorization for further acquisition of shares of CEB Bank at the EGM.

The Company's strategic plan clarified the size and proportion orientation of equity (stock) investment and investment industry distribution, and grasped opportunity to increase equity investment, focusing on industries related to the national economy, people's livelihood and high-tech. In accordance with the strategic plan of the Company and combined with the market valuation and the financial indicators of the target companies, CSC and CITIC Securities have provided the investment allocation plans for the acquisition of shares of Bank of China of not exceeding RMB26.0 billion and the acquisition of shares of CEB Bank of not exceeding RMB4.0 billion, based on which the Company can obtain expected financial gains. According to the estimates conducted by the Company with the assistance of CSC and CITIC Securities, the Company expects to complete the investment allocation within the above quota at an appropriate price within the 12-month authorization period.

The specific acquisition price will be determined with reference to the trading price of the shares of CEB Bank at the time of the transactions, and the acquisition price will not be higher than RMB7.84 (or HKD equivalent) per share of CEB Bank (including A shares or H shares). Such price is determined with reference to one time of price to book ratio (PB, on the basis of the reviewed data from the 2024 interim report published by CEB Bank) of CEB Bank under the overall valuations in the prevailing market. For reference, as of 7 November 2024, the average price of CEB Bank's A shares for the past 30 trading days was RMB3.54 per share and the average price of CEB Bank's H shares was HKD2.674 per share, while the average price of CEB Bank's A shares for the past 60 trading days was RMB3.29 per share and the average price of CEB Bank's H shares was HKD2.514 per share.

The actual consideration for the further acquisition of shares of CEB Bank will be determined according to the prevailing market prices at the time of acquisition of shares of CEB Bank, and the Company will purchase shares of CEB Bank at its discretion with reference to the market conditions and the suitability of the market price, which will be determined based on, among other things, (i) whether the market price represents a potential annual dividend yield of 4% or above based on historical distribution level; (ii) the financial position of CEB Bank; and (iii) a dividend payout ratio of over 25% in the past five years.

Acquisition Method

By way of acquisition of shares of CEB Bank in the open market.

Conditions Precedent

The conditions precedent to further acquisition of shares of CEB Bank are as follows:

(1) the resolution on further promoting investment allocation (covering transactions ① to ④) has been approved by the Shareholders of the Company; and

(2) the further acquisition of shares of CEB Bank has been approved by the relevant domestic industry regulators of the Company.

Financial Impact of the Proposed Further Acquisition of Shares of CEB Bank on the Group

To illustrate the financial impact of the acquisition of the shares of CEB Bank on the Group, to the extent that the total investment in further promoting investment allocation will not exceed RMB50.3 billion and the investment in the acquisition of the shares of CEB Bank will not exceed RMB4.0 billion, the financial estimates below are based on the assumption that the actual amount of the Group's acquisition of the shares of CEB Bank is RMB3.5 billion. The actual specific investment strategies of the Group need to be further determined based on market conditions, and the financial impact of the actual investment timing may differ from the following financial measurement assumptions.

(1) Assets

Assuming that on 30 June 2024, the Group purchased the shares of CEB Bank at a price of RMB3,500 million, with reference to the average transaction price of A shares of CEB Bank of RMB3.19 per share for the thirty trading days before 30 June 2024, and without taking into account relevant transaction taxes and fees, it is estimated that 1,097,178,683 shares of CEB Bank can be purchased, accounting for 1.86% of the issued shares of CEB Bank as of 30 June 2024. The impact on the Group's financial position is shown in the following table:

Unit: in millions of RMB

Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group

	The Group as at 30 June 2024	**Pro forma adjustments**	**Pro Forma Enlarged Group as at 30 June 2024**
	Unaudited	*Unaudited*	*Unaudited*
Assets			
Cash and balances with central bank	—	—	—
Deposits with financial institutions	64,932	(3,500)	61,432
Financial assets at fair value through profit or loss	374,637	—	374,637
Financial assets held under resale agreements	4,375	—	4,375
Contract assets	5,335	—	5,335
Finance lease receivables	42	—	42
Debt instruments at fair value through other comprehensive income	15,369	—	15,369
Equity instruments at fair value through other comprehensive income	1,547	—	1,547
Inventories	23,223	—	23,223
Debt instruments at amortized cost	309,688	—	309,688
Interests in associates and joint ventures	79,477	8,597	88,074
Investment properties	9,960	—	9,960
Property and equipment	2,434	—	2,434
Right-of-use assets	767	—	767
Deferred tax assets	16,194	—	16,194
Goodwill	18	—	18
Assets of a disposal group classified as held for sale	129,180	—	129,180
Other assets	18,163	—	18,163
Total assets	1,055,341	5,097	1,060,438

	The Group as at 30 June 2024 *Unaudited*	Pro forma adjustments *Unaudited*	Pro Forma Enlarged Group as at 30 June 2024 *Unaudited*
Liabilities			
Borrowings from central bank	5,972	—	5,972
Placements from financial institutions	7,291	—	7,291
Financial assets sold under repurchase agreements	5,675	—	5,675
Borrowings	669,439	—	669,439
Financial liabilities at fair value through profit or loss	62	—	62
Tax payable	1,147	—	1,147
Contract liabilities	703	—	703
Lease liabilities	445	—	445
Deferred tax liabilities	2,046	—	2,046
Bonds and notes issued	174,520	—	174,520
Liabilities directly associated with the assets held for sale	99,833	—	99,833
Other liabilities	35,503	—	35,503
Total liabilities	1,002,636	—	1,002,636
Equity			
Share capital	80,247	—	80,247
Other equity instruments	19,900	—	19,900
Capital reserve	16,464	—	16,464
Surplus reserve	8,564	—	8,564
General reserve	13,003	—	13,003
Other reserves	(1,835)	—	(1,835)
Accumulated losses	(83,528)	5,097	(78,431)
Equity attributable to equity holders of the Company	52,815	5,097	57,912
Perpetual capital instruments	1,753	—	1,753
Non-controlling interests	(1,863)	—	(1,863)
Total equity	52,705	5,097	57,802
Total equity and liabilities	1,055,341	5,097	1,060,438

Note: ① To illustrate the financial position of the Enlarged Group as at 30 June 2024 assuming that the acquisition of the shares of CEB Bank was completed on 30 June 2024, the Group has prepared the pro forma financial information of the Enlarged Group as set out in Appendix III. The above table is extracted from the unaudited pro forma financial information of the Enlarged Group. ② The Group may acquire the A shares or H shares of CEB Bank. For ease of understanding by the Shareholders and excluding factors such as the translation of exchange rate, estimates of the financial impact assume that the Company acquires all shares of CEB Bank from the A-share market calculated by RMB3.19 per share, the average trading price of CEB Bank's A shares for the 30 trading days before 30 June 2024. For reference, the average trading price of CEB Bank's H shares for the 30 trading days before 30 June 2024 was HK$2.516 per share.

(2) Earnings

The acquisition of the shares of CEB Bank is a medium- to long-term investment of the Group, which will bring steady financial benefits to the Group. Assuming that on 1 January 2024, the Group completed the aforementioned transaction of increasing its shareholding by 1.86% of CEB Bank, the Group would continue to be able to exert significant influence on CEB Bank, account for the increase of the shares as equity in associates and joint ventures, and initially recognize and subsequently measure the acquired equity in accordance with the equity method. From January to June 2024, the amount of continuing investment income obtained by the Group from the investment is as follows:

Assumed completion date of the acquisition of the shares of CEB Bank	**Period**	**Continuing investment income obtained by the Group from the investment (Share of results of associates and joint ventures)** *In millions of RMB*
1 January 2024	January to June 2024	408

Information about CEB Bank

CEB Bank, which was established in August 1992, is a national joint-stock commercial bank approved by the State Council of China and the People's Bank of China. It was listed on the Shanghai Stock Exchange in August 2010 and the Hong Kong Stock Exchange in December 2013. The principal activities of CEB Bank are the provision of corporate and retail deposits, loans and advances, settlement, treasury business and other financial services. As of the end of 2023, CEB Bank had established 1,312 branches and outlets in the domestic market, covering all provincial administrative regions and extending its business reach to 150 economic center cities.

In recent years, focusing on the strategic vision of "building a first-class wealth management bank", CEB Bank has pushed ahead with the transformation towards "agility, technology and ecosphere". Through integrated, characteristic, light-asset and digital development, CEB Bank has stepped up efforts to optimize its product design, channel development and service models, which not only forged a strong competitive edge in wealth management and fintech, but also built up a sound social image of first-class wealth management bank, with balanced growth of all businesses, improved risk management and enhanced innovation capabilities. In the "Global Banking 1,000 Rankings" of 2023, CEB Bank ranked 28th.

Set out below is the relevant financial information of CEB Bank (extracted from the financial statements of CEB Bank disclosed on the Hong Kong Stock Exchange):

Unit: in millions of RMB

	For the six months ended 30 June 2024 *(unaudited)*	**For the year ended 31 December 2023** *(audited)*	**For the year ended 31 December 2022** *(audited)*
Operating income	69,866	145,735	151,865
Profit before income tax	29,815	49,757	55,966
Net profit	24,610	41,076	45,040

	As of 30 June 2024 *(unaudited)*	**As of 31 December 2023** *(audited)*	**As of 31 December 2022** *(audited)*
Total assets	6,796,694	6,772,796	6,300,510

As of 30 June 2024, the total equity attributable to shareholders (carrying amount of assets) of CEB Bank was RMB570,865 million (unaudited).

Listing Rules Implications

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Company's acquisition of the shares of CEB Bank is expected to exceed 100%, the acquisition constitutes a very substantial acquisition and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

If the specific transaction on further acquisition of shares of CEB Bank constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, the Company will separately comply with the applicable requirements of Chapter 14A of the Listing Rules in relation to the relevant specific transaction.

As at the Latest Practicable Date, CITIC Group held 21,230,929,783 Domestic Shares of the Company, representing 26.46% of the total issued Shares of the Company, and it is a substantial Shareholder of the Company and constitutes a connected person of the Company under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, CITIC Securities is the indirect subsidiary of CITIC Group under the Listing Rules, and is therefore an associate of CITIC Group and constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, CITIC Securities provided consulting services to the Company for the Company's further acquisition of shares in CEB Bank, which constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

CITIC Securities and CSC provide consulting services to the Company at a rate of RMB180,000 per report. The consulting services that CITIC Securities intends to provide to the Company for the Company's further acquisition of shares in CEB Bank are in compliance with the scope of the transaction, pricing principles and annual caps stipulated in the Comprehensive Services Framework Agreement. The consulting services that CITIC Securities intends to provide to the Company fall within the consulting and advisory services provided by CITIC Group and its associates to the Company under the Comprehensive Services Framework Agreement. The service fees proposed to be paid by the Company to CITIC Securities will be included in the annual cap of the service fees paid by the Company to CITIC Group and its associates under the Comprehensive Services Framework Agreement. The contract entered into between the Company and CITIC Securities will take effect after the resolution on further promoting investment allocation has been considered and approved at the EGM.

Shareholders and potential investors of the Company should note that whether the Company will acquire shares of CEB Bank may depend on market conditions and will be made at the Board's discretion. There is therefore no assurance as to the timing, quantity or price of any shares of CEB Bank to be acquired by the Company. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares.

Further Explanation regarding Acquisition of the Shares of Bank of China and CEB Bank

The acquisition of shares of Bank of China and CEB Bank will be made by the Company in the open market. As the investment targets are listed shares, the Company has to make timely and effective investment decisions in order to seize appropriate market opportunities, and the prices and investment ratios of specific stock transactions cannot be fixed accurately, thus the Company will make decisions flexibly according to market conditions. Therefore, it is only feasible to seek Shareholders' authorization in advance for the plans of acquisition of shares of Bank of China and CEB Bank.

Considering the fluctuations and unpredictable factors of the capital market, there is uncertainty in the consideration for the acquisition of Bank of China and CEB Bank. In addition, the trading behavior of the Company may affect the share price fluctuations, and thus flexibility to some extent should be allowed for potential price appreciation. Accordingly, the maximum amount of RMB26.0 billion for the acquisition of shares of Bank of China and RMB4.0 billion for the acquisition of shares of CEB Bank were determined after taking into account the impact of share price fluctuations of Bank of China and CEB Bank and reserving a certain amount of buffer (i.e., the difference between the maximum amount and the amount used to estimate the financial impact is the estimated amount of buffer, which is recommended by CSC and CITIC Securities after evaluation based on factors such as the total share capital, recent trading volume and price fluctuation range of the underlying banks) to cope with changes in the market environment.

The financial impact of the acquisition of shares of Bank of China and CEB Bank was determined by the Company based on the actual acquisition amount estimated at the current valuation level of each of the Chinese banking industry as a whole and the shares of Bank of China and CEB Bank. The financial impact analysis of each investment in the Circular is based on a total investment scale of RMB50.3 billion.

For the Company's acquisition of the shares of Bank of China and CEB Bank, if the counterparty is a connected person of the Company, and such specific transaction thus constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, the Company will separately comply with the applicable requirements of Chapter 14A of the Listing Rules in respect of that specific transaction.

(IV) Investments by Setting up a Single Asset Service Trust

To fully leverage CITIC Group's synergies, the Company intends to appoint CITIC Securities and CSC as advisors to provide professional investment opinions, and make investments by setting up a Single Asset Service Trust in cooperation with CITIC Trust and China CITIC Bank. The Trust pays close attention to public services, infrastructure (including new infrastructure, new energy and other strategic emerging industries), resources and energy, finance, advanced manufacturing, basic livelihood and other strategic pillar industries that have a significant influence on the national economy and social development, and intends to invest in underlying listed companies with a clear history, standardized corporate governance, stable operation, high dividends and great growth potential, long-term investment value, the ROE/PB of which is not lower than 8% and dividend yield is not lower than 4%. Details of the above are as follows:

Name of Trust Contract and parties	:	Trust Contract for the No. 1 Asset Service Trust Project of CITIC Trust (《中信信託壹號資產服務信託項目信託合同》), which will be entered into between the Company (as trustor) and CITIC Trust (as trustee)
Date of Trust Contract	:	8 November 2024 The Trust Contract shall become effective on the date when it has been signed/sealed and stamped by the legal representatives or authorized representatives of both parties, and the resolution on further promoting investment allocation has been approved by the Shareholders of the Company.
Parties of the investment	:	The Company (sole trustor and sole beneficiary) CITIC Trust (trustee) China CITIC Bank (custodian) CITIC Securities, CSC (advisers)
Scale of entrusted funds	:	No more than RMB20.0 billion. The Company has no mandatory contribution obligation or period requirement on contribution under the Trust Contract. The Company will flexibly control the contribution scale of and the investment pace to the Trust Product and contribute capital in batches and instalments, taking into account factors such as the contribution scale of transactions ① to ③, the trend of the capital market and the consultants' recommendation.

Considering the fluctuations and unpredictable factors of the capital market, there is uncertainty in the investment scale of the Trust Product. The trading behaviour of the Company may affect the share price fluctuations, and thus flexibility to some extent should be allowed for potential price appreciation. Besides, there are certain uncertainties in the completion of the aforementioned investments in Bank of China and CEB Bank (which may be higher or lower than the expected scale). In the actual investment, the quota used by the Company for investment in the Trust Product and the other three transactions (i.e. transactions ① to ③) will not exceed RMB50.3 billion in total. Accordingly, the maximum amount of RMB20.0 billion for investment under the Trust Product was determined after taking into account the impact of share price fluctuations and the aggregate scale of the above three transactions and reserving a certain amount of buffer (i.e. the difference between the maximum amount and the amount used to estimate the financial impact is the estimated amount of buffer) for the Company to cope with changes in the market environment. The financial impact of the Trust Product was determined based on the actual amount of the expected acquisition by the Company.

Fee and payment : CITIC Trust only charges a fixed trust fee at a rate of 0.05% per year. From the effective date of the Trust Product[1], the fixed trust fee is accrued daily based on the original value of the trust and paid quarterly. The fixed trust fee is in line with the prevailing market fee standards for similar services and is set on normal commercial terms.

China CITIC Bank only charges a custody fee at a rate of 0.002% per year. From the effective date of the Trust Product, the custody fee is accrued daily based on the original value of the trust and paid quarterly. The custody fee is in line with the prevailing market fee standards for similar services and is set on normal commercial terms.

The Trust Product does not charge a performance fee. The Trust Product does not involve a subscription fee or redemption fee.

CITIC Securities and CSC provide consulting services to the Company at a rate of RMB180,000 per report.

1 In accordance with the Trust Contract, the Trust Product shall take effect when the following conditions are satisfied, provided that the resolution on further promoting investment allocation has been approved by the Company's Shareholders: (1) the Trust Contract has been signed and taken effect, and the total amount of trust capital delivered by the trustor to the custody account of the Trust Product is no less than RMB10.00 million; and (2) any other conditions, if any, deemed by the trustee to be fulfilled.

		The trustee's trust fee, custodian's custody fee and consulting fee are determined on normal commercial terms after arm's length negotiation between the Company and the trustee, custodian and two advisory institutions, with reference to the prevailing market fee standards for similar services.
Duration	:	Within 3 years from the effective date of the Trust Product. According to the provisions of the Trust Contract, early termination may occur. Upon mutual agreement among the trustor and trustee, the Trust Product may be terminated early or postponed. During the duration of the Trust Product, the trustor may unilaterally request the early termination of the Trust Product in accordance with its actual needs or regulatory opinions.
Investment mechanism	:	Two advisors (i.e. CITIC Securities and CSC), based on their analysis on the fundamentals, future development trends and current valuation levels of the investment targets, provide investment plans. The trustee may make investments in due course. The Trust Product is only invested in the recommended targets on which two advisors (i.e. CITIC Securities and CSC) have reached a consensus. The trustee will make such investment.
Performance comparison benchmark	:	There is no performance comparison benchmark.
Investment objectives	:	Subject to controlling investment risks, the primary focus is on investing in equity assets, striving to obtain relatively stable income and seeking investment returns for trustor.
Investment scope	:	The Trust Product will invest in shares of A-share and Hong Kong-listed companies (including subscription for new shares, as well as convertible bonds and exchangeable bonds that may be converted into shares of the underlying listed companies). Meanwhile, the Trust Product will invest in low-risk fixed-income investments such as bank deposits and monetary funds for cash management purposes only, and subscribe for trust protection funds in accordance with the Administrative Measures for Trust Protection Funds. Within the project resource database determined by the Company with the assistance of CITIC Securities and CSC, the Company will select investment targets with stable operation, high dividends, great growth potential, long-term investment value, ROE/PB not lower than 8% and dividend yield not lower than 4% ("**Investment Targets**"), and will invest in related assets and equities (including convertible bonds and exchangeable bonds) in due course.

		The Company intends to make financial investments in the Investment Targets, and the scale of each single investment will not trigger a mandatory tender offer for the Investment Targets.
Investment proportion	:	The proportion of equity assets to total assets ranges from 80% (inclusive) to 100% (inclusive); while the proportion of debt assets to total assets ranges from 0 (inclusive) to 20% (exclusive)[2].
Risk-return characteristics of the product	:	The risk rating of the Trust Product is R5 — High Risk. According to the risk grading guidelines in relation to financial products under the Guidelines for the Implementation of Investor Suitability Management by Fund Raising Institutions issued by the Asset Management Association of China and the Guidelines for the Investor Suitability Management in Securities Trading Institutions (Trial) issued by the Securities Association of China, the trustee (i.e. CITIC Trust) has established a risk hierarchy system, pursuant to which a trust product with a risk grade of R5 represents that such a product is characterized by high risk, complex structure, fluctuating income and great volatility, low liquidity, and partial or even total loss of the product principal may occur. It should be kindly noted that the rating of R5 risk grade is based on the standardized criteria of the domestic regulatory rules, and equity investments are usually rated as R5 due to the volatility of returns. However, for the investment allocation, the investment direction of which is to seek the Investment Targets with high-yield, high-dividend and less volatile. The investment portfolio can better achieve a balance between risk and return, the Company has invested in the same type of asset management plans previously, which are all under the risk control and have achieved better investment results (half-yearly return of over 10%). At the same time, the Company employs professional advisers and trust custodian ranked at the top of the industry to study the investment plan and its specific implementation, which enables the Company to effectively control risks and achieve great investment performance.
Investment strategy	:	Adopting the equity strategy, investing in stocks, bonds, cash assets, etc., and subscribing to the credit insurance funds in accordance with the provisions[3].

2 "inclusive" and "exclusive" refer to whether the amount is included or not, that is, the proportion of equity assets to total assets is greater than or equal to 80%, and less than or equal to 100%; while the proportion of debt assets to total assets is greater than or equal to 0, and less than 20%.

3 In accordance with the Administrative Measures for Trust Protection Funds, the Trust Product shall subscribe for trust protection funds with 1% of the paid-in trust funds.

Investment decision	:	The two advisors (i.e. CITIC Securities and CSC) assist in determining the project resource database according to the Company's risk preference, select specific Investment Targets in the project resource database for in-depth analysis and provide an investment plan. On the premise that the two advisors reach a consensus, CITIC Trust makes relevant investment arrangements at the prices and on the mechanisms available in the open market.
Investment restrictions	:	(1) Prohibition of using trust property for purposes such as loans, mortgage financing, or external guarantees; (2) Prohibition of using trust property for investments that may entail unlimited liability; (3) The amount of a single stock/bond invested by the Trust shall not exceed 50% of the net assets of the previous day in terms of cost (the position construction period is 12 months, with an additional adjustment period of 3 months, during which it is exempted); (4) Prohibition of trading in securities from 5 trading days prior to the expiration of the Trust; (5) Other investments that are prohibited by relevant laws, regulations and agreements in the trust documents[4].
Termination	:	The Trust shall be terminated under any of the following circumstances: (1) The trustor and the trustee may terminate the Trust in advance by mutual agreement according to market conditions or provisions hereof; (2) The Trust shall be terminated when a new trustee cannot be selected in accordance with relevant provisions when the trustee resigns or is legally dissolved, declared bankrupt or legally revoked; (3) The purpose of the Trust has been achieved or cannot be achieved;

4 The prohibitions of trust investment stipulated in the Securities Law of the People's Republic of China, the Trust Law of the People's Republic of China, the Measures for the Administration of Trust Companies and other laws and regulations, such as prohibiting various forms of benefits transfer or seeking unjustified benefits for third parties, and strictly forbidding engaging in insider dealings, manipulation of securities trading prices and other illegal and irregular securities activities, etc. The above save clauses are normal commercial terms generally contained in trust contracts to ensure that trust investments are carried out in compliance with the law.

(4) The Trust is revoked or dissolved;

(5) The duties of the trustee are terminated, and a new trustee is not appointed in accordance with relevant provisions;

(6) The project of the Trust cannot continue to operate due to force majeure events;

(7) The trustor decides to terminate the Trust in advance;

(8) After the establishment of the Trust, the trustor is legally dissolved, legally revoked or declared bankrupt;

(9) The term of the Trust expires and is not extended;

(10) Early termination due to force majeure or national policies, regulations or regulatory provisions;

(11) Other reasons stipulated by laws, administrative regulations or this contract.

Conditions Precedent

The conditions precedent to set up a Trust Product to carry out investments are as follows:

(1) the resolution on further promoting investment allocation (covering transactions ① to ④) has been approved by the Shareholders of the Company; and

(2) the Trust Contract has been filed at the domestic industry authority of the trustee.

Financial Impact of Setting up a Trust Product to Carry out Investments on the Group

To illustrate the financial impact of setting up a Trust Product to carry out investments on the Group, to the extent that the total investment in further promoting investment allocation will not exceed RMB50.3 billion and the investment carried out by setting up a Trust Product will not exceed RMB20.0 billion, the financial estimates below are based on the assumption that the actual amount of investment carried out by the Group by setting up a Trust Product is RMB13.534 billion. The actual specific investment strategies of the Group need to be further determined based on market conditions, and the financial impact of the actual investment timing may differ from the following financial measurement assumptions.

(1) Assets

Assuming that on 30 June 2024, the Trust Product purchased the potential Investment Targets in the open market at a price of RMB13,534 million, the consideration for the potential Investment Targets would be paid by cash, and it would be classified as financial assets at fair value through profit or loss at the presumed initial recognition stage and also the fair value of the potential Investment Targets as at 30 June 2024, and the stamp duty and related expenses would be assumed to be nil. The impact on the Group's financial position is as follows:

Unit: in millions of RMB

Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group

	The Group as at 30 June 2024	**Pro forma adjustments**	**Pro Forma Enlarged Group as at 30 June 2024**
	Unaudited	*Unaudited*	*Unaudited*
Assets			
Cash and balances with central bank	—	—	—
Deposits with financial institutions	64,932	(13,534)	51,398
Financial assets at fair value through profit or loss	374,637	13,534	388,171
Financial assets held under resale agreements	4,375	—	4,375
Contract assets	5,335	—	5,335
Finance lease receivables	42	—	42
Debt instruments at fair value through other comprehensive income	15,369	—	15,369
Equity instruments at fair value through other comprehensive income	1,547	—	1,547
Inventories	23,223	—	23,223
Debt instruments at amortized cost	309,688	—	309,688
Interests in associates and joint ventures	79,477	—	79,477
Investment properties	9,960	—	9,960
Property and equipment	2,434	—	2,434
Right-of-use assets	767	—	767
Deferred tax assets	16,194	—	16,194
Goodwill	18	—	18
Assets of a disposal group classified as held for sale	129,180	—	129,180
Other assets	18,163	—	18,163
Total assets	1,055,341	—	1,055,341

	The Group as at 30 June 2024 *Unaudited*	Pro forma adjustments *Unaudited*	Pro Forma Enlarged Group as at 30 June 2024 *Unaudited*
Liabilities			
Borrowings from central bank	5,972	—	5,972
Placements from financial institutions	7,291	—	7,291
Financial assets sold under repurchase agreements	5,675	—	5,675
Borrowings	669,439	—	669,439
Financial liabilities at fair value through profit or loss	62	—	62
Tax payable	1,147	—	1,147
Contract liabilities	703	—	703
Lease liabilities	445	—	445
Deferred tax liabilities	2,046	—	2,046
Bonds and notes issued	174,520	—	174,520
Liabilities directly associated with the assets held for sale	99,833	—	99,833
Other liabilities	35,503	—	35,503
Total liabilities	1,002,636	—	1,002,636
Equity			
Share capital	80,247	—	80,247
Other equity instruments	19,900	—	19,900
Capital reserve	16,464	—	16,464
Surplus reserve	8,564	—	8,564
General reserve	13,003	—	13,003
Other reserves	(1,835)	—	(1,835)
Accumulated losses	(83,528)	—	(83,528)
Equity attributable to equity holders of the Company	52,815	—	52,815
Perpetual capital instruments	1,753	—	1,753
Non-controlling interests	(1,863)	—	(1,863)
Total equity	52,705	—	52,705
Total equity and liabilities	1,055,341	—	1,055,341

Note: To illustrate the financial position of the Enlarged Group as at 30 June 2024 assuming that the investments by setting up a Single Asset Service Trust were completed on 30 June 2024, the Group has prepared the pro forma financial information of the Enlarged Group as set out in Appendix III. The above table is extracted from the unaudited pro forma financial information of the Enlarged Group.

(2) Earnings

Making investments by setting up a Single Asset Service Trust will bring long-term and steady financial benefits to the Group. Assuming that on 1 January 2024, the Group completed the above-mentioned investments of the Single Asset Service Trust, based on the average annual dividend yield of 4% (2% semi-annually), from January to June 2024, the dividend income obtained by the Group from the investment would be RMB271 million.

Assumed completion date of making investments by setting up a Single Asset Service Trust	**Period**	**Dividend income obtained by the Group from the investment** *In millions of RMB*
1 January 2024	January to June 2024	271

Information about CITIC Trust

CITIC Trust is a non-banking financial institution established with the approval of the People's Bank of China, with its predecessor being CITIC Industrial Trust Investment Co., Ltd. (中信興業信託投資公司, the "**CITIC Industrial**"), a company established on 1 March 1988, and the place of incorporation being Beijing. In 2002, with the approval of the People's Bank of China, CITIC Industrial undertook the corporate trust assets, liabilities and business of CITIC Group upon reorganization and restructuring. CITIC Trust has a registered capital of RMB11.276 billion (USD23.00 million of which is foreign exchange). Its controlling shareholder is China CITIC Financial Holdings Co., Ltd., holding 100% equity interests. As of the end of 2023, the total assets, net assets and total liabilities of CITIC Trust amounted to RMB49.460 billion, RMB39.089 billion and RMB10.371 billion, respectively. Besides, the income, net profits and asset management scale of CITIC Trust amounted to RMB4.940 billion, RMB2.632 billion and RMB2,059.335 billion, respectively.

CITIC Trust is the industrial top trust company, formulating the plan in securities investing businesses at an early stage in the industry, which acquired the qualifications in the securities investing businesses, such as corporate annuity fund management, entrusted overseas wealth management, national interbank funding, stock-index futures trading and Social Security Fund trust investment trustee.

CITIC Trust has rich experience in developing security investment business. As of the end of September 2024, the scale of its security investment business exceeded RMB450.0 billion, ranking top in the industry in terms of the scale of business growth. Its types of security investment business cover standardised securities investments based on self-decision and standardised securities business with the nature of transaction and service. Its product types include cash management, pure debt and fixed income, multi-strategy TOF, long-only equity, etc. Its customers include various commercial banks, wealth management subsidiaries, securities companies, futures companies and other types of financial institutions, as well as family trusts, high-net-worth individuals, general industrial and commercial enterprises, etc.

While conducting security investment trust business, CITIC Trust always insists on improving its ability of investment and research and risk control, and ensures the synchronization between the scale of business development and its ability and personnel allocation and system construction, so as to effectively prevent various risks and realize the stable and sustainable development of security investment business.

Biography of the Head of the Management Team of CITIC Trust

Mr. ZHAO Xi (趙晞), holds a master's degree in Finance and Economics from the University of Manchester and has over 10 years of experience in equity investment and multi-investment allocation. He joined CITIC Trust in July 2007 and is responsible for the underlying product management of diversified investment and portfolio returns such as corporate annuities and company welfare funds. Mr. ZHAO Xi has a solid investment style and has consistently outperformed the market average for many years. He specialises in large investment allocation and has extensive experience in equity investment, FOF/MOM portfolio investment and fund research, with total equity and FOF assets under management of RMB80.0 billion.

Information about CITIC Securities and CSC

(1) CITIC Securities

CITIC Securities was incorporated in October 1995. Listed on the Shanghai Stock Exchange in 2003 and on the Hong Kong Stock Exchange in 2011, the company is the first A-share and H-share listed securities firm in China, with China CITIC Financial Holdings Co., Ltd (a wholly-owned subsidiary of CITIC Group) as its largest shareholder. With the mission of helping enhance the capital market's functions, and facilitate high-quality economic development, CITIC Securities strives to become a leading domestic and internationally renowned Chinese investment bank most trusted by clients around the world. The business of CITIC Securities covers a wide range of fields including securities, funds, futures, foreign exchange and bulk commodities. Through its integrated financial services, CITIC Securities supports the development of the real economy in an all-round way and provides various financial service solutions for domestic and foreign corporate, institutional, high-net-worth and retail clients.

Founded in 1998, CITICS Research is a first-level department of CITIC Securities, consistently adhering to the value concept of "Integrity, Innovation, Excellence and Sharing". Taking full-scale research and all-rounded services as transition direction, CITICS Research aims to serve primary and secondary market investors as an expert to carry out in-depth industry analysis and as a consultant in enterprise strategy study. As a first-level front office department, the Stock Sales and Trading Department assists the CITICS Research, providing a full range of products and services such as roadshows, research, expert consultants, commissioned projects, conference calls and conference exchanges based on high-quality research reports for customers in all business lines. CITICS Research currently has set up 11 aggregate and industry groups, including macro and policy, strategy, FICC, quantification and allocation, consumption, medical and health, manufacturing, science and technology, finance, energy and materials, infrastructure and modern services, including 62 professional research groups and more than 400 researchers.

Biography of the Head of the Consulting Team of CITIC Securities

Mr. YU Xinli (于新利), is the director manager, executive head of the Research Department, a member of the Global Institutional Equities Business Management Committee (全球機構股票業務管理委員會), and the deputy secretary general of CITIC Research Institute (中信研究院) of CITIC Securities. Mr. YU Xinli successively graduated from Beihang University with a major in Aircraft Manufacturing (Bachelor of Engineering), the School of Computing and Communication Engineering of the Graduate School of Chinese Academy of Sciences (中國科學院研究生院計算與通信工程學院) (Master of Software Engineering), and the first EMBA class of the PBC School of Finance (PBCSF) at Tsinghua University (Master of Business Administration). He joined CITIC Securities in 1999, with more than 20 years of experience in securities research and industry. He successively served as a product development engineer of the financial products development group, the chief financial engineering analyst, executive general manager, and role B of the Research Department, the director manager of the Wealth Management Committee, head of the Operations Management Department, and head of the Market Research Department, and has been the executive head of the Research Department since 2018. He ranked first three times and second once in the New Fortune Best Financial Engineering Analyst for four consecutive years from 2004 to 2007.

(2) CSC

CSC is a nationwide comprehensive securities company approved by the CSRC and has a strong shareholders background. The major shareholders include Beijing State-owned Capital Operation and Management Company Limited, Central Huijin and CITIC Group. CSC was founded on 21 September 2005, registered in Chaoyang District, Beijing, listed on the Hong Kong Stock Exchange on 9 December 2016 and on the Shanghai Stock Exchange on 20 June 2018, with a registered capital of RMB7.757 billion. According to the statistics of the Securities Association of China and Wind Info, in 2023, the number of equity financing projects completed by the CSC and the amount of lead underwriting ranked No. 2 in the industry. The debt financing business of CSC continued to maintain a good momentum of development, ranking No. 2 in the industry in terms of the number of completed lead underwriting projects and the scale of lead underwriting.

CSC has an Investment Banking Committee, an Economic Management Committee and an Institutional Committee. The Institutional Committee is composed of four departments such as the Institutional Department, the Research and Development Department, the Trusteeship Department, and the International Department, which comprehensively serves the institutional customers. Founded in 1998, the Research and Development Department (formerly known as the Research and Development Department of China Securities (華夏證券研究發展部)) is one of the earliest seller research institutes, serving more than 500 QFII, funds, insurance, brokers, banks, private equity and other customers throughout the year, organizing more than 500 roadshows per week, organizing more than hundreds of listed company surveys every year, and serving more than 100 fund customers throughout the year. The Research and Development Department mainly provides institutional clients with research consulting services in 40 fields including macroeconomy, fixed income, strategy, financial engineering, large-scale investment allocation, fund research, and industry research. The research and sales team of the CSC currently has a total of 307 members, and 6,685 research reports of various types were completed in 2023, deepening the coverage of the industry and overseas listed companies, and the research business is currently divided into 10 research groups, covering 40 research fields.

CSC is a joint stock limited liability company incorporated in the PRC, the H shares (stock code: 6066.HK) and the A shares (stock code: 601066.SH) of which are listed and traded on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively. According to the H-share prospectus of CSC, CITIC Group is an independent third party of CSC. At present, according to the information on the online disclosure of interests system of the Hong Kong Stock Exchange and the periodic reports published by CSC, CITIC Group, through its subsidiary Glasslake Holdings Limited, holds 4.53% of the shares of CSC, and CITIC Securities (a subsidiary of CITIC Group under the Listing Rules) holds 4.94% of the shares of CSC. The operating performance and financial position of CSC are not consolidated in the financial statements of CITIC Group. According to the overseas regulatory announcement of CSC dated 22 November 2023 (Announcement on the Completion of the Implementation of the Largest Shareholder's Increase in Shareholding of H Shares of the Company), CSC has no controlling shareholder and no actual controller. All in all, to the Company's knowledge, information and belief after making reasonable inquiries, CSC is an independent third party of the Company.

Biography of the Head of the Consulting Team of CSC

Ms. WU Chaoze (武超則), is the director of the Securities Research Institute and the head of the International Business Department, the director manager and the chief analyst of the TMT industry of CSC. She is a Platinum Analyst of New Fortune, who has won first place in the New Fortune Best Analyst of the Communications Industry eight consecutive times from 2013 to 2020, and first place in the Crystal Ball Best Analyst of the Communications Industry seven consecutive times from 2014 to 2020. Ms. WU Chaoze focuses on 5G, cloud computing, the Internet of Things and other fields, and is a securities analyst, investment advisor and member of the Chief Economist Committee of the Securities Association of China.

Listing Rules Implications

As the highest applicable percentage ratio in respect of the Company's investments by setting up a Single Asset Service Trust exceeds 25% but is less than 75%, the Company's investments by setting up a Single Asset Service Trust constitute major transactions of the Company under Chapter 14 of the Listing Rules, and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules, in accordance with Chapter 14 of the Listing Rules.

If the seller of target shares for the investment under the Single Asset Service Trust is a connected person of the Company, and such specific transaction thus constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, the Company will separately comply with the applicable requirements of Chapter 14A of the Listing Rules in relation to that specific transaction.

As at the Latest Practicable Date, CITIC Group held 21,230,929,783 Domestic Shares of the Company, representing 26.46% of the total issued Shares of the Company, and it is a substantial shareholder of the Company and constitutes a connected person of the Company under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, CITIC Securities, CITIC Trust and China CITIC Bank are indirect subsidiaries of CITIC Group under the Listing Rules, and are therefore associates of CITIC Group and constitute connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, in respect of the establishment of the Single Asset Service Trust for investment, CITIC Securities provided the Company with consulting services, the Company entrusted

CITIC Trust to establish a Single Asset Service Trust for investment, and China CITIC Bank provided the Company with custodial services, which constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Regarding this establishment of the Single Asset Service Trust for investment, the Company's contemplated transactions with CITIC Securities, CITIC Trust and China CITIC Bank are in compliance with the scope of transactions, pricing principles and annual caps stipulated in the Comprehensive Services Framework Agreement. The consulting services to be provided by CITIC Securities to the Company fall within the consulting and advisory services provided by CITIC Group and its associates to the Company under the Comprehensive Services Framework Agreement. The trust services to be provided by CITIC Trust to the Company fall within the transaction trust services provided by CITIC Group and its associates to the Company under the Comprehensive Services Framework Agreement. The custodial services to be provided by China CITIC Bank to the Company fall within the entrusted asset management services and relevant services provided by CITIC Group and its associates to the Company under the Comprehensive Services Framework Agreement. The service fees to be paid by the Company to CITIC Securities, CITIC Trust and China CITIC Bank will be included in annual caps of the service fees paid by the Company to CITIC Group and its associates under the Comprehensive Services Framework Agreement.

The relevant contracts signed by the Company with CITIC Securities and CITIC Trust will become effective after the resolution on further promoting investment allocation has been considered and approved at the EGM. The duration of the Single Asset Service Trust under the Trust Contract is three years, as follows: subject to compliance with the Listing Rules, the Company will obtain the necessary approval from the Shareholders of the Company (if applicable) on the renewal of the Comprehensive Services Framework Agreement on or before 31 December 2024 for continuing connected transactions with CITIC Group and its associates beyond 31 December 2024; therefore, the duration of the Single Asset Service Trust under the Trust Contract commences from the date of the EGM until 31 December 2024 (both days inclusive), and provided that subject to compliance with the Listing Rules, the necessary approval procedures for the renewal of the Comprehensive Services Framework Agreement are fulfilled on or before 31 December 2024, the duration of the Single Asset Service Trust under the Trust Contract will be automatically extended up to the third anniversary from the effective date of the Trust Product (both days inclusive). During the duration of the Single Asset Service Trust under the Trust Contract, the Company, as the trustor, may unilaterally request the early termination of the Single Asset Service Trust and the Trust Contract in accordance with its actual needs or regulatory opinions; when the Trust Contract is terminated early, the duration of the Single Asset Service Trust expires early.

(V) Reasons and Benefits of Further Promoting Investment Allocation

With the transformation and upgrading of China's economy, the scope, connotation and market space of the distressed asset industry are gradually expanded. In the second half of 2024, China's distressed asset industry continues to face increased supply, risk prevention and control, and the restructuring of the regulatory framework. However, the market for distressed assets is also poised for significant growth opportunities. Firstly, the supply of distressed assets is expected to increase steadily, particularly in key areas such as small and medium-sized banks, local debt, and real estate, which are still in the risk release phase. Financial institutions in the banking sector will intensify their efforts in disposing of distressed assets. Secondly, risk prevention and control will remain a key focus of China's financial work and a perennial theme. Regulatory authorities are expected to further strengthen policy support, and financial asset management companies will play an increasingly prominent role in preventing and mitigating risks in key areas, highlighting their considerable development potential. Thirdly, the financial asset management industry is currently in a critical period of regulatory framework restructuring. As regulatory policies and market mechanisms are gradually refined, financial asset management companies will enter a new phase of high-quality development. This will further accelerate the transformation of their core business in distressed assets, enabling them to make a greater contribution to building China into a financial powerhouse.

The principal activities of the Company with regulatory approval comprise debt-to-equity swaps, management, investment and disposal of equity assets; external investment; securities dealing, etc. With the reduction of interest rate by certain developed economic entities and the gradual implementation of relevant supporting policies for the domestic economic and capital market, the Company increases the proportion of equity investment in good time during its business operation, makes full efforts to find out high-quality and undervalued equity assets, gives full play to its professional strengths and leverages the synergy advantage of CITIC Group, its substantial shareholder, improves price discovery efficiency, thus promoting asset revitalization enterprise value increase.

Since 2023, the Company has seized market opportunities and carried out a series of investment allocation, achieving positive results. The Company's major investment concentrates in national lifeline industries, such as energy, electricity, transportation and banking, with the characteristics of undervaluation and high yield. With the long-term, positive and increasing trend of economy of the PRC, especially upon the interest rate cut made by the Federal Reserve, China Concept Stocks and stocks valued under a system with Chinese characteristics have demonstrated a trend of value return. Investment in such equities is expected to contribute sustainable and stable income to the Company, which will help the Company go through the economic and financial cycle, mitigate result fluctuation and achieve long-term and sustainable development. The Company will deepen strategic cooperation with the investment targets, keep optimizing management method, improve management performance, thus better sharing the growth and income of the investment targets.

(1) Reasons and Benefits of Further Acquiring Shares of CITIC Limited

According to the announcement dated 15 November 2023 and the circular dated 30 November 2023 of the Company, on 15 November 2023, the Company entered into an agreement with CITIC Group to acquire 5.01% of the shares of CITIC Limited. The acquisition is beneficial to optimize state-owned asset layout, help the Company to improve asset quality and financial conditions.

The Company believes that CITIC Limited is a high-quality investment target. CITIC Limited has good long-term sustainable operating ability, with its main business covering multiple business areas, including financial services, resources and energy, manufacturing, real estate and infrastructure, and engineering contracting, and it operates extensively in domestic and overseas markets with strong risk-resistant ability. In the face of complex internal and external environments such as divergence of global economic recovery momentum, monetary policy adjustments in developed economies, increasing geopolitical conflicts, and the need to further activate domestic consumer demand, CITIC Limited has maintained a stable and positive trend in its asset scale and operation performance through continuous optimization of its business layout, and its dividend distribution ratio has continued to maintain a high level. At the same time, the Company believes that there is still a recovery space in the valuation of CITIC Limited. CITIC Limited's net asset per share amounted to RMB25.21 in the 2024 interim report. As of 15 October 2024, the corresponding price-to-book ratio (P/B) of the share price was 0.33 time, which was lower than the average of the above statistical range over the past decade. There is a recovery in valuation.

The Company believes that further acquisition of the shares of CITIC Limited will help the Company deepen its strategic cooperation with CITIC Limited. The Company can fully rely on the advantages of CITIC Limited in both industry and finance, leverage the "finance-finance synergy" and "industry-finance synergy" effects and achieve complementary advantages, which can help comprehensively promote the transformation and development of the business of the Company. At the same time, the acquired shares can be merged and managed with shares already held in the previous period, and accounted in the interests in associates and joint ventures, which can obtain relatively stable investment income and cash bonus income.

(2) Reasons and Benefits of Further Acquisition of Shares of Bank of China

Pursuant to the circulars of the Company dated 9 January 2024, 7 February 2024 and the announcements on poll results dated 26 January 2024, 28 February 2024, the Group held 3.57% of shares of Bank of China as of the Latest Practicable Date.

The Company believes that Bank of China is a high-quality investment target. With a clear historical development and well-established corporate governance, Bank of China was listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange in 2006, becoming the first Chinese bank to launch an A-share and H-share initial public offering and achieve a dual listing in both markets. In 2011, Bank of China became the first financial institution from an emerging economy to be designated as a Global Systemically Important Bank, a designation it has now maintained for 13 consecutive years. With its growing international status, competitiveness and comprehensive strengths, Bank of China has marched forward into the ranks of the world's large banks. Meanwhile, the Company believes that there remains room for the valuation of Bank of China to recover. Taking the share price of the H shares of Bank of China as of 30 September 2024 as an example, the P/B was only 0.4 time and the TTM was 7.06%, providing a better investment value.

The Company believes that further acquisition of shares of Bank of China is in line with the Company's development strategy, and will further promote the business cooperation between the Company and Bank of China. In terms of actively adapting to the development trend of the financial market, serving the real economy and optimizing the allocation of investments, etc., the Company will better implement the work deployment of the Central Committee of the Party and the State Council more effectively, promote the high-quality development of finance, and serve and integrate into the new development pattern of China in the future.

(3) Reasons and Benefits of Further Acquisition of Shares of CEB Bank

According to the announcements of the Company dated 10 March 2023, 13 March 2023 and 16 March 2023, the Company acquired convertible bonds issued by CEB Bank from the secondary market and implemented the conversion in March 2023. As of the Latest Practicable Date, the Company held 7.08% of shares of CEB Bank.

The Company believes that CEB Bank is a high-quality investment target. In the context that the whole industry encountered operational pressures, in 2023, the asset quality of CEB Bank improved, the provision level increased, and the overall operation was relatively stable with medium- to long-term holding value. Meanwhile, the Company believes that there remains room for the valuation of CEB Bank to recover. The valuation of A shares/H shares of CEB Bank is lower than the average level of the industry, and the valuation is at a historically low point. In the long run, the valuation of CEB Bank is expected to be recovered, coupled with high dividend assets being valued by the capital market, the share price of CEB Bank has room to rise.

The Company considers that further acquisition of shares of CEB Bank will help support the sustainable and high quality development of CEB Bank, and actively play the functional role of a financial asset management company. Meanwhile, the acquired shares can be managed in conjunction with the shares already held and accounted in the interests in associates and joint ventures, which can record more stable investment returns and cash bonus income.

(4) Reasons and Benefits of Making Investments by Setting up a Single Asset Service Trust

According to the circulars of the Company dated 9 January 2024 and 7 February 2024, as well as the announcements on poll results dated 26 January 2024 and 28 February 2024, the resolutions in relation to the Company's entrustment of CITIC Securities AM and CSC to establish single asset management plans (the "**Single Asset Management Plans**") had been considered and approved by the Shareholders of the Company at the Shareholders' general meetings.

At the early stage, the Company entrusted CITIC Securities AM and CSC to establish four Single Asset Management Plans, with two securities companies serving as the managers of such plans, to carry out investments within the scope of the investment whitelist jointly determined by the Company and the managers. The investment scope covers state-owned enterprises, red-chip companies, financial institutions and other high-quality assets and equities (including convertible bonds and exchangeable bonds) in the primary and secondary markets. The Single Asset Management Plans have invested in stocks of Bank of China, China Power, Kunlun Energy, China Telecom and Daqin Railway. As of the end of June 2024, the semiannual investment return rates of the four Single Asset Management Plans exceeded 10%, outperforming the market level.

The above-mentioned Single Asset Management Plans have achieved phased results and now have entered the liquidation process. Based on the good results and experience of previous investment allocation, the Company intends to further optimize investment paths and intensify efforts in investment allocation with the professional strength of CITIC Securities, CSC and CITIC Trust on the basis of continuing the existing investment logic. The Company believes that making investments through the Trust Product will help the Company improve its asset structure, consolidate its investment return level, enable the Company and its Shareholders to better share the growth and benefits of Investment Targets, and contribute to the Company's sound and sustainable development.

In view of the foregoing, the Directors consider that the terms of ① further acquiring 4.88% of shares of CITIC Limited; ② further acquiring shares of Bank of China; ③ further acquiring shares of CEB Bank; and ④ making investments by setting up a Single Asset Service Trust are set on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

(VI) Corporate Governance Procedures

The above-mentioned ① further acquiring 4.88% of shares of CITIC Limited; ② further acquiring shares of Bank of China; ③ further acquiring shares of CEB Bank; and ④ making investments by setting up a Single Asset Service Trust have a total investment scale of no more than RMB50.3 billion. Pursuant to Item 14 of paragraph 1 of Article 66 of the Articles of Association and the Plan on Authorisation of the Shareholders' General Meeting to the Board of Directors, the investment amount involved in the resolution on further promoting investment allocation exceeds the approval authority of the Board. According to the Company's internal governance system, the resolution on further promoting investment allocation shall be submitted to the Shareholders' general meeting for consideration.

The Board will propose to the EGM to consider and approve the Company further promoting investment allocation in a total scale of no more than RMB50.3 billion. In the meantime, the Board will propose to submit to the EGM to grant authority to the Board, and for the Board to grant authority to the management to decide and handle all specific matters in relation to the further promoting investment allocation, including but not limited to: appointing top-ranked professional advisor(s), trust manager(s) and custodian bank in the industry, instructing the professional advisors to formulate an investment plan, determining factors like the target, scale and price, timing and method of investment, reasonably predicting financial influence, estimating transaction benefits, and submitting to the trustor for confirmation; executing investment plan by the trust manager; for equities held and proposed to be invested in, selecting qualified entities to hold relevant equities or assets in accordance with the regulatory requirements, and performing regulatory reporting and reviewing procedures; signing relevant agreements, performing information disclosure obligation and handling matters in relation to interest declaration in accordance with regulatory rules for listed companies, reviewing connected transaction-related matters and performing regulatory reporting procedures, and handling other relevant matters necessary for the completion of investment allocation.

The Company uses ordinary working capital to make investments under the plan of further promoting investment allocation. At the present stage, the scales of the Company's total assets, business investment and working capital remain basically stable. In view of the recent macroeconomic cycle and the capital market trend, the Company shall, in the course of business development, appropriately adjust the investment structure and increase the proportion of equity investment. Based on the overall operating and financial position, the Company will prudently carry out liquidity management and reasonably arrange the capital allocation of this project and others. The Directors, after prudent consideration, are of the opinion that after calculating and taking into account the currently available financing, including bank loans, bonds, refinance, the internal resources of the Company and the cash flow impact of further promoting investment allocation, the working capital available to the Group is sufficient to meet the capital requirements for further promoting investment allocation and the next 12 months without unforeseen circumstances.

The above resolution has been considered and approved by the Board, and is hereby submitted to the EGM for consideration.

III. THE EGM

The Company will convene the EGM on Friday, 29 November 2024 at 10:00 a.m. at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC, the notice of which is set out in this circular.

In order to determine the list of H Shareholders who are entitled to attend the EGM, the H Share Register of members of the Company will be closed from Tuesday, 26 November 2024 to Friday, 29 November 2024 (both days inclusive). H Shareholders who intend to attend the EGM shall deposit the share certificates together with the transfer documents at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m. on Monday, 25 November 2024. Shareholders whose names appear on the H Share register of members of the Company at the close of business on Monday, 25 November 2024 are entitled to attend and vote at the EGM.

A proxy form for use at the EGM is enclosed herein and also published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). H Shareholders who intend to attend the EGM by proxy shall complete and return the proxy form to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for holding the EGM (i.e. before 10:00 a.m. on Thursday, 28 November 2024) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting at the EGM in person should you so wish.

We hereby remind you that, according to Article 65 of the Articles of Association, where the number of equity interests of the Company pledged by a Shareholder reaches or exceeds 50% of the equity interests held by such Shareholder in the Company, no voting right in respect of the pledged equity interests shall be exercised at the Shareholders' general meeting until the ceasing of the relevant condition.

Pursuant to Article 108 of the Articles of Association, when related party transactions are considered at a Shareholders' general meeting, the related Shareholders shall abstain from voting or voting on behalf of other Shareholders. Pursuant to Rule 2.15 and Rule 14.46 of the Listing Rules, where a transaction or arrangement is subject to shareholders' approval, any shareholder and his close associates who have a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the relevant general meeting. With respect to the arrangement of further promoting investment allocation, the Company proposes to appoint CITIC Securities as an adviser, CITIC Trust as the trustee of the Single Asset Service Trust, and China CITIC Bank as the custodian. CITIC Securities, CITIC Trust and China CITIC Bank are close associates of CITIC Group. Therefore, CITIC Group has a material interest in the resolution on further promoting investment allocation. As at the Latest Practicable Date, CITIC Group held 21,230,929,783 Domestic Shares of the Company, representing 26.46% of the total issued Shares of the Company, and is required to abstain from voting on the approval of the resolution on further promoting investment allocation at the EGM. Save as disclosed above, to the best knowledge, information and belief of the Directors, no other Shareholders are required to abstain from voting on the resolution to be proposed at the EGM.

Voting at the EGM shall be taken by way of registered poll.

IV. RECOMMENDATION

The Directors consider that the resolution set out in the notice of EGM for consideration and approval by Shareholders is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the resolution to be proposed at the EGM.

V. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make this circular or any statement herein misleading.

By order of the Board
China CITIC Financial Asset Management Co., Ltd.
LIU Zhengjun
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 is set out in the relevant annual reports, which have been published by the Company on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.famc.citic). Please also refer to the hyperlinks for the following annual reports and interim report:

(1) the interim report of the Company for the period ended 30 June 2024 published on 25 September 2024 (pages 74 to 140):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0925/2024092500811.pdf

(2) the annual report of the Company for the year ended 31 December 2023 published on 26 April 2024 (pages 206 to 414):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603323.pdf

(3) the annual report of the Company for the year ended 31 December 2022 published on 26 April 2023 (pages 218 to 430):

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042602058.pdf

(4) the annual report of the Company for the year ended 31 December 2021 published on 27 April 2022 (pages 158 to 362):

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042701339.pdf

2. INDEBTEDNESS STATEMENT

As of the close of business on 30 September 2024, the Latest Practicable Date for the purpose of this indebtedness statement, the indebtedness of the Group is as follows:

Borrowings

The Group has arranged borrowings from banks and other financial institutions to fund its acquisitions of distressed debt assets and other investments. As at 30 September 2024, the Latest Practicable Date for the purpose of this indebtedness statement, the Group's borrowings from banks and other financial institutions amounted to RMB764,572.19 million.

	As at 30 September 2024 *(in millions of RMB)*
Unsecured and unguaranteed loans	737,355.29
Guaranteed but unsecured loans	6,132.47
Secured but unguaranteed loans	21,084.43
Total	**764,572.19**

Note: The borrowings are classified into three categories: (i) unsecured and unguaranteed loans, (ii) guaranteed but unsecured loans, (iii) secured but unguaranteed loans.

Unsecured and unguaranteed loans refer to loans without any collaterals, pledges or guarantors. Guaranteed but unsecured loans refer to loans guaranteed by a guarantor without any collaterals or pledges; the whole balance was borrowed by subsidiaries of the Company and guaranteed by the Company or subsidiaries of the Company, and there was no balance guaranteed by a third party guarantor. Secured but unguaranteed loans refer to loans secured by collaterals or pledges without any guarantors.

Bonds and notes issued

As at 30 September 2024, the total carrying amount of the Group's outstanding bonds and notes issued amounted to RMB174,608.88 million, all of which were unsecured and unguaranteed:

	As at 30 September 2024 *(in millions of RMB)*
Due in 1 year	22,505.40
Due in 1–2 years	33,849.97
Due in 2–3 years	68,756.47
Due in 3–4 years	38,207.35
Due in 4–5 years	3,737.55
Due in more than 5 years	7,552.14
Total	**174,608.88**

Lease liabilities

As at 30 September 2024, lease liabilities recognized by the Group as a lessee which arose from its signing of non-cancellable operating lease agreements are set out as follows, all of which were unsecured and unguaranteed:

	As at 30 September 2024 *(in millions of RMB)*
Within one year	108.34
Within a period of more than one year but not more than two years	95.41
Within a period of more than two years but not more than five years	181.21
Within a period of more than five years	70.41
Total	**455.37**

Capital Commitments

	As at 30 September 2024 *(in millions of RMB)*
Contracted but not yet paid for	
— Commitments for the acquisition of long-term assets	6,290.90
Total	**6,290.90**

Credit Enhancements

As at 30 September 2024, the Group did not provide any credit enhancements to the borrowings of external transaction counterparties.

Off-balance Sheet Arrangements

As at 30 September 2024, there were no material off-balance sheet arrangements as defined under International Financial Reporting Standards (IFRS) in the Company and the subsidiaries.

Contingent Liabilities

Due to the nature of our businesses, the Company and subsidiaries are involved in various legal proceedings in the ordinary course of business, including litigations and arbitrations. We make provisions for probable losses arising from these claims when the management can reasonably estimate the outcome of the proceedings, in light of legal advice we have received. We do not make provisions for pending litigations when the outcome cannot be reasonably estimated or when the management believes that the probability of losses is remote or that any resulting liabilities will not have a material adverse effect on our financial position or business performance. As at 30 September 2024, in accordance with court judgments or the advice of legal counsels the Group has confirmed that the estimated contingent liabilities are as follows:

	As at 30 September 2024 *(in millions of RMB)*
Legal proceedings	72.92
Total	**72.92**

In addition, as at 30 September 2024, the Group's indebtedness also included placements from financial institutions and financial assets sold under repurchase agreements that arise from the normal course of business.

Other than disclosed above and apart from intra-group liabilities, as at 30 September 2024, the Group did not have any other outstanding bonds and notes issued, borrowings, bank overdrafts, mortgages or charges, liabilities under acceptance or other similar indebtedness, finance lease commitments, or any guarantees or other contingent liabilities.

The Directors have confirmed that there have been no material adverse changes in the indebtedness or contingent liabilities of the Group since 30 September 2024.

3. WORKING CAPITAL

The Directors, after prudent and careful consideration, are of the opinion that after taking into account the currently available banking facilities, the internal resources of the Group and the further promotion of investment allocation, the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023 (being the date on which the latest audited consolidated financial statements of the Group were made up).

5. DEVELOPMENT OUTLOOK

Looking ahead to the second half of the year, the global economic recovery will encounter greater challenges amid high interest rates and debt constraints. The International Monetary Fund forecasts that global economic growth in 2024 will match the 2023 rate at 3.2%, which is significantly lower than the historical average of 3.8% from 2000 to 2019.

In response to the challenging and complex international and domestic landscape, as well as the new wave of technological revolution and industrial transformation, the Third Plenary Session of the 20th Central Committee of the Communist Party of China has called for improving the macroeconomic regulation system, and coordinating reforms in key areas such as fiscal, taxation and financial sectors to enhance the consistency of macroeconomic policies. In the second half of the year, the Chinese economy will take stronger measures to effectively implement established macroeconomic policies, aiming to consolidate and enhance the momentum of the economic recovery. An active fiscal policy should accelerate the issuance and use of special bonds and effectively utilize ultra-long-term special government bonds. A prudent monetary policy should comprehensively use various policy instruments to increase the financial support to the real economy, and promote the reduction of overall social financing costs while maintaining stability. With the support of new policies, the real estate sector is expected to gradually stabilize, and large-scale equipment upgrades will further strengthen, continuously boosting the momentum for high-quality economic development and providing a favorable external environment for the growth of the distressed asset industry.

In the second half of 2024, China's distressed asset industry will continue to face multiple challenges, including increased supply, risk prevention and control, and the restructuring of the regulatory framework. However, the market for distressed assets is also poised for significant growth opportunities. Firstly, the supply of distressed assets is expected to increase steadily, particularly in key areas such as small and medium-sized banks, local debt, and real estate, which are still in the risk release phase. Financial institutions in the banking sector will intensify their efforts in disposing of distressed assets. Secondly, risk prevention and control will remain a key focus of China's financial work and a perennial theme. Regulatory authorities are expected to further strengthen policy support, and financial asset management companies will play an increasingly prominent role in preventing and mitigating risks in key areas, highlighting their considerable development potential. Thirdly, the financial asset management industry is currently in a critical period of regulatory framework restructuring. As regulatory policies and market mechanisms are gradually refined, financial asset management companies will enter a new phase of high-quality development. This will further accelerate the transformation of their core business in distressed assets, enabling them to make a greater contribution to building China into a financial powerhouse.

In the second half of 2024, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company will deeply study and implement the directives of the Third Plenary Session of the 20th National Congress, resolutely follow and carry out the economic and financial decisions and arrangements of the Party Central Committee and the State Council. Under the vigorous leadership of the Party committee of CITIC Group, the Company will promote the work of the next stage on a high-quality basis. Firstly, the Company will balance its political and business affairs, further strengthening full Party self-discipline. The Company will promote the turn of Party building advantages to development advantages, and push forward the deep integration of Party building and business, thus achieving new results of high-quality development led by high-quality Party building. Secondly, the Company will balance its stability and progression, further deepening reform and motivating vitality. The Company will promote the implementation of the "One-Three-Five" strategy without deviation, taking the initiative to make proactive progress in the adjustment of financing structure, optimization of asset structure and deepening of reform. Thirdly, the Company will balance the breaking and making, further improving its capability in the core business. The Company will crack the reliance on outdated business ideas and paths, accelerating the construction of core competitiveness of its core business on its unique functional position. Fourthly, the Company will balance its risk and development, further enhancing risk resolution and control. The Company will insist on placing equal emphasis on risk management and control, so as to safeguard the stable and long-lasting development of the Company with high-quality risk management. Fifthly, the Company will balance its short-term and long-term development, further reinforcing its hard work and commission fulfillment. Aiming at the "One-Three-Five" strategic goal, the Company will adhere to its determination, maintain the insight and layout and increase achievements under the mission, in order to promote the comprehensive development of the "One-Three-Five" strategy, and strive to build itself into a benchmark of the reform and risk resolution.

FINANCIAL INFORMATION OF CITIC LIMITED

Financial information of CITIC Limited for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 is set out in the relevant annual reports and interim report which have been published by CITIC Limited on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of CITIC Limited (www.citic.com). Please also refer to the hyperlinks for the following annual reports and interim report:

(1) the interim report of CITIC Limited for the period ended 30 June 2024 published on 16 September 2024 (pages 33 to 136):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0916/2024091600519.pdf

(2) the annual report of CITIC Limited for the year ended 31 December 2023 published on 22 April 2024 (pages 161 to 350):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0422/2024042200496.pdf

(3) the annual report of CITIC Limited for the year ended 31 December 2022 published on 20 April 2023 (pages 222 to 414):

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0420/2023042001003.pdf

(4) the annual report of CITIC Limited for the year ended 31 December 2021 published on 21 April 2022 (pages 193 to 398):

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042100647.pdf

MANAGEMENT DISCUSSION AND ANALYSIS OF CITIC LIMITED

Management discussion and analysis of CITIC Limited is set out in the relevant annual reports and interim report for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 of CITIC Limited. Please also refer to the hyperlinks for the following annual reports and interim report:

(1) the interim report of CITIC Limited for the period ended 30 June 2024 published on 16 September 2024 (pages 8 to 29):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0916/2024091600519.pdf

(2) the annual report of CITIC Limited for the year ended 31 December 2023 published on 22 April 2024 (pages 8 to 95):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0422/2024042200496.pdf

(3) the annual report of CITIC Limited for the year ended 31 December 2022 published on 20 April 2023 (pages 10 to 93):

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0420/2023042001003.pdf

(4) the annual report of CITIC Limited for the year ended 31 December 2021 published on 21 April 2022 (pages 8 to 86):

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042100647.pdf

FINANCIAL INFORMATION OF BANK OF CHINA

Financial information of Bank of China for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 is set out in the relevant annual reports and interim report which have been published by Bank of China on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of Bank of China (www.boc.cn). Please also refer to the hyperlinks for the following annual reports and interim report:

(1) the interim report of Bank of China for the period ended 30 June 2024 published on 27 September 2024 (pages 104 to 204):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092700571.pdf

(2) the annual report of Bank of China for the year ended 31 December 2023 published on 25 April 2024 (pages 197 to 377):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042502609.pdf

(3) the annual report of Bank of China for the year ended 31 December 2022 published on 28 April 2023 (pages 205 to 377):

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800951.pdf

(4) the annual report of Bank of China for the year ended 31 December 2021 published on 29 April 2022 (pages 199 to 367):

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042902082.pdf

MANAGEMENT DISCUSSION AND ANALYSIS OF BANK OF CHINA

Management discussion and analysis of Bank of China is set out in the relevant annual reports and interim report for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 of Bank of China. Please also refer to the hyperlinks for the following annual reports and interim report:

(1) the interim report of Bank of China for the period ended 30 June 2024 published on 27 September 2024 (pages 10 to 72):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092700571.pdf

(2) the annual report of Bank of China for the year ended 31 December 2023 published on 25 April 2024 (pages 21 to 109):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042502609.pdf

(3) the annual report of Bank of China for the year ended 31 December 2022 published on 28 April 2023 (pages 22 to 115):

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800951.pdf

(4) the annual report of Bank of China for the year ended 31 December 2021 published on 29 April 2022 (pages 28 to 121):

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042902082.pdf

FINANCIAL INFORMATION OF CEB BANK

Financial information of CEB Bank for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 is set out in the relevant annual reports and interim report which have been published by CEB Bank on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of CEB Bank (www.cebbank.com). Please also refer to the hyperlinks for the following annual reports and interim report:

(1) the interim report of CEB Bank for the period ended 30 June 2024 published on 26 September 2024 (pages 78 to 192):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0926/2024092601332.pdf

(2) the annual report of CEB Bank for the year ended 31 December 2023 published on 29 April 2024 (pages 164 to 316):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042902280.pdf

(3) the annual report of CEB Bank for the year ended 31 December 2022 published on 28 April 2023 (pages 149 to 296):

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042802921.pdf

(4) the annual report of CEB Bank for the year ended 31 December 2021 published on 27 April 2022 (pages 141 to 292):

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042702424.pdf

MANAGEMENT DISCUSSION AND ANALYSIS OF CEB BANK

Management discussion and analysis of CEB Bank is set out in the relevant annual reports and interim report for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 of CEB Bank. Please also refer to the hyperlinks for the following annual reports and interim report:

(1) the interim report of CEB Bank for the period ended 30 June 2024 published on 26 September 2024 (pages 11 to 51):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0926/2024092601332.pdf

(2) the annual report of CEB Bank for the year ended 31 December 2023 published on 29 April 2024 (pages 20 to 77):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042902280.pdf

(3) the annual report of CEB Bank for the year ended 31 December 2022 published on 28 April 2023 (pages 19 to 69):

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042802921.pdf

(4) the annual report of CEB Bank for the year ended 31 December 2021 published on 27 April 2022 (pages 16 to 63):

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042702424.pdf

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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of China CITIC Financial Asset Management Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China CITIC Financial Asset Management Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group as at 30 June 2024, the unaudited pro forma consolidated statement of profit or loss and comprehensive income and unaudited pro forma consolidated statement of cash flows of the Group for the six months ended 30 June 2024, and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on page 60 to 81 of the circular dated 13 November 2024 (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the very substantial acquisition related to the proposed further promotion of investment allocation (the "**Acquisitions**") on the Group's financial position as at 30 June 2024 as if the Acquisitions had taken place at 30 June 2024, and on the Group's financial performance and cash flows for the six months ended 30 June 2024 as if the Acquisitions had taken place at 1 January 2024. As part of this process, information about the Group's financial position, financial performance and cash flows had been extracted by the Directors from the Group's condensed consolidated financial information for the six months ended 30 June 2024, on which a review report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our independence and quality management (continued)

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Acquisitions on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

Reporting accountants' responsibilities (continued)

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong

13 November 2024

I. BASIS OF PREPARATION

China CITIC Financial Asset Management Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") planned for the promotion of investment allocation (the "**Acquisitions**"), within an aggregate total investment size of no more than RMB50,300 million, including (1) further acquisition of 4.88% of shares of CITIC Limited through signing share transfer agreements; (2) further acquisitions of shares of China Everbright Bank Company Limited ("**CEB Bank**") and Bank of China Limited ("**BOC**") for a maximum aggregate amount of RMB4,000 million and RMB26,000 million, respectively; and (3) entrusting CITIC Trust Co., Ltd (as the trustee), CITIC Securities Co., Ltd (as an adviser), CSC Financial Co., Ltd (as an adviser) and CITIC Bank Co., Ltd (as the custodian) to set up a single asset service trust ("**Trust**") to carry out investment for a maximum aggregate amount of RMB20,000 million. Whether or not the Group will acquire shares of CEB Bank and BOC will be determined based on market conditions, and the Group will decide on the appropriate timing to invest in relevant assets and equity ("**potential investment targets**") through the Trust.

The following is a summary of illustrative unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss and comprehensive income, and unaudited pro forma consolidated statement of cash flows of (the "**Unaudited Pro Forma Financial Information**"), in connection with the Acquisitions by the Group. It has been prepared by the directors of the Company (the "**Directors**") in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Unaudited Pro Forma Financial Information presented below is prepared to illustrate: (i) financial position of the Group immediately after completion of the Acquisitions (collectively referred to as the "**Enlarged Group**") as at 30 June 2024 as if the Acquisitions had been completed on 30 June 2024; and (ii) financial performance and cash flows of the Enlarged Group for the six months ended 30 June 2024 as if the Acquisitions had been completed on 1 January 2024.

The Unaudited Pro Forma Financial Information has been prepared based on unaudited consolidated statement of financial position of the Group as at 30 June 2024, and unaudited consolidated statement of profit or loss and comprehensive income and unaudited consolidated statement of cash flows of the Group for the six months ended 30 June 2024, which have been extracted from the interim report of the Group for the six months ended 30 June 2024, after making certain pro forma adjustments that are: (i) directly attributable to the Acquisitions; and (ii) factually supportable.

When preparing Unaudited Pro Forma Financial Information, the Group assumed that it carried out investment within the total\ investment amount of RMB50,300 million, including: (1) acquisition of 1,419,532,000 shares of CITIC Limited at a consideration of RMB11,266 million in accordance with share transfer agreements; (2) further acquisitions of shares of CEB Bank and BOC at a consideration of RMB3,500 million and RMB22,000 million, respectively; and (3) investment of potential investment targets through Trust at a consideration of RMB13,534 million. The Group has also adopted other assumptions in when preparing the preparing Unaudited Pro Forma Financial Information, which are detailed in the notes attached.

I. BASIS OF PREPARATION (CONTINUED)

The Unaudited Pro Forma Financial Information has been prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Due to its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the actual financial position, financial performance and cash flows of the Enlarged Group that would have been attained had the Acquisitions been completed on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Enlarged Group's future financial position, financial performance and cash flows. The Unaudited Pro Forma Financial Information should be read in conjunction with historical financial information of the Group as set out in the Company's published 2024 interim report, and other financial information included elsewhere in the circular of the Company dated 13 November 2024 (the "**Circular**").

II. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP

(Amounts in millions of Renminbi, unless otherwise stated)

	The Group as at 30 June 2024			**Pro forma adjustments**		**Pro forma Enlarged Group as at 30 June 2024**
	(Unaudited)			*(Unaudited)*		*(Unaudited)*
	Note 1	*Note 2(A)*	*Note 2(B)*	*Note 2(C)*	*Note 2(D)*	
Assets						
Deposits with financial institutions	64,932	(11,266)	(3,500)	(22,000)	(13,534)	14,632
Financial assets at fair value through profit or loss	374,637	—	—	22,000	13,534	410,171
Financial assets held under resale agreements	4,375	—	—	—	—	4,375
Contract assets	5,335	—	—	—	—	5,335
Finance lease receivables	42	—	—	—	—	42
Debt instruments at fair value through other comprehensive income	15,369	—	—	—	—	15,369
Equity instruments at fair value through other comprehensive income	1,547	—	—	—	—	1,547
Inventories	23,223	—	—	—	—	23,223
Debt instruments at amortised cost	309,688	—	—	—	—	309,688
Interests in associates and joint ventures	79,477	34,517	8,597	—	—	122,591
Investment properties	9,960	—	—	—	—	9,960
Property and equipment	2,434	—	—	—	—	2,434
Right-of-use assets	767	—	—	—	—	767
Deferred tax assets	16,194	—	—	—	—	16,194
Goodwill	18	—	—	—	—	18
Assets of a disposal group classified as held for sale	129,180	—	—	—	—	129,180
Other assets	18,163	—	—	—	—	18,163
Total assets	1,055,341	23,251	5,097	—	—	1,083,689

II. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP (CONTINUED)

(Amounts in millions of Renminbi, unless otherwise stated)

	The Group as at 30 June 2024	Pro forma adjustments				Pro forma Enlarged Group as at 30 June 2024
	(Unaudited)	*(Unaudited)*				*(Unaudited)*
	Note 1	*Note 2(A)*	*Note 2(B)*	*Note 2(C)*	*Note 2(D)*	
Liabilities						
Borrowings from central bank	5,972	—	—	—	—	5,972
Placements from financial institutions	7,291	—	—	—	—	7,291
Financial assets sold under repurchase agreements	5,675	—	—	—	—	5,675
Borrowings	669,439	—	—	—	—	669,439
Financial liabilities at fair value through profit or loss	62	—	—	—	—	62
Tax payable	1,147	—	—	—	—	1,147
Contract liabilities	703	—	—	—	—	703
Lease liabilities	445	—	—	—	—	445
Deferred tax liabilities	2,046	—	—	—	—	2,046
Bonds and notes issued	174,520	—	—	—	—	174,520
Liabilities directly associated with the assets held for sale	99,833	—	—	—	—	99,833
Other liabilities	35,503	—	—	—	—	35,503
Total liabilities	1,002,636	—	—	—	—	1,002,636
Equity						
Share capital	80,247	—	—	—	—	80,247
Other equity instruments	19,900	—	—	—	—	19,900
Capital reserve	16,464	—	—	—	—	16,464
Surplus reserve	8,564	—	—	—	—	8,564
General reserve	13,003	—	—	—	—	13,003
Other reserves	(1,835)	—	—	—	—	(1,835)
Accumulated losses	(83,528)	23,251	5,097	—	—	(55,180)
Equity attributable to equity holders of the Company	52,815	23,251	5,097	—	—	81,163
Perpetual capital instruments	1,753	—	—	—	—	1,753
Non-controlling interests	(1,863)	—	—	—	—	(1,863)
Total equity	52,705	23,251	5,097	—	—	81,053
Total equity and liabilities	1,055,341	23,251	5,097	—	—	1,083,689

CHAIRMAN *EXECUTIVE DIRECTOR*

III. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME OF THE ENLARGED GROUP

(Amounts in millions of Renminbi, unless otherwise stated)

	The Group for the six months ended 30 June 2024		Pro forma adjustments			Pro forma Enlarged Group for the six months ended 30 June 2024
	(Unaudited)		*(Unaudited)*			*(Unaudited)*
	Note 1	*Note 3(A)*	*Note 3(B)*	*Note 3(C)*	*Note 3(D)*	
Continuing operations						
Income from distressed debt assets	7,861	—	—	—	—	7,861
Fair value changes on distressed debt assets	2,317	—	—	—	—	2,317
Fair value changes on other financial assets and liabilities	13,933	—	—	637	1,008	15,578
Interest income	4,429	—	—	—	—	4,429
Gains from derecognition of financial assets measured at amortised cost	249	—	—	—	—	249
Gains from derecognition of debt instruments at fair value through other comprehensive income	32	—	—	—	—	32
Commission and fee income	64	—	—	—	—	64
Net gains on disposals of subsidiaries, associates and joint ventures	24	—	—	—	—	24
Dividend income	534	—	—	—	271	805
Other income and other net gains or losses	814	21,776	4,799	—	—	27,389
Total	30,257	21,776	4,799	637	1,279	58,748
Interest expense	(16,405)	—	—	—	—	(16,405)
Commission and fee expense	(103)	—	—	—	—	(103)
Operating expenses	(2,265)	—	—	—	—	(2,265)
Impairment losses under expected credit loss model	(9,767)	—	—	—	—	(9,767)
Impairment losses on other assets	(217)	—	—	—	—	(217)
Total	(28,757)	—	—	—	—	(28,757)
Change in net assets attributable to other holders of consolidated structured entities	297	—	—	—	—	297
Share of results of associates and joint ventures	2,956	1,567	408	—	—	4,931
Profit before tax from continuing operations	4,753	23,343	5,207	637	1,279	35,219
Income tax expense	(154)	—	—	(159)	(320)	(633)
Profit for the period from continuing operations	4,599	23,343	5,207	478	959	34,586

III. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME OF THE ENLARGED GROUP (CONTINUED)

(Amounts in millions of Renminbi, unless otherwise stated)

	The Group for the six months ended 30 June 2024	Pro forma adjustments				Pro forma Enlarged Group for the six months ended 30 June 2024
	(Unaudited)	*(Unaudited)*				*(Unaudited)*
	Note 1	*Note 3(A)*	*Note 3(B)*	*Note 3(C)*	*Note 3(D)*	
Discontinued operation						
Profit after tax for the period from a discontinued operation	673	—	—	—	—	673
Profit for the period	5,272	23,343	5,207	478	959	35,259
Profit attributable to:						
Equity holders of the Company	5,332	23,343	5,207	478	959	35,319
Holders of perpetual capital instruments	38	—	—	—	—	38
Non-controlling interests	(98)	—	—	—	—	(98)
	5,272	23,343	5,207	478	959	35,259

III. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME OF THE ENLARGED GROUP (CONTINUED)

(Amounts in millions of Renminbi, unless otherwise stated)

	The Group for the six months ended 30 June 2024	Pro forma adjustments				Pro forma Enlarged Group for the six months ended 30 June 2024
	(Unaudited)	*(Unaudited)*				*(Unaudited)*
	Note 1	*Note 3(A)*	*Note 3(B)*	*Note 3(C)*	*Note 3(D)*	
Other comprehensive expenses:						
Items that will not be reclassified to profit or loss in subsequent periods:						
Actuarial losses on defined benefit obligations	(11)	—	—	—	—	(11)
Fair value gains on investments in equity instruments at fair value through other comprehensive income	13	—	—	—	—	13
Share of other comprehensive income of associates	(8)	(8)	—	—	—	(16)
Income tax effect	17	—	—	—	—	17
	11	(8)	—	—	—	3
Items that may be reclassified to profit or loss in subsequent periods:						
Exchange differences arising on translation of foreign operations	(195)	—	—	—	—	(195)
Fair value changes on hedging instruments designated in cash flow hedges	(21)	—	—	—	—	(21)
Financial assets measured at fair value through other comprehensive income		—	—	—	—	
— fair value changes	2,101	—	—	—	—	2,101
— amounts reclassified to profit or loss upon disposals	(32)	—	—	—	—	(32)
— impairment reversed	(2,347)	—	—	—	—	(2,347)
Losses on property revaluation	(16)	—	—	—	—	(16)
Income tax effect	76	—	—	—	—	76
Share of other comprehensive income of associates and joint ventures	288	(26)	80	—	—	342
	(146)	(26)	80	—	—	(92)
Other comprehensive expenses for the period, net of income tax	(135)	(34)	80	—	—	(89)
Total comprehensive income for the period	5,137	23,309	5,287	478	959	35,170
Total comprehensive income for the period attributable to:						
Equity holders of the Company	5,250	23,309	5,287	478	959	35,283
Holders of perpetual capital instruments	38	—	—	—	—	38
Non-controlling interests	(151)	—	—	—	—	(151)
	5,137	23,309	5,287	478	959	35,170

IV. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED GROUP

(Amounts in millions of Renminbi, unless otherwise stated)

	The Group for the six months ended 30 June 2024			**Pro forma adjustments**		**Pro forma Enlarged Group for the six months ended 30 June 2024**
	(Unaudited)			*(Unaudited)*		*(Unaudited)*
	Note 1	*Note 3(A)*	*Note 3(B)*	*Note3(C)*	*Note3(D)*	
OPERATING ACTIVITIES						
Profit before tax from continuing operations	4,753	23,343	5,207	637	1,279	35,219
Profit before tax from a discontinued operation	793	—	—	—	—	793
Total non-cash adjustments	(8,807)	(23,343)	(5,207)	(637)	(1,008)	(39,002)
Total working capital adjustments	68,099	—	—	—	(271)	67,828
Cash generated from operations	64,838	—	—	—	—	64,838
Income tax paid	(451)	—	—	—	—	(451)
NET CASH FLOWS FROM OPERATING ACTIVITIES	64,387	—	—	—	—	64,387
INVESTING ACTIVITIES						
Cash receipts from interest income arising from financial investments	2,462	—	—	—	—	2,462
Cash receipts from dividend income	389	—	—	—	271	660
Cash receipts from disposals/liquidation of associates and joint ventures and structured entities	148	—	—	—	—	148
Cash receipts from disposals of property and equipment and other assets	865	—	—	—	—	865
Cash receipts for pledged deposits in bank	313	—	—	—	—	313
Cash payments for purchases of financial assets	(42,915)	—	—	(22,000)	(13,534)	(78,449)
Cash payments for investments in associates and joint ventures	(2,401)	(11,266)	(3,500)	—	—	(17,167)
Cash payments for purchases of property and equipment, investment properties and other assets	(531)	—	—	—	—	(531)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(41,670)	(11,266)	(3,500)	(22,000)	(13,263)	(91,699)

IV. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED GROUP (CONTINUED)

(Amounts in millions of Renminbi, unless otherwise stated)

	The Group for the six months ended 30 June 2024	Pro forma adjustments				Pro forma Enlarged Group for the six months ended 30 June 2024
	(Unaudited)	*(Unaudited)*				*(Unaudited)*
	Note 1	*Note 3(A)*	*Note 3(B)*	*Note3(C)*	*Note3(D)*	
FINANCING ACTIVITIES						
Cash payments for consolidated structured entities	(70)	—	—	—	—	(70)
Proceeds of borrowings of non-financial institution subsidiaries	7,789	—	—	—	—	7,789
Repayment of borrowings of non-financial institution subsidiaries	(12,034)	—	—	—	—	(12,034)
Repayments of lease liabilities	(92)	—	—	—	—	(92)
Cash receipts from bonds and notes issued	—	—	—	—	—	—
Cash repayments for bonds and notes redeemed	(6,212)	—	—	—	—	(6,212)
Interest paid for bonds and notes issued and other borrowings	(5,337)	—	—	—	—	(5,337)
Cash payments for distribution to holders of perpetual capital instruments	(901)	—	—	—	—	(901)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(16,857)	—	—	—	—	(16,857)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,860	(11,266)	(3,500)	(22,000)	(13,263)	(44,169)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	73,181	—	—	—	—	73,181
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	7	—	—	—	—	7
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	79,048	(11,266)	(3,500)	(22,000)	(13,263)	29,019
NET CASH FLOWS USED IN OPERATING ACTIVITIES INCLUDE:						
Interest received	9,358	—	—	—	—	9,358
Interest paid	(12,829)	—	—	—	—	(12,829)
	(3,471)	—	—	—	—	(3,471)

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. The amounts of unaudited consolidated statement of financial position of the Group as at 30 June 2024 are extracted from the Company's published interim report for the six months ended 30 June 2024.

   The amounts of unaudited consolidated statement of profit or loss and comprehensive income and unaudited consolidated statement of cash flows of the Group for the six months ended 30 June 2024 are extracted from the Company's unaudited interim report for the six months ended 30 June 2024.

2. In order to illustrate the impact of the Acquisitions on the Group's financial position, when preparing unaudited pro forma consolidated statement of financial position, the Group assumed that it carried out investment within the total investment amount of RMB50,300 million as at 30 June 2024, including: (1) acquisition of 1,419,532,000 shares of CITIC Limited at a consideration of RMB11,266 million in accordance with share transfer agreements; (2) further acquisitions of shares of CEB Bank and BOC at a consideration of RMB3,500 million and RMB22,000 million, respectively; and (3) investment of potential investment targets through Trust at a consideration of RMB13,534 million. Detailed investment strategies will be determined depending on market conditions, and the financial impact at the time of actual investment may differ from the Unaudited Pro Forma Financial Information.

2(A) It is assumed that the Company or its wholly-owned subsidiary acquired shares of CITIC Limited through share transfer agreements with ICBC Credit Suisse Asset Management Co., Ltd ("**ICBC Credit Suisse**") and its subsidiary ICBC Credit Suisse Asset Management (International) Company Limited ("**ICBC Credit Suisse (International)**"), Bosera Asset Management Co., Limited ("**Bosera Funds**") and its subsidiary Bosera Asset Management (International) Co., Limited ("**Bosera International**"), Dacheng Fund Management Co., Ltd. ("**Dacheng Fund**") and its subsidiary Da Cheng International Asset Management Company Limited ("**Da Cheng International**") at a consideration of RMB11,266 million in return for 1,419,532,000 shares of CITIC Limited, accounting for 4.88% of issued shares of CITIC Limited as at 30 June 2024. It is assumed that the Group had accounted for 4.88% of shares of CITIC Limited as at 30 June 2024 as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement, and that related tax expenses were nil. The details are as follows:

		in millions of RMB
Cash consideration	(i)	11,266
The Group's share of the net fair value of the identifiable assets and liabilities of CITIC Limited	(ii)	34,517
Excess of the Group's share of the net fair value of the CITIC Limited identifiable assets and liabilities over the consideration paid	(iii)	23,251

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

(i) In accordance with share transfer agreements with ICBC Credit Suisse and its subsidiary ICBC Credit Suisse (International), Bosera Funds and its subsidiary Bosera International, Dacheng Fund and its subsidiary Da Cheng International, the Company or its wholly-owned subsidiary acquired 1,419,532,000 shares of CITIC Limited at a consideration of RMB11,266 million.

(ii) As at 30 June 2024, the Company held 5.01% of issued shares of CITIC Limited. Since the Company was able to exert significant influence over CITIC Limited, the investment in CITIC Limited was accounted for as interests in associates and joint ventures using the equity method for subsequent measurement. In accordance with relevant provisions of International Financial Reporting Standards, since the Group continues to acquire shares of CITIC Limited to the extent that it continues to exert significant influence over CITIC Limited, the Group should account for its additional investment in CITIC Limited as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement. For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that the Group had acquired aforementioned 4.88% of shares of CITIC Limited as at 30 June 2024, and continued to exert significant influence over CITIC Limited. As such, the Group accounted for its investment in CITIC Limited as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement. The details on the Group's share of the net fair value of the identifiable assets and liabilities of CITIC Limited are as follows:

		in millions of RMB
Total equity attributable to ordinary shareholders of the parent of of CITIC Limited as at 30 June 2024	a	733,482
% Equity in CITIC Limited the Group was assumed increase holding of		4.88%
Equity interest in CITIC Limited owned by the Group		35,794
Goodwill adjustments	b	(1,277)
The Group's share of the net fair value of the identifiable assets and liabilities of the CITIC Limited		34,517

(a) The amounts are extracted from the consolidated statement of financial position of CITIC Limited as at 30 June 2024 as set out in the Circular.

(b) According to relevant provisions of International Financial Reporting Standards, goodwill is an asset representing future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Therefore, it should be deducted when calculating the net fair value of the identifiable assets and liabilities. As at 30 June 2024, the goodwill of CITIC Limited amounted to RMB26,174 million. Considering the assumed increasing shareholding of the Group in CITIC Limited, the goodwill amount to be deducted is RMB1,277 million. The goodwill amount of CITIC Limited as at 30 June 2024 is extracted from the consolidated statement of financial position of CITIC Limited as at 30 June 2024 as set out in the Circular.

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

(c) When preparing 2023 annual financial report, the Company engaged China United Assets Appraisal Group Co. Ltd., an independent valuer, to conduct a valuation of the net fair value of identifiable assets and liabilities of CITIC Limited as at 31 December 2023. The results of this valuation showed that the net fair value of identifiable assets and liabilities of CITIC Limited as at 31 December 2023 was similar to the carrying amount. For the purpose of the Unaudited Pro Forma Financial Information, the Company's directors considered and assumed that the net fair value of identifiable assets and liabilities of CITIC Limited was similar to the carrying amount as at 30 June 2024, and calculated the Group's share of the net fair value of identifiable assets and liabilities accordingly. The net fair value of identifiable assets and liabilities of CITIC Limited will change upon completion of the Acquisition, which is due to the assessment of fair values at the date of actual completion of the Acquisition.

(iii) In accordance with IAS 28 Investments in Associates and Joint Ventures, on acquisition of the investment in an associate, any excess of the Group's share of the net fair value of CITIC Limited's identifiable assets and liabilities over the cost of investment is included as income in the determination of the Group's share of CITIC Limited's profit or loss in the period in which the investment is acquired.

Since net fair values of the identifiable assets and liabilities of CITIC Limited at the actual acquisition date may be substantially different from the net fair values used in the preparation of the Unaudited Pro Forma Financial Information, any excess of the Group's share of the net fair values of CITIC Limited's identifiable assets and liabilities over the cost of investment at the completion date of the transaction may differ from the amount presented above.

2(B) It is assumed that the Company had acquired shares of CEB Bank at a consideration of RMB3,500 million in return for 1,097,178,683 shares of CEB Bank, with reference to average trading price of CEB Bank A shares of RMB3.19 per share for the thirty trading days prior to 30 June 2024 and without consideration of relevant transaction taxes and fees, accounting for 1.86% of issued shares of CEB Bank as at 30 June 2024. It is assumed that the Group had accounted for 1.86% of shares in CEB Bank as at 30 June 2024 as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement, and that the related tax expenses were nil. The details are as follows:

		in millions of RMB
Cash consideration	(i)	3,500
The Group's share of the net fair value of the identifiable assets and liabilities of CEB Bank	(ii)	8,597
Excess of the Group's share of the net fair value of the CEB Bank's identifiable assets and liabilities over the consideration paid	(iii)	5,097

(i) The Company acquired shares of CEB Bank at a consideration of RMB3,500 million, with reference to the average trading price of CEB Bank A shares of RMB3.19 per share for the thirty trading days prior to 30 June 2024.

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

(ii) As at 30 June 2024, the Company held 7.08% of issued shares of CEB Bank. Since the Company was able to exert significant influence over CEB Bank, the investment in CEB Bank was accounted for as interests in associates and joint ventures using the equity method for subsequent measurement. In accordance with relevant provisions of International Financial Reporting Standards, since the Company continues to acquire shares in CEB Bank to the extent that it continues to exert significant influence over CEB Bank, the Company should account for its additional investment in CEB Bank as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement. For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that the Company had acquired aforementioned 1.86% of shares of CEB Bank as at 30 June 2024, and continued to exert significant influence over CEB Bank. As such, the Company accounted for its investment in CEB Bank as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement. The details on the Group's share of the net fair value of the identifiable assets and liabilities of CEB Bank are as follows:

		in millions of RMB
Total equity attributable to equity holders of the parent of CEB Bank as at 30 June 2024	a	568,391
Less: Other equity instruments of CEB Bank as at 30 June 2024	a	(104,899)
Total equity attributable to ordinary shareholders of the parent of CEB Bank as at 30 June 2024		463,492
% Equity in CEB Bank the Company was assumed to increase holding of		1.86%
Equity interest in CEB Bank owned by the Group		8,621
Goodwill adjustments	b	(24)
The Group's share of the net fair value of the identifiable assets and liabilities of the CEB Bank		8,597

(a) The amounts are extracted from the consolidated statement of financial position of CEB Bank as at 30 June 2024 as set out in the Circular.

(b) According to relevant provisions of International Financial Reporting Standards, goodwill is an asset representing future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Therefore, it should be deducted when calculating the net fair value of the identifiable assets and liabilities. As at 30 June 2024, the goodwill of CEB Bank amounted to RMB1,281 million. Considering the assumed 1.86% increasing shareholding of the Company in CEB Bank, the goodwill amount to be deducted is RMB24 million. The goodwill amount of CEB Bank as at 30 June 2024 is extracted from the consolidated statement of financial position of CEB Bank as at 30 June 2024 as set out in the Circular.

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

(c) When preparing 2023 annual financial report, the Company engaged China United Assets Appraisal Group Co., Ltd, an independent valuer, to conduct a valuation of the net fair value of identifiable assets and liabilities of CEB Bank as at 31 March 2023. The results of this valuation showed that the net fair value of identifiable assets and liabilities of CEB Bank as at 31 March 2023 was similar to the carrying amount. For the purpose of the Unaudited Pro Forma Financial Information, the Company's directors considered and assumed that the net fair value of identifiable assets and liabilities of CEB Bank was similar to the carrying amount as at 30 June 2024, and calculated the Group's share of the net fair value of identifiable assets and liabilities accordingly. The net fair value of identifiable assets and liabilities of CEB Bank will change upon the completion of the Acquisition, which is due to the assessment of the fair value at the date of actual completion of the Acquisition.

(iii) In accordance with IAS 28 Investments in Associates and Joint Ventures, on acquisition of the investment in an associate, any excess of the Group's share of the net fair value of CEB Bank's identifiable assets and liabilities over the cost of investment is included as income in the determination of the Group's share of CEB Bank's profit or loss in the period in which the investment is acquired.

Since net fair values of the identifiable assets and liabilities of CEB Bank at the actual acquisition date and the price at which the shares were acquired may be substantially different from the net fair values and share's price used in the preparation of the Unaudited Pro Forma Financial Information, any excess of the Group's share of the net fair values of CEB Bank's identifiable assets and liabilities over the cost of investment at the completion date of the transaction may differ from the amount presented above.

2(C) It is assumed that the Company acquired shares of BOC at a consideration of RMB22,000 million in return for 4,899,777,283 shares of BOC, with reference to average trading price of BOC A shares of RMB4.49 per share for the thirty trading days prior to 30 June 2024 and without consideration of relevant transaction taxes and fees, accounting for 1.66% of issued shares of BOC as at 30 June 2024.

As at 30 June 2024, the Company held 3.57% of issued shares of BOC and accounted for its investment in BOC as financial assets at fair value through profit or loss using fair value for subsequent measurement. For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that the Group had acquired 1.66% of shares of BOC aforementioned as at 30 June 2024, and that the Group was unable to exert significant influence over BOC. As such, the Group accounted for 1.66% of shares of BOC as financial assets at fair value through profit or loss at initial recognition using fair value for subsequent measurement.

2(D) As stated in II, (IV) Investments by Setting up a Single Asset Service Trust as set out in the Circular, the Company intends to carry out investments within project resource database which had been determined with the assistance of professional advisors for Trust ("**Project Resource Database**"), following certain criteria and choosing appropriate timing. It is assumed that the Company carried out investments through Trust within the Project Resource Database as at 30 June 2024, with a cash consideration of RMB13,534 million, that the investments in potential

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

investment targets were classified as financial assets at fair value through profit or loss, with fair values of potential investment targets set as at 30 June 2024, and that stamp duty and related expenses were nil. Detailed investment strategies will be determined depending on market conditions, and the financial impact at the time of actual investment may differ from the unaudited Pro Forma Financial Information.

3. In order to illustrate the impact of the Acquisitions on the Group's financial performance and cash flows, when preparing unaudited pro forma consolidated statement of profit or loss and comprehensive income and unaudited pro forma consolidated statement of cash flows, it is assumed that the Group carried out investment within the total investment amount of RMB50,300 million as at 1 January 2024, including: (1) acquisition of 1,419,532,000 shares of CITIC Limited at a consideration of RMB11,266 million in accordance with share transfer agreements; (2) acquisition of shares of CEB Bank and BOC at a consideration of RMB3,500 million and RMB22,000 million, respectively; and (3) acquisition of potential investment targets through Trust at a consideration of RMB13,534 million. Detailed investment strategies will be further determined depending on market conditions, and the financial impact at the time of actual investment may differ from the Unaudited Pro Forma Financial Information.

3(A) It is assumed that the Company or its wholly-owned subsidiary acquired shares of CITIC Limited through share transfer agreements with ICBC Credit Suisse and its subsidiary ICBC Credit Suisse (International), Bosera Funds and its subsidiary Bosera International, Dacheng Fund and its subsidiary Da Cheng International at a consideration of RMB11,266 million in return for 1,419,532,000 shares of CITIC Limited, accounting for 4.88% of issued shares of CITIC Limited as at 31 December 2023. It is assumed that the Group had accounted for 4.88% of shares of CITIC Limited as at 1 January 2024 as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement, and that the related tax expenses were nil. The details are as follows:

		in millions of RMB
Cash consideration	(i)	11,266
The Group's share of the net fair value of the identifiable assets and liabilities of CITIC Limited	(ii)	33,042
Excess of the Group's share of the net fair value of the CITIC Limited's identifiable assets and liabilities over the consideration paid	(iii)	21,776

(i) According to share transfer agreements with ICBC Credit Suisse and its subsidiary ICBC Credit Suisse (International), Bosera Funds and its subsidiary Bosera International, Dacheng Fund and its subsidiary Da Cheng International, the Company or its wholly-owned subsidiary acquired 1,419,532,000 shares of CITIC Limited at a consideration of RMB11,266 million. The consideration for the acquisition of shares of CITIC Limited will be satisfied in cash and the adjustment is not expected to have a continuing effect on the unaudited pro forma consolidated statement of cash flows of the Enlarged Group.

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

(ii) As described in note V.2(A)(ii), the Company accounted for its investment in CITIC Limited as interests in associates and joint ventures as at 30 June 2024 using the equity method for subsequent measurement. In accordance with relevant provisions of International Financial Reporting Standards, since the Group continues to acquire shares of CITIC Limited to the extent that it continues to exert significant influence over CITIC Limited, the Group should account for its additional investment in CITIC Limited as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement. For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that the Group had acquired aforementioned 4.88% of shares of CITIC Limited as at 1 January 2024, and continued to exert significant influence over CITIC Limited. As such, the Group accounted for its investment in CITIC Limited as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement. The details on the Group's share of net fair value of identifiable assets and liabilities of CITIC Limited are as follows:

		in millions of RMB
Total equity attributable to owners of ordinary shareholders of the parent of CITIC Limited as at 31 December 2023	a	703,178
% Equity in CITIC Limited the Company was assumed increase holding of		4.88%
Equity interest in CITIC Limited owned by the Group		34,315
Goodwill adjustments	b	(1,273)
The Group's share of the net fair value of the identifiable assets and liabilities of the CITIC Limited		33,042

(a) The amounts are extracted from the consolidated statement of financial position of CITIC Limited as at 31 December 2023 as set out in the Circular.

(b) According to relevant provisions of International Financial Reporting Standards, goodwill is an asset representing future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Therefore, it should be deducted when calculating the net fair value of the identifiable assets and liabilities. As at 31 December 2023, the goodwill of CITIC Limited amounted to RMB26,076 million. Considering the assumed 4.88% increasing shareholding of the Group in CITIC Limited, the goodwill amount to be deducted is RMB1,273 million. The goodwill amount of CITIC Limited as at 31 December 2023 is extracted from the consolidated statement of financial position of CITIC Limited as at 31 December 2023 as set out in the Circular.

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

(c) when preparing 2023 annual financial report, the Company engaged China United Assets Appraisal Group Co., Ltd, an independent valuer, to conduct a valuation of the net fair value of identifiable assets and liabilities of CITIC Limited as at 31 December 2023. The results of this valuation showed that the net fair value of identifiable assets and liabilities of CITIC Limited as at 31 December 2023 was similar to the carrying amounts. For the purpose of the Unaudited Pro Forma Financial Information, the Company's directors considered and assumed that the net fair value of identifiable assets and liabilities of CITIC Limited was similar to the carrying amount as at 31 December 2023, and calculated the Group's share of the net fair value of identifiable assets and liabilities accordingly. The net fair value of identifiable assets and liabilities of CITIC Limited will change upon the completion of the Acquisition, which is due to the assessment of the fair value at the date of actual completion of the Acquisition.

(iii) In accordance with IAS 28 Investments in Associates and Joint Ventures, on acquisition of the investment in an associate, any excess of the Group's share of the net fair value of CITIC Limited's identifiable assets and liabilities over the cost of investment is included as income in the determination of the Group's share of CITIC Limited's profit or loss in the period in which the investment is acquired.

Since net fair value of the identifiable assets and liabilities of CITIC Limited at the actual acquisition date may be substantially different from the fair value used in the preparation of the Unaudited Pro Forma Financial Information, any excess of the Group's share of the net fair value of CITIC Limited's identifiable assets and liabilities over the cost of investment at the completion date of the transaction may differ from the amount presented above.

(iv) For the six months ended 30 June 2024, the Group's share of CITIC Limited's results would have been recognised in the Enlarged Group's profit or loss and other comprehensive income. The details are as follows:

		in millions of RMB
Net profit attributable to ordinary shareholders of the parent of CITIC Limited for the six months ended 30 June 2024	(d)	32,113
% Equity in CITIC Limited the Group was assumed to increase holding of		4.88%
The Group's share of net profit attributable to ordinary shareholders of the parent company of CITIC Limited		1,567
Other comprehensive income attributable to ordinary shareholders of the parent of CITIC Limited for the six months ended 30 June 2024	(d)	(706)
% Equity in CITIC Limited the Group was assumed to increase holding of		4.88%
The Group's share of other comprehensive income attributable to ordinary shareholders of the parent of CITIC Limited		(34)
— Items that will not be reclassified to profit or loss		(8)
— Items that may be reclassified to profit or loss		(26)

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

(d) The amounts are extracted from the consolidated statement of profit or loss and comprehensive income of CITIC Limited for the six months ended 30 June 2024 as set out in the Circular. The adjustment is expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and comprehensive income of the Enlarged Group.

As described in note V.3(A)(ii)(c), since the Company's directors considered and assumed that the net fair value of identifiable assets and liabilities of CITIC Limited was similar to the carrying amount as at 31 December 2023, the unaudited pro forma consolidated statement of profit or loss and comprehensive income did not take into consideration the adjustment to net profit attributable to ordinary shareholders of the parent company for the six months ended 30 June 2024 based on net fair value of identifiable assets and liabilities on initial recognition of interests in associates and joint ventures.

3(B) It is assumed that the Company had acquired shares of CEB Bank at a consideration of RMB3,500 million in return for 1,097,178,683 shares of CEB Bank, with reference to average trading price of CEB Bank A shares of RMB3.19 per share for the thirty trading days prior to 30 June 2024 and without consideration of relevant transaction taxes and fees, accounting for 1.86% of issued shares of CEB Bank as at 31 December 2023.It is assumed that the Group had accounted for 1.86% of shares of CEB Bank as at 1 January 2024 as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement, and that the related tax expenses were nil. The details are as follows:

		in millions of RMB
Cash consideration	(i)	3,500
The Group's share of the net fair value of the identifiable assets and liabilities of CEB Bank	(ii)	8,299
Excess of the Group's share of the net fair value of the CEB Bank's identifiable assets and liabilities over the consideration paid	(iii)	4,799

(i) The Company acquired shares of CEB Bank at a consideration of RMB3,500 million, with reference to average trading price of CEB Bank A shares of RMB3.19 per share for the thirty trading days prior to 30 June 2024. The consideration for the acquisition of shares of CEB Bank will be satisfied in cash and the adjustment is not expected to have a continuing effect on the unaudited pro forma consolidated statement of cash flows of the Enlarged Group.

(ii) As described in note V.2(B)(ii), the Company accounted for its investment in CEB Bank as interests in associates and joint ventures as at 30 June 2024 using the equity method for subsequent measurement. In accordance with relevant provisions of International Financial Reporting Standards, since the Company continues to acquire shares of CEB Bank to the extent that it continues to exert significant influence over CEB Bank, the Company should

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

account for its additional investment in CEB Bank as interests in associates and joint ventures using equity method at initial recognition and subsequent measurement. For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that the Company had acquired aforementioned 1.86% of shares of CEB Bank as at 1 January 2024, and continued to exert significant influence over CEB Bank. As such, the Company accounted for its investment in CEB Bank as in associates and joint ventures using equity method at initial recognition and subsequent measurement. The details on the Group's share of the net fair value of the identifiable assets and liabilities of CEB Bank are as follows:

		in millions of RMB
Total equity attributable to equity holders of the parent of CEB Bank as at 31 December 2023	a	552,391
Less: Other equity instruments of CEB Bank as at 31 December 2023	a	(104,899)
Total equity attributable to ordinary shareholders of the parent of CEB Bank as at 31 December 2023		447,492
% Equity in CEB Bank the Company was assumed to increase holding of		1.86%
Equity interest in CEB Bank owned by the Group		8,323
Goodwill adjustments	b	(24)
The Group's share of the net fair value of the identifiable assets and liabilities of the CEB Bank		8,299

(a) The amounts are extracted from the consolidated statement of financial position of CEB Bank as at 31 December 2023 as set out in the Circular.

(b) According to relevant provisions of International Financial Reporting Standards, goodwill is an asset representing future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Therefore, it should be deducted when calculating the net fair value of the identifiable assets and liabilities. As at 31 December 2023, the goodwill of CEB Bank amounted to RMB1,281 million. Considering the assumed 1.86% increasing shareholding of the Company in CEB Bank, the goodwill amount to be deducted is RMB24 million. The goodwill amount of CEB Bank as at 31 December 2023 is extracted from the consolidated statement of financial position of CEB Bank as at 31 December 2023 as set out in the Circular.

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

(c) When preparing 2023 annual financial report, the Company engaged China United Assets Appraisal Group Co., Ltd, an independent valuer, to conduct a valuation of the net fair value of identifiable assets and liabilities of CEB Bank as at 31 March 2023. The result of this valuation showed that the net fair value of identifiable assets and liabilities of CEB Bank as at 31 March 2023 was similar to the carrying amount. For the purpose of the Unaudited Pro Forma Financial Information, the Company's directors considered and assumed that the net fair value of identifiable assets and liabilities of CEB Bank was similar to the carrying amount as at 31 December 2023, and calculated the Group's share of the net fair value of identifiable assets and liabilities accordingly. The net fair values of identifiable assets and liabilities of CEB Bank will change upon the completion of the Acquisition, which is due to the assessment of the fair value at the date of actual completion of the Acquisition.

(iii) In accordance with IAS 28 Investments in Associates and Joint Ventures, on acquisition of the investment in an associate, any excess of the Group's share of the net fair value of CEB Bank's identifiable assets and liabilities over the cost of investment is included as income in the determination of the Group's share of CEB Bank's profit or loss in the period in which the investment is acquired.

Since net fair value of the identifiable assets and liabilities of CEB Bank at the actual acquisition date and the price at which the shares were acquired may be substantially different from the net fair value and share's price used in the preparation of the Unaudited Pro Forma Financial Information, any excess of the Group's share of the net fair value of CEB Bank's identifiable assets and liabilities over the cost of investment at the completion date of the transaction may differ from the amount presented above.

(iv) For the six months ended 30 June 2024, the Group's share of CEB Bank's results would have been recognised in the Enlarged Group's profit or loss and other comprehensive income. The details are as follows:

		in millions of RMB
Net profit attributable to equity holders of the parent of CEB Bank for the six months ended 30 June 2024	d	24,487
Less: Interests distributed to holders of other equity instruments of CEB Bank for the six months ended 30 June 2024	d	(2,570)
Net profit attributable to ordinary shareholders of the parent of CEB Bank for the six months ended 30 June 2024		21,917
% Equity in CEB Bank the Company was assumed to increase holding of		1.86%
The Group's share of net profit attributable to ordinary shareholders of the parent of CEB Bank		408

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

Other comprehensive income attributable to ordinary shareholders of the parent of CEB Bank for the six months ended 30 June 2024	d	4,305
% Equity in CEB Bank the Company was assumed to increase holding of		1.86%
The Group's share of other comprehensive income attributable to ordinary shareholders of the parent of CEB Bank		80
— Items that will not be reclassified to profit or loss		—
— Items that may be reclassified to profit or loss		80

(d) The amounts are extracted from the consolidated statement of profit or loss and comprehensive income and consolidated statement of equity change of CEB Bank for the six months ended 30 June 2024 as set out in the Circular. The adjustment is expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and comprehensive income of the Enlarged Group.

As described in note V.3(B)(ii)(c), since the Company's directors considered and assumed that the net fair value of identifiable assets and liabilities of CEB Bank was similar to the carrying amount as at 31 December 2023, the unaudited pro forma consolidated statement of profit or loss and comprehensive income did not take the adjustment to the net profit attributable to ordinary shareholders for the six months ended 30 June 2024 based on the net fair value of the identifiable assets and liabilities on initial recognition of interests in associates and joint ventures into consideration.

3(C) It is assumed that the Company had acquired shares of BOC at a consideration of RMB22,000 million in return for 4,899,777,283 shares of BOC as at 1 January 2024, with reference to average trading price of BOC A shares of RMB4.49 per share for the thirty trading days prior to 30 June 2024 and without consideration of relevant transaction taxes and fees, accounting for 1.66% of issued shares of BOC as at 31 December 2023. The consideration for the acquisition of shares of BOC will be satisfied in cash and the adjustment is not expected to have a continuing effect on the unaudited pro forma consolidated statement of cash flows of the Enlarged Group.

As described in note V.2(C), the Company accounted for its investment in BOC as financial assets at fair value through profit or loss as at 30 June 2024 using fair value for subsequent measurement. For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that the Group had acquired 1.66% of shares of BOC aforementioned as at 1 January 2024 and was unable to exert significant influence over BOC. As such, the Group accounted for 1.66% of shares of BOC as financial assets at fair value through profit or loss at initial recognition using fair value for subsequent measurement.

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

As at 30 June 2024, the closing price per share of BOC A share was RMB4.62 in 28 June 2024. For the six months ended 30 June 2024, gains or losses on changes in fair value arising from changes in share price of BOC amounted to RMB637 million and the related income tax expense was RMB159 million, which should be recognised in profit or loss of the Enlarged Group. The expected adjustments will have a continuing effect on the unaudited pro forma consolidated income statement and consolidated comprehensive income statement of the enlarged Group. The adjustment is expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and comprehensive income of the Enlarged Group.

As at 17 July 2024, BOC distributed 2023 annual dividend to its A shareholders, with a cash dividend of RMB0.2364 per share (before tax). For the purpose of the Unaudited Pro Forma Financial Information, the 2023 annual dividend in the amount of approximately RMB1,158 million corresponding to the assumed increase in shareholding of 4,899,777,283 shares of BOC had not been recognised.

3(D) It is assumed that the Company carried out investment through Trust within the Project Resource Database as at 1 January 2024, with a cash consideration of RMB13,534 million, that the investment in potential investment targets were classified as financial assets at fair value through profit or loss, and that stamp duty and related expenses were nil. Detailed investment strategies will be determined depending on market conditions, and the financial impact at the time of actual investment may differ from the Unaudited Pro Forma Financial Information.

Since the dividend yield ratio of potential investment targets selected by the Trust was no less than 4% at least for a single period from 2020 to 2023. When preparing unaudited pro forma consolidated statement of profit or loss and comprehensive income and unaudited pro forma consolidated statement of cash flows, the Group assumed that average dividend yield ratio on the underlying investments of the Trust was 4%, with dividend declarations and cash distributions occurring evenly throughout the year. As such, the expected dividend income of RMB271 million and relevant income tax expense of RMB68 million had been recognised in the profit or loss of the Enlarged Group for the six months ended 30 June 2024, and cash received from dividend income of RMB271 million had been recognised in the cash flows of the Enlarged Group. The adjustment is expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and comprehensive income of the Enlarged Group. Dividend income actually recognised and received may differ from the amount presented above due to the uncertainty of potential investment targets and actual dividends paid.

For the six months ended 30 June 2024, it is assumed that for the same investment amounts, average growth rate of market price of potential investment targets in the Project Resource Database selected by the Trust as at 30 June 2024 was 7.45% as compared to market price as at 31 December 2023. Since specific investment targets for the Trust have not been determined, it is not possible to accurately calculate gains or losses on fair value changes for the six months ended 30 June 2024 related to those investment targets. When preparing unaudited pro forma consolidated statement of profit or loss and comprehensive income and unaudited pro forma consolidated statement of cash flows, it is assumed that the Company acquired potential investment targets through Trust, and that for the six months ended 30 June 2024, market price as at the end of the period increased by 7.45% from average share price at the beginning of the

V. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP (CONTINUED)

period, resulting in a potential gain or loss on fair value changes driven by changes in the price of underlying investments amounting to RMB1,008 million and relevant income tax expense amounting to RMB252 million, which were recognised in the profit or loss of the Enlarged Group. The adjustment is expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss and comprehensive income of the Enlarged Group. The gain or loss on fair value changes calculated based on the share price of underlying acquisition at the actual acquisition date and at the end of the period may differ from the gain or loss on fair value changes calculated using the preparation assumptions in the unaudited pro forma financial information, and the Group's actual gain or loss on fair value changes at the date of completion may differ from the above amounts.

4. The impact amount of relevant taxes and fees was calculated based on current income tax rate of 25% in the Chinese mainland.

5. No adjustment has been made to the Unaudited Pro Forma Financial Information for acquisition-related costs (including fees to legal advisers, reporting accountants, valuer, and other expenses) and the Directors determined that such costs are insignificant.

6. No other adjustments have been made to reflect any of the results of any transactions or other transactions of the Group and CITIC Limited, CEB Bank, BOC and potential investment targets entered into subsequent to 30 June 2024 (in respect of the unaudited pro forma consolidated statement of financial position as at 30 June 2024) and 1 January 2024 (in respect of the unaudited pro forma consolidated statement of profit or loss and comprehensive income and the unaudited pro forma consolidated statement of cashflows for the six months ended 30 June 2024), as if the Acquisitions have taken place at 30 June 2024 and 1 January 2024, respectively.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY

As at the Latest Practicable Date, none of the Directors, Supervisors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations which were (i) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors, Supervisors or chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) required to be recorded in the register kept pursuant to Section 352 of the SFO; or (iii) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

3. DISCLOSURE OF INTERESTS HELD BY THE SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, to the best of the Directors' knowledge, the following persons (except for the Directors, Supervisors and chief executive of the Company) have their interests or short positions held in the Company's Shares and underlying Shares to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO, or interests or short positions which were recorded in the register kept pursuant to Section 336 of the SFO or notified to the Company and the Hong Kong Stock Exchange:

Name of Shareholder	Class of Shares	Capacity	Number of Shares held or deemed to be held (Shares)	Approximate percentage to the same class of share capital of the Company (%)[1]	Approximate percentage to the total share capital of the Company (%)[2]
CITIC Group Corporation[3]	Domestic Shares	Beneficial owner	21,230,929,783 (L)	47.30 (L)	26.46 (L)
MOF[3]	Domestic Shares	Beneficial owner	7,493,684,063 (L)	16.70 (L)	9.34 (L)
	H Shares	Beneficial owner	12,376,355,544 (L)	35.00 (L)	15.42 (L)
China Life Insurance (Group) Company[4]	Domestic Shares	Beneficial owner	1,650,000,000 (L)	3.68 (L)	2.06 (L)
	H Shares	Beneficial owner	1,960,784,313 (L)	5.54 (L)	2.44 (L)
China Life Franklin Asset Management Co., Limited[4]	H Shares	Investment manager	1,960,784,313 (L)	5.54 (L)	2.44 (L)

Name of Shareholder	Class of Shares	Capacity	Number of Shares held or deemed to be held (Shares)	Approximate percentage to the same class of share capital of the Company (%)[1]	Approximate percentage to the total share capital of the Company (%)[2]
Warburg Pincus & Co.[5], [6]	H Shares	Interest of controlled corporation	2,060,000,000 (L)	5.83 (L)	2.57 (L)
Warburg Pincus Financial International Ltd[5], [6]	H Shares	Beneficial owner	2,060,000,000 (L)	5.83 (L)	2.57 (L)
China Insurance Rongxin Private Fund Co., Ltd.	Domestic Shares	Beneficial owner	14,509,803,921 (L)	32.33 (L)	18.08 (L)
China Cinda Asset Management Co., Ltd.	H Shares	Beneficial owner	3,921,568,627 (L)	11.09 (L)	4.89 (L)
Social Security Fund	H Shares	Beneficial owner	2,475,271,109 (L)	7.00 (L)	3.08 (L)
Central Huijin[7]	H Shares	Interest of controlled corporation	1,960,784,313 (L)	5.54 (L)	2.44 (L)
ICBC Financial Asset Investment Co., Ltd.[7]	H Shares	Beneficial owner	1,960,784,313 (L)	5.54 (L)	2.44 (L)

Note: (L) refers to long position

Notes:

(1) Calculated based on 44,884,417,767 Domestic Shares or 35,362,261,280 H Shares in issue of the Company as at the Latest Practicable Date.

(2) Calculated based on a total of 80,246,679,047 Shares in issue of the Company as at the Latest Practicable Date.

(3) According to the Corporate Substantial Shareholder Notices from CITIC Group filed with the Hong Kong Stock Exchange on 10 March 2023, CITIC Group directly holds 21,230,929,783 Domestic Shares of the Company and is a substantial shareholder of the Company. The ultimate beneficial owner of CITIC Group is MOF.

(4) According to the Corporate Substantial Shareholder Notice from China Life Franklin Asset Management Co., Limited filed with the Hong Kong Stock Exchange on 15 February 2023, China Life Franklin Asset Management Co., Limited was appointed as an investment manager to manage 1,960,784,313 H Shares of the Company held by China Life Insurance (Group) Company.

(5) According to the Corporate Substantial Shareholder Notices from Warburg Pincus & Co., Warburg Pincus Private Equity XI, L.P., Warburg Pincus XI, L.P., WP Global LLC and WP XI International II Ltd filed with the Hong Kong Stock Exchange, respectively on 24 November 2022, Warburg Pincus Financial International Ltd directly holds 2,060,000,000 H Shares of the Company. As WP Global LLC, Warburg Pincus XI, L.P., Warburg Pincus Private Equity XI, L.P., Warburg Pincus International Capital LLC, WP XI International II Ltd, WP Financial L.P., Warburg Pincus International L.P. and Warburg Pincus Financial International Ltd are all corporations directly or indirectly controlled by Warburg Pincus & Co., therefore, for the purpose of the SFO, Warburg Pincus & Co., WP Global LLC, Warburg Pincus XI, L.P., Warburg Pincus Private Equity XI, L.P., Warburg Pincus International Capital LLC, WP XI International II Ltd, WP Financial L.P. and Warburg Pincus International L.P. are deemed to be interested in the long positions held by Warburg Pincus Financial International Ltd.

(6) The Shares are under pledge for the purpose of financing from the bank.

(7) According to the Corporate Substantial Shareholder Notices from Central Huijin, ICBC and ICBC Financial Asset Investment Co., Ltd. filed with the Hong Kong Stock Exchange, respectively on 28 November 2022, ICBC Financial Asset Investment Co., Ltd. directly holds 1,960,784,313 H Shares of the Company. As ICBC Financial Asset Investment Co., Ltd. is the corporation directly or indirectly controlled by Central Huijin and ICBC, therefore, for the purpose of the SFO, both Central Huijin and ICBC are deemed to be interested in the long positions held by ICBC Financial Asset Investment Co., Ltd.

Save as disclosed in this circular, the Directors are not aware of any person that is entitled to exercise or control 5% or more voting rights at the general meeting of the Company as at the Latest Practicable Date and has the substantial capacity to direct or affect the management of the Company at the same time.

Save for Mr. Liu Zhengjun and Mr. Xu Wei who hold positions in CITIC Group, as at the Latest Practicable Date, no other Director or Supervisor acted as director or employee of any company having any interests or short positions in the Shares or underlying Shares of the Company or otherwise was required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

4. SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, no service contract has been entered into or proposed to be entered into between the Company and the Directors or Supervisors of the Company which may not be terminated within one year without compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interests in any assets that any member of the Group has acquired or sold or leased, or intended to acquire or sell or lease since 31 December 2023 (namely the settlement date of the latest published audited accounts issued by the Group). As at the Latest Practicable Date, there was no contract or arrangement in which the Directors have material interests and which is significant to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or candidate directors or their respective close associates have any interests, which shall be disclosed pursuant to Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder of the Company, in a business which competes or is likely to compete with the Group's business.

7. MATERIAL CONTRACTS

The Company or any of its subsidiaries has entered into the following material contracts within the two years immediately before the date of this circular and up to the Latest Practicable Date, which were not entered into in the ordinary course of business:

(1) The share transfer agreement dated 15 November 2023 entered into between the Company and CITIC Group and CITIC Polaris Limited in relation to the acquisition of 1,457,422,158 shares of CITIC Limited at a consideration of HK$13,626,897,177.3;

(2) The share transfer agreement dated 20 November 2023 entered into between the Company and Chongqing Zhongxin No. 1 Equity Investment Center (Limited Partnership) (重慶中新壹號股權投資中心(有限合夥)) in relation to the acquisition of 358,330,000 shares of China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司) at a consideration of RMB3,009,972,000;

(3) The share transfer agreement dated 28 May 2024 entered into between the Company and CITIC Group in relation to the transfer of 7,538,222,567 shares of China Huarong Financial Leasing Co., Ltd. at a consideration of RMB11,997,543,239.36;

(4) The share transfer agreement dated 8 November 2024 entered into between the Company and ICBC Credit Suisse and its subsidiary ICBC Credit Suisse (International), Bosera Funds and its subsidiary Bosera International, and Dacheng Fund and its subsidiary Da Cheng International in relation to the acquisition of 1,419,532,000 shares of CITIC Limited at a consideration of RMB11,266,222,182.90;

(5) The Trust Contract dated 8 November 2024 entered into between the Company and CITIC Trust in relation to the establishment of a Single Asset Service Trust at a value of no more than RMB20.0 billion; and

(6) The securities research comprehensive services agreement dated 8 November 2024 entered into between the Company and each of CITIC Securities and CSC respectively, in relation to the provision of consulting services to further promote investment allocation.

8. MATERIAL LITIGATION

To the best knowledge of the Directors, as of the Latest Practicable Date, none of the members of the Group were involved in any other material litigation or arbitration or claim, nor were the Directors aware of any other material litigation or claim that is pending or threatened against or initiated by any member of the Group.

9. EXPERT'S QUALIFICATION AND CONSENT

The qualification of the expert or professional adviser who has expressed opinions and suggestions in this circular is as follows:

Name	Qualification
Ernst & Young	Certified Public Accountants

(1) The expert above has given its consent to the issue of this circular with the inclusion of its letter or the reference to its name in the form and context in which it is set out, and no withdrawal of the consent has been effected to date.

(2) As at the Latest Practicable Date, the expert above does not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate other persons to subscribe for the securities of any member of the Group.

(3) As at the Latest Practicable Date, the expert above does not, directly or indirectly, have any interests in any assets which any member of the Group has acquired or sold or leased, or intended to acquire or sell or lease since 31 December 2023 (namely the settlement date of the latest published audited accounts issued by the Group).

10. MISCELLANEOUS

(1) The registered office and head office of the Company is at No. 8 Financial Street, Xicheng District, Beijing, the PRC.

(2) The principal place of business in Hong Kong of the Company is at 40th Floor, Dah Sing Financial Centre, No. 248, Queen's Road East, Wanchai, Hong Kong.

(3) The H Share Registrar of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(4) The joint company secretaries of the Company are Wang Yongjie (the Secretary of the Board) and Ngai Wai Fung (a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Chartered Governance Institute in the United Kingdom, a fellow member of The Hong Kong Chartered Governance Institute, a fellow member of The Hong Kong Institute of Directors, a member of the Hong Kong Securities and Investment Institute and a member of the Chartered Institute of Arbitrators).

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the website of the Company (www.famc.citic) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) for the period from the date of this circular to the date of the EGM (inclusive):

(1) The share transfer agreement dated 8 November 2024 entered into between the Company and ICBC Credit Suisse, ICBC Credit Suisse (International), Bosera Funds, Bosera International, Dacheng Fund, Da Cheng International in relation to the acquisition of 1,419,532,000 shares of CITIC Limited;

(2) The Trust Contract dated 8 November 2024 entered into between the Company and CITIC Trust in relation to the establishment of the Single Asset Service Trust;

(3) The securities research comprehensive services agreement dated 8 November 2024 entered into between the Company and each of CITIC Securities and CSC respectively, in relation to the provision of consulting services to further promote investment allocation;

(4) Independent reporting accountant's Assurance Report on the Compilation of Unaudited Pro Forma Financial Information issued by Ernst & Young on 13 November 2024, the full text of which is set out in Appendix III to this circular; and

(5) Consent of the expert mentioned in the paragraph headed "Expert's Qualification and Consent" in this appendix.

中國中信金融資產管理股份有限公司

China CITIC Financial Asset Management Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 2799)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that the fourth extraordinary general meeting of Shareholders (the "**EGM**") of China CITIC Financial Asset Management Co., Ltd. (the "**Company**") for 2024 will be held at Conference Room 1221, No. 8 Financial Street, Xicheng District, Beijing, the PRC, on Friday, 29 November 2024 at 10:00 a.m., for considering and, if thought fit, passing the following resolution:

SPECIAL RESOLUTION

1. To consider and approve the resolution on further promoting investment allocation

Closure of Register of Members

The H Share register of members of the Company will be closed from Tuesday, 26 November 2024 to Friday, 29 November 2024 (both days inclusive), during which period no transfer of H Shares will be registered. Any H Shareholders who wish to attend the EGM shall deposit the share certificates together with the transfer documents at the H Share Registrar, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Monday, 25 November 2024. Shareholders whose names appear on the H Share register of members of the Company at the close of business on Monday, 25 November 2024 are entitled to attend and vote at the EGM.

The address of the H Share Registrar of the company is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre, 183 Queen's Road East
Wanchai, Hong Kong

Details of the above resolution are set out in the circular of EGM published by the Company on 13 November 2024. Unless otherwise stated, terms used in this notice shall have the same meanings as defined in the circular.

By order of the Board
China CITIC Financial Asset Management Co., Ltd.
LIU Zhengjun
Chairman

Beijing, the PRC
13 November 2024

As at the date of this notice, the Board comprises Mr. LIU Zhengjun and Mr. LI Zimin as executive directors; Ms. ZHAO Jiangping, Mr. XU Wei and Mr. TANG Hongtao as non-executive directors; Mr. SHAO Jingchun, Mr. ZHU Ning, Ms. CHEN Yuanling and Mr. LO Mun Lam, Raymond as independent non-executive directors.

Notes:

1. The register of members of the Company will be closed from Tuesday, 26 November 2024 to Friday, 29 November 2024 (both days inclusive). Holders of H Shares and domestic shares of the Company (the "**Domestic Shares**") whose names appear on the register of members of the Company at the close of business on Monday, 25 November 2024 will be entitled to attend and vote at the EGM. H Shareholders who wish to attend and vote at the EGM shall deposit all the transfer documents together with the share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m. on Monday, 25 November 2024.

2. A Shareholder entitled to attend and vote at the EGM may appoint one or more proxy(ies) to attend and vote on his/her behalf. A proxy need not be a Shareholder, but he/she must attend the EGM in person to represent the relevant Shareholder.

3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its legal representative, director(s) or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarised.

4. In order to be valid, the proxy form, the notarised power of attorney or other authorization document (if any) must be delivered to the Board office of the Company at No. 8 Financial Street, Xicheng District, Beijing, the PRC for Domestic Shareholders and to the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders no later than 24 hours before the time scheduled for holding the EGM (i.e. before 10:00 a.m. on Thursday, 28 November 2024) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof if he/she so wishes.

5. Pursuant to the Articles of Association, any vote of Shareholders at a general meeting of Shareholders must be taken by poll. As such, the resolution set out in the notice of EGM will be voted on by poll. The EGM will adopt on-site voting method.

6. The EGM is expected to last for half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents.

7. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s), and for this purpose, seniority will be determined by the order in which the names stand on the register of members in respect of the relevant joint holding.

8. According to the Articles of Association, where the number of equity interests of the Company pledged by a Shareholder reaches or exceeds 50% of the equity interests held by such Shareholder in the Company, no voting right in respect of the pledged equity interests shall be exercised at the general meeting of Shareholders. Upon the registration of pledge of equity interests, such Shareholder shall provide the Company with the relevant information of the pledged equity interests in a timely manner.