Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

*This announcement and the listing documents attached hereto are for information purposes only and do not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Issuer (as defined below). This announcement and the listing documents attached hereto are not, and are not intended to be, an offer of securities of the Issuer for sale, or the solicitation of an offer to buy securities of the Issuer, in the United States. The securities referred to in this announcement and the listing documents attached hereto have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to registration requirements of the Securities Act. This announcement and the listing documents attached hereto are not for distribution, directly or indirectly, in or into the United States. No public offer of the securities referred to herein is being or will be made in the United States.*

***This announcement and the listing documents attached hereto have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and do not constitute an offer to sell nor a solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the listing documents attached hereto) forms the basis for any contract or commitment whatsoever.** For the avoidance of doubt, the publication of this announcement and the listing documents attached hereto shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Issuer for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).*

***Notice to Hong Kong investors**: The Issuer and the Guarantor (as defined below) confirm that the Notes (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF OFFERING CIRCULAR AND PRICING SUPPLEMENT

CNY2,000,000,000 1.80 Per Cent. Guaranteed Notes due 2029 (the "Notes")

(Stock Code: 85508)

Issued under the U.S.$7,000,000,000 Guaranteed Medium Term Note Programme (the "Programme")

by

CSI MTN Limited

(the "Issuer")

(*incorporated in British Virgin Islands with limited liability*)

unconditionally and irrevocably guaranteed by

中信证券
CITIC SECURITIES
中信證券國際有限公司

CITIC Securities International Company Limited

(the "Guarantor")

(*incorporated in Hong Kong with limited liability*)

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CITIC Securities

China Minsheng Banking Corp., Ltd. Hong Kong Branch	**BOSC International**	**China Construction Bank (Asia)**
Agricultural Bank of China Limited Hong Kong Branch		**China CITIC Bank International**
ICBC (Asia)		**HSBC**

Joint Bookrunners and Joint Lead Managers

China Zheshang Bank Co., Ltd. (Hong Kong Branch)	**Shanghai Pudong Development Bank Hong Kong Branch**	**Bank of China**
Industrial Bank Co., Ltd. Hong Kong Branch		**CMBC Capital**
Bank of Communications		**CNCB Capital**

This announcement is made by the Issuer pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the offering circular dated 31 July 2026 in relation to the Programme (the "**Offering Circular**") and the pricing supplement relating to the issue of the Notes dated 28 October 2026 (the "**Pricing Supplement**") appended to this announcement. As disclosed in the Offering Circular and the Pricing Supplement, the Notes are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis.

The Offering Circular and the Pricing Supplement are published in English only. No Chinese version of the Offering Circular or the Pricing Supplement has been published.

Hong Kong, 5 November 2026

As at the date of this announcement, the directors of the Issuer are Mr. LI Kai and Ms. ZHENG Ying.

As at the date of this announcement, the Board of the Guarantor comprises Mr. LI Chunbo, Mr. XU Jianqiang, Mr. ZHU Yexin, Mr. CHEN Zhiming, Mr. Edward PARK and Mr. CHENG Jie.

TABLE OF CONTENTS

Appendix I — Offering Circular in relation to the Programme dated 31 July 2026 ..... I-1

Appendix II — Pricing Supplement in relation to the Notes dated 28 October 2026 ..... II-1

Appendix I — Offering Circular in relation to the Programme dated 31 July 2026

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, ARE NOT U.S. PERSONS.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the "**Offering Circular**"). You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from CSI MTN Limited (the "**Issuer**"), CITIC Securities International Company Limited 中信證券國際有限公司 (the "**Guarantor**") as a result of such access. In order to be eligible to view the attached Offering Circular or make an investment decision with respect to the securities, investors must be outside the United States or, in respect of any offering of securities under Category 2 of Regulation S of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), investors must be non-U.S. persons.

Confirmation of Your Representation: The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to the Issuer, the Guarantor, CLSA Limited (the "**Arranger and Dealer**") that (1) you and any customers you represent are outside the United States or, in respect of any offering of securities under Category 2 of Regulation S of the Securities Act, not U.S. persons (as defined in Regulation S under the Securities Act) and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and, consequently, none of the Issuer, the Guarantor, the Arranger, the Dealers (as defined in the attached Offering Circular), the Trustee or the Agents (each as defined in the attached Offering Circular) or any of their respective affiliates, directors, officers, employees, representatives, agents, advisers and each person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version available to you upon request from the Issuer, the Guarantor, the Arranger and the Dealers.

Restrictions: The attached Offering Circular is being furnished in connection with an offering in offshore transactions to persons outside the United States or, in respect of any offering of securities under Category 2 of Regulation S of the Securities Act, to non-U.S. persons outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED, SOLD OR (IN THE CASE OF NOTES IN BEARER FORM) DELIVERED WITHIN THE UNITED STATES, OR, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE OFFERING IS MADE SOLELY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Issuer, the Guarantor, the Arranger or the Dealers to subscribe for or purchase any of the securities described herein, and access has been limited so that it shall not constitute, in the United States or elsewhere, directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arranger or any Dealer or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this document, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "**Reply**" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

STRICTLY CONFIDENTIAL

CSI MTN Limited

(Incorporated with limited liability in the British Virgin Islands)

U.S.$7,000,000,000
Guaranteed Medium Term Note Programme
Unconditionally and Irrevocably Guaranteed by



中信證券國際有限公司

CITIC Securities International Company Limited

(Incorporated with limited liability in Hong Kong)

Under the U.S.$7,000,000,000 Guaranteed Medium Term Note Programme described in this Offering Circular (the "**Programme**"), CSI MTN Limited (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**") which will be unconditionally and irrevocably guaranteed ("**Guarantee**") by its parent company, CITIC Securities International Company Limited 中信證券國際有限公司 (the "**Guarantor**"). The Issuer is a wholly-owned subsidiary of the Guarantor. The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$7,000,000,000 (or the equivalent in other currencies), subject to increase as further described in "*Summary of the Programme*".

An application has been made to The Stock Exchange of Hong Kong Limited (the "**HKSE**") for the listing of the Programme during the 12-month period after the date of this Offering Circular on the HKSE by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: Each of the Issuer and the Guarantor confirms that the Notes to be issued under the Programme are intended for purchase by Professional Investors only and the Programme and the Notes, to the extent that such Notes are to be listed on the HKSE, will be listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Programme or the Notes on the HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Guarantor, the Group, or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the HKSE take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in "*Summary of the Programme*") of the Notes will be set out in the relevant pricing supplement (each, a "**Pricing Supplement**") which, with respect to Notes to be listed on the HKSE, will be delivered to the HKSE, on or before the relevant Issue Date. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the HKSE or listed, traded or quoted on or by any other competent authority, exchange or quotation system.

Notes may be issued in bearer or registered form. The Notes of each Series issued in bearer form ("**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**") (collectively, the "**Global Note**"). Bearer Notes that are issued in compliance with rules in substantially the same form as U.S. Treasury Regulations § 1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") ("**TEFRA D**") must be initially represented by a Temporary Global Note and interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant Issue Date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. Notes in registered form ("**Registered Notes**") will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. The Notes of each Series in registered form will initially be represented by a global certificate (each a "**Global Certificate**"). Global Notes and Global Certificates may be deposited on the relevant Issue Date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), or with a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU**") operated by the Hong Kong Monetary Authority. The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes or Global Certificates for Certificates are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state of the United States and may not be offered or sold or, in case of Bearer Notes, delivered, in the United States or, in respect of any offering of securities under Category 2 of Regulation S of the Securities Act, to or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States. The Notes and the Guarantee are being offered outside the United States in reliance on Regulation S under the Securities Act. Bearer Notes are subject to U.S. tax law requirements. See "*Subscription and Sale*".

MiFID II product governance/target market — The Pricing Supplement in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market -The Pricing Supplement in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT — EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT — UK RETAIL INVESTORS — The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

The Notes may be issued on a continuing basis to one or more Dealers specified under "*Summary of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer and the Guarantor (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

The Programme has been assigned a rating of "A-" by Fitch Ratings Ltd. ("**Fitch**"). In addition, the Guarantor has been assigned a rating of "A-" by Fitch and a rating of "BBB+" by S&P Global Ratings, a division of S&P Global Inc. ("**S&P**") with stable outlook. These ratings are only correct as at the date of this Offering Circular. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A rating does not constitute a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Investing in the Notes involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. Prospective investors should have regard to the factors described under the section entitled "*Risk Factors*" in this Offering Circular.

Arranger and Dealer

CITIC Securities

Offering Circular dated 31 July 2026

NOTICE TO INVESTORS

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and their respective subsidiaries (together, the "**Group**") and to the Contracts (as defined in the Dealer Agreement (as defined below)) the Guarantee and the Notes which is material in the context of the issue and offering of the Notes (including the information that is required by applicable laws or applicable rules of the HKSE, or is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Group and of the rights attaching to the Notes); (ii) all statements or expressions of opinion or intention (including, without limitation, the statements regarding the future plans, use of proceeds, indebtedness, prospects, dividends, material contracts and litigation) in this Offering Circular are or will remain, in all material respects, fairly and honestly made on reasonable grounds or, where appropriate, based on reasonable assumptions, and such grounds or assumptions are or will remain fairly and honestly held by the Issuer or the Guarantor or their respective directors, and there are or will be no other facts known or which could, upon due and careful inquiry, have been known to the Issuer, the Guarantor or their respective directors the omission of which would make any such statement or expression misleading in any material respect; and (iii) this Offering Circular does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Offering 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 any statement herein misleading.

Listing of the Programme or the Notes on the HKSE is not to be taken as an indication of the merits of the Issuer, the Guarantor or the Notes. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor and the terms of the offering, including the merits and risks involved. Please see "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes. Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" as amended and/or supplemented by a Pricing Supplement. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein (see "**Information Incorporated by Reference and Financial Information**") and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement. This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, CLSA Limited (the "**Arranger and Dealer**"), the Trustee and the Agents (as defined in the Terms and Conditions of the Notes) (and each of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) to inform themselves about and to observe any such restrictions. None of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them) represents that this Offering Circular or any Pricing Supplement may be lawfully

distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. No action is being taken to permit a public offering of any of the Notes or the distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action would be required for such purposes. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

MiFID II product governance/target market — The Pricing Supplement in respect of any Notes may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market — The Pricing Supplement in respect of any Notes may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PRIIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

CCI REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

There are restrictions on the offer and sale of the Notes, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the EEA, the United Kingdom, Hong Kong, Singapore, Japan, the PRC and the British Virgin Islands, and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and distribution of this Offering Circular and any Pricing Supplement, see "*Subscription and Sale*".

Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to the Programme, each such offering, a "**CMI Offering**", including certain Dealers, may be "**capital market intermediaries**" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "**overall coordinators**" ("**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the

Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors.

If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a "**proprietary order**" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "**proprietary order**" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "**proprietary order**". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "**proprietary order**" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "**proprietary order**". Where prospective investors disclose such information but do not disclose that such "**proprietary order**" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "**proprietary order**" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

No person has been or is authorised to give any information or to make any representation concerning the Group, the Notes or the Guarantee other than as contained in this Offering Circular or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger, any Dealer, the Trustee or any Agent (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them). Neither the delivery of this Offering Circular or any Pricing Supplement nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor, the Group or any of them since the date hereof, or if later, the date upon which this Offering Circular has been most recently amended or supplemented, or create any implication that the information contained herein is correct as at any date subsequent to the date hereof or, as the case may be, the date upon which this Offering Circular has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them) to subscribe for or purchase any Notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is highly confidential and has been prepared by the Issuer and the Guarantor solely for use in connection with the Programme and the proposed offering of the Notes under the Programme as described herein. Neither the Issuer nor the Guarantor has authorised its use for any other purpose. This Offering Circular may not be copied or reproduced in whole or in part. It may be distributed only to and its contents may be disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Offering Circular each investor agrees to these restrictions.

No representation or warranty, express or implied, is made or given by the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them) as to the accuracy, completeness or sufficiency of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the Programme, and nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them). None of the Arranger, the Dealers, the Trustee and the Agents (nor any of their respective affiliates, directors, officers, employees, representatives, advisers, agents nor any person who controls any of them) has independently verified any of the information contained in this Offering Circular and can give assurance that such information is accurate, truthful or complete.

To the fullest extent permitted by law, each of the Arranger, the Dealers, the Trustee and the Agents (and each of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) does not accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by it or on its behalf in connection with the Issuer, the Guarantor, the giving of the Guarantee or the issue and offering of the Notes. Each of the Arranger, the Dealers, the Trustee and the Agents (and each of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of them) accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them) undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investors in the Notes of any information coming to the attention of the Arranger, any Dealer, the Trustee or any Agent (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them).

This Offering Circular, the Pricing Supplement and any other information supplied in connection with the Programme or any Notes (i) are not intended to provide the basis of any credit or other evaluation and (ii) should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and or any person who controls any of them) that any

recipient of this Offering Circular should purchase any Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD OR, IN THE CASE OF BEARER NOTES, DELIVERED, WITHIN THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF SECURITIES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S OR THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER IN CASE OF BEARER NOTES).

In connection with the issue of any Tranche of Notes, one or more Dealers named as stabilisation manager(s) in the applicable Pricing Supplement ("**Stabilisation Manager(s)**") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws, regulations and rules.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances. Each person receiving this Offering Circular acknowledges that such person has not relied on the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them) in connection with its investigation of the accuracy of such information or its investment decision.

Industry and Market Data

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although this information is believed to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents (or any of

their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them), and none of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents (nor any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or any person who controls any of them) makes any representation as to the accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside the PRC. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified.

Presentation of Financial Information

The audited consolidated financial statements of the Guarantor as at and for the year ended 31 December 2024 (the "**2024 Consolidated Financial Statements**"), which are reproduced elsewhere in this Offering Circular, have been audited by KPMG, the Guarantor's independent auditor for the year of 2024. Such financial statements of the Guarantor were prepared in accordance with HKFRS Accounting Standards ("**HKFRS**").

The audited consolidated financial statements of the Guarantor as at and for the year ended 31 December 2025 (the "**2025 Consolidated Financial Statements**", together with 2024 Consolidated Financial Statements, "**Consolidated Financial Statements**"), which are reproduced elsewhere in this Offering Circular, have been audited by KPMG, the Guarantor's independent auditor for the year of 2025. Such financial statements of the Guarantor were prepared in accordance with HKFRS.

The comparative financial information for the year ended 31 December 2023 included in the 2024 Consolidated Financial Statements has been represented to conform to the presentation adopted for the financial year ended 31 December 2024. See "*Notes to the consolidated financial statements — 41 — Comparative figures*" of the 2024 Consolidated Financial Statements for further details. Unless specified otherwise, such financial information as at and for the year ended 31 December 2023 used in this Offering Circular derives from the Guarantor's 2024 Consolidated Financial Statements.

Unless otherwise stated, all financial data contained herein which is stated as relating to the Guarantor is referring to the consolidated data of the Guarantor.

Exchange Rate Information

This Offering Circular contains translations of certain Hong Kong dollars amounts into US. dollars at specified rates solely for the convenience of the readers. Unless indicated otherwise, all translations from Hong Kong dollars into U.S. dollars and vice versa in this Offering Circular were made at the rate of HK$7.7833 to U.S.$1.00, based on the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Board on 31 December 2025. No representation is made that the Hong Kong dollars amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate or at all, and vice versa. For further information relating to exchange rates, see "*Exchange Rate*".

No representation is made that the Renminbi amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate or at all, and vice versa.

Rounding

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

Certain Definitions and Conventions

We have prepared this offering circular using a number of conventions, which you should consider when reading the information contained herein. When we use the terms "we", "us", "our", the "Company", the "Group" and words of similar import, we are referring to the Guarantor itself, or the Guarantor and its consolidated subsidiaries, as the context requires.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "China", "mainland China" or the "PRC" are to the People's Republic of China and, for the purpose of this Offering Circular only, exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan; references to "Hong Kong" are to the Hong Kong Special Administrative Region of the People's Republic of China; references to "U.S." are to the United States of America and references to "EU" are to the European Union.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "Renminbi", "CNY" or "RMB" are to the lawful currency of the PRC; references to "HK$" and "HKD" are to the lawful currency of Hong Kong; references to "U.S. dollars", "USD" or "U.S.$" are to the lawful currency of the United States of America and references to "sterling" or "£" are to the lawful currency of the United Kingdom.

In addition, in this Offering Circular:

- "**Belt and Road Initiative**" refers to the Silk Road Economic Belt and the 21st-century Maritime Silk Road policy of the PRC;
- "**Board**" or "**Board of Directors**" refers to the board of directors of the Guarantor;
- "**CITIC Corporation Limited**" refers to CITIC Corporation Limited (中國中信有限公司);
- "**CITIC Futures**" refers to CITIC Futures Co., Ltd. (中信期貨有限公司);
- "**CITIC Limited**" refers to CITIC Limited (中國中信股份有限公司);
- "**CITIC Group**" refers to CITIC Group Corporation and its subsidiaries;
- "**CITIC Group Corporation**" refers to CITIC Group Corporation (中國中信集團有限公司);
- "**CITIC Securities**" refers to CITIC Securities Company Limited 中信證券股份有限公司;
- "**CITIC Securities Asset Management**" refers to CITIC Securities Asset Management (HK) Limited 中信證券資產管理(香港)有限公司;
- "**CITIC Securities Group**" refers to CITIC Securities and its subsidiaries;

- "**CITIC Securities (Hong Kong)**" refers to CITIC Securities (Hong Kong) Limited 中信證券(香港)有限公司;
- "**CLSA**" refers to CLSA B.V., a private limited company incorporated under the laws of the Netherlands and becoming a wholly-owned subsidiary of the Company on 31 July 2013;
- "**CLSA Capital Partners**" refers to CITIC Securities CLSA Capital Partners Limited and its affiliates;
- "**CLSA Fund Services**" refers to CLSA Fund Services (Asia) Limited;
- "**Company**" or "**Guarantor**" refers to CITIC Securities International Company Limited 中信證券國際有限公司;
- "**CS Brokerage**" refers to CITIC Securities Brokerage (HK) Limited 中信證券經紀(香港)有限公司;
- "**CS Futures**" refers to CITIC Securities Futures (HK) Limited 中信證券期貨(香港)有限公司;
- "**CSC Financial**" refers to CSC Financial Co., Ltd. 中信建投證券股份有限公司;
- "**CSRC**" refers to China Securities Regulatory Commission (中國證券監督管理委員會);
- "**Group**" refers to the Guarantor and its subsidiaries;
- "**HKSE**" refers to The Stock Exchange of Hong Kong Limited;
- "**IPO**" refers to initial public offering;
- "**Issuer**" refers to CSI MTN Limited;
- "**LGFV**" refers to local government financing vehicle companies in the PRC;
- "**M&A**" refers to merger and acquisition;
- "**MOF**" refers to the Ministry of Finance of the PRC (中華人民共和國財政部);
- "**NDRC**" refers to the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會);
- "**NDRC Administrative Measures**" refers to the Administrative Measures for the Examination and Registration of Medium and Long-term Foreign Debts of Enterprises (《企業中長期外債審核登記管理辦法》(國家發展和改革委員會令第56號)) issued by the NDRC;
- "**NDRC Circular**" refers to the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (NDRC Wai Zi [2015] No. 2044) (國家發改委關於推進企業發行外債備案登記制管理改革的通知)(發改外資[2015] 2044號) issued by the NDRC;

- "**Northbound Trading**" refers to Hong Kong and overseas investors trading in eligible securities that are listed on the Shanghai Stock Exchange (上海證券交易所) or the Shenzhen Stock Exchange (深圳證券交易所) through Stock Connect;

- "**PBOC**" refers to People's Bank of China (中國人民銀行);

- "**PRC Government**" in this Offering Circular means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governmental entities) and instrumentalities thereof, or where the context requires, any of them;

- "**QDII**" refers to Qualified Domestic Institutional Investor (合格境內機構投資者);

- "**SAC**" refers to The Securities Association of China;

- "**SFC**" refers to the Securities and Futures Commission of Hong Kong;

- "**SOE**" refers to stated-owned enterprises; and

- "**Southbound Trading**" refers to the PRC's investors trading in eligible securities that are listed on the HKSE through Stock Connect.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this Offering Circular in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

INFORMATION INCORPORATED BY REFERENCE AND FINANCIAL INFORMATION

This Offering Circular should be read and construed in conjunction with:

(i) each relevant Pricing Supplement;

(ii) all amendments and supplements from time to time to this Offering Circular; and

(iii) any audited consolidated annual financial statements or unaudited but reviewed consolidated interim financial statements of the Group, in each case together with any audit or review reports prepared in connection therewith, that are published subsequent to the date of this Offering Circular as amended and supplemented from time to time, if any,

which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular.

Any statement contained in this Offering Circular or in a document incorporated by reference into this Offering Circular will be deemed to be modified or superseded for purposes of this Offering Circular to the extent that a statement contained in any such subsequent document modifies or supersedes that statement. Any statement that is modified or superseded in this manner will no longer be a part of this Offering Circular, except as modified or superseded.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available (upon prior written request and proof of holding and identity satisfactory to the Issuer) free of charge, during usual business hours (being between 9:00 a.m. and 3:00 p.m., Hong Kong time) on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the principal office of the Issuer set out at the end of this Offering Circular.

SUPPLEMENTAL OFFERING CIRCULAR

Each of the Issuer and the Guarantor has given an undertaking to the Dealers that unless the Issuer or the Guarantor has notified the Permanent Dealers (as defined in the Dealer Agreement (as defined below)) in writing that it does not intend to issue Notes under the Programme for the time being, each of the Issuer and the Guarantor shall prepare and publish an amendment or supplement to the Offering Circular if at any time during the duration of the Programme (1) a significant new factor, material mistake or material inaccuracy arises or is noted relating to the information included in the Offering Circular which is capable of affecting an assessment by investors of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and/or the Guarantor and/or of the rights attaching to the Notes and/or the Guarantee or (2) the Offering Circular otherwise contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not misleading.

FORWARD-LOOKING STATEMENTS

The Issuer and the Guarantor have made forward-looking statements in this Offering Circular regarding, among other things, the Group's financial condition, future expansion plans and business strategies. These forward-looking statements are based on the Group's current expectations about future events. Although the Issuer and the Guarantor believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things:

- the Group's business and operating strategies;
- the Group's capital expenditure and development plans;
- the amount and nature of, and potential for, future development of the Group's business;
- future developments, trends and conditions in the industries and markets in which the Group operates;
- various business opportunities that the Group may pursue;
- changes in political, economic, legal and social conditions in the PRC, including the specific policies of the PRC central and local governments affecting the regions where the Group operates;
- changes in the global economic conditions and material volatility in the global financial markets;
- the prospective financial condition and performance regarding the Group's businesses;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industries and markets in which the Group operates;
- availability and costs of bank loans and other forms of financing;
- changes in competitive conditions and the Group's ability to compete under these conditions;
- the Group's ability to obtain additional capital on acceptable terms;
- reduction or discontinuance of the government subsidies and other government grants or the mismatch in terms of timing of the availability of the government fiscal support and the Group's cash flow requirement;
- fluctuations in the PRC and general risks incidental to the ownership and management of properties; and
- other risks identified in the section entitled "*Risk Factors*" in this Offering Circular.

The words "anticipate", "believe", "estimate", "expect", "intend", "plan" and similar expressions are intended to identify a number of these forward-looking statements. The Issuer, the Guarantor and each other member of the Group undertake no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties

and assumptions, the forward-looking events discussed in this Offering Circular might not occur and the actual results of the Issuer, the Guarantor or the Group could differ materially from those anticipated in these forward-looking statements.

These forward-looking statements speak only as at the date of this Offering Circular. The Issuer and the Guarantor expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

TABLE OF CONTENTS

	Page
SUMMARY	1
SUMMARY OF THE PROGRAMME	5
SUMMARY CONSOLIDATED FINANCIAL INFORMATION	13
RISK FACTORS	17
EXCHANGE RATE	53
USE OF PROCEEDS	54
CAPITALISATION AND INDEBTEDNESS	55
FORM OF PRICING SUPPLEMENT	56
TERMS AND CONDITIONS OF THE NOTES	72
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM	127
DESCRIPTION OF THE ISSUER	133
DESCRIPTION OF THE GROUP	134
DIRECTORS AND SENIOR MANAGEMENT	162
TAXATION	165
CLEARANCE AND SETTLEMENT	169
REGULATORY ENVIRONMENT	172
SUBSCRIPTION AND SALE	175
GENERAL INFORMATION	183
INDEX TO FINANCIAL STATEMENTS	F-1

SUMMARY

The following summary is qualified in its entirety by, and is subject to, the detailed information contained elsewhere, and the financial statements incorporated by reference in this Offering Circular. The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety.

OVERVIEW

The Guarantor is a wholly owned subsidiary of CITIC Securities, a leading full-service securities firm in China with international reach, and is the principal platform for implementing CITIC Securities' international strategy. Headquartered in Hong Kong, the Group provides comprehensive financial services to institutional and corporate customers, retail and high-net worth individuals, ranging from corporate finance and capital market, securities brokerage, fixed income, currencies & commodities, equity derivatives and prime brokerage to asset management. We are well-equipped to provide one-stop solutions to our clients with the wide range of key SFC licences we have obtained. See "*Risk Management and Internal Control — Licensing Requirement*" for details of our key SFC licences.

The Guarantor's sole shareholder, CITIC Securities, is the leading full-service securities firm in China. CITIC Securities was one of the first companies approved by the CSRC to be an integrated securities company, and was the first China-based securities firm listed on the Shanghai Stock Exchange. With its IPO completed in January 2003, CITIC Securities was listed and traded on the Main Board of the HKSE (stock code: 6030) on 6 October 2011. CITIC Securities' leading position amongst all securities firm in China has been widely recognised. In 2023, amongst other awards, CITIC Securities was again named the "2023 Best Securities Company" by Financial Times, and was awarded the Golden Bull Award of Top Ten Securities Companies for the 2023 Golden Bull Award in Chinese Securities Industry by China Securities Journal. In 2024, the Guarantor won the Best Wealth Management Organization in Hong Kong award by The Asset, Best Wealth Management Organization (Investment Banking Advisor, Entrepreneurial Client) award by Asia Private Banker and Best Chinese Brokerage by Chinese Funds Association of Hong Kong. In 2024, CITIC Securities won, amongst others, Best Equity House for 2024 (2024年度最佳股本融資投行), Best Bond Underwriter of the Year in China (中國年度最佳債券承銷商) by International Finance Review ("**IFR Asia**") and was awarded again the Golden Bull Award of Top Ten Securities Companies by China Securities Journal. In 2025, CITIC Securities was awarded, among others, "China Equity House" and "China Bond House" by IFR Asia, as well as "Private Banking Award — Hong Kong's Best Wealth Management Institution — Next Generation Clients" by Euromoney and "China Family Office Annual Selection — Top 30 Chinese Family Offices" by Forbes. CITIC Securities operates a wide range of businesses, mainly including securities services, wealth management, institutional stock brokerage, financial market, asset management, custody, equity investment and research. The founders of CITIC Securities were CITIC Group Corporation (under its former name of China International Trust Investment Company), and three other investors. CITIC Group Corporation is one of the largest state-owned conglomerates, with a more than 40-year track record in China. It operates in a wide range of industry sectors including finance, real estate and infrastructure, construction, energy and resources, manufacturing, IT, trading and consumer. CITIC Group Corporation is directly administered by MOF.

The Group has a comprehensive financial service platform covering both primary and secondary markets across multiple products. The Group is a premium securities company in Hong Kong with businesses spanning corporate finance and capital markets, securities brokerage, FICC, equity derivatives and prime brokerage, asset management and others, with a market leading position in all respective businesses. The Group is fully integrated and utilises the platform resources of the Group, CITIC Securities and the CITIC Group to provide customers with one-stop solutions, with the aim to growing the Group's all-rounded securities services into a global and leading multi-asset, multi-strategy, cross-market and full-service financial institution.

The Guarantor was established on 9 April 1998 and its principal operations are in Hong Kong. In 2006, CITIC Securities commenced its international operations and acquired the equity business of CITIC Capital Holdings Limited and incorporated it into CITIC Securities (HK) Company Limited, which was the former name of the Guarantor. The Guarantor also operates in mainland China together with its parent company CITIC Securities which has a vast network and strong presence in mainland China, and the Guarantor believes that it is well positioned to benefit from the strong growth potential of China's economy and the opportunities presented by the development of China's capital markets. The completion of our acquisition of the entire equity interest in CLSA on 31 July 2013 significantly reinforced our research capabilities and extended our global coverage. Our global network spans across 13 countries and regions in Asia, Australia, Europe and the Americas. We have extended our services to a diverse clientele in Hong Kong and other jurisdictions. We believe that we are well positioned to capitalise on China's growing cross-border business opportunities arising from the globalisation of China's economy and companies, such as equity offerings by China-related companies in Hong Kong and issuances of RMB-denominated products, as well as the demand for brokerage services arising from the growing financial needs of China's high-net-worth individuals and institutional investors, such as QDIIs and sovereign funds.

In June 2024, by way of share allotments by the Guarantor, CITIC Securities injected HK$5,000 million and U.S.$276.7 million into the Guarantor, resulting in the fully paid capital of HK$11,516.1 million and U.S.$276.7 million of the Guarantor. For the years ended 31 December 2023, 2024 and 2025, our total operating income was U.S.$1,602.3 million, U.S.$2,262.5 million and U.S.$3,341.5 million, respectively, and our respective profit attributable to equity holders of the Guarantor for the corresponding periods was U.S.$245.1 million, U.S.$528.3 million and U.S.$912.7 million, respectively. As at 31 December 2023, 2024 and 2025, we had total assets of U.S.$34,695.5 million, U.S.$50,637.7 million and U.S.$67,961.7 million, respectively, and capital and reserves attributable to the Guarantor's equity holders of U.S.$1,688.8 million, U.S.$3,120.7 million and U.S.$4,084.5 million, respectively.

The following table sets forth our business lines and the major products and services under each business line.

Institutional Services				Retail Services
Corporate Finance and Capital Markets	**Securities**	**Asset Management**	**Alternative Investment Management**	**Wealth Management**
• Capital markets — ECM/DCM • Corporate finance — M&A • Equity-linked products	• Institutional equities • Equity derivatives • FICC • Structured finance • Futures	• Active investment • Quantitative investment • Cross-border investment solutions	• Private equity and others • Private credit • Private real estate	• Retail broking • Margin lending • Advisory • ESOP • Entrepreneur Office

STRATEGIES

With the mission of helping enhance capital market's functions, and facilitate high-quality economic development, we strive to become a leading domestic and internationally renowned Chinese investment bank most trusted by clients around the world. To achieve this goal, we intend to implement the following strategies in our various business lines:

- ***Corporate finance and capital markets.*** We will continue to take a client-centric and full product coverage approach to provide clients with comprehensive corporate finance and capital markets services, strengthen and further leadership of traditional businesses and actively drive innovative business and develop international business, and provide a leading platform for PRC companies going global and foreign investors seeking access to the PRC;

- ***Institutional Equities.*** We will integrate and expand our local and overseas brokerage business to serve international customers including financial institutions, enhance service quality and business coverage. We continue to strive for outstanding services in institutional equities that provide client insights into issues, trends and companies driving the Asia Pacific markets, and seek out liquidity to execute even the most challenging strategies for our clients;

- ***Wealth Management.*** With a strong retail distribution network in greater China area, our dedicated team of wealth management professionals will continue to provide tailor-made financial solutions to clients and beyond across a variety of asset classes;

- ***Fixed income, currencies & commodities.*** We plan to continue to build and improve our product matrix and broaden our client base, and promote active risk management and prudent fund allocation. Our FICC business through our global network continually strives to deliver a full suite of products and services across credit, rates, foreign exchange and commodities to help clients identify market opportunities, manage risk and generate returns for their portfolios;

- ***Equity derivatives and prime brokerage.*** Our equity derivatives team will continue to offer a unique combination of local expertise and global access, and to work closely with global clients to create solutions that meet their needs in risk management, yield enhancement, financing, and cross-border market access. Our fund services will also continue to provide comprehensive end-to-end solutions spanning middle and back office and fund administration services by leveraging on industry know-how, first-in-class technology infrastructure and robust IT support; and

- ***Asset management.*** We plan to continue to take a client-centric approach to drive product and marketing innovation, leverage the going-global trend and maintain our comprehensive competitiveness in the industry. Our asset management business will serve as a go-to one-stop shop for global investors to tap into the advantageous home market of CITIC Securities, and continue to help our clients invest in industry leaders in the most dynamic sectors.

We believe that there will be better development opportunities for the Asia Pacific and global securities industry. By utilising our China and global networks, capitalising on economic development in Asia and globally and the growing capital markets and seizing available opportunities derived from the Belt and Road Initiative, we will further enlarge our market share, enhance our capabilities in integrated services, strive for the realisation of our vision, and further strengthen our unique position to facilitate cross-border capital flows and to bridge China to the world and world to China.

COMPETITIVE STRENGTHS

The Group believe that the following strengths have contributed to our success and differentiated us from our competitors.

- Strategic establishment with solid government support and outstanding shareholder background;
- Comprehensive support from and business collaboration with the CITIC Securities Group;
- One-stop service provider offering a wide range of products and access to international platform;
- Member of a domestically-leading securities firm franchise with global strategic presence and largest area coverage with respect to the Belt and Road Initiative;
- Enhanced capital and asset-liability management and diversified funding sources that contribute to sound financial flexibility;
- Prudent risk management and effective internal control; and
- A steady team of visionary and experienced senior management.

SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular. This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on the consideration of the Offering Circular as a whole, including any information incorporated by reference. Phrases used in this summary and not otherwise defined shall have the meanings given to them in the section entitled "Terms and Conditions of the Notes".

Issuer	CSI MTN Limited (Legal entity identifier (LEI): 2549008F29JNGIBO2O60).
Guarantor	CITIC Securities International Company Limited 中信證券國際有限公司.
Description	Guaranteed Medium Term Note Programme unconditionally and irrevocably guaranteed by the Guarantor.
Size	Up to U.S.$7,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer and the Guarantor may increase the aggregate nominal amount of the Programme in accordance with the terms of the Dealer Agreement. Please see "*Subscription and Sale*" for a description of the Dealer Agreement.
Risk Factors	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations in respect of the Notes and the Guarantee are discussed under "*Risk Factors*".
Sole Arranger	CLSA Limited.
Dealer	CLSA Limited. The Issuer and the Guarantor may from time to time terminate the appointment of any Dealer under the Programme or appoint Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "Dealers" are to all persons appointed as a dealer in respect of one or more Tranches or the Programme.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*"). Further restrictions may apply in connection with any particular Series or Tranches of Notes.

Trustee	Citicorp International Limited.
Issuing and Paying Agent and Transfer Agent for Notes other than CMU Notes	Citibank, N.A., London Branch.
Registrar	Citicorp International Limited.
CMU Lodging and Paying Agent and Transfer Agent for CMU Notes	Citicorp International Limited.
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical in all respects (or in all respects except for the issue date, the issue price and the first payment of interest on them), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The Notes of a Tranche will have terms identical in all respects to other Notes of that Tranche. The specific terms of each Tranche will be completed in the Pricing Supplement.
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes	Notes may be issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") as described in "*Terms and Conditions of the Notes*". Registered Notes may not be exchangeable for Bearer Notes and vice versa. Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Tranche of Registered Notes will initially be represented by a Global Certificate. Where TEFRA D (as defined below) is applicable, Bearer Notes must initially be issued in the form of a Temporary Global Note, exchangeable for Permanent Global Notes or Definitive Notes upon certification of non-U.S. beneficial ownership.

Clearing Systems	Clearstream, Euroclear, the CMU and, in relation to any Tranche, such other clearing system as may be designated by the Issuer and the Guarantor and approved in writing by the Issuing and Paying Agent (or the CMU Lodging and Paying Agent, as the case may be), the Trustee and where relevant, the Registrar.
Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note or Global Certificate representing the Notes may be deposited with a common depositary for Euroclear and Clearstream or deposited with a sub-custodian for the CMU. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Guarantor, the Trustee, the Issuing and Paying Agent (or the CMU Lodging and Paying Agent, as the case may be) and if applicable, the Registrar and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Guarantor and the relevant Dealer(s).
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s).
Specified Denomination	Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all relevant laws, regulations and directives. Unless otherwise permitted by the then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Interest	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Fixed Rate Notes	Fixed interest will be payable in arrears on such date or dates as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s).
Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows: • On the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.), as amended, supplemented or replaced; or • by reference to EURIBOR, HIBOR or CNH HIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin; • on the basis of SOFR reference rates appearing on the agreed screen page of a commercial quotation service (in relation to Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as SOFR Benchmark, please see Condition 5(b)(iii)(C)) or; • on such other basis as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s). Interest periods will be specified in the relevant Pricing Supplement. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each series of Floating Rate Notes.
Zero Coupon Notes	Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in the Terms and Conditions of the Notes) will be made in such currencies, and based on such rates of exchange, as the Issuer, the Guarantor and the relevant Dealer(s) may agree and as may be specified in the relevant Pricing Supplement.

Index Linked Notes	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in prices of securities or commodities or to such other factors as the Issuer, the Guarantor and the relevant Dealer(s) may agree and as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable (detailed in a formula, index or otherwise). Unless permitted by then-current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional Redemption	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement as further described in Condition 6(e) and Condition 6(f), respectively, of the Terms and Conditions of the Notes.
Redemption for Change of Control	Following the occurrence of a Change of Control, any Noteholder will have the right, at such Noteholder's option, to require the Issuer to redeem all, but not some only, of such Noteholder's Note at 101 per cent. of their Early Redemption Amount, together with accrued interest, as further described in Condition 6(d) of the Terms and Conditions of the Notes.
Redemption for Taxation Reasons	Notes will be redeemable at the Issuer's option prior to maturity for taxation reasons as further described in Condition 6(c) of the Terms and Conditions of the Notes.

Status of Notes	The Notes and any Receipts and Coupons relating to them will constitute direct, unsubordinated, unconditional and (subject to Condition 4(c) of the Terms and Conditions of the Notes) unsecured obligations of the Issuer and will at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(c) of the Terms and Conditions of the Notes, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.
Status of the Guarantee	The payment obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(c) of the Terms and Conditions of the Notes, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.
Negative Pledge	The Notes will contain a negative pledge provision as further described in Condition 4(c) of the Terms and Conditions of the Notes.
Limitations on the Issuer	The Notes will contain some additional limitations on the Issuer as further described in Condition 4(a) of the Terms and Conditions of the Notes.
Cross-Acceleration	The Terms and Conditions of the Notes will contain a cross-acceleration provision as described in Condition 10(c) of the Terms and Conditions of the Notes.
Withholding Tax	All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and Coupons or under the Guarantee will be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands, or Hong Kong or, in each case, any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. The Issuer or (as the case may be) the Guarantor will, subject to certain customary exceptions, pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, as further described in Condition 8 of the Terms and Conditions of the Notes.

Ratings	The Programme has been assigned a rating of "A-" by Fitch. In addition, the Guarantor has been assigned a rating of "A-" by Fitch and a rating of "BBB+" by S&P. These ratings are only correct as at the date of this Offering Circular. Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement and such rating will not necessarily be the same as the ratings assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.
Governing Law and Jurisdiction	The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law with the submission to the exclusive jurisdiction of Hong Kong courts.
Listing and Admission to Trading	Application has been made to the HKSE for the listing of the Programme by way of debt issues to Professional Investors only, and will be made to the HKSE for permission to deal in and for the listing of Notes to be issued under the Programme by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the HKSE. However, unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the HKSE or listed, traded or quoted on or by any other competent authority, exchange or quotation system. Notes listed on the HKSE will be required to have a denomination of at least HK$500, 000 (or its equivalent in other currencies).

Selling Restrictions	There will be restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, the PRC and the British Virgin Islands and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*". Any Bearer Notes issued under the Programme will be issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") ("**TEFRA D**") unless (i) the relevant Pricing Supplement states that the Bearer Notes are issued in compliance with rules in substantially the same form as U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) for purposes of Section 4701 of the Code ("**TEFRA C**") or (ii) the Bearer Notes are issued other than in compliance with TEFRA D or TEFRA C. In the case of Bearer Notes, only Notes with a term of 365 days or less (taking into account any unilateral extensions and rollovers) will be issued other than in compliance with TEFRA D or TEFRA C and will be referred to in the relevant Pricing Supplement as a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") is not applicable. Bearer Notes with a term of more than 365 days (taking into account any unilateral extensions and rollovers) that are held through the CMU must be issued in compliance with TEFRA C, unless at the time of issuance the CMU and CMU Lodging and Paying Agent have procedures in place so as to enable the Issuer to comply with the certification requirements under TEFRA D. Where TEFRA D is applicable, Bearer Notes must initially be issued in the form of Temporary Global Notes, exchangeable for Permanent Global Notes or Definitive Notes upon certification of non-U.S. beneficial ownership.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The summary consolidated financial data as of and for the years ended 31 December 2023, 2024 and 2025 has been derived from the Consolidated Financial Statements. The summary financial data below should be read in conjunction with the Consolidated Financial Statements as well as the notes thereto, included elsewhere or incorporated by reference in this Offering Circular. The Guarantor's Consolidated Financial Statements were prepared and presented in accordance with HKFRS.

The comparative financial information for the year ended 31 December 2023 included in the 2024 Consolidated Financial Statements has been represented to conform to the presentation adopted for the financial year ended 31 December 2024. See "Notes to the consolidated financial statements — 41 — Comparative figures" of the 2024 Consolidated Financial Statements for further details. Unless specified otherwise, such financial information as at and for the year ended 31 December 2023 used in this Offering Circular derives from the Guarantor's 2024 Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2025	2024	2023
	U.S.$'000	*U.S.$'000*	*U.S.$'000 (Restated)*
Fee and commission income	770,838	530,124	400,850
Net trading income	2,143,968	1,296,577	832,033
Interest income	426,459	317,217	286,297
Other income	227	118,598	83,131
Total operating income	3,341,492	2,262,516	1,602,311
Staff costs	(454,915)	(376,039)	(361,107)
Finance costs	(938,279)	(707,981)	(523,777)
Other operating expenses	(769,364)	(530,945)	(450,983)
Net impairment losses	(47,803)	(1,727)	(22,462)
Total operating expenses	(2,210,361)	(1,616,692)	(1,358,329)
Operating profit	1,131,131	645,824	243,982
Share of gains of joint ventures	2,376	1,386	1,452
Share of gains of associates	22,741	8,165	17,280
(Loss)/gain on disposal of a subsidiary/an associate	(10)	—	21,419
Profit before tax	1,156,238	655,375	284,133
Tax expense	(242,972)	(124,900)	(38,019)
Profit for the year	913,266	530,475	246,114

	2025	2024	2023
	U.S.$'000	*U.S.$'000*	*U.S.$'000 (Restated)*
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax	14,190	(2,884)	9,558
Foreign exchange translation differences	10,400	(14,112)	(1,182)
Reclassification to profit or less upon disposal	—	—	(13,833)
Items that will not be reclassified to profit or loss			
Foreign exchange translation differences.	(171)	(3,932)	(3,614)
Remeasurements of defined benefit plan obligations, net of tax	281	(25)	(156)
Changes in the fair value of equity investments designated at fair value through other comprehensive income, net of tax	26,500	6,800	(4,745)
Total other comprehensive income, net of tax	51,200	(14,153)	(13,972)
Total comprehensive income for the year	964,466	516,322	232,142
Profit attributable to:			
Equity holders of the Company	912,733	528,294	245,127
Non-controlling interests	533	2,181	987
	913,266	530,475	246,114
Total comprehensive income attributable to:			
Equity holders of the Company	963,845	514,916	231,173
Non-controlling interests	621	1,406	969
	964,466	516,322	232,142

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2025	2024	2023
	U.S.$'000	*U.S.$'000*	*U.S.$'000 (Restated)*
ASSETS			
Non-current assets			
Property, plant and equipment	44,769	40,434	37,246
Right-of-use assets	136,832	95,815	85,621
Investment properties	22,871	23,223	22,741
Goodwill	73,351	73,351	73,351
Intangible assets	5,202	4,413	4,427
Investments in joint ventures	2,571	2,295	2,411
Investments in associates	200,458	176,098	173,177
Financial assets measured at fair value through profit or loss	35,825	64,957	115,563
Financial assets measured at fair value through other comprehensive income	835,737	660,689	12,421
Deferred tax assets	28,409	43,074	51,933
Other assets	62,098	58,065	37,800
	1,448,123	1,242,414	616,691
Current assets			
Financial assets measured at fair value through profit or loss	36,622,694	30,006,852	20,883,597
Financial assets measured at fair value through other comprehensive income.	2,308,435	1,726,799	198,827
Derivative financial instruments	2,847,844	3,185,525	1,984,916
Amounts due from clients, brokers and clearing houses	17,766,451	10,140,191	7,222,546
Short term borrowing to group companies	525,164	24,681	—
Reverse repurchase agreements	249,591	245,329	75,960
Tax recoverable	6,757	25,736	21,197
Cash collateral advanced for securities borrowing	1,502,927	586,011	971,678
Other debtors, deposits and prepaid expenses.	110,779	57,454	50,302
Cash held on behalf of customers	2,210,037	1,187,192	1,107,406
Cash and bank balances	2,362,864	2,173,442	1,562,423
	66,513,543	49,359,212	34,078,852
Assets classified as held for sale	—	36,028	—
Total assets	67,961,666	50,637,654	34,695,543

	2025	2024	2023
	U.S.$'000	*U.S.$'000*	*U.S.$'000 (Restated)*
LIABILITIES			
Non-current liabilities			
Financial liabilities measured at fair value through profit or loss	64,046	16,102	71,151
Deferred tax liabilities	6,642	6,726	8,499
Creditors and other accruals	27,438	23,386	19,997
Repurchase agreements	26,709	67,482	229,281
Lease liabilities	123,897	80,664	69,514
Long term borrowings from group companies	1,344	1,593	99,354
Bank borrowings	—	—	24,143
Debt instrument issued	1,967,043	1,546,625	656,108
	2,217,119	1,742,578	1,178,047
Current liabilities			
Financial liabilities measured at fair value through profit or loss	20,387,565	13,789,524	10,261,291
Derivative financial instruments	4,331,444	2,730,096	1,880,545
Amounts due to clients, brokers and clearing houses	19,960,167	13,005,489	11,241,916
Bank borrowings	3,838,212	1,974,295	1,073,152
Short term borrowings from group companies	1,015,472	783,473	610,475
Repurchase agreements	10,685,714	12,505,281	5,342,305
Lease liabilities	21,323	21,071	21,779
Private placement notes issued to the parent company	—	—	919,172
Creditors and other accruals	276,204	224,246	236,878
Tax payable	208,713	153,800	83,602
Debt instrument issued	931,197	560,451	136,408
	61,656,011	45,747,726	31,807,523
Liabilities directly associated with assets classified as held for sale	—	4,566	—
Total liabilities	63,873,130	47,494,870	32,985,570
Net assets	4,088,536	3,142,784	1,709,973
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	1,756,040	1,756,040	839,059
Retained earnings	2,429,457	1,516,377	987,668
Other reserves	(100,987)	(151,752)	(137,959)
Non-controlling interests	4,026	22,119	21,205
Total equity	4,088,536	3,142,784	1,709,973

RISK FACTORS

An investment in the Notes is subject to a number of risks. Investors should carefully consider all of the information in this Offering Circular and, in particular, the risks described below, before deciding to invest in the Notes. The following describes some of the significant risks that could affect the Issuer, the Guarantor, the Group and the value of the Notes. Some risks may be unknown to the Issuer, the Guarantor and the Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations and prospects of the Issuer, the Guarantor and the Group. The market price of the Notes could decline due to any of these risks, and investors may lose all or part of their investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Issuer, the Guarantor or the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular.

The risks described below are not the only risks that may affect the Group or the Notes. Additional risks and uncertainties of which the Group is not aware or that the Group currently believes are immaterial may also adversely affect the Group's businesses, financial condition and results of operations. If any of the possible events described below occur, the Group's businesses, financial condition and results of operations could be materially and adversely affected. In such case, the Group may not be able to satisfy its obligations under the Notes, and investors could lose all or part of their investment.

RISKS RELATING TO OUR BUSINESS

Unfavourable economic and market conditions in the PRC and other jurisdictions in which we operate could undermine investor confidence, which could affect our business, results of operations, financial condition and prospects.

Our business is highly sensitive to economic and market conditions in the PRC and other jurisdictions in which we operate.

Global market factors, including economic growth rates, inflation, deflation, interest rates, credit spreads, equity prices, real estate markets, energy prices, foreign currency exchange rates, consumer spending, business investment, government spending and the volatility and strength of the capital markets all affect the business and economic environment and, ultimately, the profitability of our business. In particular, uncertain economic conditions, volatility and disruptions in global capital markets, can have a material adverse effect on us. Furthermore, global economic fluctuations have had significant impacts on the global economy and on us. Since 2020, the general economic outlook in major economies such as Europe, the United States, Japan, and the PRC has remained challenging due to lower global economic growth prospects, higher government fiscal deficits and public debt, continued inflationary pressure and volatility in the interest rates.

Any adverse conditions in the PRC financial markets, especially the capital markets in the mainland China and Hong Kong, may have an adverse effect on our business. The PRC's economic growth has displayed signs of slowdown as evidenced by a relative decline in the growth rate of the PRC's gross domestic product since 2015. This was caused by a combination of factors most of which are beyond our control, such as the global economic conditions, governmental policies and changes in market dynamics globally and regionally. Although the PRC Government has recently taken several measures and actions with an aim to increase investors' confidence in the PRC economy, there can be no

assurance that those measures will be effective. Furthermore, the sustained tension between the United States and China over trade policies could undermine the stability of the global economy. The United States and China have been involved in disputes over trade barriers between the two countries. Both countries have implemented tariffs and trade barriers on certain industries and products, adversely affecting cross-border investment and global supply chains. In particular, recent trade disputes between the United States and other major economies (including China) since 2025 could result in significant adverse impacts, including a slowdown in global economic growth, higher inflation, reduced trade flows and business investment, and downside risks for equity, bond, and commodity prices. Volatility in international financial markets often spills over to Asia, and this trend may persist in the future.

Geopolitical tensions, such as Russia-Ukraine conflicts, long-standing Indian-Pakistani tensions, persistent Israeli-Palestinian conflicts with the ongoing conflict in Gaza and heightened instability in the Middle East, have further increased volatilities in the global financial market and adversely affect investor confidence. The international sanctions landscape has also become increasingly complex and less predictable. In particular, extensive financial, trade, transport, and immigration sanctions have been imposed by the UK, the EU and the United States, among others, against Russian individuals and companies considering the Russia-Ukraine geopolitical conflicts. Increasing tension between the United States and China may further contribute to the dynamism of the sanction's environment. As a result, the aggravated geopolitical tension brings uncertainty to the global economy as well as significant volatilities in the global financial market and may further undermine investors' confidence.

All these would add to the uncertainties relating to the overall prospects for the global and the PRC economies, which may have a material adverse impact to our business, results of operations, financial conditions and prospects.

Our businesses are highly regulated in Hong Kong and other jurisdictions in which we operate our businesses and may be adversely affected by changes in the regulatory environment and measures in Hong Kong or these other jurisdictions.

As a participant in the financial services industry, we are subject to extensive regulation and face the risk of significant intervention by regulatory authorities in the jurisdictions in which we operate our businesses, including Hong Kong. The regulatory authorities limit the types of products and services we may offer by imposing capital requirements, and restrict our business activities by specifying the types of securities in which we may invest. Relevant regulatory authorities conduct inspections, examinations and inquiries on a regular basis in respect of our compliance with relevant regulatory requirements.

In recent years, regulatory authorities have regularly promulgated new rules and guidance. These new rules and guidance may directly affect our business strategies, competitiveness and prospects. Changes in the rules and regulations could impose more stringent requirements or additional limitations on the business that we conduct, require us to modify our existing business practices and lead to increased compliance costs or competition. Failure to adapt to the changing regulatory environment and maintain our compliance and competitiveness could have a material and adverse effect on our business, financial condition, operating results and prospects. The introduction and implementation of new rules, regulations or guidance, or changes in the interpretation or enforcement of existing ones, may adversely affect our business, financial condition and results of operations. In addition, new laws or regulations could be imposed on a selected category of financial institutions (either based on size, activities, geography or other criteria), which may adversely affect our ability to compete with other institutions that are not similarly affected.

Our business operations are primarily based in Hong Kong and are subject to many applicable laws, regulations and codes of relevant regulatory authorities in Hong Kong. From time to time, the Hong Kong regulatory regime for the financial services industry, including but not limited to the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Codes on Takeovers and Mergers and Share Repurchases, has implemented changes in such rules and regulations, some of which have resulted in additional costs to or restrictions on our business activities. If we fail to comply with the applicable rules and regulations, we may become subject to enquiries and/or investigations by the relevant regulatory bodies, which may result in fines and/or restrictions on our business activities. If results of any investigations or enquiries are severe or proved to involve serious misconduct, we may become subject to penalties including censure, reprimand and fines. In extreme cases, we may be hampered or prevented from conducting business in a normal manner and some or all of our operation licences may become suspended or revoked. Where penalties are substantial or protracted litigation is involved, our reputation and financial position may be jeopardised. In such cases, there may be material and adverse impacts on our business, financial condition, results of operations and prospects.

In addition, the financial services industry in Hong Kong houses a large number of participants and is highly competitive. The industry is a low-barrier entry industry as new participants are able to enter, provided that they have engaged professionals with the appropriate skills and have obtained the requisite licences and permits to engage in the various types of activities regulated under the SFO. We compete on the basis of a number of factors, including price, products and services, innovation, transaction execution capability, reputation, experience and knowledge of staff and employee compensation. Apart from the multinational financial institutions including commercial banks and investment banks with global networks and a local presence in Hong Kong, we face further competition from other financial services firms with similar target clients and offering a similar range of products and services including corporate finance and capital markets, securities brokerage, FICC, equity derivatives and prime brokerage and assets management and others. Historically, competition in the traditional brokerage business has been fierce. Over the past decade, online securities brokerage and financial information portals have become prevalent, intensifying competition for online business revenues. In recent years, as the brokerage market in Hong Kong has become more saturated, banks and brokerage firms rolled out prolonged commission free concessions or extra-low fixed commissions as incentives to attract customers, thus further intensifying the competition in this sector. We expect that competition in securities brokerage will continue to be intense.

There can be no assurance that we can compete effectively against our current and future competitors, or that competitive forces in the market will not alter the industry landscape such that our business objectives may become impractical and/or impossible. Under those circumstances, our business, results of operations, financial condition and prospects would be adversely affected.

We may be subject to administrative or regulatory penalties, restrictions or disciplinary actions resulting from any non-compliance with applicable regulatory requirements.

We operate in a highly regulated industry. Any failure to comply with the applicable regulatory requirements could result in fines, penalties or other disciplinary actions, including, among other things, a downgrade of our regulatory rating and limitations or prohibitions on our existing or future business activities, which may limit our ability to carry out pilot programmes and conduct new businesses and may harm our reputation. In particular, we could be subject to administrative or regulatory penalties and

restrictions or conditions on our business activities in Hong Kong or other jurisdictions, due to certain instances of non-compliance in the ordinary course of business, including but not limited to:

- warnings;
- fines;
- forfeiture of illegal proceeds;
- revocation of licences;
- required closure of business;
- limitation on business activities;
- suspension of parts of our business activities;
- suspension of approval of new businesses; and
- required changes of directors, supervisors or senior management or limitation on their rights.

We and our employees have in the past been found to be non-compliant with regulatory requirements and may, from time to time, become the subject of investigations by regulatory authorities overseeing our operation. Material incidents of non-compliance may subject us to penalties or restrictions on our business activities, which could have a material adverse effect on our business, financial conditions or results of operations.

Our corporate finance and capital markets business is dependent on our ability to identify, execute and complete projects successfully, which is subject to a number of risks, including market and regulatory risks.

As a significant portion of our corporate finance and capital markets revenue and other income is generated from sponsor fees and underwriting commissions, our income from these activities depends on our ability to complete the projects we sponsor or underwrite in a timely manner.

Adverse economic conditions may lower investor confidence level, resulting in significant industry-wide declines in the size and number of equity and debt securities offerings and M&A, which could result in a decrease in our revenue from the corporate finance and capital markets business and our profit margins. Adverse market conditions and capital market volatility may also cause delays to, or termination of, securities offerings underwritten or sponsored by us and M&A advised by us, which may materially and adversely affect the our revenue generated from the corporate finance and capital markets business.

We are exposed to transaction-specific execution risks to each project we sponsor or underwrite. We generally receive payment of sponsor fees and underwriting commissions only upon the successful completion of a transaction or when a client decides to terminate a project. If a project is not completed as scheduled or at all for any reason, including weak investor interest or failure to obtain regulatory approval, we may not receive payment for our services in a timely manner, or at all, which could materially and adversely affect our business, results of operations, financial condition and prospects. Further, we may be exposed to litigation, reputational and other risks from the securities offerings in

which we participate, even after the completion of the offerings, if controversies, disputes and claims arise from the projects, including but not limited to securities class actions, regulatory investigations and sanctions concerning alleged securities fraud and other causes of action.

We may also be exposed to investment risk on securities we underwrite on a firm commitment basis and may incur additional losses as a member of an underwriting syndicate if an offering is not fully subscribed. The performance of the underwriting activities may be significantly weakened during periods of inactive and unstable market conditions, particularly when the securities underwritten by members of the Group are undersubscribed and the relevant parties are required to take up the unsubscribed securities. If we fail to sell the securities we underwrite, we will suffer reputational damage, and would incur capital expenditure to purchase the underwritten securities, potentially incurring losses on the value of these securities, thereby materially and adversely affecting our business, results of operations, financial condition and prospects.

Companies that wish to list their securities in Hong Kong are required to have an investment bank to act as sponsor for the transaction. When we act as a sponsor, we are required to fulfil certain due diligence and disclosure requirements in connection with each project that we sponsor. Any failure to satisfy the applicable requirements could subject us to fines and other administrative or regulatory penalties including suspension of our licences, which could materially and adversely affect our business, reputation, results of operations, financial condition and prospects. In recent years, the SFC has exercised heightened scrutiny on sponsor activities in connection with Hong Kong IPOs and levied hefty fines and imposed penalties on sponsors that breached the relevant laws, regulations and rules of conduct. The increasingly stringent regulatory environment has increased liabilities for IPO sponsors. It is expected that there could be even more stringent regulatory requirements in the future. Failure to satisfy these requirements could subject us to fines and other administrative or regulatory penalties, such as suspension of our licences, or even criminal liability, which may materially and adversely affect our business, financial condition, results of operations and prospects.

Our business, results of operations, financial condition or prospects could be materially and adversely affected by a reduction in brokerage commission rates or trading activities by our clients, or by our failure to grow our securities brokerage client base.

Revenue from our securities brokerage business is primarily derived from the commissions we charge our clients for their trading activities. Accordingly, revenue from our securities brokerage business depends significantly on the number and size of trades that we execute for our clients, which in turn is influenced by market conditions in Hong Kong and the places our clients operate. In a market downturn, investors, including our clients, may reduce their trading activities, which could materially and adversely affect the commissions we derive from our securities brokerage business.

As at 31 December 2025, we had four branches in Hong Kong. However, there is no assurance that we will be successful in expanding our branch network due to regulatory limitations and other unforeseeable reasons. For example, we may not be able to obtain approvals for our applications to open new branches. In addition, we plan to expand our securities brokerage business by focusing on wealth management and broadening our product offering with more high-value-added products and services. We cannot assure you that this strategy will be successful.

In addition, our securities brokerage business could also be materially and adversely affected by a reduction in our brokerage commissions as a result of increased competition in the brokerage industry or the availability of alternative trading systems. Our retail customers can open accounts with multiple

securities firms, which may divert client transactions to other firms. If we are unable to address the needs of our customers by maintaining high-quality customer service, continuing product innovation or providing value-added services, or if we otherwise fail to meet our customers' demands or expectations, we may lose our existing customers to our competitors or fail to attract new customers. As a result, we cannot assure you that our revenue derived from the securities brokerage business can be sustained.

Our failure to identify and disclose the risks inherent in the financial products we issue or distribute may have an adverse effect on our reputation, client relationships, business, results of operations, financial condition and prospects.

In addition to our own financial products, we distribute financial products developed by third-party financial institutions, such as trust schemes and structured products. These products may have complex structures and involve various risks, including credit, interest, liquidity and other risks. Our risk management policies and procedures may not be fully effective in identifying the risks inherent in these financial products, and our sales employees may fail to fully disclose such risks to our customers. As a result, clients may incur significant losses if they invest in financial products that are not suitable for their risk tolerance and investment preferences. This may expose us to regulatory actions, including censures and financial penalties, as well as client complaints or civil suits, which in turn could adversely affect our reputation, client relationships, business, results of operations, financial condition and prospects.

Our FICC and equity derivatives and prime brokerage businesses may incur substantial losses due to market volatility and fluctuations.

We trade and invest in a wide range of asset classes and instruments, including equity and fixed income securities, equity-linked, fund-linked and credit-linked securities, interest rate, currencies, commodities, as well as derivatives. Our investment and trading positions in such businesses are subject to market volatility and fluctuation. Losses from such positions may impact the results of our FICC and equity derivatives and prime brokerage businesses. In addition, we engage in various derivatives transactions, including but not limited to stock options, treasury futures and stock index futures, typically using these derivatives and other instruments to hedge against different types of risks. However, these hedging strategies may not be fully effective in mitigating risk under all market conditions or against all types of risk, which in turn could adversely affect our business, results of operations, financial condition and prospects.

The performance of our trading business relies on our investment judgements and decisions which are, in turn, based on our assessment of current and future market conditions. If our decision-making process fails to effectively minimise losses while capturing gains, or our forecasts do not conform to actual changes in market conditions, our trading business may not achieve anticipated investment returns and may even incur material losses.

In addition, the values of certain classes of our assets, such as our available-for-sale financial assets, are marked to market. A decline in the value of our available-for-sale financial assets can result in the recognition of impairment losses if management determines that such decline in value is not temporary. This impairment recognition is based on evaluation of several factors and involves significant judgement. If we recognise impairment losses, our business, financial condition, results of operations and prospects will be adversely affected.

Our asset management revenue and earnings could decline if the investments we manage perform poorly, if our clients withdraw their assets we manage on short notice, or if we lose clients.

We charge asset management fees based on the size and the performance of the assets under our management. The investment performance of the assets we manage affects the quantity and type of our assets under management, and is one of the most important factors in retaining clients and competing for new asset management business. Market volatility and limitations in investment options and hedging strategies could limit our ability to provide stable returns for our clients and cause us to lose clients. Poor investment performance could adversely affect our revenue and growth because:

- existing clients may withdraw funds from our asset management business in favour of better performing products provided by our competitors, resulting in a decline in our management fees;
- clients may request that we lower the fees for our asset management services, given the intense competition in the asset management industry;
- existing clients may choose not to participate in the new products or services offered or to be offered by our asset management business;
- our incentive fees, which are based on a percentage of investment returns, may decline; and
- other securities or asset management firms with which we have strategic alliances may terminate these relationships with us, and future strategic alliances may be unavailable.

We may not be able to keep or increase the size of assets under our management due to increased competition from insurance companies, trust companies, banks and other competitors, which would adversely affect our business, results of operations, financial condition and prospects.

We may fail to realise any profits for our asset management clients if the assets we manage are high-risk, illiquid securities for a considerable period of time or lose some or all of the capital invested.

As part of our asset management business, we may hold investments in securities that are not publicly traded. Our ability to dispose of these types of investments is heavily dependent on the equity capital markets. For example, the ability to realise any value from our investment in a portfolio company depends on the portfolio company's success at executing an IPO, which provides an exit opportunity for our investment. Even if the securities held by us are publicly traded, large holdings of securities can often be disposed of only after a substantial lock-up period, exposing our investment returns to market risks during the intended disposition period. As a result of these factors, under certain conditions, we may be forced to either sell securities at undesirable prices or defer sales, potentially for a considerable period of time. We have made, and expect to continue making, significant capital investments in our current and future asset management business. Investing capital in these asset management products involve risk, and we may lose some or all of the nominal amount of our investments.

Our business is subject to concentration risks due to significant holdings of financial assets or significant commitments of capital.

In the course of our business, we often commit substantial amounts of capital to certain types of businesses or asset classes, including in our investment banking, equity and fixed income sales and trading, private equity, FICC principal investments, structured finance business and margin financing

businesses. These commitments of capital expose us to concentration risks, including market risk, in the case of our holdings of concentrated or illiquid positions in a particular asset class as part of our equity and fixed income sales and trading and private equity activities, and credit risk, in the case of our structured finance business and margin financing business. Any decline in the value of these assets may reduce our revenues or result in losses, and our business, financial condition and results of operations may be adversely affected.

We face increasing risks as new business initiatives lead us to offer new products and services, transact with a broader array of clients and counterparties, and expose us to new asset classes and new markets.

As we continually expand our business and adjust our business strategies in the changing market environment, our new business initiatives often lead us to offer new products and services and transact with individuals and entities that are not within our traditional client and counterparty base, exposing us to risks related to new asset classes and new markets.

These activities expose us to new and enhanced risks, including reputational concerns arising from dealing with less sophisticated counterpar ties and investors, greater regulatory scrutiny, and increased credit-related, sovereign, operational and market risks, which could adversely affect our business and results of operations. For example, we may suffer losses on the stock index futures contracts we enter into if stock prices move unfavourably.

Our business is increasingly subject to the risks associated with international expansion.

We have expanded our operations beyond Hong Kong and we plan to continue to expand our overseas operations. For example, with the acquisition of CLSA in 2013, we operate across 13 countries and regions in Asia, Australia, Europe and the Americas. We may not be able to attract a sufficient number of clients in these markets due to our limited presence in these markets. Furthermore, we may fail to anticipate competitive conditions in new markets that are different from those in our existing markets. These competitive conditions may make it difficult or impossible for us to effectively operate in these markets. In addition, our expansion into new markets may increasingly subject us to the risks inherent in conducting business internationally, including but not limited to:

- economic instability and recessions;
- approval or licensing requirements;
- obligations to comply with foreign laws and other regulatory requirements;
- potential adverse tax consequences;
- political instability or civil unrest;
- changes in tariffs;
- difficulties in administering foreign operations generally;
- limited protection for intellectual property rights;
- increased risk of exposure to terrorist activities;

- foreign exchange losses;
- inability to effectively enforce contractual or legal rights; and
- difficulties in recruiting and retaining qualified personnel.

In particular, despite our efforts to comply with all applicable regulations of all the jurisdictions in which we operate, we may from time to time fail to comply with the regulations of certain jurisdictions. Overseas regulators may bring administrative or judicial proceedings against us or our employees, representatives, agents and third-party service providers. If we are unable to manage the risks resulting from our expansion outside Hong Kong, our business, reputation, financial condition, results of operations and prospects may be adversely affected.

We may pursue acquisitions or joint ventures that could present unforeseen integration obstacles or costs and may not enhance our business as we expect.

We have in the past pursued joint ventures and other transactions aimed at expanding the scope and scale of our operations geographically and otherwise. Acquisitions and joint ventures involve a number of risks and present financial, managerial and operational challenges, including potential disruption of our ongoing business and distraction of management's attention, difficulty with integrating personnel and financial and other systems, hiring additional, or retaining existing, management and other critical personnel and increasing the scope, geographic diversity and complexity of our operations.

We may not be able to realise any anticipated benefits or achieve the synergies we expect from these acquisitions or joint ventures; our clients may react unfavourably to our acquisition and joint venture strategy; and we may be exposed to loss of key personnel or management or additional liabilities of any acquired business or joint venture. Any of these could materially and adversely affect business, financial condition, results of operations and prospects.

We are exposed to risks associated with divestments or reorganisation of our subsidiaries, businesses, assets or investments.

We are exposed to risks associated with divestments of our subsidiaries, businesses, assets or investments. We may divest subsidiaries, businesses, assets or investments that represent a significant portion of our business. These types of divestments may significantly reduce our total revenue and other income from the relevant business segments. These divestments may also subject us to numerous risks including unanticipated costs, diversion of management's attention and potential adverse effects on our existing business relationships with clients, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, we cannot assure you that we will be able to divest our subsidiaries, businesses, assets or investments at an advantageous price or at all. Our failure to realise the anticipated value of our subsidiaries, businesses, assets or investments could adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected if we fail to obtain or maintain necessary approvals, licences or permits for conducting a particular business or offering specific products.

We operate in the highly regulated financial industry, where many aspects of our business depend upon obtaining and maintaining the necessary approvals, licences or permits from government authorities, such as SFC. We are required to comply with the relevant regulatory requirements prescribed by regulatory authorities when applying for approvals, licences or permits for conducting new businesses or

offering new products. If we cannot comply with the regulatory requirements of the various markets in which we operate, we may not be able to obtain or maintain the necessary approvals, licences or permits from the relevant regulatory authorities, which may adversely affect our growth prospects, business, financial condition or results of operations.

The use of the "CITIC" or "CLSA" brand name by other members of CITIC Group may expose us to reputational risks if these entities take actions that damage the "CITIC" or "CLSA" brand name.

The Guarantor is wholly-owned by CITIC Securities, and CITIC Limited, a shareholder of CITIC Securities, is a majority-owned subsidiary of CITIC Group Corporation, one of China's largest conglomerates. CITIC Limited has significant interests in various industry sectors, including commercial banking, securities, insurance, investment and other financial services, as well as resources and energy, manufacturing, real estate and infrastructure and engineering contracting. As the "CITIC" brand name is also used by other members of CITIC Group, if any of these entities takes any action that damages the "CITIC" brand name, or any negative publicity is associated with any of these entities, our reputation, business, growth prospects, financial condition and results of operations may be adversely affected.

Any negative publicity associated with "CITIC" or "CLSA" or any of its officers or employees or the occurrence of any of the risks set out in this section may result in a loss of clients. As a majority shareholder of the Guarantor, such negative publicity may by association create a material adverse effect on our reputation, business, financial condition, results of operations and prospects. Our businesses may be adversely affected if we are unable to retain and hire qualified employees.

Customer trust and integrity are of paramount importance in the industry in which we operate. Negative market perceptions and negative publicity associated with us, which at times could be entirely outside our control, may render us vulnerable and result in loss of clients. In addition, considering that our business operations depend to a large extent on our officers and employees, the actions, misconduct, omissions, failures or breaches of any of such officers or employees, their subsidiaries and/or service providers may, by association, create negative publicity on us. Accordingly, any mismanagement, fraud or failure to discharge legal, contractual, regulatory or fiduciary duties, responsibilities, liabilities or obligations, or the negative perception resulting from such activities or any allegation of such activities, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our performance is largely dependent on the talents and efforts of highly skilled individual employees, and also the sound trading, product and strategy development, risk control, regulatory, compliance, business development and investment expertise of our senior management and other key employees. As a result, our continued ability to effectively compete in our industry, manage our businesses and expand into new businesses areas and geographic regions depends on our ability to retain and motivate our existing employees and attract new talented and diverse employees. Factors that affect our ability to retain and attract such employees include our compensation and benefits, and our reputation as a successful business with a culture of fairly hiring, training and promoting qualified employees. There can be no assurance that we will be able to attract and retain qualified personnel or that our senior management or other key personnel will not retire or otherwise leave us at any time.

Competition from within and outside the financial services industry for qualified employees has often been intense. This is particularly the case in new markets that we enter into, where we often compete for qualified employees with entities that have a significantly greater presence or more extensive experience in the region. If we are unable to retain our existing employees or attract new employees, our business, financial condition and results of operations may be adversely affected.

A failure in our operational and information technology ("IT") systems could disrupt our businesses, result in the leakage of confidential information, damage our reputation and cause losses.

Our businesses are highly dependent on our ability to process, on a daily basis, a large number of transactions, some of which are highly complex and time sensitive. Consequently, we rely heavily on our financial, accounting, data processing and other operational systems and facilities. If any of these systems fails to operate properly or becomes compromised, our ability to process the transactions will be adversely affected. The inability of our systems to accommodate an increasing volume of transactions could also constrain our ability to expand our businesses. Although we have invested significant resources into upgrading our systems and implement new technology such as artificial intelligence (the "**AI**"), big data and cloud computing technologies to reduce the risk of potential failure in our systems and expect to continue to do so, we cannot assure you that such upgrades will be effective in preventing future system failures or that the revenue generated from such upgrades will yield an adequate return on our investment.

Our operations rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks and may be vulnerable to unauthorised access, computer viruses or other malwares and other events that have an adverse effect on security. If one or more of such events occur, this potentially could jeopardise confidential information processed and stored in and transmitted through our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations, which could result in reputational damage, litigation and/or financial losses.

We routinely transmit and receive personal, confidential and proprietary information through the internet, by email and other electronic means and may not be able to ensure that our clients, vendors, service providers, counterparties and other third parties have appropriate controls in place to protect the confidentiality of the information. The interception or mishandling of personal, confidential or proprietary information, or such information being sent to or received from these third parties, could result in legal liability, regulatory action and reputational harm, and our efforts to ensure that these third parties have appropriate controls in place may not be successful. Additionally, the adoption of new emerging technologies, including AI, may introduce additional risks and responsibilities in relation to data governance.

We may fail to detect or deter employee misconduct which could harm our reputation and business.

Employee misconduct could result in violations of law by us, regulatory penalties and material reputational or financial harm. Employee misconduct could include binding us to a transaction that exceeds authorised limits, hiding unauthorised or unsuccessful activities resulting in unknown and unmanaged risks or losses, improperly using or disclosing confidential information, recommending transactions that are not suitable for us, engaging in fraudulent or otherwise improper activity including insider trading, engaging in unauthorised or excessive trading to the detriment of us or our customers, or

otherwise not complying with laws or our internal control procedures. We have in place policies and measures to identify risks associated with employee misconduct. However, we cannot assure you that future incidents of employee misconduct will not subject us to serious penalties or restrictions on our business activities. It is not always possible to deter all employee misconduct, and the precautions we take to prevent and to detect such activity may not be effective in all cases. Employee misconduct may also expose us to negative publicity, reputational damage or litigation losses, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our businesses and prospects may be materially and adversely affected if we fail to maintain our risk management and internal control systems or these systems prove to be ineffective or inadequate.

We have established risk management and internal control systems and procedures consisting of relevant organisational frameworks, policies, procedures and risk management methods in order to manage our risk exposure, primarily including credit risk, market risk, operational risk, liquidity risk, capital risk, strategic risk, model risk, legal risk and compliance risk, IT risk and reputational risk (see "*Description of the Group — Risk Management and Internal Control*"). We seek to continue improving such risk management and internal control systems from time to time. However, our risk management and internal control systems may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated. Our risk management capabilities are limited by the information, tools or technologies available to it. For example, some of our risk management methods are based upon our use of historical market data and management's judgment. As a result, these methods may not predict future risk exposure, which could be significantly greater than the exposure that historical measures indicate. If we fail to promptly adapt and improve our risk management and internal control systems in response to the development of our business and products, the expansion of our branch network and the changes to regulatory requirements, our business, results of operations, financial condition and prospects could be materially and adversely affected.

It requires constant monitoring, maintenance and continual improvements by our senior management and staff to promptly adapt and improve our risk management and internal control systems in response to the development of our business and product. We cannot provide any assurance that our employees will be able to consistently comply with or correctly apply these policies and procedures. Deficiencies in our risk management and internal control systems and procedures may adversely affect our ability to record, process, summarise and report financial and other data in an accurate and timely manner, as well as adversely impact our ability to identify any reporting errors and non-compliance with rules and regulations.

Our internal control system may contain inherent limitations caused by mis-judgement or fault. As a result, there is no assurance that our risk management and internal control systems are adequate or effective notwithstanding our efforts, and our failure to address any internal control matters and other deficiencies may result in investigations and disciplinary actions against us, or even prosecution being initiated against us or our employees, disruption to our risk management system, and material and adverse effects on our financial condition and results of operations.

Our businesses are subject to the credit risks of our clients and the robustness of our credit risk controls.

We offer flexible and variable financing options to clients, including margin financing. Margin financing is particularly vulnerable to price volatility and the liquidity of those securities which are charged as security for the relevant margin loans. In a volatile market, if stock price declines, the client may be required to deposit additional cash or other securities to the collateral portfolio to reduce the credit risk exposure or increase the collateral value. Where a client is unable to meet our margin call, we are entitled to sell the relevant charged securities and use the sale proceeds toward repayment of the margin loans. As proceeds from forced selling of charged securities may not result in sufficient proceeds to cover the amount of margin loan outstanding, failure of a client to make up for such a shortfall could adversely affect our business, results of operations, financial condition and prospects. In respect of the other financing services, there may also be adverse impact on our businesses and financial performance if any borrower fails to repay the amount owed to us. Clients of securities transactions are required to settle their transactions before the prescribed period of time. If a client fails to do so, we will be required to use our own funds to cover the shortfall. If we have insufficient funds to do so, our SFC licences may be suspended. All futures exchanges and leveraged foreign exchanges prescribe the minimum margin deposit for opening of each futures and option contract. Clients of us are required to maintain the minimum margin deposit with us from time to time as determined by such futures exchanges. When a client is unable to meet a margin call, we may close out the futures and/or option contract. In the event that the client's margin deposit with us is unable to cover the loss arising from closing out of the futures and/or option contract, we would be exposed to the risk of being unable to recover such shortfall, particularly in times of a volatile market.

Misuse of, or failure to properly control and/or protect customers' personal or financial information could subject us to regulatory action or civil claims.

We are subject to the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong, which regulates ''data users'' such as finance institutions that use databases of personal information for their businesses and protects the privacy of individuals in relation to personal data. We are also subject to personal data protection laws and regulations in other jurisdictions where we operate. We acquire a large amount of personal and financial information relating to our customers. In addition, certain third-party vendors provide services to us using personal and financial information of our customers that we provide them with. In particular, as we rely on third party encryption and authentication technology to transmit confidential information over public networks, the security of such confidential information may become jeopardised. Improper use or disclosure of, or a failure to protect or properly control, such information could result in violations of the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong and other applicable laws, harming our reputation and business. In the event that we are unable to meet our obligations under applicable data protection laws, we may be subject to regulatory action or civil claims. The cost of regulatory or legal action, and any monetary and/or reputational damage suffered as a result of such action, could have a material adverse effect on our business, financial conditions, results of operations and prospects.

Our business is vulnerable to the operational failure of third parties.

We face the risk of operational failure or termination of any of the exchanges, depositaries, clearing agents or other financial intermediaries we use to facilitate our securities transactions. Any future operational failure or termination of the key third party services that we use could adversely affect our ability to execute transactions, service our customers and manage our exposure to various risks.

In addition, as our inter-connectivity with our customers grows, our business also relies heavily on our customers' use of their own systems, such as personal computers, mobile devices and the internet, and we will increasingly face the risk of operational failure in connection with our customers' systems.

Substantial legal liability or significant regulatory action against us could materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

We face significant legal risks in the course of our business. The volume and size of claims in litigation and regulatory proceedings against financial institutions are high. These risks include potential liabilities under securities or other laws for materially false or misleading statements made in connection with securities or other transactions, potential liabilities for the advice provided to clients in corporate transactions and potential disputes over the terms and conditions of complex trading arrangements. We may also be subject to claims for alleged negligent misconduct, breach of fiduciary duty or breach of contract. These risks may often be difficult to assess or quantify, and their existence and magnitude often remain unknown for substantial periods of time. We may incur significant legal expenses in defending against litigation proceedings or cooperating with the relevant authorities in regulatory investigations. Substantial legal liability or significant regulatory action against us could materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

We offer a number of financial products directly to retail and institutional investors (including through distributors) and to private investors through intermediaries. If these investors incur losses on such financial products, they or their advisers may seek compensation from us, alleging that the financial products were mis-sold or that the prospectuses, offering circulars or other marketing materials contained misleading information or failed to disclose material information, the omission of which rendered the content therein misleading or that misleading marketing materials were provided to or supplied by intermediaries.

Despite the policies enacted by us to guide employees on the appropriate selling procedures, there remains the risk of negligent and/or fraudulent employees not complying with such policies. A potential legal action undertaken by investors for mis-selling may be successful and this could in turn adversely affect our reputation, business, financial condition, results of operations and prospects.

We may not be able to fully identify money laundering activities or other illegal or improper activities or on a timely basis, which could expose us to additional liability and adversely affect our business, financial condition, results of operation and prospects.

We are required to comply with applicable anti-money laundering, counter-terrorism financing laws and other regulations in Hong Kong and other jurisdictions in which we operate. These laws and regulations require us, among other things, to adopt and enforce "know your customer" policies and procedures and to report suspicious transactions to the applicable regulatory authorities in different jurisdictions. While we have adopted policies and procedures aimed at detecting and preventing the use of our networks for money-laundering activities or by terrorists and terrorist-related organisations and individuals, these policies and procedures may not completely identify all instances where such parties attempt to use (or succeed in using) our networks to engage in money laundering and other illegal or improper activities due to, in part, the short history of these policies and procedures. To the extent that we may fail to fully comply with applicable laws and regulations, the relevant government agencies to which we report have the power and authority to impose fines and other penalties on us, which may adversely affect our business, financial condition, results of operations and prospects.

Our liquidity, financial results and business may be adversely affected by an inability to access the equity and debt capital markets or to sell assets.

Liquidity is essential to our business, particularly in those areas that involve investing, lending and market-making. Our liquidity may be impaired by an inability to access the short-term and long-term debt and equity markets, an inability to sell assets at market prices or at all, or unforeseen outflows of cash or collateral. These situations may arise due to circumstances that we may be unable to control, such as a general market disruption or an operational problem that affects our counterparties or us, or even by the perception among market participants that we, or other market participants, are experiencing greater liquidity risk. Furthermore, our ability to sell assets may be impaired if other market participants are seeking to sell similar assets at the same time, as is likely to occur in a liquidity stress or other market crisis. If our available funding is limited or we are forced to fund our operations at a higher cost, these conditions may require us to curtail our business activities and may increase our cost of funding, both of which could reduce our profitability and negatively affect our business, financial position, results of operations and prospects.

Limitations on access to liquidity and capital resources and failure to meet certain statutory liquidity requirements could adversely affect our reputation, business, results of operations and financial condition and prospects.

We may need additional funding in order to respond to unanticipated opportunities, including opportunities to support our expansion, development of new or enhanced services and products, acquisition of complementary business or technologies. We may raise additional funding through public or private financing, strategic alliance or other arrangements. There can be no assurance that such additional funding, if required, will be available on terms favourable to us, or at all. Furthermore, any additional equity financing may dilute the shareholding interest of our shareholders. On the other hand, debt financing, if available, may involve restrictive covenants. Our ability to access debt funding sources on acceptable commercial terms over the longer-term is dependent on a variety of factors, including a number of factors outside of our control, such as general market conditions and confidence in the global finance system. In recent years, global credit markets have tightened significantly with the failure or the nationalisation of a number of large financial institutions in Europe, the United States and other countries. Financial institutions are generally more cautious in lending funds to companies, and as a result, companies may face increased financing costs as they may only be able to procure funds from financial institutions with increased interest rates applied to their funds. If our available funding is limited or we are forced to fund our operations at a higher cost, these conditions may require us to curtail our business activities and increase our cost of funding, both of which could reduce our profitability.

A number of our activities are also subject to various statutory liquidity requirements as prescribed by the SFC in accordance with the SFO. Any failure to meet our capital requirements may cause the SFC to take disciplinary actions against us, which may adversely affect our operations and performance. On an operational level, we may be hindered from developing or maintaining our services, taking advantage of opportunities or responding to competitive pressure, any of which could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

We may not be able to successfully manage our risks through the use of derivatives, and derivative transactions could expose us to unexpected risks and potential losses.

We engage in derivatives transactions, including interest rate swaps, to hedge the interest rate exposure that arises from our asset and liability positions. We also use derivative instruments, such as stock index futures, to reduce the impact of price volatility of our investment portfolios. We may not be able to successfully use available derivative instruments to reduce our exposure to fluctuations in interest rates and foreign exchange rates, and the derivatives we utilise as hedges may not be completely effective.

We also engage in derivative transactions as part of our equity and fixed income sales and trading activities. Derivative contracts we enter into expose us to the risks associated with these instruments and their underlying assets, which could result in substantial unexpected losses. Derivative transactions also expose us to the credit risk of transaction counterparties. In addition, the secondary market for derivatives is volatile and we may be inexperienced in dealing with new products or making appropriate judgements in trading derivative products.

We also engage in derivative transactions that require us to deliver to the counterparty the underlying security or other obligation in order to receive payment. In a number of cases, we do not hold the underlying security or other obligation and may have difficulty in obtaining, or be unable to obtain, the underlying security or other obligation through the physical settlement of other transactions. As a result, we are subject to the risk that we may not be able to obtain the security or other obligation within the required contractual time frame for delivery. This could cause us to forfeit the payments due to us under these contracts or result in settlement delays with the attendant credit and operational risk as well as increased costs to us. In addition, derivative contracts and other transactions entered into with third parties are not always confirmed by the counterparties on a timely basis. While the transaction remains unconfirmed, we are subject to heightened credit and operational risk and in the event of a default may find it more difficult to enforce the contract.

Interest rate fluctuations may adversely affect our businesses.

Our business performance is affected by fluctuations in interest rates which could adversely affect financial market conditions. For example, a decrease in interest rates, although reducing our costs of capital, may also limit our interest income from our margin loan and financing and securities lending businesses, thus adversely affecting our business and financial results. Interest rates volatility may also affect stock market performance and general market sentiment, which may indirectly and adversely impact our business performance.

Our clients and counterparties may be unable to perform their obligations to us as a result of deterioration in their credit quality or defaults.

We enter into swap and other derivative contracts under which counterparties have obligations to make payments to us. We also extend credit to clients through margin financing and other arrangements that are secured by physical or financial collateral, the value of which may at times be insufficient to fully cover the loan repayment amount. As a result, we are exposed to the risks that third parties may default on their obligations to us because of bankruptcy, lack of liquidity, operational failures or other reasons.

Failure of a significant market participant, or even concerns regarding the potential default of such an institution, could lead to significant liquidity problems, losses or defaults among other institutions, which in turn could adversely affect us. We are also subject to the risk that our rights against third parties may not be enforceable in all circumstances. While in many cases we are permitted to require

additional collateral from counterparties that experience financial difficulties, disputes may arise as to the amount of collateral we are entitled to receive and the value of charged assets. The termination of contracts and the foreclosure on collateral may subject us to claims for the improper exercise of our rights. Default rates, downgrades and disputes with counterparties as to the valuation of collateral increase significantly in times of market stress and illiquidity.

Although we regularly review our credit exposure to specific clients and counterparties and to specific industries that we believe may present credit concerns, default risks may arise from events or circumstances that are difficult to detect or foresee, such as fraud. We may also fail to receive full information with respect to the trading risks of counterparties. As a result, our business, financial conditions, results of operations and prospects may be materially and adversely affected.

Conflicts of interest are increasing and our failure to appropriately identify and address conflicts of interest could adversely affect our businesses.

As we expand the scope of our businesses and our client base, it is increasingly important for us to address various potential conflicts of interest. These conflicts include situations where our services to a particular client or our own investments or other areas conflict, or are perceived to conflict, with the interests of another client, as well as situations where one or more of our businesses have access to material non-public information that may not be shared with other businesses within the firm. They also include situations where we may be a counterparty of an entity with which we also have an advisory or other relationship.

We have extensive procedures and controls that are designed to identify and address conflicts of interest, including those designed to prevent the improper sharing of information among our businesses. However, appropriately identifying and dealing with conflicts of interest is complex and difficult, and our reputation, which is one of our most important assets, could be damaged and the willingness of clients to enter into transactions with us may be affected if we fail, or appear to fail, to identify, disclose and deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions.

We may incur losses as a result of unforeseen or catastrophic events, including the pandemic, terrorist attacks or natural disasters.

The occurrence of major natural disasters, serious health pandemics or outbreaks of contagious diseases, such as COVID-19, wars or terrorist attacks may severely disrupt our business, and materially and adversely affect our financial condition and results of operations. The occurrence of these or any other unforeseen or catastrophic events could create economic and financial disruptions or lead to operational difficulties (including travel limitations) that could impair our ability to manage our businesses and expose our business activities to significant losses.

The financial services industry is highly competitive. Competitive pressure could adversely affect our businesses, results of operations, financial condition and prospects.

Our businesses operate in intensely competitive markets, particularly in the securities markets of Hong Kong. We compete in a number of aspects, including pricing, products and services, innovation, transaction execution capability, reputation, experience and expertise of our staff, employee compensation and geographic scope.

We compete principally with other large investment banks and securities firms in Hong Kong. However, we also face increasing competition from smaller investment banks and securities firms, especially within our investment banking and brokerage businesses. In addition, we compete with commercial banks, insurance companies, fund management companies and private equity funds in particular areas, such as equity and fixed income sales and trading, asset management and any new business areas that they may enter in the future.

We face increasing competition from international institutions as we have expanded our business internationally. Many of the financial institutions that we compete with are larger in terms of asset size and customer base and have greater financial resources, more specialised capabilities or more extensive distribution capabilities. Some of the international financial institutions that we compete with have been expanding their operations, either setting up their own entities or partnering with existing financial institutions. The expansion of our own international footprint has correspondingly heightened competition in overseas markets.

We also compete for clients, professionals and other skilled employees in every aspect of our businesses. If we are unable to compete successfully in any of our principal lines of business, our business, financial condition, results of operations and prospects would be materially and adversely affected.

We may continue to experience pricing pressures as some of our competitors seek to increase market share by reducing prices.

We have experienced intense price competition in some of our businesses in recent years. There has been significant downward pressure on commissions, especially brokerage commissions, driven in part by the increasing prevalence of electronic trading via the internet and other alternative trading platforms. The global trend in certain markets, particularly the United States, towards commission-free stock trading has heightened this pressure. Should such practices become common in the regions where we operate, our business, results of operation, financial condition and prospects could be materially and adversely affected. In addition to brokerage commissions, underwriting fees, financial advisory fees, as well as asset management fees, have also been subject to pricing pressure. We expect these competitive pressures to persist as some of our competitors continue to seek greater market share by reducing prices. Should such trend become common in the regions where we operation, our business, results of operation, financial condition and prospects could be materially and adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN HONG KONG

The Group is affected by political and economic risks in Hong Kong.

The results of operations and financial condition of the Group may be influenced by the political situation in Hong Kong and by the general state of the Hong Kong economy. On 1 July 1997, sovereignty over Hong Kong was transferred from the United Kingdom to the PRC, and Hong Kong became a Special Administrative Region of the PRC. As provided in the Sino-British Joint Declaration on the Question of Hong Kong and the Basic Law of Hong Kong, Hong Kong has a high degree of autonomy except in foreign and defence affairs. Under the Basic Law, Hong Kong has its own legislative, legal and judicial systems and full economic autonomy for 50 years. Nevertheless, there can be no assurance that such policies will not be significantly altered, especially civil unrest and an uncertain political environment in Hong Kong from early 2019 may impact Hong Kong's economy and

result in an economic slowdown or downturn. Future economic, political and social developments in the PRC could have significant effects on Hong Kong, which may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

Adverse economic developments in Hong Kong or other countries in the world could have a material adverse effect on the Group's business, financial condition, results of its operations and prospects.

A majority of the Group's revenues are derived from economic activities in Hong Kong. Due to close business relations between Hong Kong and the mainland China and neighbouring Asian countries, Hong Kong's economy is in turn affected, directly and indirectly, by the performance of the economies of these areas and countries. As a result, adverse economic developments in Hong Kong, the mainland China or elsewhere in the Asian region, in particular a sustained slowdown in economic activities, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. A large portion of our business is dependent on the flows from clients and business activities conducted in mainland China. Accordingly, our business, results of operations, financial condition and prospects are subject to economic, political and legal developments in mainland China. PRC government has implemented various measures to encourage economic development and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may negatively affect us. For example, our financial condition and results of operations may be adversely affected by government control over currency exchange or changes in tax regulations or remittance of funds from our clients from within the mainland China to offshore. If the business environment in mainland China deteriorates, our business, results of operation, financial condition and prospects may also be materially and adversely affected.

The Financial Institutions (Resolution) Ordinance may adversely affect the Notes.

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong ("**FIRO**") came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other financial institutions within FIRO's scope in Hong Kong that may be designated by the relevant resolution authorities (a "**FIRO Group Entity**"). There can be no assurance that any member of the Group will not be deemed to be a FIRO Group Entity. FIRO seeks to provide the relevant resolution authorities with administrative powers to bring about a timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution or within-scope financial institution in Hong Kong. In particular, in the context of a resolution of any FIRO Group Entity, if a member of the Group were deemed to be a FIRO Group Entity, the relevant resolution authority may have the ability to resolve other entities within the Group as if each of them were themselves a within-scope financial institution for the purposes of FIRO and take certain actions and make certain directions in relation to such entities. Any such actions could potentially affect contractual and property rights relating to the relevant entity within the Group. In addition, the relevant resolution authority is provided with powers to effect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution. These may include, but are not limited to, powers to cancel, write off, modify, convert or replace all or a part of the Notes or the nominal amount of, or interest on, the Notes, and powers to amend or alter the contractual provisions of the Notes, all of which may adversely affect the value of the Notes, and the holders thereof may suffer a loss of some or all of their investment as a result. Noteholders (whether senior or subordinated) may become subject to and bound by FIRO. The implementation of FIRO remains untested and certain details relating FIRO will be set out through secondary legislation and supporting

rules. Therefore, the Group is currently unable to assess the full impact of FIRO on the financial system generally, the Guarantor's counterparties, the Guarantor, any of its consolidated subsidiaries or other Group entities, and the Group's operations and/or its financial position.

RISKS RELATING TO THE NOTES AND THE GUARANTEE

The Notes and the Guarantee are unsecured obligations.

The Notes and the Guarantee are unsecured obligations of the Issuer and the Guarantor, respectively. The repayment of the Notes and payment under the Guarantee may be adversely affected if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's or the Guarantor's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

If any of these events were to occur, the Issuer's or the Guarantor's assets may not be sufficient to pay amounts due on the Notes.

The Notes and the Guarantee will be structurally subordinated to the existing and future indebtedness and other liabilities of the Issuer's and the Guarantor's existing and future subsidiaries, other than the Issuer, and effectively subordinated to the Issuer's and the Guarantor's secured debt to the extent of the value of the collateral securing such indebtedness.

The Notes and the Guarantee will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's and the Guarantor's existing and future subsidiaries, other than the Issuer, whether or not secured. The Notes will not be guaranteed by any of the Issuer's or the Guarantor's subsidiaries, and the Issuer and the Guarantor may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer or the Guarantor. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer or the Guarantor is subject to various restrictions under applicable laws.

Each of the Issuer's and the Guarantor's subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Notes or the Guarantee or make any funds available therefore, whether by dividends, loans or other payments. The Issuer's and the Guarantor's right to receive assets of any of the Issuer's and the Guarantor's subsidiaries, respectively, upon that subsidiary's liquidation or reorganisation will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that the Issuer or the Guarantor are creditors of that subsidiary). Consequently, the Notes and the Guarantee will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any of the Issuer's and the Guarantor's subsidiaries, other than the Issuer, and any subsidiaries that the Issuer or the Guarantor may in the future acquire or establish.

The Notes and the Guarantee are the Issuer's and the Guarantor's unsecured obligations, respectively, and will (i) rank equally in right of payment with all the Issuer's and the Guarantor's other present and future unsubordinated and unsecured indebtedness; and (ii) be effectively subordinated to all of the Issuer's and the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations. Accordingly, claims of secured lenders, whether senior or junior,

with respect to assets securing their loans will be prior with respect to those assets. In the event of the Issuer's or the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Notes, these assets will be available to pay obligations on the Notes only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Noteholders rateably with all of the Guarantor's other unsecured and unsubordinated creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the Notes then outstanding would remain unpaid.

The Notes may not be a suitable investment for all investors.

The Notes are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the Notes unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Notes are legal investments for it, (b) the Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of any Notes. Financial institution investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to the Offering Circular or any Pricing Supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

An active trading market for the Notes may not develop and the Notes may be traded at a discount to their initial offering price and/or with limited liquidity.

The Notes are a new issue of securities which may not be widely distributed and for which there is currently no trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes that is already issued). Although an application may be made to the HKSE or any other stock exchange for the listing of, and permission to deal in, the Notes on the HKSE or such other stock exchange, no assurance can be given that such application will be approved, or even if the Notes become so listed, an active trading market for the Notes will develop or be sustained. No assurance can be given as to the ability of holders to sell their Notes or the price at which holders will be able to sell their Notes or that a liquid market will develop. The market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Notes that may be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity would have an adverse effect on the value of the Notes. Noteholders should note that they may need to hold their Notes until maturity as there may not be an active secondary market for the Notes. None of the Arranger or the Dealers is obligated to make a market in the Notes, and if the Arranger or the Dealers do so, they may discontinue such market making activity at any time at their sole discretion.

In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their Notes in transactions that have been registered under the Securities Act or in transactions not subject to, or exempt from, registration under the Securities Act. Even a secondary market is developed for trading of the Notes, trading may be at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Guarantor, in which case investors may not be able as receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value.

Exchange rate risks and exchange controls may result in a Noteholder receiving less interest or principal than expected.

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, a Noteholder may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of the fixed rate Notes.

The Noteholders of fixed rates Notes may suffer unforeseen losses due to fluctuations in market interest rates. Generally, a rise in interest rates may cause a fall in the prices of the fixed rates Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the fixed rates Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates. If Noteholders sell the Notes they hold before the maturity of such Notes, they may receive an offer less than their investment.

The liquidity and price of the Notes following the offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Group's turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and changes in general economic conditions nationally or internationally could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the Notes. There is no assurance that these developments will not occur in the future.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Notes is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuer in other countries, including the PRC. Since the global financial crisis in 2008 and 2009, the international financial markets have experienced significant volatility, including volatility caused by recent inflationary pressures and interest rate hikes, and bank runs on certain American banks causing a global strain on financial markets. If these events continue or similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes (in the case of Bearer Notes) or Global Certificates (in the case of Registered Notes). Such Global Notes and Global Certificates will be deposited with a common depositary for Euroclear and Clearstream or lodged with the CMU (each of Euroclear, Clearstream and the CMU, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes.

The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing System(s).

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer, or failing which, the Guarantor will discharge its payment obligations under the Notes by making payments to the relevant Clearing System(s) for distribution to their account holders or in the case of the CMU, to the persons for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules (as defined in the Agency Agreement).

A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Issuer or the Guarantor in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

In relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a nominal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Issuer is a special purpose company with no business activities of its own and will be dependent on funds from the Group to make payments under the Notes.

The Issuer will not conduct business or any other activities other than the issue of the Notes or other bonds or notes which are, or are capable of being listed, quoted or traded on any stock exchange or in any securities market outside the PRC and the on-lending of the proceeds thereof to the Guarantor or any of the Guarantor's Subsidiaries (as defined in the Terms and Conditions of the Notes) and affiliates and any other activities reasonably incidental thereto as necessary in connection therewith, and to establish or to allow to exist any Subsidiary of the Issuer which conducts any of the Permitted Activities (as defined in the Terms and Conditions of the Notes) subject to the Terms and Conditions of the Notes. The Issuer does not and will not have any material assets other than amounts due to it from the Guarantor or its subsidiaries, and its ability to make payments under the Notes will depend on its receipt

of timely remittances from the Guarantor or its subsidiaries. There is no assurance that the Issuer will receive timely and sufficient funds from the Guarantor and/or the Guarantor's subsidiaries to meet its payment obligations under the Notes.

The Issuer may not be able to redeem the Notes upon the due date for redemption thereof.

If specified in the relevant Pricing Supplement, the Issuer may, at its option, at maturity, at Noteholders' option or following the occurrence of a Change of Control (as defined in the Terms and Conditions of the Notes), be required to redeem all or some of the Notes. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Notes could constitute an event of default under the Notes, which may also constitute a default under the terms of the Issuer's or the Group's other indebtedness.

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Issuer or the Guarantor is unable to comply with the restrictions and covenants in their respective debt agreements (if any), the Notes or the Guarantee, there could be a default under the terms of these agreements, the Notes or the Guarantee, which could cause repayment of the debt of the Issuer or the Guarantor to be accelerated.

If the Issuer or the Guarantor (or even any member of the Group) is unable to comply with the restrictions and covenants in the Notes or the Guarantee (as applicable), or current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer, the Guarantor or the relevant Group member, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, those debt agreements may contain cross- acceleration or cross-default provisions. As a result, the default by the Issuer, the Guarantor or the relevant Group member under one debt agreement may cause the acceleration of repayment of debt or result in a default under its other debt agreements, including the Notes. If any of these events occur, there can be no assurance that there would be sufficient assets and cash flows to repay in full all the indebtedness of the Issuer, the Guarantor or the relevant Group member, or that it would be able to find alternative financing. Even if the Issuer, the Guarantor or the relevant Group member could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer, the Guarantor or the relevant Group member.

The Notes do not restrict the Group's ability to incur additional debt or to take other actions that could negatively impact holders of the Notes.

Other than the limitations on the Issuer as described in Condition 4(a) of the Terms and Conditions of the Notes and the negative pledge provision as described in Condition 4(c) of the Terms and Conditions of the Notes, the Group is not restricted under the Conditions from incurring additional debt, including secured debt, or from repurchasing the Notes. In addition, the covenants applicable to the Notes do not require the Group to achieve or maintain any minimum financial results relating to the Group's financial position or results of operations. The Group's ability to recapitalise, incur additional debt and take other actions that are not limited by the Conditions could diminish the Group's ability to make payments on the Notes when due.

The Terms and Conditions of the Notes, however, do not contain restrictions on the payment of dividends or making of other restricted payments. In addition, the Trust Deed does not contain any other covenants or provisions designed to afford holders of the Notes protection in the event of a highly-leveraged transaction involving the Issuer or the Company that could adversely affect such holders. Subject to the terms of the existing debt and credit facilities of the Issuer and the Company, the Issuer and the Company may incur substantial additional indebtedness in the future.

The ratings of the Programme may be downgraded or withdrawn.

The Programme has been assigned a rating of "A-" by Fitch. The ratings represent the opinions of the rating agencies and their assessment of the ability of the Issuer and the Guarantor to perform their respective obligations under the Notes and the Guarantee and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to structure, market and additional factors discussed above, and other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time. A reduction or withdrawal of the ratings may adversely affect the market price of the Notes and the Issuer's or the Guarantor's ability to access the debt capital markets. Also, Tranches of Notes to be issued under the Programme may be unrated or assigned with a different rating than that of the Programme.

Any downgrading of the Guarantor's corporate ratings, or those of its subsidiaries, by rating agencies could adversely affect the Group's business and the Group's liquidity.

The Guarantor has been assigned a rating of "A-" by Fitch and "BBB+" by S&P as at the date of this Offering Circular. Any adverse revision to the Guarantor's corporate ratings, or those of its subsidiaries, for domestic and international debt by rating agencies such as S&P may adversely affect the Group's business, its financial performance and the trading price of the Notes. Further, the Group's ability to obtain financing or to access to capital markets may also be limited, thereby lowering its liquidity.

The insolvency laws of British Virgin Islands and Hong Kong and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar.

As the Issuer is incorporated under the laws of the British Virgin Islands and the Guarantor is incorporated under the laws of Hong Kong, any insolvency proceeding relating to the Issuer or the Guarantor would likely involve British Virgin Islands or Hong Kong insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar.

The Trustee may request the Noteholders to provide an indemnity and/or, security and/or prefunding to its satisfaction.

In certain circumstances, including, without limitation, giving of notice to the Issuer and the Guarantor pursuant to Condition 10 of the Terms and Conditions of the Notes and taking any steps and/or actions and/or instituting any proceedings pursuant to Condition 12 of the Terms and Conditions of the Notes, the Trustee may, at its sole discretion, request the Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes any steps and/or actions and/or institutes any proceedings on behalf of the Noteholders. The Trustee shall not be obliged to take any such steps and/or actions and/or to institute any such proceedings if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take such steps and/or actions and/or institute such proceedings, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed or the Terms and Conditions of the Notes and, in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such steps and/or actions and/or institute such proceedings directly.

Decisions that may be made on behalf of all holders of the Notes may be adverse to the interests of individual holders of the Notes.

The Terms and Conditions of the Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their general interests. These provisions permit defined majorities to bind all holders of the Notes, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Notes may be adverse to the interests of the individual Noteholders.

Modifications and Waivers may be made in respect of the Terms and Conditions of the Notes, the Trust Deed and the Agency Agreement by the Trustee.

The Terms and Conditions of the Notes provide that the Trustee may (but shall not be obliged to), without the consent of Noteholders, Receiptholders or Couponholders, agree to any modification (other than with respect to certain reserved matters) of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed or the Agency Agreement which in the opinion of the Trustee will not be materially prejudicial to the interests of Noteholders and to any modification of the Trust Deed, the Terms and Conditions of the Notes or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or is to comply with any mandatory provision of applicable law. In addition, the Trustee may (but shall not be obliged to), without the consent of the Noteholders, authorise or waive any proposed breach or breach (other than a proposed breach or breach relating to the subject of certain reserved matters) of the Terms and Conditions of the Notes or any of the provisions of the Trust Deed or the Agency Agreement.

Substitutions may be made in respect of the Issuer and/or the Guarantor.

The Terms and Conditions of the Notes provide that the Trustee may but shall not be obliged to, without the consent of the Noteholders, Receiptholders or Couponholders agree to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or of the Guarantor or its successor in business or any subsidiary of the Guarantor or its successor in business in place of the

Issuer or the Guarantor, as the case may be, as principal debtor or guarantor under the Trust Deed and the Notes. In the case of such a substitution, the Trustee may but shall not be obliged to, without the consent of the Noteholders, Receiptholders or Couponholders agree to a change of the governing law of the Notes the Receipts, the Coupons, the Talons and the Trust Deed if such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

A change in English law which governs the Notes may adversely affect Noteholders.

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English Law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Additional procedures may be required to be taken to bring English law governed matters or disputes to the Hong Kong courts.

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English Law, while parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken.

Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities are not deemed to have submitted to an exclusive jurisdiction, the Noteholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the Noteholders' ability to initiate a claim outside of Hong Kong will be limited.

RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES UNDER THE PROGRAMME

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Dual Currency Notes have features which are different from single currency issues.

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected; and
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such benchmarks.

Interest rates and indices which are deemed to be "**benchmarks**" (including EURIBOR) are the subject of recent guidance and proposals for reform from the European Union (the "**EU**") national and international regulatory bodies. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, disappear entirely or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "**benchmark**". Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by European Union supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-European Union based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the United Kingdom Financial Conduct Authority ("**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing benchmarks, including EURIBOR, in particular, if the methodology or other terms of the relevant benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of "**benchmarks**", could increase the costs and risks of administering or otherwise participating in the setting of a "**benchmark**" and complying with any such regulations or requirements. Such factors may have the following effects on certain "**benchmarks**" (including, but not limited to EURIBOR): (i) discourage market participants from continuing to administer or contribute to the "**benchmark**"; (ii) trigger changes in the rules or methodologies used in the "**benchmark**"; or (iii) lead to the disappearance of the "**benchmark**".

Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations could have a material adverse effect on the value of and return on any Notes linked to or referencing the relevant benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing the relevant benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs (in the case of a benchmark replacement for Floating Rate Notes (other than Floating Rate Notes which specify the reference rate as SOFR)), including but not limited to, if the originally specified benchmark or screen rate used to determine the Rate of Interest on the Notes ceases to be published for a period of at least five business days or ceasing to exist, or it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments on any Notes by reference to such benchmark. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions of the Notes), with or without the application of an Adjustment Spread (as defined in the Terms and Conditions of the Notes) and any Benchmark Amendments (as defined in the Terms and Conditions of the Notes). There is no guarantee that any Adjustment Spread will be determined or applied. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

In the case of a benchmark replacement for Floating Rate Notes (other than Floating Rate Notes which specify the reference rate as SOFR), the use of any such Successor Rate or Alternative Rate or, if applied, Adjustment Spread to determine the Rate of Interest may result in Notes linked to or referencing the initial inter-bank offered rate or other relevant reference rate performing differently (including paying a lower Rate of Interest) than they would do if the initial inter-bank offered rate or other relevant reference rate (as applicable) were to continue to apply in its current form.

Under these fallback arrangements, the Issuer will use its reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined in the Terms and Conditions of the Notes) to determine the Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread if any and any Benchmark Amendments. In the event that the Issuer is unable to appoint an Independent Adviser, or such Independent Adviser fails to determine the Successor Rate or, failing which, an Alternative Rate prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, any determinations that may need to be made by the Issuer with the involvement of an Independent Adviser entails a risk that the relevant fallback provisions may not operate as intended at the relevant time. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation, the UK Benchmarks Regulation or any other international or national reforms, in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The use of Secured Overnight Financing Rate ("SOFR") as a reference rate is subject to important limitations.

The rate of interest on the Floating Rate Notes may be calculated on the basis of SOFR (as further described under Condition 5(b)(iii)(C) of the Conditions).

In June 2017, the New York Federal Reserve's Alternative Reference Rates Committee (the "**ARRC**") announced SOFR as its recommended alternative to U.S. dollar LIBOR. However, the composition and characteristics of SOFR are not the same as those of LIBOR. SOFR is a broad U.S. Treasury repo-financing rate that represents overnight secured funding transactions. This means that SOFR is fundamentally different from LIBOR for two key reasons. First, SOFR is a secured rate, while LIBOR is an unsecured rate. Second, SOFR is an overnight rate, while LIBOR represents interbank funding over different maturities. As a result, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, or regulatory events. For example, since publication of SOFR began in April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or other market rates.

As SOFR is an overnight funding rate, interest on SOFR-based Notes with interest periods longer than overnight will be calculated on the basis of either the arithmetic mean of SOFR over the relevant interest period or compounding SOFR during the relevant interest period. As a consequence of this calculation method, the amount of interest payable on each interest payment date will only be known a short period of time prior to the relevant interest payment date. Noteholders therefore will not know in advance the interest amount which will be payable on such Notes.

Although the Federal Reserve Bank of New York has published historical indicative SOFR information going back to 2014, such prepublication of historical data inherently involves assumptions, estimates and approximations. Noteholders should not rely on any historical changes or trends in the SOFR as an indicator of future changes in the SOFR.

The Federal Reserve Bank of New York (or their successors) as administrators of SOFR (and the Compounded SOFR Index), notes on its publication page for SOFR that use of the SOFR is subject to important limitations and disclaimers, including that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of the SOFR at any time without notice. In addition, SOFR is published by the Federal Reserve Bank of New York based on data received from other sources. The Federal Reserve or the Bank of New York may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR or any related indices. There can be no guarantee that the SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the Noteholders. The administrator may alter, discontinue or suspend calculation or dissemination of SOFR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate. If the manner in which the SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may result in a reduction or elimination of the amount of interest payable on the Notes and a reduction in the trading prices of the Notes which would negatively impact the Noteholders who could lose part of their investment.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (SOFR) occurs, which is based on the ARRC recommended language. There is however no guarantee that the fallback arrangements will operate as intended at the relevant time or operate on terms commercially acceptable to all Noteholders. Investors should consult their own independent advisers and make their own assessment about the potential risks in making any investment decision with respect to any Notes linked to SOFR.

The market continues to develop in relation to SOFR as a reference rate for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to SOFR and its adoption as an alternative to U.S. dollar LIBOR. Market participants and relevant working groups are exploring alternative reference rates based on SOFR (which seek to measure the market's forward expectation of a SOFR rate over a designated term). The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions of the Notes. In addition, the manner of adoption or application of SOFR in the bond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR. In addition, the development of SOFR as an interest reference rate for the bond markets, as well as continued development of SOFR-based rates, indices and averages for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of Notes referencing SOFR. Similarly, if SOFR do not prove widely used in securities such as the Notes referencing SOFR, investors may not be able to sell such Notes referencing SOFR at all or the trading price of the Notes referencing SOFR may be lower than those of bonds linked to indices that are more widely used.

The use of SOFR as a reference rate for bonds is nascent, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates. In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the Terms and Conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Notes referencing SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid which, in turn, may reduce the trading price of such Notes or mean that investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Investors should consider these matters when making their investment decision with respect to Notes referencing SOFR.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice versa, may have lower market values than other Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less

favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than prices for conventional interest-bearing securities do.

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Investors may lose part or all of their investment in any Index-Linked Notes issued.

If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index-Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

Risks Relating to Renminbi-Denominated Notes.

Notes denominated in Renminbi ("**Renminbi Notes**") may be issued under the Programme. Renminbi Notes contain particular risks for potential investors.

Renminbi is not completely freely convertible; there are significant restrictions on the remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Notes.

Renminbi is not completely freely convertible at present. The PRC Government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction in control by the PRC Government in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although starting from October 1, 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there can be no assurance that the PRC Government will continue to gradually liberalise control over cross-border Renminbi remittances in the future, that any pilot scheme for Renminbi cross-border utilisation will not be discontinued or that new PRC

regulations will not be promulgated in the future which have the effect of restricting the remittance of Renminbi into or outside the PRC. In the event that the Group is not able to repatriate funds outside the PRC in Renminbi, the Issuer or the Guarantor will need to source Renminbi offshore to finance their respective obligations under Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC and the ability of the Issuer or the Guarantor to source Renminbi to finance their respective obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Issuer's and the Guarantor's ability to source Renminbi outside the PRC to service such Renminbi Notes.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While PBOC has established Renminbi clearing and settlement mechanisms for participating banks in Hong Kong, Macau, Singapore and Taiwan through settlement agreements on the clearing of Renminbi business with a number of financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), and has also established Renminbi clearing and settlement mechanisms in several other countries and regions, the current size of Renminbi denominated financial assets outside the PRC is limited.

The Renminbi Clearing Banks only have access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi outside the PRC to square such open positions. Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There can be no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service Renminbi Notes, there can be no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in Renminbi Notes is subject to exchange rate risks.

The value of the Renminbi against the US dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to Renminbi Notes in Renminbi. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the Renminbi Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the Renminbi Notes below their stated coupon rates and could result in a loss when the return on the Renminbi Notes is translated into such currency. In August 2015, the PBOC changed the way it calculates the mid-point price of the Renminbi against the US dollar, requiring the market-makers who submit reference rates to the PBOC to consider the previous day's closing spot rate, demand and supply of foreign exchange as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in Renminbi Notes.

Investment in Renminbi Notes is subject to interest rate risks.

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments in respect of Renminbi Notes will only be made to investors in the manner specified in such Renminbi Notes.

All payments to investors in respect of Renminbi Notes will be made solely by (i) when Renminbi Notes are represented by Global Notes or Global Certificates held with a common depository for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU or any alternative clearing system, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and procedures of the relevant clearing system, or (ii) when Renminbi Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer and the Guarantor cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Remittance of proceeds into or outside of the PRC in Renminbi is restricted.

In the event that the Group decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC Government authorities. However, there can be no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC Government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There can be no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the some or all of the proceeds are remitted into the PRC in Renminbi and the Issuer or the Guarantor subsequently is not able to repatriate funds outside the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

RISKS RELATING TO FINANCIAL INFORMATION

Historical consolidated financial information of the Group may not be comparable to its previous or subsequent financial information, and may not be indicative of its current or future results of operations.

The Consolidated Financial Statements of the Group included in this Offering Circular is not indicative of its future financial results and is sometimes adjusted or restated to address subsequent changes in accounting standards, accounting policies or applicable laws and regulations with retrospective impact on the Guarantor's financial reporting or to reflect the comments provided by the Guarantor's independent auditor during the course of their audit or review in subsequent financial periods. In addition, the form of presentation of historical consolidated financial information is sometimes amended by way of combination, reclassification and/or re-naming of line items for the purposes of better reflecting the underlying nature of, and allowing a more understandable presentation of, the Group's consolidated financial information. In addition, the Group's future results of operations may change materially if its future growth does not follow the historical trends for various reasons, including factors beyond its control, such as changes in economic environment, accounting rules and regulations and the domestic and international competitive landscape of the industries in which the Group operates its business. For the reasons stated above, Consolidated Financial Statements of the Group may not be indicative of its current or future results of operations.

EXCHANGE RATE

HONG KONG

The Hong Kong dollar is freely convertible into the U.S. dollar. Since 1983, the Hong Kong dollar has been linked to the U.S. dollar. Under existing Hong Kong law, there are no foreign exchange controls or other laws, decrees or regulations that affect the remittance of payments to U.S. residents. The Basic Law of the Hong Kong Special Administrative Region of the PRC, which came into effect on 1 July 1997, provides that no foreign exchange control policies may be applied in Hong Kong.

Although the market exchange rate of the Hong Kong dollar against the U.S. dollar was and continues to be determined by forces of supply and demand in the foreign exchange market, between 1983 and May 2005 Hong Kong maintained a fixed rate system which fixed the rate of exchange to HK$7.80 per U.S. dollar (the "**Linked Exchange Rate System**"). However, in May 2005, the Hong Kong Monetary Authority broadened the 22-year trading band from the original rate of HK$7.80 per U.S. dollar to a new range varying between HK$7.75 per U.S. dollar and HK$7.85 per U.S. dollar. The Hong Kong government has indicated its intention to maintain the Linked Exchange Rate System. The Hong Kong government has also stated that it has no intention of imposing exchange controls and that the Hong Kong dollar will remain freely convertible into other currencies, including the U.S. dollar. However, no assurance can be given that the Hong Kong government will maintain the trading band at HK$7.75 to HK$7.85 per U.S. dollar or at all. As a result of the Linked Exchange Rate System, exchange rates between the Hong Kong dollar and other currencies are influenced by the value of the U.S. dollar.

The following table sets forth the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board for and as at the periods indicated.

	Exchange Rate			
Period	**Period end**	**Average[(1)]**	**High**	**Low**
2021	7.7996	7.7727	7.8034	7.7515
2022	7.8015	7.8324	7.8503	7.7610
2023	7.8109	7.8292	7.8499	7.7920
2024	7.7677	7.8030	7.8368	7.7617
2025	7.7833	7.7956	7.8499	7.7500
2026				
January	7.8096	7.7965	7.8096	7.7844
February	7.8221	7.8163	7.8232	7.8097
March	7.8400	7.8268	7.8400	7.8053
April	7.8334	7.8334	7.8372	7.8239
May	7.8366	7.8329	7.8366	7.8282
June	7.8420	7.8377	7.8425	7.8335
July (through 24 July 2026)	7.8419	7.8404	7.8435	7.8368

Note:

(1) Calculated by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which were calculated by averaging the daily rates during such month or part thereof.

USE OF PROCEEDS

The net proceeds from each issue of the Notes will be used for our working capital and general corporate purposes or to refinance our existing indebtedness. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Guarantor's consolidated capitalisation and indebtedness as at 31 December 2025. The following table should be read in conjunction with the Guarantor's 2025 Consolidated Financial Statements and related notes included elsewhere in this Offering Circular.

	As at 31 December 2025
	U.S.$'000
Short-term borrowings	
Bank borrowings	3,838,212
Short term borrowings from group companies	1,015,472
Debt instrument issued	931,197
Total short-term borrowings	5,784,881
Long-term borrowings	
Long term borrowings from group companies	1,344
Debt instrument issued	1,967,043
Total long-term borrowings	1,968,387
Total borrowings	7,753,268
Total equity	4,088,536
Total capitalisation(1)	11,841,804

Note:

(1) Equals the sum of total borrowings plus total equity.

The Guarantor and its subsidiaries may, from time to time, issue debt or other securities in various currencies and tenors and/or enter into other financing arrangements depending on market conditions.

Except as otherwise disclosed above, there have been no material changes in the Guarantor's consolidated capitalisation or indebtedness since 31 December 2025.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement that will be issued in respect of each Tranche will be substantially in the following form, duly supplemented if (necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.

[**MiFID II product governance/Professional investors and ECPs only target market** — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'], target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance/Professional investors and ECPs only target market** — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PRIIPs REGULATION — PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; [or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**")]. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

CCI REGULATIONS — PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the

following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

[The following language applies if the Notes are to be listed on The Stock Exchange of Hong Kong Limited.

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**HKSE**")) ("**Professional Investors**") only.

Notice to Hong Kong investors: Each of the Issuer and the Guarantor confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the HKSE on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and the Notes on the HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Issuer, the Guarantor or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the HKSE take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document, together with the Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor or the Issuer, the Guarantor and their respective subsidiaries as a whole (together, the "**Group**"). Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.]

[Date]

CSI MTN Limited
Legal entity identifier (LEI): 2549008F29JNGIBO2O60
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "Notes")
Unconditionally and Irrevocably Guaranteed by
CITIC Securities International Company Limited
中信證券國際有限公司
under its U.S.$7,000,000,000
Guaranteed Medium Term Note Programme (the "Programme")

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated [date] (the "**Offering Circular**") [and the Supplemental Offering Circular dated [date]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented]. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of the Offering Circular[, the Supplemental Offering Circular dated [date]] and this Pricing Supplement.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [original date] [and the Supplemental Offering Circular dated [date]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of the Offering Circular[, the Supplemental Offering Circular dated [date]] and this Pricing Supplement].

[*Include whichever of the following apply or specify as "**Not Applicable**" (N/A). Note that the numbering should remain as set out below, even if "**Not Applicable**" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*]

1.	(i)	Issuer:	CSI MTN Limited
	(ii)	Guarantor:	CITIC Securities International Company Limited 中信證券國際有限公司
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●] (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
	(iii)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/ exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [date]]/ [Not Applicable]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5.	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]
	(ii)	[Net proceeds:	[●]] [*Delete for unlisted issuances.*]
6.	(i)	Specified Denominations:[1, 2]	[●]
	(ii)	Calculation Amount[3]:	[●]

---

[1] Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year and must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

[2] If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording as follows: €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000.

[3] The applicable Calculation Amount will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations or the circumstances referred to in Note 3 apply (e.g. Specified Denominations of €100,000 and multiples of €1,000), the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).

7.	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]
8.	Maturity Date:	[*Fixed rate — specify date/Floating rate* — Interest Payment Date falling in or nearest to [*specify month*]][4]
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[*Specify reference rate*] +/– [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [specify other]
11.	Change of Interest Basis or Redemption/ Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*] [Not Applicable]
12.	Put/Call Options:	[Call Option] [Put Option] [(further particulars specified below)]
13.	Date of Board approval for issuance of Notes and Guarantee obtained:	Issuer's Board Resolutions dated [●] [and Guarantor's Board Resolutions dated [●], respectively] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*
14.	Listing:	[The Stock Exchange of Hong Kong Limited/*specify other*/None] *(For Notes to be listed on the HKSE, insert the expected effective listing date of the Notes)*
15.	Method of distribution:	[Syndicated/Non-syndicated]

[4] Note that for Renminbi and Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]
	(ii) Interest Payment Date(s):	[●] in each year[5] [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/ *not adjusted*] *(N.B.: This will need to be amended in the case of long or short coupons)*
	(iii) Fixed Coupon Amount(s): (Applicable to Notes in definitive form)	[●] per Calculation Amount[6]/ Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction[7]]
	(iv) Broken Amount(s): (Applicable to Notes in definitive form)	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[30/360 or Actual/Actual-ISDA or Actual/Actual-ICMA or Actual/365 (Fixed)[8] or [*specify other*]]

[5] Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day."

[6] For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards in the case of Renminbi denominated Fixed Rate Notes and to the nearest HK$0.01, HK$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards."

[7] Consider to apply for private placement issuances.

[8] Applicable to Hong Kong dollar denominated Fixed Rate Notes and Renminbi denominated Fixed Rate Notes.

	(vi) Determination Date(s):	[●] in each year [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*] *(N.B.: This will need to be amended in the case of regular interest payment dates which are not of equal duration)* *(N.B.: Only relevant where Day Count Fraction is Actual/Actual-ICMA)*
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/Give details]
17.	Floating Rate Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Interest Period(s):	[[●][, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]]
	(ii) Specified Interest Payment Dates:	[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
	(iii) Interest Period Date:	[As per the Conditions]/[●] [in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]] *(Not applicable unless different from Interest Payment Date)*
	(iv) First Interest Payment Date:	[●]
	(v) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ [*specify other*] [Not Applicable]]
	(vi) Business Centre(s):	[●]

(vii)	Manner in which the Rate(s) of Interest and Interest Amount is/ are to be determined:	[Screen Rate Determination/Screen Rate Determination (SOFR)/ISDA Determination/other *(give details)*]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issuing and Paying Agent):	[●]
(ix)	Screen Rate Determination (Condition 5(b)(iii)(B)):	
	Reference Rate:	[●] *(EURIBOR, HIBOR, CNH HIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)*
	Interest Determination Date(s):	[●]
	Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
(x)	Screen Rate Determination (SOFR) (Condition 5(b)(iii)(C)):	
	Reference Rate:	SOFR Benchmark — [Simple SOFR Average/ Compounded Daily SOFR/SOFR Compounded Index]
	Compounded Daily SOFR Method:	[Not Applicable/SOFR Observation Lag/SOFR Observation Shift/SOFR Payment Delay/SOFR Lockout — *used for Compounded Daily SOFR only*]
	Interest Determination Date(s):	[The [●] U.S. Government Securities Business Day prior to the last day of each Interest Accrual Period — only applicable in the case of Simple SOFR Average/SOFR Observation Lag/SOFR Observation Shift/SOFR Lockout/SOFR Compounded Index] [The Interest Period Date at the end of each Interest Period, provided that the Interest Determination Date with respect to the final Interest Accrual Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date — *only applicable in the case of SOFR Payment Delay*]

	Lookback Days:	[[●] U.S. Government Securities Business Days — *used for SOFR Lag only*]/[Not Applicable]
	SOFR Observation Shift Days:	[[●] U.S. Government Securities Business Days — *used for the SOFR Observation Shift or SOFR Compounded Index only*]/[Not Applicable]
	SOFR Rate Cut-Off Date:	[The date falling [●] Business Days prior to the end of each Interest Accrual Period, the Maturity Date or the date fixed for redemption, as applicable — *used for only Simple SOFR Average (if applicable), Compounded Daily SOFR (if applicable) — SOFR Payment Delay or SOFR Lockout only*]/[Not Applicable]
	Interest Payment Delay Days:	[●] Business Days — *used for SOFR Payment Delay only*]/[Not Applicable]
(xi)	ISDA Determination (Condition 5(b)(iii)(A)):	
	Floating Rate Option:	[●]
	Designated Maturity:	[●]/[Not Applicable]
	Reset Date:	[●]
	ISDA Definitions: (if different from those set out in the Conditions)	[●]
	ISDA Benchmarks Supplement:	[Applicable/Not Applicable]
(xii)	Linear Interpolation:	[Not Applicable/Applicable — the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation *(specify for each short or long interest period)*]
(xiii)	Margin(s):	[+/–] [●] per cent. per annum
(xiv)	Minimum Rate of Interest:	[●] per cent. per annum
(xv)	Maximum Rate of Interest:	[●] per cent. per annum
(xvi)	Day Count Fraction:	[●]

	(xvii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[Benchmark Event/Benchmark Event (SOFR)/*specify if fallback provisions different from those set out in the Conditions*]
18.	Zero Coupon Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Amortisation Yield:	[●] per cent. per annum
	(ii) Day Count Fraction:	[●]
	(iii) Any other formula/basis of determining amount payable:	[●]
19.	Index Linked Interest Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Index/Formula:	[*give or annex details*]
	(ii) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent):	[●]
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(iv) Interest Period(s)	[●]
	(v) Specified Interest Payment Dates:	[●]
	(vi) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ specify other]
	(vii) Business Centre(s):	[●]

(viii)	Minimum Rate of Interest:	[●] per cent. per annum
(ix)	Maximum Rate of Interest:	[●] per cent. per annum
(x)	Day Count Fraction:	[●]
20.	Dual Currency Interest Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Rate of Exchange/Method of calculating Rate of Exchange:	[*give or annex details*]
(ii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Issuing and Paying Agent):	[●]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

21.	Call Option	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/specify other/see Appendix]
(iii)	If redeemable in part:	[●]
(a)	Minimum Redemption Amount:	[●]
(b)	Maximum Redemption Amount:	[●]

	(iv) Notice period (if other than as set out in the Conditions):	[●] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or the Trustee)*
22.	Put Option	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/specify other/see Appendix]
	(iii) Notice period (if other than as set out in the Conditions):	[●] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or the Trustee)*
23.	Final Redemption Amount of each Note:	[[●] per Calculation Amount/specify other/see Appendix]
24.	Early Redemption Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[●] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	[**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]] [**Registered Notes:** Global Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Certificate]
26.	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/give details] *(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(ii), 17(vi) and 19(vii) relate)*
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details. N.B.: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
29.	Details relating to Instalment Notes:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Instalment Amount(s):	[Not Applicable/*give details*]
	(ii) Instalment Date(s):	[Not Applicable/*give details*]

	(iii) Minimum Instalment Amount:	[●]
	(iv) Maximum Instalment Amount:	[●]
30.	Redenomination applicable:	Redenomination [not] applicable [*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*]
31.	Consolidation provisions:	[Not Applicable]/[The provisions annexed to this Pricing Supplement apply]
32.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

33.	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Stabilisation Manager(s) (if any):	[Not Applicable/*give names*]
34.	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give names*]
35.	U.S. Selling Restrictions:	[Reg. S Category 1/Category 2; TEFRA D/TEFRA C/ TEFRA not applicable]
36.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

37.	Any clearing system(s) other than Euroclear or Clearstream or the CMU and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
38.	Delivery:	Delivery [against/free of] payment
39.	Additional Paying Agent(s) (if any):	[●]
40.	(i) ISIN:	[●]
	(ii) Common Code:	[●]
	(iii) (insert here any other relevant codes such as a CMU instrument number)	[●]

GENERAL

41.	The aggregate nominal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in U.S. dollars):	[Not applicable/U.S.$[●]]
42.	Ratings:	The Notes to be issued have [not] been rated: [Moody's: [●]] [Fitch: [●]] [S&P: [●]] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)*
43.	Private Bank Rebate/Commission:	[A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/ [Not Applicable]

HONG KONG SFC CODE OF CONDUCT

44.	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent — OCs to provide]/[Not Applicable*]
45.	Marketing and Investor Targeting Strategy:	[As described in the Offering Circular]/[*Describe if different from the Offering Circular*]

[USE OF PROCEEDS

Give details if different from the "Use of Proceeds" section in the [Offering Circular/Supplemental Offering Circular].]

[STABILISATION

In connection with the issue of any Tranche of Notes, one or more of the Managers named as Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in this Pricing Supplement [provided that [●] shall not be appointed or acting as the Stabilisation Manager][9] may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.]

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$7,000,000,000 Guaranteed Medium Term Note Programme of CSI MTN Limited.]

[MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There] has been no significant change in the financial or trading position of the Issuer or of the Group since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer or of the Group since [insert date of last published annual accounts].]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: _____
Duly authorised

Signed on behalf of the Guarantor:

By: _____
Duly authorised

[9] Include if requested by relevant Manager.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, save for the words in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement or, if not defined in the relevant Pricing Supplement, the Trust Deed. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in these Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued by CSI MTN Limited (the "**Issuer**") and guaranteed by CITIC Securities International Company Limited 中信證券國際有限公司 (the "**Guarantor**"), and are constituted by an amended and restated trust deed dated 31 July 2026 (as amended, restated and/or supplemented as at the date of issue of the Notes (the "**Issue Date**"), and as the same may be further amended, restated and/or supplemented from time to time thereafter, the "**Trust Deed**") between the Issuer, the Guarantor and Citicorp International Limited (the "**Trustee**", which expression shall, where the context so permits, include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An amended and restated agency agreement dated 31 July 2026 (as amended, restated and/or supplemented as at the Issue Date, and as the same may be further amended, restated and/or supplemented from time to time thereafter, the "**Agency Agreement**") has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent, Citicorp International Limited as the CMU lodging and paying agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "**CMU**") and other agents named therein. The issuing and paying agent, the CMU lodging and paying agent, any other paying agents, the registrar, the transfer agent(s) and the calculation agent(s) for the time being are referred to below respectively as the "**Issuing and Paying Agent**", the "**CMU Lodging and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent and the CMU Lodging and Paying Agent), the "**Registrar**", the "**Transfer Agents**" and the "**Calculation Agent(s)**" and collectively, the "**Agents**". For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly.

Copies of the Trust Deed and the Agency Agreement are available for inspection at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m., Hong Kong time, Monday to Friday other than public holidays) upon prior written request and proof of holding and identity satisfactory to the Trustee, at the principal office of the Trustee (presently at 40/F Champion Tower, 3 Garden Road, Central, Hong Kong).

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts (the "**Receiptholders**") for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects, and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series with such Tranche of Notes and (b) identical in all respects (or in all respects except for the Issue Date, the issue price and the first payment of interest on them).

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement or, if not defined in the relevant Pricing Supplement, the Trust Deed.

1. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Each Tranche of Bearer Notes will be in bearer form and will be initially issued in the form of a temporary Global Note or, if so specified in the relevant Pricing Supplement, a permanent Global Note which, in either case, will be delivered on or prior to the original issue date of the Tranche to either (i) a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking SA ("**Clearstream**"); or (ii) a sub-custodian for the CMU.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and shall be treated as its absolute

owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the relevant Certificate) and no person shall be liable for so treating the holder.

For so long as any of the Notes are represented by a Global Note or a Global Certificate held on behalf of Euroclear and/or Clearstream or a sub-custodian for the CMU, each person (other than Euroclear or Clearstream or the CMU) who is for the time being shown in the records of Euroclear or Clearstream or the CMU as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream or the CMU as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated by the Issuer, the Guarantor, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate shall be treated by the Issuer, the Guarantor, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note or Global Certificate and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly. Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU, any payment that is made in respect of such Note shall be made to the person for whose account(s) interests in such Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time and payment made in accordance thereof shall discharge the Issuer's obligations in respect of that payment. In addition, these Conditions are modified by certain provisions contained in the Global Note or the Global Certificate (as the case may be).

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. NO EXCHANGE OF NOTES AND TRANSFERS OF REGISTERED NOTES AND CERTIFICATES

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** One or more Registered Notes may, subject to Conditions 2(b) and 2(f), be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the

case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement (the "**Regulations**"). The Regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior written approval of the Trustee. A copy of the current Regulations will be made available by the Registrar to any Noteholder at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m., Hong Kong time, Monday to Friday other than public holidays) upon prior written request and proof of holding and identity satisfactory to the Registrar.

Transfers of interests in the Notes evidenced by Global Certificates will be effected in accordance with the rules of the relevant clearing systems.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Registered Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within seven business days of receipt of a duly completed form of transfer, Put Exercise Notice (as defined in Condition 6(d)) or Exercise Notice (as defined in Condition 6(f)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of any Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Put Exercise Notice, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Put Exercise Notice, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate (but free of charge to the holder and at the Issuer's expense) to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday, a Sunday or a public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Registered Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment by the relevant Noteholder of any tax, duties or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require); (ii) the Registrar or the relevant

Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the Registrar or the relevant Agent being satisfied that the Regulations have been complied with.

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) after the exercise of the put option in Condition 6(d), (iii) after the exercise of the put option in Condition 6(f), (iv) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(c) or Condition 6(e), (v) after any such Note has been called for redemption or (v) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(c)(ii)).

3. GUARANTEE AND STATUS

(a) **Status of Notes:** The Notes and any Receipts and Coupons relating to them constitute direct, unsubordinated, unconditional and (subject to Condition 4(c)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(c), at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

(b) **Guarantee:** The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and, if applicable, the Receipts and the Coupons (the "**Guarantee**"). The payment obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(c), at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

4. NEGATIVE PLEDGE AND OTHER COVENANTS

(a) Limitations on the Issuer

So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer undertakes not to, and the Guarantor undertakes to cause the Issuer not to, conduct any business or any activities other than:

(i) (A) the establishment and the maintenance of the Programme, (B) the issue of the Notes or other bonds or notes which are, or are capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) outside the People's Republic of China (for the purposes hereof, not including the Hong Kong and Macau Special Administrative Regions or Taiwan) (the "**PRC**") (without regard, however, to whether or not such instruments are sold through public offerings or private placements) and the on-lending of the proceeds thereof to the Guarantor or any of the Guarantor's Subsidiaries and affiliates and any other activities reasonably incidental thereto as necessary in connection therewith (which shall for the avoidance of doubt include creating or permitting to exist any Security subject to Condition 4(c)(i) below), (C) the incurrence of indebtedness otherwise than under the Programme (whether by way of secured or unsecured loans, credit facilities or

otherwise) and the on-lending of the amounts borrowed therefrom to the Guarantor or any of the Guarantor's Subsidiaries and affiliates and any other activities reasonably incidental thereto as necessary in connection therewith and (D) the activities directly related to the establishment and/or maintenance of the Issuer's corporate existence (the activities described in this Condition 4(a)(i), the "**Permitted Activities**"); and

(ii) to establish or to allow to exist any Subsidiary of the Issuer which conducts any of the Permitted Activities set out in sub-paragraph (i) above.

(b) Financial Statements and Compliance Certificate

For so long as any Note or Coupon remains outstanding (as defined in the Trust Deed):

(i) the Guarantor shall send to the Trustee, as soon as practicable after their date of publication and in any event not more than 180 days after the end of each financial year, a softcopy of the audited annual consolidated financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") (audited by an internationally recognised firm of independent accountants) of the Guarantor and its Subsidiaries (the "**Guarantor Audited Financial Statements**") and if such statements shall be in the Chinese language, together with an English translation of the same translated by (A) an internationally recognised firm of accountants or (B) a professional translation service provider and checked by an internationally recognised firm of accountants, together in each case with a certificate signed by an Authorised Signatory of the Guarantor certifying that such translation is complete and accurate, provided that if at any time the capital stock of the Guarantor is listed for trading on any stock exchange, the Guarantor may deliver to the Trustee, as soon as they are available but in any event not more than 14 calendar days after any financial or other reports of the Guarantor are filed with the relevant stock exchange on which the Guarantor's capital stock is at such time listed for trading, a true and correct copy of any financial or other report filed with such stock exchange in lieu of the Guarantor Audited Financial Reports and if such financial reports shall be in the Chinese language, together with an English translation of the same translated by (x) an internationally recognised firm of accountants or (y) a professional translation service provider and checked by an internationally recognised firm of accountants; and

(ii) the Guarantor shall send to the Trustee a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance and shall not be liable to any Noteholder or any other person for such reliance) within (A) 180 days after the end of the Guarantor's financial year (being 31 December of each year); and (B) 14 days of any request therefor from the Trustee.

(c) Negative Pledge:

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed),

(i) the Issuer shall not, and shall procure that none of its Subsidiaries will, create or permit to exist any Security upon any of its property or assets, now owned or hereafter acquired, to secure any Relevant Indebtedness outside the PRC or to secure any guarantee or indemnity in respect of such Relevant Indebtedness of any Person, without, in any such case, making effective provision whereby the Notes and the

Coupons issued by the Issuer will be secured either (a) at least equally and rateably with such Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) or (b) by such other Security as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders; and

(ii) the Guarantor shall not, and shall procure that none of its Principal Subsidiaries (other than any Principal Subsidiary, the common shares of which are listed for trading on any recognised stock exchange, or any Subsidiary of such Principal Subsidiary) will, create or permit to exist any Security upon any of its property or assets, at any time, with a book value exceeding 7.5% of the Consolidated Total Assets in the aggregate, now owned or hereafter acquired, to secure any Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) outside the PRC of any Person without, in any such case, making effective provision whereby the Notes and the Coupons issued by the Issuer will be secured either (a) at least equally and rateably with such Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) or (b) by such other Security as may be approved by an Extraordinary Resolution of the Noteholders.

(d) **Trustee Reliance:** The Trustee shall be entitled to conclusively rely on or act in reliance on any certificate, notice or document received by it as contemplated in this Condition 4 as sufficient evidence of the facts and/or matters stated therein and shall not be liable to any Noteholder and/or Couponholder or any other person for so doing.

(e) In these Conditions:

"**Compliance Certificate**" means a certificate of the Guarantor (on behalf of itself and the Issuer) in English in the form scheduled to the Trust Deed signed by an Authorised Signatory of the Guarantor that, having made all reasonable enquiries, to the best knowledge, information and belief of the Guarantor (on behalf of itself and the Issuer), as at a date (the "**Certification Date**") not more than five days before the date of the certificate that:

(i) no Event of Default or Potential Event of Default (as defined in the Trust Deed) had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and

(ii) each of the Issuer and the Guarantor has complied with all of their respective covenants and obligations under the Trust Deed and the Notes or, if non-compliance had occurred, giving details of it;

"**Consolidated Total Assets**" means, as of any date, the consolidated total assets less the sum of (i) cash held on behalf of customers and (ii) customers' refundable deposits of the Guarantor, each measured in accordance with HKFRS as of the balance sheet date of the most recent Guarantor Audited Financial Statements published by the Guarantor under Condition 4(b)(i);

a "**Person**" means any state-owned enterprise, individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company, government or any agency or political subdivision thereof or any other entity;

"**Relevant Indebtedness**" of any Person means any present or future indebtedness that is in the form of, or represented or evidenced by, any bonds, notes, debentures, debenture stocks, loan stock certificates or other securities, which are, or intended to be, quoted, listed or dealt in or traded on any stock exchange or over-the-counter market or other securities market and has a final maturity of one year or more from its date of incurrence or issuance;

"**Security**" means any mortgage, charge, pledge, lien or other security interest; and

"**Subsidiary**" of any Person means (a) any company or other business entity of which that Person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that Person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that Person.

5. INTEREST AND OTHER CALCULATIONS

The amount payable in respect of the aggregate nominal amount of Notes represented by a Global Certificate or a Global Note (as the case may be) shall be made in accordance with the methods of calculation provided for in the Conditions and the relevant Pricing Supplement, save that the calculation is made in respect of the total aggregate amount of the Notes represented by a Global Certificate or a Global Note (as the case may be), together with such other sums and additional amounts (if any) as may be payable under the Conditions.

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

(i) **Interest Payment Dates:** Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the

next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) **Rate of Interest for Floating Rate Notes:** The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to any of ISDA Determination, Screen Rate Determination or Linear Interpolation shall apply, depending upon which is specified hereon.

(A) ***ISDA Determination for Floating Rate Notes***

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as specified hereon) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means, unless otherwise specified hereon, a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) ***Screen Rate Determination for Floating Rate Notes (other than Floating Rate Notes which specify the Reference Rate as SOFR)***

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, and unless the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified hereon as being "**SOFR**", the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11:00 a.m. (Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or 11:15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2:30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than EURIBOR, or HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(l) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall promptly inform the Issuer and the Issuer shall use its best endeavours to appoint an Independent Investment Bank and procure such Independent Investment Bank to request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, each to provide the Independent Investment Bank and the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Independent Investment Bank and the

Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Independent Investment Bank and the Calculation Agent have received quotations from fewer than two Reference Banks, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of the Independent Investment Bank to the Independent Investment Bank and) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Independent Investment Bank and the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Independent Investment Bank suitable for such purpose) informs the Independent Investment Bank and the Calculation Agent it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

For the purposes of this Condition 5(b)(iii)(B), "**Independent Investment Bank**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise (which shall not be the Calculation Agent unless the Calculation Agent expressly agrees to act as such in relation to a specific issue or Series of Notes) appointed by

(and at the expense of) the Issuer for the purposes of this Condition 5(b)(iii)(B) and notified in writing by the Issuer to the Calculation Agent and the Trustee.

(C) ***Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark***

If Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest applicable to the Floating Rate Notes for each Interest Accrual Period will, subject as provided below, be equal to the sum of the relevant SOFR Benchmark plus or minus (as specified hereon) the Margin (if any), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Simple SOFR Average, Compounded Daily SOFR or SOFR Compounded Index (as specified hereon), as follows (subject in each case to Condition 5(b)(v)):

(x) If Simple SOFR Average ("**Simple SOFR Average**") is specified hereon as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be the arithmetic mean of the SOFR reference rates for each day during such Interest Accrual Period, as calculated by the Calculation Agent, and where, if applicable and as specified hereon, the SOFR reference rate on the SOFR Rate Cut-Off Date shall be used for the days in the relevant Interest Accrual Period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the last day of that Interest Accrual Period.

(y) If Compounded Daily SOFR ("**Compounded Daily SOFR**") is specified hereon as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Accrual Period (where SOFR Observation Lag, SOFR Payment Delay or SOFR Lockout is specified as applicable hereon to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified as applicable hereon to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable hereon:

i. SOFR Observation Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-\times USBD}\times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_{i\text{-}xUSBD}$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day (i);

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_0**" for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_0, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each, a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**" for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

ii. SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR$_i$**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**SOFR Observation Period**" means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date of such Interest Accrual Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_0**" for any SOFR Observation Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to d_0, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each, a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**" for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

iii. SOFR Payment Delay:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR$_i$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**Interest Payment Date**" shall be the number of Interest Payment Delay Days following each Interest Period Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Maturity Date or the relevant date for redemption, as applicable;

"**Interest Payment Delay Days**" means the number of Business Days as specified hereon;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_0**" for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_0, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each, a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**" for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

For the purposes of calculating Compounded Daily SOFR with respect to the final Interest Accrual Period where SOFR Payment Delay is specified hereon, the SOFR reference rate for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant Optional Redemption Date, as applicable, shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date.

iv. SOFR Lockout:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i) except that the SOFR for any U.S. Government Securities Business Day(i) in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the last day of such Interest Accrual Period shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**d_0**" for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers ascending from one to d_0, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each, a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**" for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of Conditions 5(b)(iii)(C)(x) and 5(b)(iii)(C)(y):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated

"**SOFRRATE**" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "**USDSOFR=**" or any successor page or service;

"**SOFR**" means, with respect to any U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website and in the event of any inconsistency between any of these published rates, the rate shall be the published rate as selected by the Calculation Agent;

(ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(b)(v) shall apply;

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following the relevant U.S. Government Securities Business Day.

(z) If SOFR Compounded Index ("**SOFR Compounded Index**") is specified as applicable hereon, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded upwards) (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**", with respect to any U.S. Government Securities Business Day, means the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, provided that if such SOFR Index value is not available and:

(i) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "**SOFR Compounded Index**" shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 5(b)(iii)(C)(y)ii (SOFR Observation Shift); or

(ii) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(b)(v) shall apply;

"**SOFR Index$_{End}$**" means, in respect of an Interest Accrual Period, the SOFR Index value on the date that is SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date);

"**SOFR Index$_{Start}$**" means, in respect of an Interest Accrual Period, the SOFR Index value on the date that is SOFR Observation Shift Days prior to the first date of such Interest Accrual Period;

"**SOFR Index Determination Time**" means, in relation to any U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified hereon; and

"**d_c**" means the number of calendar days in the applicable SOFR Observation Period.

If the Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be the date on which the Notes became due and payable and the Rate of Interest on the Notes shall, for so long as the Notes remain outstanding, be that determined on such date.

The following defined terms shall have the meanings set out below for purpose of this Condition 5(b)(iii)(C):

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York (currently, being https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index), or any successor source;

"**SOFR Benchmark Replacement Date**" means the date of occurrence of a Benchmark Event with respect to the then-current Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current Benchmark;

"**SOFR Rate Cut-Off Date**" has the meaning given hereon; and

"**U.S. Government Securities Business Day**" or "**USBD**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iv) **Benchmark Replacement for Floating Rate Notes (other than Floating Rate Notes which specify the Reference Rate as SOFR):** In addition, notwithstanding the provisions of this Condition 5(b), if the Issuer determines that a Benchmark Event has occurred in relation to the relevant Reference Rate specified hereon when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply:

(A) *Independent Adviser*

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(b)(iv)(B)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(b)(iv)(C)) and any Benchmark Amendments (in accordance with Condition 5(b)(iv)(D)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(b)(iv)(A) shall act in good faith and in a commercially reasonable manner as an expert, and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Guarantor, the Trustee, the Paying Agents, the Noteholders, the Receiptholders or the Couponholders for any determination made by it, pursuant to this Condition 5(b)(iv).

If (1) the Issuer is unable to appoint an Independent Adviser; or (2) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(b)(iv) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest determined using the Original Reference Rate last displayed prior to the relevant Interest Determination Date. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(b)(iv).

(B) *Successor Rate or Alternative Rate*

If the Independent Adviser, determines that:

(1) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(b)(iv)); or

(2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(b)(iv)).

(C) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(D) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(b)(iv) and the Independent Adviser, in consultation with the Issuer, determines (1) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (2) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(b)(iv)(E), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by an Authorised Signatory of the Issuer pursuant to Condition 5(b)(iv)(E), the Trustee shall (at the expense of the Issuer, failing whom the Guarantor), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend

the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

Notwithstanding any other provision of this Condition 5(b)(iv), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5 (b)(iv) to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 5(b)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(b)(iv) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and the Noteholders, in accordance with Condition 16. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Trustee, the Calculation Agent and the Paying Agents a certificate signed by an Authorised Signatory of the Issuer:

(1) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(b)(iv); and

(2) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 5(b)(iv), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(b)(iv), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(F) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 5(b)(iv)(A), (B), (C) and (D), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iii) will continue to apply unless and until a Benchmark Event has occurred.

(v) **Benchmark Replacement (SOFR):** The following provisions shall apply if Benchmark Event (SOFR) is specified as applicable hereon:

(A) *Benchmark Replacement*

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) *Benchmark Replacement Conforming Changes*

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee and any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 5(b)(v). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Trustee or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrar or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) *Decisions and Determinations*

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5(b)(v), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) *Definitions*

The following defined terms shall have the meanings set out below for purpose of Conditions 5(b)(iii)(C) and 5(b)(v):

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified hereon; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

"**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(I) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(II) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(III) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(I) the sum of:

(a) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(b) the Benchmark Replacement Adjustment;

(II) the sum of:

(a) the ISDA Fallback Rate; and

(b) the Benchmark Replacement Adjustment; or

(III) the sum of:

(a) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then — current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and

(b) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(I) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(II) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(III) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or

determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(I) in the case of sub-paragraph (I) or (II) of the definition of "**Benchmark Event**", the later of:

(a) the date of the public statement or publication of information referenced therein; and

(b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(II) in the case of sub-paragraph (III) of the definition of "**Benchmark Event**", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time, unless otherwise specified hereon;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded Daily SOFR is specified hereon) or SOFR Index Determination Time (where SOFR Compounded Index is specified hereon);

or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(E) *Linear Interpolation*

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(vi) **Rate of Interest for Index Linked Interest Notes:** The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal (which for the avoidance of doubt does not include premium for the purposes of this Condition 5(c)) of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) **Margin, Maximum Rate of Interest/Minimum Rate of Interest, Maximum Instalment Amount/Minimum Instalment Amount and Maximum Redemption Amount/Minimum Redemption Amount and Rounding:**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Maximum Instalment Amount or Minimum Instalment Amount or Maximum Redemption Amount or Minimum Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit

being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the jurisdiction(s) of such currency.

(h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Change of Control Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain any quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Definitions:** In these Conditions (other than in Conditions 5(b)(iii)(C) and 5(b)(v)), unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Independent Adviser determines, in consultation with the Issuer, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) (if the Independent Adviser determines that no such spread is customarily applied), the Independent Adviser determines, in consultation with the Issuer, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(b)(iv)(B) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

"**Benchmark Amendments**" has the meaning given to it in Condition 5(b)(iv)(D).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(vi) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

"**Business Day**" means:

(i) in the case of Notes denominated in a currency other than euro or Renminbi, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and in each (if any) Additional Business Centre; and/or

(ii) in the case of Notes denominated in euro, a day on which T2 is operating (a "**TARGET Business Day**") and in each (if any) Additional Business Centre; and/or

(iii) in the case of Notes denominated in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual — ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that

portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30.

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**"is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30.

(vii) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(viii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"**euro**" means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(b)(iv)(A).

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR.

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. as may be updated, amended or supplemented from time to time (but excluding any successor definitional booklet for interest rate derivatives published from time to time including without limitation the 2021 ISDA Definitions), unless otherwise specified hereon.

"**2021 ISDA Definitions**" means the 2021 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"**Margin**" has the meaning given in the relevant Pricing Supplement.

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Note and that is either specified or calculated in accordance with the provisions hereon.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Reference Banks**" means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**Renminbi**" means the lawful currency for the time being of the People's Republic of China excluding the Hong Kong and Macau Special Administrative Regions of the People's Republic of China and Taiwan.

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"**T2**" means the real time gross settlement system operated by the Eurosystem or any successor system.

"**U.S.$**" and "**U.S. dollar(s)**" means the lawful currency for the time being of the United States of America.

(k) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note or Coupon is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation

Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Change of Control Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior written notice to the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(l) **Certificates to be Final:** All certificates, communications, opinions, determinations, calculations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, by the Calculation Agent, shall (in the absence of wilful default, gross negligence, fraud or manifest error) be binding on the Issuer, the Guarantor, the Trustee, the Calculation Agent, the other Agents and all Noteholders and/or Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders or any other person shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6. REDEMPTION, PURCHASE AND OPTIONS

(a) Redemption by Instalments and Final Redemption:

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within Condition 6(a)(i) above, its final Instalment Amount.

(b) Early Redemption:

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c), Condition 6(d),

Condition 6(e) or Condition 6(f) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below of this Condition 6(b)(i), the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(d), Condition 6(e) or Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above of this Condition 6(b)(i), except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 6(b)(i) above), upon redemption of such Note pursuant to Condition 6(c), Condition 6(d), Condition 6(e) or Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (in accordance with Condition 16) and in writing to the Trustee and the Issuing and Paying Agent (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to (but excluding) the date fixed for redemption), if the Issuer (or, if the Guarantee was called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice that (i) it (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a

holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due.

Prior to the giving of any notice of redemption pursuant to this Condition 6(c), the Issuer (or the Guarantor, as the case may be) shall deliver (or procure to be delivered) to the Trustee a certificate in English signed by an Authorised Signatory of the Issuer (or of the Guarantor, as the case may be) stating that the circumstances referred to in (i) and (ii) above of this Condition 6(c) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and the Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (i) and (ii) above of this Condition 6(c) without further enquiry and without liability to any Noteholder, Receiptholder or Couponholder, in which event it shall be conclusive and binding on the Noteholders, Receiptholders and Couponholders. The Trustee shall be protected and shall have no liability to any Noteholder, any Couponholder, the Issuer, the Guarantor or any other person for so accepting and relying on any such certificate and opinion. All Notes in respect of which any notice of redemption is given under this Condition 6(c) shall be redeemed on the date specified in such notice in accordance with this Condition 6(c).

(d) **Redemption for Change of Control:** At any time following the occurrence of a Change of Control, the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Notes on the Put Settlement Date at 101 per cent. of the Early Redemption Amount (the "**Change of Control Redemption Amount**"), together in each case with accrued interest to (but excluding), such Put Settlement Date. To exercise such right, the holder of the relevant Note must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and (in the case of Fixed Rate Notes other than Dual Currency Notes or Index-Linked Notes) Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificates representing such Note(s) with the Registrar or any Transfer Agent at its specified office together with a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent, Transfer Agent or the Registrar (as applicable) (a "**Put Exercise Notice**"), by not later than 30 days following the occurrence of a Change of Control or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 16. The "**Put Settlement Date**" shall be the 14th day after the expiry of such period of 30 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes which are the subject of the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

The Issuer (failing whom the Guarantor) shall give notice to Noteholders in accordance with Condition 16 and to the Trustee and the Issuing and Paying Agent in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 6(d).

While any Bearer Note that was issued in accordance with TEFRA D is held in the form of a temporary Global Note, the right described in this Condition 6(d) will be available only to the extent that non-U.S. beneficial ownership certification has been received by the relevant Issuer or its agent pursuant to TEFRA D.

In this Condition 6(d), "**Change of Control**" means the occurrence of one or more of the following events:

(i) the Guarantor ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer; or

(ii) CITIC Securities Company Limited (the "**Company**") ceases to directly or indirectly hold or own 50 per cent. of the issued share capital of the Guarantor.

(e) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (in accordance with Condition 16) and in writing to the Trustee and the Issuing and Paying Agent (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date specified hereon. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to (but excluding) the date fixed for redemption, if applicable. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(e).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee and the Issuing and Paying Agent, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(f) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) specified hereon at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to (but excluding) the date fixed for redemption, if applicable. To exercise such option the holder

must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form for the time being current, obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

While any Bearer Note that was issued in accordance with TEFRA D is held in the form of a temporary Global Note, the right described in this Condition 6(f) will be available only to the extent that non-U.S. beneficial ownership certification has been received by the relevant Issuer or its agent pursuant to TEFRA D.

(g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the provisions specified hereon.

(h) **Purchases:** The Issuer, the Guarantor and their respective Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for certain purposes, including for the purpose of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11(a) and 12.

(i) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be held, reissued, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, shall be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

(j) **Trustee Reliance:** The Trustee shall be entitled to conclusively rely on or act in reliance on any certificate, notice or document received by it as contemplated in this Condition 6 as sufficient evidence of the facts and/or matters stated therein and shall not be liable to any Noteholder and/or Couponholder or any other person for so doing.

Neither the Trustee nor any of the Agents shall be under any duty to monitor or take any steps to ascertain whether any event or circumstance has happened, exists or has occurred within this Condition 6 and none of them will be responsible or liable to the Noteholders, the Receiptholders, the Couponholders, the Issuer, the Guarantor or any other person for any loss

arising from any failure by it to do so. Unless and until the Trustee has notice in writing of the occurrence of any event or circumstance within this Condition 6, it shall be entitled to assume that no such event or circumstance has occurred or exists.

Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption under this Condition 6, whether from the Issuer or any Noteholder and none of them shall be liable to the Noteholders, the Issuer or any other person for not doing so.

7. PAYMENTS AND TALONS

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relevant Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii) and Condition 7(f)(vi)), as the case may be:

(i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with, a Bank; or

(ii) in the case of Renminbi, by transfer from the relevant Paying Agent's office outside the United States to a Renminbi account maintained by or on behalf of the Noteholder with a Bank in Hong Kong.

In this Condition 7(a) and Condition 7(c), "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

(b) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) **Registered Notes:**

(i) Payments of principal (which for the purposes of this Condition 7(c) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(c)(ii).

(ii) Interest (which for the purpose of this Condition 7(c) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof or in the case of Renminbi or otherwise specified, on the fifth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made:

(A) in the case of a currency other than Renminbi, in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(B) in the case of Renminbi, by transfer to Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives applicable thereto in the place of payment without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law, regulation or official guidance implementing an intergovernmental approach thereto but no commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent(s) initially appointed by the Issuer and the Guarantor and their respective specified offices are listed in the Trust Deed. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder, Receiptholders or Couponholder. The Issuer and the Guarantor(s) reserve the right at any time with the prior written approval of the Trustee (where required in accordance with the Agency Agreement) to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer (failing whom the Guarantor) shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance

through the CMU, (v) one or more Calculation Agent(s) where these Conditions so require, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer (failing whom the Guarantor) shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(b) above.

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relevant unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation

(and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday, Sunday or public holiday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Additional Financial Centres**" hereon and:

(i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day; or

(iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

8. TAXATION

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts, the Coupons or under the Guarantee, shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands or Hong Kong or, in each case, any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If any Hong Kong or British Virgin Islands deduction or withholding is required in respect of the Notes, the Receipts, the Coupons or under the Guarantee, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts ("**Additional Tax Amounts**"), so that the net amount received by Noteholders, Receiptholders or Couponholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required, except that no such Additional Tax Amounts shall be payable in respect of any Note, Receipt or Coupon:

(a) to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the British Virgin Islands or Hong Kong other than the mere holding of the Note, Receipt or Coupon; or

(b) to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Note, Receipt or Coupon is presented for payment; or

(c) presented (or in respect of which the Certificate representing it is presented) for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that the Noteholder, Receiptholder or Couponholder would have been entitled to such Additional Tax Amounts on presenting it for payment on the thirtieth day; or

(d) with respect to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon that would not have been imposed but for the failure of the Noteholder, Receiptholder or Couponholder to comply with a timely request of the Issuer or the Guarantor, addressed to the holder of such Note, Receipt or Coupon to provide certification or information concerning the nationality, residence or identity of the holder or beneficial owner of such Note, Receipt or Coupon, if compliance is required as a precondition to relief or exemption from such taxes, duties, assessments or governmental charges; or

(e) with respect to any taxes, withholding or deduction imposed pursuant to the provisions of Sections 1471 through 1474 of the Code (including any successor provisions or amendments thereof), any current or future regulations or agreements thereunder, any official interpretations thereof or any law, regulation or official guidance implementing an intergovernmental approach thereto.

For the avoidance of doubt, the Issuer's or the Guarantor's obligation to pay additional amounts in respect of taxes, duties, assessments and other governmental charges, as provided in these Conditions, will not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or other governmental charge or (b) any tax, duty, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, or interest on, the Notes.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate), Receipt or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes (unless otherwise provided), all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Change of Control Redemption Amounts, Optional Redemption Amounts, Amortised

Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

For the avoidance of doubt, neither the Trustee nor any Agent shall be responsible or liable for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of the Trustee or any of the Agents shall be responsible or liable for (A) determining whether the Issuer, the Guarantor or any Noteholder, Receiptholder or Couponholder is liable to pay any taxes, duty, charges, withholding or other payment referred to in this Condition 8; or (B) determining the sufficiency or insufficiency of any amounts so paid. None of the Trustee or the Agents shall be responsible or liable for any failure of the Issuer, the Guarantor, any Noteholder, Receiptholder or Couponholder, or any other third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

9. PRESCRIPTION

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall (subject as provided in Condition 7(f)(i)) be prescribed and become void unless made within 10 years (in the case of principal or premium) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any case that the Trustee shall first have been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion), give written notice to the Issuer and the Guarantor declaring that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

(a) **Non-Payment:** there has been a failure to pay the principal (which for the avoidance of doubt does not include premium for the purposes of this Condition 10(a)), premium (if any) or interest on any of the Notes when due and such failure continues for a period of seven days (in the case of principal) or 14 days (in the case of premium or interest); or

(b) **Breach of Other Obligations:** the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default (i) is in the opinion of the Trustee incapable of remedy or (ii) if in the opinion of the Trustee is capable of remedy remains unremedied for 60 days after the Trustee has given written notice thereof to the Issuer or the Guarantor, as the case may be; or

(c) **Cross-Acceleration:**

(i) any Indebtedness of the Issuer, the Guarantor or any of their respective Principal Subsidiaries is not paid when due or (as the case may be) within any applicable grace period;

(ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Principal Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or

(iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries fails to pay when due any amount payable by it under any guarantee of any Indebtedness;

provided that (x) the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds U.S.$100,000,000 (or its equivalent in any other currency or currencies) and (y) such Indebtedness (other than any such Indebtedness of the Issuer) has an original maturity of more than 365 days; or

(d) **Unsatisfied Judgement:** one or more judgement(s) or order(s) for the payment of an aggregate amount in excess of U.S.$100,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, the Guarantor or any of their respective Principal Subsidiaries and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) **Security Enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any material part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Principal Subsidiary where the aggregate value of such material part of the undertaking, assets or revenues exceeds U.S.$100,000,000 and such action is not discharged within 60 days after the date thereof; or

(f) **Insolvency:** (i) the Issuer, the Guarantor or any Principal Subsidiary becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any Principal Subsidiary or the whole or any material part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Principal Subsidiary where the aggregate value of such material part of the undertaking, assets or revenues exceeds U.S.$100,000,000 is appointed (or application for any such appointment is made), (iii) the Issuer, the Guarantor or any Principal Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of any Indebtedness given by it, or (iv) the Issuer, the Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or any substantial part of its business, except (A) in the case of any Principal Subsidiary, where the cessation is for the purpose of and followed by a solvent winding up, dissolution, reconstruction, amalgamation, merger or consolidation whereby the business, undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor, and/or another Subsidiary, or (b) on terms approved by an Extraordinary Resolution of the Noteholders; or

(g) **Winding-up etc.:** an order by any court of competent jurisdiction or other authority is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any Principal Subsidiary, except (i) in the case of any Principal Subsidiary, for the purpose of and followed by a solvent winding up, dissolution, reconstruction, merger or consolidation whereby the business, undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor and/or another Subsidiary or (ii) on terms approved by an Extraordinary Resolution of the Noteholders; or

(h) **Analogous Events:** any event occurs which under the laws of the British Virgin Islands, Hong Kong or the PRC has an analogous effect to any of the events referred to in paragraphs (d) (Unsatisfied judgement) to (g) (Winding-up etc.) above; or

(i) **Failure to Take Action, etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, the Trust Deed or the Agency Agreement, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Trust Deed or the Agency Agreement admissible in evidence in the courts of England is not taken, fulfilled or done; or

(j) **Unlawfulness:** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed or the Agency Agreement; or

(k) **Unenforceability of Guarantee:** except as permitted under the Trust Deed, any part of the Guarantee is unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by the Issuer or the Guarantor.

In this Condition 10:

"**Principal Subsidiary**" means a principal subsidiary of the Guarantor as set out in its most recent Guarantor Audited Financial Statements.

A certificate in English in substantially the form scheduled to the Trust Deed prepared and signed by an Authorised Signatory of the Guarantor that, in the opinion of the Guarantor, a Subsidiary is or is not, or was or was not, a Principal Subsidiary of the Guarantor shall be conclusive and binding on the Noteholders and all parties in the absence of manifest error.

"**guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.

11. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed and the Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Trustee if requested to do so in writing by Noteholders holding not less than 15 per cent. in aggregate nominal amount of the Notes for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any Redemption Amount in respect of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, Change of Control Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (viii) to modify or cancel the Guarantee otherwise than in accordance with Condition 11(b), in which case the necessary quorum will be two or more persons holding or representing not less than two-thirds or at

any adjourned meeting not less than one-quarter in aggregate nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution (x) in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate nominal amount of the Notes for the time being outstanding, or (y) passed by Electronic Consent shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification and Waiver:** The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, Receiptholders or Couponholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error or is to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders, Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Noteholders as soon as practicable thereafter.

(c) **Substitution:** The Trust Deed contains provisions permitting (but not obliging) the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require pursuant to the Trust Deed, but without the consent of the Noteholders, Receiptholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or of the Guarantor or its successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer or the Guarantor, as the case may be, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed and the Notes. In the case of such a substitution, the Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, Receiptholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons, and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders or Couponholders, and the Trustee shall not be entitled to require on behalf of any Noteholder,

Receiptholder or Couponholder, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12. ENFORCEMENT

At any time after the Notes become due and payable, the Trustee may (but shall not be obliged to), at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such steps and/or actions and/or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in aggregate nominal amount of the Notes then outstanding, and (b) it shall first have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder, Receiptholder and/or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including, without limitation, provisions relieving it from taking such steps and/or actions and/or instituting such proceedings to enforce payment unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor, any subsidiary of the Issuer and/or Guarantor and/or any entity related (directly or indirectly) to the Issuer or the Guarantor without accounting for any profit.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer and/or the Guarantor in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Noteholder, Receiptholder or Couponholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by holders of the requisite nominal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Noteholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or in the event that no such directions are received. The Trustee and the Agents shall not be under any obligation to ascertain whether any Event of Default, Default or Potential Event of Default (as defined in the Trust Deed), as the case may be, has occurred or may occur or to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions.

The Trustee and the Agents may rely without liability to Noteholders, Receiptholders or Couponholders on any report, confirmation, opinion or certificate or any advice of any legal advisers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to them and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee or any Agent may accept and shall be entitled to rely on any such report, confirmation, opinion or certificate or advice and, in such event, such report, confirmation, opinion or certificate or advice shall be binding on the Issuer, the Guarantor, the Noteholders, Receiptholders and the Couponholders.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and its Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

14. REPLACEMENT OF NOTES, CERTIFICATES, RECEIPTS, COUPONS AND TALONS

If a Note, Certificate, Receipt, Coupon or Talon is mutilated or defaced or is alleged to have been lost, stolen or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity as the Issuer or the relevant Agent may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Date, the issue price and the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with an outstanding Series. References in these Conditions to the Notes include (unless the context requires otherwise) any such other securities issued pursuant to this Condition 15 and consolidated and forming a single series with the Notes. Any further notes consolidated and forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

In the case of further Bearer Notes which are issued in accordance with the TEFRA D rules (and therefore must be initially represented by a temporary Global Note exchangeable for interests in a permanent Global Note or Definitive Notes), any consolidation of such further Bearer Notes with

outstanding Bearer Notes into a single series can only occur following the exchange of interests in the temporary Global Note for interests in the permanent Global Note or Definitive Notes upon certification of non-U.S. beneficial ownership.

16. NOTICES

Notices to the holders of Registered Notes shall be in English and mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday, a Sunday or a public holiday) after the date of mailing and, so long as the Notes are listed on any stock exchange and the rules of that stock exchange so require, duly published in a manner that complies with the rules and regulations of such stock exchange.

Notices to the holders of Bearer Notes shall be valid if published in English in a daily newspaper of general circulation in Asia and, so long as the Notes are listed on any stock exchange and the rules of that stock exchange so require, duly published in a manner that complies with the rules and regulations of such stock exchange. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

Receiptholders and Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

For so long as any of the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of: (i) Euroclear or Clearstream or any other clearing system, any notice to the holders of the Notes shall be validly given by delivery of the relevant notice to that clearing system for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate; or (ii) the CMU, any notice to the holders of the Notes may be given by delivery of the relevant notice (A) to the CMU, or (B) to persons shown in a CMU Issue Position Report issued by the CMU on the business day preceding the date of dispatch of such notice as holding interests in the relevant Global Note or Global Certificate, in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, and any such notice shall be deemed to have been given to the Noteholders (in the case of (A)) on the day on which such notice is delivered to the CMU and (in the case of (B)) on the second business day on which such notice is delivered to the persons shown in the CMU Issue Position Report.

17. CURRENCY INDEMNITY

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Receipt or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer, the Guarantor or otherwise) by any Noteholder, Receiptholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer and the Guarantor to the extent of the amount in the currency of payment

under the relevant Note, Receipt or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Receipt or Coupon, the Issuer and the Guarantor jointly and severally shall indemnify it against any loss sustained by it as a result. In any event, the Issuer and the Guarantor jointly and severally shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 17, it shall be sufficient for the Noteholder, Receiptholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the other obligations of the Issuer and the Guarantor, respectively, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder, Receiptholder or Couponholder and shall continue to be in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Receipt or Coupon or any other judgment or order.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except to the extent expressly provided for in these Conditions and in the Trust Deed.

Notwithstanding any term or provision to the contrary, the consent of any person who is not a Noteholder is not required to modify, vary or waive any of these Conditions and the consent of any person who is neither a Noteholder nor a party to the Trust Deed or (as the case may be) the Agency Agreement is not required to modify, vary or waive any provision of the Trust Deed or (as the case may be) the Agency Agreement.

19. GOVERNING LAW AND JURISDICTION

(a) **Governing Law:** The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, Receipts, Coupons or Talons, the Agency Agreement and the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons, the Agency Agreement or the Trust Deed ("**Proceedings**") shall be brought in the courts of Hong Kong. Pursuant to the Trust Deed, each of the Issuer, the Guarantor and the Trustee has irrevocably submitted to the exclusive jurisdiction of the courts of Hong Kong and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) **Agent for Service of Process:** The Issuer has irrevocably agreed to receive service of process at the Guarantor's place of business in Hong Kong from time to time, currently at 26th Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong in any Proceedings in Hong Kong.

(d) **Waiver of Immunity:** Each of the Issuer and the Guarantor hereby waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence whether in the Hong Kong courts or in any other courts or tribunals where a judgement or award may be enforced, agrees not to plead or claim any such immunity in any Proceedings or arbitration, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgement made or given in connection with any Proceedings or arbitration and/or any pre-judgement interim relief or post execution judgement.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Terms used in this section that are not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Notes".

INITIAL ISSUE OF NOTES

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream (the "**Common Depositary**") or a sub-custodian for the CMU.

Upon the initial deposit of a Global Note or a Global Certificate with the Common Depositary or with a sub-custodian for the CMU or registration of Registered Notes in the name of (i) any nominee of the Common Depositary for Euroclear and Clearstream or (ii) the Hong Kong Monetary Authority as operator of the CMU and delivery of the relevant Global Note or Global Certificate to the Common Depositary or the sub-custodian for the CMU (as the case may be), Euroclear or Clearstream or the CMU (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

RELATIONSHIP OF ACCOUNTHOLDERS WITH CLEARING SYSTEMS

Save as provided in the following paragraph each of the persons shown in the records of Euroclear, Clearstream or any other clearing system (an "**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) shall be the only person(s) entitled or in the case of Registered Notes, directed or deemed by the CMU as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU as the beneficial holder of a

particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

EXCHANGE

Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "*Summary of the Programme — Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a Permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Issue Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

The holder of a Temporary Global Note issued pursuant to TEFRA D will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. The payments in respect of a Note issued under TEFRA D pursuant to Conditions 6(d) and 6(f) may not be collected without certificate as to non-U.S. beneficial ownership.

In respect of a Note issued under TEFRA D, for the purpose of dealing in Euroclear or Clearstream or the CMU, any further issue of Notes by the Issuer pursuant to Condition 15 may not be consolidated and form a single series with the outstanding securities of any series (including the Notes) until the exchange of interests in a Temporary Global Note for interests in a Permanent Global Note upon the relevant Certification.

Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided in the paragraph titled "**Partial Exchange of Permanent Global Notes**" below, in part for Definitive Notes if the Permanent Global Note is held on behalf of Euroclear, Clearstream, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a nominal amount of Notes such that it holds an aggregate nominal amount equal to one or more Specified Denominations.

Global Certificates

If the Pricing Supplement states that the Notes are to be represented by a Global Certificate on issue following will apply in respect of exchange of Notes held in Euroclear, Clearstream, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system. Exchange of the holding of Notes represented by any Global Certificate may only be made in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In the event that a Global Certificate is exchanged for a definitive Certificate, such definitive Certificate shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a definitive Certificate in respect of such holding and would need to purchase a nominal amount of Notes such that it holds an aggregated nominal amount equal to one or more Specified Denominations.

Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal, interests and Instalment Amounts in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Terms and Conditions of the Notes (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent).

In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. Global Notes, Global Certificates and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon).

Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to an exchange of a Permanent Global Note for Definitive Notes, a day falling not less than 60 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent or the CMU Lodging and Paying Agent, as the case maybe, is located and except in the case where the Permanent Global Note is held on behalf of a Clearing System, in the city in which the relevant Clearing System is located.

Amendment to the Terms and Conditions of the Notes

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Conditions 7(f)(vi) and 8(c) of the Terms and Conditions of the Notes will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of "**business day**" set out in Condition 7(h) of the Terms and Conditions of the Notes.

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate representing Notes held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to

the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose. For the purposes of this paragraph, "**Clearing System Business Day**" means a day on which the CMU is operating and open for business.

Prescription

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 of the Terms and Conditions of the Notes).

Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholders holding, whether or not represented by a Global Certificate.

Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Terms and Conditions of the Notes to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) for endorsement in the relevant schedule of such Permanent Global Note or, in the case of a Global Certificate, by reduction in the aggregate nominal amount of the Certificates in the Register, whereupon the nominal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Purchase

Notes represented by a Permanent Global Note or by a Global Certificate may only be purchased by the Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option of early redemption of the Issuer provided for in the Terms and Conditions of the Notes of any Notes while such Notes are represented by a Permanent Global Note or by a Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of the Notes, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, the CMU or Alternative Clearing System (as the case may be).

Noteholders' Options

Any option of the Noteholders provided for in the Terms and Conditions of the Notes of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent, a Transfer Agent or the Registrar (as applicable) set out in the Terms and Conditions of the Notes substantially in the form of the notice available from any Paying Agent, any Transfer Agent or the Registrar (as applicable), except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent), for notation accordingly in relevant schedule of such Permanent Global Note. Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Certificate may be exercised in respect of all or some of the Notes represented by the Global Certificate.

Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of, or in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interest if such accountholders were the holders of the Notes represented by such Global Note or the relevant Global Certificate, as the case may be.

Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream or Alternative Clearing System (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes or by delivery of the relevant notice to the holder of the Global Note or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the CMU in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU.

PARTLY PAID NOTES

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

DESCRIPTION OF THE ISSUER

FORMATION

The Issuer is a BVI business company with limited liability incorporated in the British Virgin Islands on 30 December 2021 with company number 2087199. Its registered office is located at Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands. The Issuer is an indirect wholly-owned subsidiary of the Guarantor.

BUSINESS ACTIVITY

As at the date of this Offering Circular, the Issuer has not engaged, since its incorporation, in any material activities other than those relating to the establishment of the Programme, the issuance of Notes under the Programme, the on-lending of the proceeds of the Notes to the Guarantor or the Guarantor's Subsidiaries and affiliates, and the authorisation of documents and agreements referred to in this Offering Circular to which it is or will be a party. The Issuer may from time to time enter into financing arrangements in its course of business and on-lend the amounts borrowed therefrom to the Guarantor or the Guarantor's Subsidiaries and affiliates.

DIRECTORS AND OFFICERS

The directors of the Issuer are LI Kai, YUAN Feng and ZHENG Ying.

SHAREHOLDING

As at the date of this Offering Circular, the Issuer is authorised to issue a maximum of 50,000 shares of one class of U.S.$1.00 par value each. As at the date of this Offering Circular, one ordinary share, which is held by the Guarantor indirectly through other wholly-owned subsidiaries, has been issued and credited as fully paid, representing 100% of the issued shares of the Issuer. None of the equity securities of the Issuer was listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought as at the date of this Offering Circular.

DESCRIPTION OF THE GROUP

OVERVIEW

The Guarantor is a wholly owned subsidiary of CITIC Securities, a leading full-service securities firm in China with international reach, and is the principal platform for implementing CITIC Securities' international strategy. Headquartered in Hong Kong, the Group provides comprehensive financial services to institutional and corporate customers, retail and high-net worth individuals, ranging from corporate finance and capital market, securities brokerage, fixed income, currencies & commodities, equity derivatives and prime brokerage to asset management. We are well-equipped to provide one-stop solutions to our clients with the wide range of key SFC licences we have obtained. See "*Risk Management and Internal Control — Licensing Requirement*" for details of our key SFC licences.

The Guarantor's sole shareholder, CITIC Securities, is the leading full-service securities firm in China. CITIC Securities was one of the first companies approved by the CSRC to be an integrated securities company, and was the first China-based securities firm listed on the Shanghai Stock Exchange. With its IPO completed in January 2003, CITIC Securities was listed and traded on the Main Board of the HKSE (stock code: 6030) on 6 October 2011. CITIC Securities' leading position amongst all securities firm in China has been widely recognised. In 2023, amongst other awards, CITIC Securities was again named the "2023 Best Securities Company" by Financial Times, and was awarded the Golden Bull Award of Top Ten Securities Companies for the 2023 Golden Bull Award in Chinese Securities Industry by China Securities Journal. In 2024, the Guarantor won the Best Wealth Management Organization in Hong Kong award by The Asset, Best Wealth Management Organization (Investment Banking Advisor, Entrepreneurial Client) award by Asia Private Banker and Best Chinese Brokerage by Chinese Funds Association of Hong Kong. In 2024, CITIC Securities won, amongst others, Best Equity House for 2024 (2024年度最佳股本融資投行), Best Bond Underwriter of the Year in China (中國年度最佳債券承銷商) by IFR Asia and was awarded again the Golden Bull Award of Top Ten Securities Companies by China Securities Journal. In 2025, CITIC Securities was awarded, among others, "China Equity House" and "China Bond House" by IFR Asia, as well as "Private Banking Award — Hong Kong's Best Wealth Management Institution — Next Generation Clients" by Euromoney and "China Family Office Annual Selection — Top 30 Chinese Family Offices" by Forbes. CITIC Securities operates a wide range of businesses, mainly including securities services, wealth management, institutional stock brokerage, financial market, asset management, custody, equity investment and research. The founders of CITIC Securities were CITIC Group Corporation (under its former name of China International Trust Investment Company), and three other investors. CITIC Group Corporation is one of the largest state-owned conglomerates, with a more than 40-year track record in China. It operates in a wide range of industry sectors including finance, real estate and infrastructure, construction, energy and resources, manufacturing, IT, trading and consumer. CITIC Group Corporation is directly administered by MOF.

The Group has a comprehensive financial service platform covering both primary and secondary markets across multiple products. The Group is a premium securities company in Hong Kong with businesses spanning corporate finance and capital markets, securities brokerage, FICC, equity derivatives and prime brokerage, asset management and others, with a market leading position in all respective businesses. The Group is fully integrated and utilises the platform resources of the Group, CITIC Securities and the CITIC Group to provide customers with one-stop solutions, with the aim to growing the Group's all-rounded securities services into a global and leading multi-asset, multi-strategy, cross-market and full-service financial institution.

The Guarantor was established on 9 April 1998 and its principal operations are in Hong Kong. In 2006, CITIC Securities commenced its international operations and acquired the equity business of CITIC Capital Holdings Limited and incorporated it into CITIC Securities (HK) Company Limited, which was the former name of the Guarantor. The Guarantor also operates in mainland China together with its parent company CITIC Securities which has a vast network and strong presence in mainland China, and the Guarantor believes that it is well positioned to benefit from the strong growth potential of China's economy and the opportunities presented by the development of China's capital markets. The completion of our acquisition of the entire equity interest in CLSA on 31 July 2013 significantly reinforced our research capabilities and extended our global coverage. Our global network spans across 13 countries and regions in Asia, Australia, Europe and the Americas. We have extended our services to a diverse clientele in Hong Kong and other jurisdictions. We believe that we are well positioned to capitalise on China's growing cross-border business opportunities arising from the globalisation of China's economy and companies, such as equity offerings by China-related companies in Hong Kong and issuances of RMB-denominated products, as well as the demand for brokerage services arising from the growing financial needs of China's high-net-worth individuals and institutional investors, such as QDIIs and sovereign funds.

The following is a summary of the Group's key corporate development milestones:

- On 9 April 1998, the Guarantor was established, with a registered capital of HK$10,000.00. The registered capital was later increased to HK$10,000,000.00 in May 1998;

- From 2005 to 2006, by way of share allotments by the Guarantor, CITIC Securities injected HK$387,499,998.00 into the Guarantor (in cash and otherwise), resulting in a fully paid capital of HK$387,500,000.00 of the Guarantor;

- In 2006, CITIC Securities acquired the equity business of CITIC Capital Holdings Limited and incorporated that business into CITIC Securities (HK) Company Limited. This marked the beginning of CITIC Securities Group's global expansion;

- In March 2007, CITIC Securities (HK) Company Limited was renamed CITIC Securities International Company Limited;

- From 2007 to 2012, by way of share allotments by the Guarantor, CITIC Securities injected HK$6,128,550,000.00 into the Guarantor, resulting in a fully paid capital of HK$6,516,050,000.00 of the Guarantor;

- In March 2012, the U.S. branch of the Guarantor was officially established;

- In 2013, the Guarantor completed the acquisition of CLSA to further extend our international operations. In July 2012, the Guarantor acquired 19.9% equity interest in CLSA, and on 31 July 2013, the Guarantor acquired the remaining 80.1% equity interest in CLSA;

- In June 2024, by way of share allotments by the Guarantor, CITIC Securities injected HK$5,000 million and U.S.$276.7 million into the Guarantor, resulting in the fully paid capital of HK$11,516.1 million and U.S.$276.7 million of the Guarantor; and

- In May 2026, CITIC Securities announced that it proposed to enter into share placing arrangements and inject proceeds of not more than RMB16 billion into the Guarantor.

For the years ended 31 December 2023, 2024 and 2025, our total operating income was U.S.$1,602.3 million, U.S.$2,262.5 million and U.S.$3,341.5 million, respectively, and our respective profit attributable to equity holders of the Guarantor for the corresponding periods was U.S.$245.1 million, U.S.$528.3 million and U.S.$912.7 million, respectively. As at 31 December 2023, 2024 and 2025, we had total assets of U.S.$34,695.5 million, U.S.$50,637.7 million and U.S.$67,961.7 million, respectively, and capital and reserves attributable to the Guarantor's equity holders of U.S.$1,688.8 million, U.S.$3,120.7 million and U.S.$4,084.5 million, respectively.

STRATEGIES

With the mission of helping enhance capital market's functions, and facilitate high-quality economic development, we strive to become a leading domestic and internationally renowned Chinese investment bank most trusted by clients around the world. To achieve this goal, we intend to implement the following strategies in our various business lines:

- ***Corporate finance and capital markets.*** We will continue to take a client-centric and full product coverage approach to provide clients with comprehensive corporate finance and capital markets services, strengthen and further leadership of traditional businesses and actively drive innovative business and develop international business, and provide a leading platform for PRC companies going global and foreign investors seeking access to the PRC;

- ***Institutional Equities.*** We will integrate and expand our local and overseas brokerage business to serve international customers including financial institutions, enhance service quality and business coverage. We continue to strive for outstanding services in institutional equities that provide client insights into issues, trends and companies driving the Asia Pacific markets, and seek out liquidity to execute even the most challenging strategies for our clients;

- ***Wealth Management.*** With a strong retail distribution network in greater China area, our dedicated team of wealth management professionals will continue to provide tailor-made financial solutions to clients and beyond across a variety of asset classes;

- ***Fixed income, currencies & commodities.*** We plan to continue to build and improve our product matrix and broaden our client base, and promote active risk management and prudent fund allocation. Our FICC business through our global network continually strives to deliver a full suite of products and services across credit, rates, foreign exchange and commodities to help clients identify market opportunities, manage risk and generate returns for their portfolios;

- ***Equity derivatives and prime brokerage.*** Our equity derivatives team will continue to offer a unique combination of local expertise and global access, and to work closely with global clients to create solutions that meet their needs in risk management, yield enhancement, financing, and cross-border market access. Our fund services will also continue to provide comprehensive end-to-end solutions spanning middle and back office and fund administration services by leveraging on industry know-how, first-in-class technology infrastructure and robust IT support; and

- ***Asset management.*** We plan to continue to take a client-centric approach to drive product and marketing innovation, leverage the going-global trend and maintain our comprehensive competitiveness in the industry. Our asset management business will serve as a go-to one-stop shop for global investors to tap into the advantageous home market of CITIC Securities, and continue to help our clients invest in industry leaders in the most dynamic sectors.

We believe that there will be better development opportunities for the Asia Pacific and global securities industry. By utilising our China and global networks, capitalising on economic development in Asia and globally and the growing capital markets and seizing available opportunities derived from the Belt and Road Initiative, we will further enlarge our market share, enhance our capabilities in integrated services, strive for the realisation of our vision, and further strengthen our unique position to facilitate cross-border capital flows and to bridge China to the world and world to China.

COMPETITIVE STRENGTHS

We believe that the following strengths have contributed to our success and differentiated us from our competitors.

Strategic establishment with solid government support and outstanding shareholder background

CITIC Group Corporation, the largest shareholder (holding approximately 20% of shares as at 31 December 2025) of CITIC Securities which wholly owns the Guarantor, is directly administered by MOF. CITIC Group Corporation is a stated-owned company established in Beijing in 1979, being one of China's largest conglomerates covering financial services, resources and energy, manufacturing, engineering contracting and real estate. As its roots can be traced back to the beginning of China's opening and reform, CITIC Group has grown in step with the country's rapid development and modernisation. In alignment with China's 15th Five-Year Plan, CITIC Group has outlined an updated development strategy that is focused on comprehensive financial services, high-end manufacturing, advanced materials and new energy. In 2025, CITIC Group Corporation ranked No. 62 on the Fortune Global 500, marking its seventeenth consecutive year being listed on the Fortune Global 500. CITIC Group Corporation is one of the largest constituent stocks of the Hang Seng Index, with a long-term corporate credit rating of "A-" and "A3" by S&P and Moody's Ratings, respectively.

Founded in 1995 with a view to integrating the securities business under CITIC Group, CITIC Securities, the sole shareholder of the Guarantor, was one of the first companies approved by the CSRC to be an integrated securities company and has grown into a leading full-service securities group in the PRC with the full support from CITIC Group. Being an important member of CITIC Group, CITIC Securities has access to channel and client recourse sharing within CITIC Group. CITIC Securities often acts as the lead underwriter for equity and debt funding for other members of the CITIC Group, and the CITIC Group can provide assistance to CITIC Securities and us with respect to client coverage, business expansion and communications with regulators. CITIC Securities' synergies with CITIC Group's subsidiaries engaging in the provision of financial services such as CITIC Trust Co., Ltd. and CITIC-Prudential Life Insurance Co., Ltd. help CITIC Securities increase its operating efficiency and profitability. Being a key member of the CITIC Group has also benefited CITIC Securities in its public-private-partnerships with central government ministries and local governments as well as enterprises with which the CITIC Group has maintained long-term relationships. Listed on Shanghai Stock Exchange in 2003 and on the HKSE in 2011, CITIC Securities is China's first listed securities company in terms of A share, H share and A+H share IPO. With solid government support, CITIC Securities obtained RMB389.2 million, RMB300.6 million and RMB205.6 million in government grants in 2023, 2024 and 2025, respectively.

Comprehensive support from and business collaboration with the CITIC Securities Group

We have CITIC Securities Group's support in various aspects. See our corporate development milestones set out in "Overview" above for the multiple times of capital injections from CITIC Securities, thereby demonstrating to the market its commitment to our business growth. In addition, our senior management team was appointed by CITIC Securities, and has extensive experience working in the CITIC Securities Group and/or the CITIC Group. Further, CITIC Securities completed a rights issuance in March 2022, where up to RMB5 billion of the proceeds would be used for the increase in investments to its subsidiaries, thereby demonstrating CITIC Securities' commitment to support the growth of its subsidiaries. Our funding pool is also fully integrated with CITIC Securities' offshore funding pool, thus enabling CITIC Securities to provide funding support readily.

We have access to CITIC Securities Group's resources across China and worldwide. CITIC Securities Group's vast network extends into many of China's rapidly developing provinces. As at 31 December 2025, it has approximately 26,823 staff members. CITIC Securities has a leading market position in mainland China in the principal businesses it is engaged in. In 2025, the lead underwriting projects that CITIC Securities completed in respect of domestic equity financing amounted to an aggregate lead underwriting amount of RMB270,646 million (cash and asset transactions), accounting for a market share of 24.36% and ranking the first in China's domestic market, and CITIC Securities maintained its leadership in the domestic debt financing business with a total underwriting amount of RMB2,209,462 million, which accounted for 6.95% of the total underwriting size across the market and 14.11% of the total underwriting size of securities firms. During the same period, in respect of its financial advisory services, the value of material assets restructuring transactions in A-share market completed by CITIC Securities amounted to RMB168,278 million, accounting for a market share of 35.59%. This strong presence complements the Guarantor's international coverage to create a unique bridge that facilitates investment going in and out of China.

One-stop service provider offering a wide range of products and access to international platform

The Group fully integrates and utilises the platform resources availed by the Group, CITIC Securities and the CITIC Group to provide its clients with one-stop comprehensive solutions, with a view to growing the Group's all-rounded securities services into a global and leading multi-asset, multi-strategy, cross-market and full-service financial institution.

We have established an integrated global platform to provide comprehensive financial services to our clients covering various stages of their growth in both domestic and overseas markets, and have continued to reduce our reliance on traditional channel-based brokerage services for an increasingly diversified business mix and income sources through the provision of a spectrum of financial products and services, including corporate finance and capital markets, securities brokerage, FICC, equity derivatives and prime brokerage, asset management and others.

We seek to distinguish ourselves from our competitors with a highly-integrated platform generating cooperation and synergies across business lines and throughout our global operations. We provide securities products and services to domestic and international clients in Hong Kong and other key overseas markets. We value teamwork in every aspect of our business and continually adapt our organisational structure and incentive system to promote collaboration among our business lines. Our coverage professionals assist clients in identifying their multiple needs and tap on our resources across business lines to better achieve clients' objectives. We proactively seek cross-selling opportunities to the extent permitted under relevant laws.

Member of a domestically-leading securities firm franchise with global strategic presence and largest area coverage with respect to the Belt and Road Initiative

Based in Hong Kong and with CITIC Securities' leading presence in mainland China, we have actively expanded our Asia Pacific and global coverage to become a leading international securities firm with an Asia focus. We have expanded our international footprint via both organic growth and acquisitions, accessing overseas markets in Hong Kong and the United States. We acquired CLSA in 2013 as a wholly-owned subsidiary, making CITIC Securities the first Chinese securities firm to successfully acquire a foreign competitor. Since then, we have successfully consolidated overseas securities services platforms and completed the integration of front-desk institutional sales and corporate finance business, further integrated mid-desk and back-desk operations to lay a solid foundation for future overseas business development.

After the acquisition of CLSA in 2013, the Guarantor was integrated with CLSA, and the new platform has since been operating in overseas markets under the brand "CLSA". CLSA Limited commenced its institutional equities business in Hong Kong as early as 1986. Since then, the Guarantor has been committed to providing global institutional investors, corporations, governments and high-net-worth individuals with insights, liquidity and capital to drive their investment strategies. In recent years, we have increasingly become an established brand in the overseas markets in which we operate, as a result of CITIC Securities global branding and in compliance with the brand management of CITIC Group. Leveraging on our award-winning research, extensive Asia network, direct links to China and highly experienced financial professionals, we are uniquely positioned to facilitate cross-border capital flows and bridge China to the world and the world to China.

We operate across 13 countries and regions in Asia, Australia, Europe and the Americas (including areas within the Belt and Road Initiative). Our research services are supported by a team of more than 100 research analysts and cover over 2,000 companies across 19 key industry sectors and 14 markets, providing deep sector and company insights that inform clients' investment strategies. We are pivotal to our international expansion serving Chinese and global clients across diverse geographies, as well as the "Belt and Road" Initiative projects. Chinese domestic institutional, retail and corporate clients benefit from our world class service and direct access to international capital markets. The integrated business offers corporate finance, capital markets, fixed income, asset management, private equity, equity research and institutional and retail brokerage. The integration of the Guarantor and CLSA has provided an opportunity for growth by bringing together complementary products, services, skills and talents.

We maintain a leading position amongst securities companies with a PRC background in terms of global presence, sales network and liquidation and settlement infrastructure in areas covered by the Belt and Road Initiative. We have been a major wholesale broker in the countries covered by the Belt and Road Initiative, including Singapore, Malaysia, the Philippines, Indonesia, and Thailand for the past 30 years. This has given us strong brand recognition in those countries among leading companies, investors, regulators, banks and the governments. In the above countries, we have been either the largest foreign broker (measured by value of trades completed), or ranking within the top three, for a number of years.

Our unique industry position and strength provide enterprises that participate in Belt and Road Initiative projects high-quality and effective services and advice in areas such as cross-border mergers and acquisition in Asia, establishment of joint ventures and an in-depth understanding of local markets.

Enhanced capital and asset-liability management and diversified funding sources that contribute to sound financial flexibility

We believe that the management of our liquidity and capital resources is critical to our success. To ensure the Group's ability to deploy its capitals but at the same time maintain its strong balance sheet performance, we have established a centralised capital and asset management system utilising management policies, decision-making authorities and review procedures. Our assets and liabilities management committee decides and reviews major matters and related systems involving application of our proprietary capital. Our treasury department plays a significant role in achieving financing efficiency and maintaining our overall liquidity through managing the capital structure, funding and liquidity from a day-to-day operation perspective. We also proactively evaluate assets and liabilities of the Group, manage any mismatch, and perform liquidity stress tests on the Group's fund position for liquidity risk control management. Through the collaborative system, the Group formulates its overall capital planning, allocation and adjustments in a proactive and dynamic manner to support its sustainable growth while ensuring its financial liquidity, efficiency and stability. Please see "*Risk Management and Internal Control*" for a detailed description of our risk management governance structure and policies.

The Group's diversified financial sources and abundant credit facilities allow it to maintain a high level of financial flexibility. We maintain good long-term cooperative relationships with many large financial institutions and commercial banks and obtain funds at a competitive interest rate to support our business development. We have also constantly broadened and diversified our funding channels, such as through syndicated loans, revolving loans and fund-raising activities in the capital market, to optimise the liability structure.

We also invest in highly liquid assets with low risk to ensure the availability of immediate liquidity and the safety of our capital, while benefiting from the returns on these assets. We manage our cash assets primarily through deposits, repurchase and reverse repurchase agreements and short-term bonds. We also invest in low-risk fixed income products and engage in arbitrage activities with guaranteed minimum returns. We plan to adopt market-neutral portfolios for our future proprietary investments.

Our sound capital and asset-liability management and diversified funding sources have contributed to our strong balance sheet position. As at 31 December 2023, 2024 and 2025, we had total assets of U.S.$34,695.5 million, U.S.$50,637.7 million and U.S.$67,961.7 million, respectively.

Prudent risk management and effective internal control

We believe that our prudent risk management and effective internal control will assist us to maintain our robust development and profitability, and help us counter the ups and downs of the market to move through various phases of the securities industry cycle. We are subject to extensive regulations in the jurisdictions that we have operations in. The acquisition of CLSA in 2013 expanded our network across 13 countries and regions in Asia, Australia, Europe and the Americas, which has exposed us to compliance risks in these markets. We have established comprehensive risk management processes to monitor, evaluate and manage the market, liquidity, credit and operational risks that we are exposed to in our business activities. Our integrated risk management processes comprise established risk management policies and procedures, an integrated risk management system and a three-level organisational structure with well-defined authority and responsibility and clear reporting lines. We are dedicated to trimming down risk exposure through effective risk management. In addition, we have

effectively responded to market volatility and various phases of the industry cycle and exhibited robust profitability during our financial reporting in accordance with HKFRS. For more information on our risk management and internal control processes, see "*Risk Management and Internal Control*".

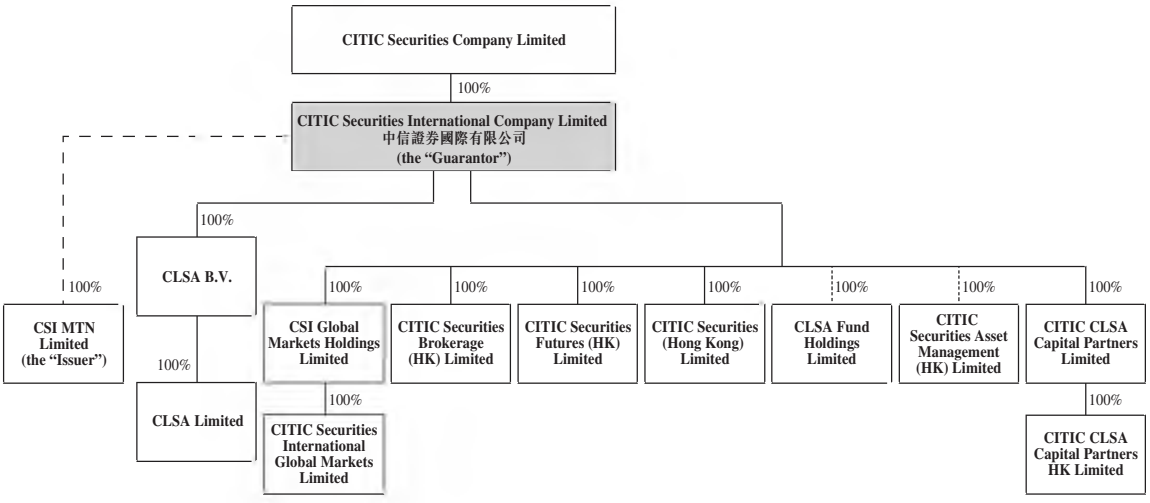
Our financial reporting is in accordance with HKFRS. We believe that comprehensive risk management and internal control processes have contributed significantly to the stability and sustainability of our business through volatile markets and business cycles and will remain fundamental to the growth of our business. Meanwhile, the Group has been rated "BBB+" by the global credit rating agency Standard & Poor's Global Ratings, which rendered the Group with leading ratings among the Chinese financial institutions in Hong Kong.

A steady team of visionary and experienced senior management

Our management team's extensive experience in the industry is the key to our outstanding performance and achievement in the highly competitive securities sector, and is also fundamental to ensuring our future development. Our experienced management team has significant experience in the PRC and global financial industry. With global vision, our management has adopted a solid and practical approach to manage our operations with professional management experience, and has successfully leveraged our PRC and international network to expand into the global capital markets. We believe that our management team will remain instrumental to our future growth. We strive to maintain and enhance our team of highly talented professionals. Focusing on the career development of our employees is one of our key principles. We pride ourselves on having built a people-oriented culture and seek to reinforce our employees' commitment to our culture through recruitment, talent development and an effective performance review system, with a compensation philosophy that rewards teamwork and excellence. We have been successful in attracting talented professionals, including staff from diverse educational backgrounds and with substantial experience in the global financial services industry. We also encourage our people to perform and advance rapidly without hierarchical limitations. We believe that our unique corporate culture and cooperative work environment have played and continue to play an important role in employee recruitment and retention and the success of our business.

SIMPLIFIED CORPORATE STRUCTURE

The Guarantor operates as an investment holding company and consolidates cross-border business and companies under one umbrella, offering a seamlessly unified and international business platform. The following chart sets forth a simplified shareholding and group structure of the Guarantor as at 31 December 2025.



Note 1: The Issuer is wholly and indirectly owned by the Guarantor through intermediate subsidiaries.

Note 2: CLSA Fund Holdings Limited and CITIC Securities Asset Management (HK) Limited are wholly and indirectly owned by the Guarantor through its other subsidiaries.

PRINCIPAL LINES OF BUSINESS

The following table sets forth our business lines and the major products and services under each business line.

Institutional Services				Retail Services
Corporate Finance and Capital Markets	**Securities**	**Asset Management**	**Alternative Investment Management**	**Wealth Management**
• Capital markets — ECM/DCM • Corporate finance — M&A • Equity-linked products	• Institutional equities • Equity derivatives • FICC • Structured finance • Futures	• Active investment • Quantitative investment • Cross-border investment solutions	• Private equity and others • Private credit • Private real estate	• Retail broking • Margin lending • Advisory • ESOP • Entrepreneur Office

Our Business Model

Our business model classifies our products and services into three categories based on the nature of their revenue and how we use our capital to generate that revenue, namely, fee-based, flow-based and capital-efficient businesses. Our fee-based businesses focus on traditional client-driven activities where we have a leading market position and generate fees and commissions as a stable revenue source. Our flow-based businesses leverage our capital position to facilitate clients' transactions or to provide liquidity to various types of markets. In our capital-efficient businesses, we strive to capture investment opportunities that optimise our risk and return profile.

Corporate Finance and Capital Markets

Our corporate finance and capital markets business consists of the following activities:

- Equity finance, including equity capital markets and equity linked finance;
- Debt and structured finance, including debt capital markets and leveraged and structured finance; and
- M&A and financial advisory services.

We are one of Asia's leading corporate finance and capital markets groups. With more than 30 years of experience operating across Asia, we have led many of the Asia's most interesting capital raisings and notable debt issuances. We maintain a strong onshore and offshore balance sheet to facilitate various funding options for clients. Through CITIC Securities' vast network of bankers and CITIC Group's breadth of industry coverage, we provide a platform for PRC companies going global and foreign investors seeking access to the PRC. Our key industry sectors include financial institutions & technology, energy, chemicals & new material, infrastructure, real estate & services, industrials & advanced manufacturing, technology, media, and telecom, healthcare, and consumer.

According to Dealogic's market rankings for 2023, we together with CITIC Securities ranked the first in the top bookrunners for equity capital markets in Asia Pacific (excluding Asia Australia and Central Asia), and we ranked the third in the top global coordinators for equity capital markets in Hong Kong. For debt capital markets, we ranked the fifth in China offshore bonds in Asia markets (excluding Japan), and the first among Chinese securities houses with a total deal volume of U.S.$2,440.07 million, according to Dealogic's league table. Additionally, according to Dealogic's market rankings in 2023, we

together with CITIC Securities ranked the fourth by deal count in the announced merger and acquisition deals in Asia markets (excluding Japan) with a total of 59 deals, and the second among Chinese securities houses by completed merger and acquisition transaction size.

According to Dealogic's market rankings for 2024, we together with CITIC Securities ranked the fourth in the top bookrunners for equity capital markets in Asia Pacific (excluding Asia Australia and Central Asia), and we ranked the second in the top global coordinators for equity capital markets in Hong Kong. For debt capital markets, we ranked the first in offshore China bonds, and first in Asia (excluding Japan) G3 Bonds among Chinese securities houses with a total deal volume of U.S.$3,295 million, according to Dealogic's league table. Additionally, according to Dealogic's market rankings in 2024, we together with CITIC Securities ranked the second by deal count in the announced merger and acquisition deals in Asia markets (excluding Japan) with a total of 88 deals, and the second among Chinese securities houses by completed merger and acquisition transaction size.

According to Dealogic's market rankings for 2025, we together with CITIC Securities ranked the second in the top bookrunners for equity capital markets in Asia Pacific (excluding Asia Australia, Central Asia and Japan), and we ranked the second in the top global coordinators for equity capital markets in Hong Kong. For debt capital markets, we ranked the first in offshore China bonds among Chinese securities houses, and third in Asia (excluding Japan) G3 Bonds among Chinese securities houses with a total deal volume of U.S.$3,711 million, according to Dealogic's league table. Additionally, we together with CITIC Securities ranked the first by deal volume in Global Completed M&A involving Chinese Enterprise, and according to Dealogic's league table, the first among Chinese securities houses by completed merger and acquisition transaction size.

In addition, our market position in corporate finance and capital markets has been testified by the award wins and industry accolades reaped throughout the past years. The following table sets out the significant awards and market rankings for our corporate finance and capital markets business in 2023, 2024 and 2025:

Issued by	Name of Awards
Finance Asia	Best IPO Asia (2023)
	Best IPO South East Asia (2023)
	Best Property Deal Asia (2023)
	Best Bond Deal (Chinese Offshore) (2023)
	Best Bond Deal China — Offshore/Onshore (2024)
	Best Equity Deal China — Onshore (2024)
	Best Infrastructure Deal China — Onshore (2024)
	Best IPO China — Onshore (2024)

Issued by	Name of Awards
New Fortune	**No. 1 Best Investment Bank in Equity Underwriting (2023)**
	Best Local Investment Bank (2024)
	Best Practice ESG Investment Bank (2024)
	Best Investment Bank in Equity Underwriting (2024)
	Best Investment Bank in Serving Overseas Markets (2024)
	Best Investment Bank in Bond Underwriting (2024)
Wind Info	Best Investment Bank (2024)
	Best A-Share Equity Underwriter (2024)
	Best China M&A Financial Advisor (2024)
	Best Bond Underwriter (2024)
IFR Asia Awards	Regional Awards: Asian Bank of the Year (2023)
	Country Awards: China Bond House (2023)
	Country Awards: Indonesia Capital Markets Deal (2023)
	Best Equity House (2024)
	Best Bond Underwriter of the Year in China (2024)
	China Equity House (2025)
	China Bond House (2025)

We commenced operations in Hong Kong in 2006. With CITIC Securities' networks in China and the acquisition of CLSA in July 2013, we are utilising the synergies generated from our domestic and international presence to ramp up the cross-border services we provide to our clients.

We provide capital-raising and financial advisory services to a diverse group of corporate and other institutional clients in China and globally. The key industry sectors we cover include consumer & diversified, energy & general industrial group, financial institutions, healthcare, real estate & infrastructure and technology, media and telecom. We maintain contact with thousands of companies, many of which are leaders in their respective industries. We also aggressively pursue new customer groups, ranging from domestic small to medium sized enterprises to multinational corporations that are seeking business opportunities in China or overseas.

Equity Finance

We sponsor and underwrite IPOs and follow-on offerings of equity and equity-linked products. In the past decade, some of the major IPO transactions we sponsored and underwrote include (i) the secondary listing of Chinese social media giant Weibo on the HKSE, raising approximately HK$1.38 billion, (ii) the dual primary listing of Chinese electric car maker Li Auto Inc. on the HKSE, raising approximately HK$11.8 billion; (iii) the secondary listing of Chinese e-commerce giant JD.COM, Inc. on the HKSE, raising approximately HK$29.8 billion, (iv) the secondary listing of Chinese search engine and artificial intelligence giant Baidu, Inc. on the HKSE, raising approximately HK$23.9 billion, (v) the listing of China Tourism Group Duty Free Corporation Limited on the HKSE, raising approximately U.S.$2.7 billion, (vi) the listing of PT Pertamina Geothermal Energy Tbk, which is the largest ever pure renewable IPO in Southeast Asia, (vii) the listing of REPT BATTERO Energy Co., Ltd. on the HKSE, raising approximately HK$2.1 billion, (viii) the listing of XtalPi Holdings Limited on the HKSE, raising approximately HK$989 million, which is the first company listed under chapter 18C, (ix) the listing of Chifeng Jilong Gold Mining Co., Ltd on the HKSE, raising approximately HK$3.25 billion and (x) the listing of Zijin Gold International Company Limited on the HKSE, raising approximately HK$3.21 billion. We together with CITIC Securities lead-managed, 124 equity offerings in 2023, 82 in 2024 and 137 in 2025 as the bookrunner, raising an aggregate of approximately U.S.$20,765.8 million of capital in 2023, U.S.$7,684.5 million of capital in 2024 and U.S.$15,889.3 million of capital in 2025, ranking the first in the equity capital markets in Asia Pacific (excluding Australia, Central Asia and Japan) in 2023, ranking the fourth in 2024 and ranking the second in 2025, according to Dealogic.

Our corporate finance and capital markets team has through its track record demonstrated that it possesses competitive advantages in industries it covers including consumer & diversified, energy & general industrial group, financial institutions, healthcare, real estate & infrastructure and technology, media and telecom. Leveraging our industry-specific expertise and strong execution capabilities, we have been particularly successful in winning mandates for large and complex restructurings and equity offerings from PRC-based companies in various industries. In addition, we are well-recognised for our ability to innovate in the equity underwriting business. We are routinely involved in high-profile equity transactions that are the first of their kind. We believe that our ability to identify market and regulatory trends, structure and execute transactions in an innovative way and provide new equity capital market products has significantly contributed to our leading market position in the equity underwriting business. Moreover, we have a particularly strong track record in underwriting A+H equity offerings, and have led-managed a number of A+H equity offerings in recent years.

Debt and Structured Finance

Our debt and structured finance activities include the structuring and underwriting of fixed income and structured finance products.

We underwrite a full range of fixed income products. We believe that our deep understanding of the market and regulatory environment and our substantial experience in bond offerings have contributed to the success of our debt underwriting business. We believe that we have differentiated ourselves from our competitors, with our strong pricing, execution and market assessment abilities, broad investor coverage, strong capital position and full-service licences.

In 2023, we lead-managed 49 China offshore bonds, raising an aggregate of approximately U.S.$1,313.2 million of capital, ranking the ninth in China offshore bonds and the second among Chinese securities houses according to Bloomberg's league table. In 2024, we lead-managed 115 China offshore bonds,

raising an aggregate of approximately U.S.$2,494.9 million of capital, ranking the fourth in China offshore bonds and the second among Chinese securities houses according to Bloomberg's league table. In 2025, we lead-managed 159 China offshore bonds, raising an aggregate of approximately U.S.$3,470.0 million of capital, ranking the third in China offshore bonds and the second among Chinese securities houses according to Bloomberg's league table. We ranked the second, the second and the second in offshore CNY bonds among Chinese securities houses in 2023, 2024 and 2025, respectively, according to Bloomberg's league table. Underwriting commission rates vary with the types of fixed income products underwritten. We focus on underwriting fixed income products that could lead to higher returns or greater brand recognition, such as bonds and medium-term notes.

We are one of the first securities firms with a PRC background to participate in Hong Kong's Dim Sum bond market. We have assisted a number of China-based companies in raising capital through offerings of RMB-denominated bonds in Hong Kong since that market opened. In 2007, when Hong Kong's first Dim Sum bond was introduced, we lead-managed the RMB-denominated bond offering for Export-Import Bank of China. In 2009, we lead-managed the first floating rate RMB-denominated bond offering in Hong Kong for HSBC Bank (China) Company Limited. We have also led numerous milestone USD bond offerings, including Bank of China's U.S.$6.5 billion offshore preference shares offering in 2014, which was the first offshore additional tier 1 capital offering by a Chinese bank, China Cinda Asset Management Co., Ltd.'s U.S.$3.2 billion offshore preference shares offering in 2016, which was the first offshore preference shares offering by a Chinese non-banking financial institution, CITIC Limited's U.S.$1. 25 billion dual-tranche bond offerings in 2015 and 2016, and the issuance of sovereign bonds in nominal amount of U.S.$1.5 billion by The Democratic Socialist Republic of Sri Lanka in 2017.

Since then, we have continued our strong and consistent presence in Hong Kong's bond market. In 2023, we underwrote the green financial bonds of the Agricultural Development Bank of China and the long-term green corporate bonds of Three Gorges Corporation respectively, as well as assisted JA Solar Technology Co., Ltd. with the completion of the issuance of convertible bonds of nearly RMB9 billion. In 2024, we underwrote Ministry of Finance of the People's Republic of China's RMB5 billion offshore bond, China Development Bank's RMB2.8 billion and U.S.$500 million offshore bonds and Meituan's U.S.$2.5 billion USD bond. In 2025, we underwrote the Ministry of Finance of the People's Republic of China's RMB6 billion offshore bond, Baidu Inc.'s RMB4.4 billion offshore bonds, Meituan's RMB7.08 billion offshore bonds, Tencent Holdings Limited's RMB9 billion offshore bonds and State Grid Corporation of China's RMB4 billion offshore bonds.

M&A and Financial Advisory

We provide financial advisory services for various types of transactions, including mergers and acquisitions, joint ventures, corporate restructurings, leveraged buyouts and strategic alliances. Our financial advisory clients include public and private companies, government entities and private equity investors in China and overseas. For example, in 2014, we advised on the purchase of CITIC Corporation Limited by CITIC Group Corporation's H-share listed subsidiary, CITIC Pacific Limited (which has now been renamed CITIC Limited). We have also assisted BY-HEALTH in completing the cross-border acquisition of the entire equity interest in Life-Space Group, an Australian probiotics brand, which further expanded the overseas strategic layout of BY-HEALTH. In 2023, we acted as the Exclusive Financial Advisor of the U.S.$19 million investment in an Indonesia state-owned healthcare company by Silk Road Fund & Indonesia Investment Authority. We served Yangtze Power in the completion of the material assets restructuring valued at RMB80.5 billion. We also acted as Financial Advisor to the offeror of the U.S.$101.41 million privatisation of Poly Culture Group Corporation Limited (保利文化集團股份有限公司) by Zhongyi Century Cultural Industry Investment Co., Ltd. (中藝

世紀文化產業投資有限公司) in 2023. In 2024, we served as exclusive financial advisor for Jinxin Fertility Group Limited in the U.S.$27 million acquisition of PT Morula Indonesia's 30% stake. We also acted as exclusive financial advisor for both Indonesia Investment Authority and S wire Pacific in the U.S.$200 million acquisition of PT Perta mina Bina Medika's 36.66% stake. In 2025, we completed cross-border M&A such as China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd.'s acquisition of the Raura polymetallic mine in Peru for approximately U.S.$106 million.

By collaborating CITIC Securities' leading position on the domestic market with our global experience and networks, we continue to further develop and expand our overseas business presence to cover 13 countries and regions in Asia, Australia, Europe and the Americas, and to keep building up a worldwide network for merger and acquisition business.

In 2023, we together with CITIC Securities advised on 62 M&A transactions with an aggregated transaction volume of approximately U.S.$32.5 billion, ranked the second among Chinese securities houses in the announced merger and acquisition deals in Asia markets (excluding Japan), according to the market rankings of Dealogic. In 2024, we together with CITIC Securities, completed 72 global M&A projects involving Chinese enterprises, with a transaction size of approximately U.S.$30.0 billion, ranking second in the market and completed cross-border M&A projects in overseas markets, such as the sale of Malaysia's Actis' equity interests in GHL to Japan's NTT Group. In 2025, we together with CITIC Securities, completed 80 global M&A projects involving Chinese enterprises, with a transaction size of approximately U.S.$81.27 billion, ranking the first by deal volume in completed cross-border M&A involving Chinese enterprises.

We believe that our financial advisory services are important to our overall business, particularly with respect to generating cross-selling opportunities for other businesses, such as debt and equity finance. We intend to capitalise on the increasing number of business opportunities arising from the restructuring and globalisation of PRC companies. We are seeking to strengthen our capabilities to execute cross-border mergers and acquisitions by exploring arrangements that will assist Chinese domestic clients in pursuing global expansion and overseas clients in entering into the Chinese market.

Institutional Equities

We provide brokerage services to customers for their trading of listed securities on exchanges. We generate commissions from executing and clearing the buy and sell orders of our clients. As at 31 December 2025, we managed approximately 1,300 institutional brokerage clients.

Our dedicated institutional equities execution team provides comprehensive best-execution services across the region. We maintain a team of more than 130 trading professionals in 16 locations around the world, with access to more than 60 equity exchanges globally, covering more than 90% of global market capitalisation. In terms of high-touch services, we hold the top high-touch market share position in equities brokerage (excluding cash trading) services in Asia. With exchange membership and on-the-ground teams in 16 markets, we seek out liquidity to execute even the most challenging strategies for our clients.

We provide unparalleled access to Chinese equities and A-share blocks through our collaboration with CITIC Securities. In terms of low-touch services, we have a purpose-built execution system for trading orders in Asia, and we have a best-in- class algorithmic trading platform that integrates AI machine

learning. By utilising our proprietary technology and database, we ensure complete control and discretion over all our client activities. Our traders and dealers are provided with algorithms and adaptive AI technology so that we have a first-mover advantage in the market.

Many of our international institutional clients are renowned investors in the global investment community, including sovereign wealth funds, long-short funds, hedge funds and Hong Kong local ultra-high-net-worth individuals. We believe that our broad client coverage and strong equity sales capabilities allow us to compete effectively in the Hong Kong market and overseas markets that we operate in.

Research

We maintained a leading position in the research business in Asia, ranking top in the industry. Our outstanding research services in securities brokerage provide client insights into the issues, trends and companies driving Asia's markets. As at 31 December 2025, we have more than 100 research analysts and cover over 2,000 companies across 19 key industry sectors and 14 markets, providing in-depth sector and company insights that inform clients' investment strategies. CLSA U, our value-added executive education programme, gives clients direct access to industry specialists across the globe, in person, via conference call and research. The CLSA U curriculum is tailored to cover the key macro themes impacting markets and portfolios.

Issued by	Name of Awards
Institutional Investor . . .	**2023 Asia-Pacific Research Rankings**
	Australia/New Zealand
	No. 3 broker firm
	China
	No. 2 broker firm
	Hong Kong
	No. 3 broker firm
	Indonesia
	No. 1 broker firm
	Malaysia
	No. 1 broker firm
	The Philippines
	No. 1 broker firm

Issued by	Name of Awards
	Singapore
	No. 1 broker firm
	South Korea
	No. 1 broker firm
	Thailand
	No. 1 broker firm
Asiamoney	**Regional Top 3 Best Broker**

Wealth Management

Our wealth management segment serves high net worth individuals and corporate clients providing customised wealth management solutions which include funds, trust, bonds, structured products, insurances, securities, options, and provide other integrated service such as Family Office, trust, Capital Investment Entrant Scheme, Employee Stock Ownership Plan and The Cross-boundary Wealth Management Connect Scheme. Other than commission fees, our wealth management business generates interest income of this segment comprised interest income from advances to customers in margin financing and interest spread from deposits placed by wealth management customers. As at 31 December 2025, the total assets under management or custody were over HK$300.0 billion (U.S.$38.5 billion), which is comparable in size to regional private banks with an active footprint in Asia.

Through CS Brokerage, our dedicated team of wealth management professionals provide tailor-made financial solutions to clients in China and globally. Our wealth management services are available to individual retail clients, corporate and high net worth individuals, as well as institutional investors. Our clients benefit from our collaboration with CITIC Securities which has a strong retail distribution network in the greater China area. As at 31 December 2025, our securities brokerage services cover 15 markets worldwide, and we partner with more than 80 global financial institutions to meet diverse investment demands and offer competitive trading quotes. In 2024, we were awarded with "Best Wealth Manager HK — Triple A Awards Private Capital 2024" by The Asset and "Best Wealth Manager — Entrepreneurs" by the Asia Private Banker. In 2025, we were awarded, among others, "Private Banking Award — Hong Kong's Best Wealth Management Institution — Next Generation Clients" by Euromoney and "China Family Office Annual Selection — Top 30 Chinese Family Offices" by Forbes.

We strive to provide our wealth management customers with value-added products and services, such as fast trading channels, investment advisory, and margin financing and securities lending services. We believe our wealth management services have strong growth potential and could generate cross-selling opportunities for our other businesses.

FICC

We offer a wide range of fixed income, currencies, rates and commodities products and solutions. Through our global network, our FICC business team strives to deliver a full suite of products and services to help clients identify market opportunities, manage their risks and generate returns on their portfolios.

Our FICC business has a diverse and growing client base made up of astute investors in the FICC asset classes and active participants in the global FICC markets. We service major global and regional institutions worldwide as well as corporations in the greater China area. Our clientele consists of sovereign wealth funds, global asset managers and hedge funds, global and regional banks and securities firms, insurance companies, private banks and family offices. We are a leading China cross-border trading partner, with more than 1,300 institutional clients worldwide and a considerable number of bonds being priced and published on venues daily. We also operate across six trading centres globally.

We operate through a global team of more than 600 dedicated FICC professionals, consisting of specialised roles in sales, trading, structuring and analytics. We have dedicated sales coverage based in major financial centres worldwide and they work around the clock across the Asia, Europe and the United States continents to maintain client relationships and acquire new clients. In recent years, we have continued to forge ahead with our FICC business by adding new product offerings and further strengthened our ability to deliver specialised servicing and solutions to our clients.

Our credit market-making business participates in major bond trading venues trading 24 hours a day, five days a week, offering liquidity in investment grade bonds, high yield bonds, convertible and exchangeable bonds. We publish bond pricing actively onto major electronic trading venues providing our clients with direct access to liquidity. Our bond sales team specialises in distributing bonds in both primary and secondary markets, providing market flow colour and credit analytics as well as trading ideas to clients.

Our FICC's solutions business advises clients on cross-border investment strategies, hedging solutions and innovation of bespoke yield enhancement products. We have expertise in providing solutions across all FICC asset classes as well as the ability to help our clients execute the solution through various market channels. We are a leading player in cross-border access solutions into the mainland China. We have experience in providing solutions for yield enhancement products and can offer clients the ability to use funds, notes or swap formats.

Our FICC's OTC derivatives business helps clients to access the credit, currencies, rates, alternatives and commodities markets worldwide. Our trading desks enable our clients to trade bilaterally through the use of swap, futures and option contracts. We have also established trading relationships with major global OTC swap dealers to diversify our channels for prudent liquidity and counterparty risk management.

Our FICC's structured finance business provides bespoke offshore structured financing solutions to support the growth and development of our valued corporate clients. These solutions may involve committing our own capital or providing advisory services only.

Our FICC's principal investment business looks for opportunities in the global markets for yield enhancement as well as capital growth. The investment team consists of specialised investment strategists and portfolio managers who adopt a fundamental approach to its investment activities. The team is experienced in using various instruments to capture its risk strategies and accessing global market channels to manage its portfolios.

Equity Derivatives and Prime Brokerage

We are recognised as one of the most competitive providers of A-share derivative products internationally. Our equity derivatives business offers a unique combination of local expertise and global access and has experienced strong growth over the past few years and is recognised as a leading derivatives trading platform. Our sales, trading and structuring teams work closely with global clients to create solutions that meet their needs in risk management, yield enhancement, financing, and cross-border market access. The Group believes its equity derivatives business will further strengthen its leading position in the capital markets business.

We provide a variety of financial derivatives products, including the followings:

- **Structured products:** bespoke notes and over-the-counter options & swaps
    - *Flow derivatives:* vanilla options (call, put, call spread, combination of put spread and options), covered call and protective put;
    - *Delta-1 derivatives:* equity swaps, portfolio swaps, contracts for difference and cross-border total return swaps; and
    - *Exotics derivatives:* autocallables, barrier options, outperformance and fund-linked derivatives;
- **Quantitative investment strategies:** multi-asset class offering; and
- **Corporate equity derivatives:** bespoke structure of derivatives trades.

Our equity derivatives services are highly customised to meet each client's individual needs. Leveraging our financial engineering expertise, we help our clients design sophisticated hedging strategies and trading programs to manage downside risk and minimise costs. Depending on our clients' return expectations and risk appetite, we offer tailored structured products and investment programs to improve their risk-return status and meet their asset allocation needs. The Group also provides its clients with access to high margin opportunities in niche markets, such as cross-border derivatives and exotics derivatives.

We separate our own equity trading activities from those we conduct on behalf of our clients in compliance with applicable rules and regulations. We have implemented strict risk management guidelines for our Equity Derivatives and Prime Brokerage business to mitigate the risks we are exposed to. Please see "*Risk Management and Internal Control*" for a detailed description of our risk management system.

We derive investment income from the trading of equity derivatives in which we act as principal or market-maker. Leveraging our dedicated professional trading and product teams and our innovative services for client facilitation and liquidity supply capabilities, we also profit from the bid/ask spread while enhancing market liquidity, facilitating price discovery and promoting market equilibrium.

In addition to the equity derivatives business, we also provide prime brokerage services to sophisticated institutional investors. We offer a competitive suite of valued-added solutions to our prime clients including execution, synthetic trading, stock borrowing and lending, custody, clearing, asset financing, and fund administration. We also provide efficient clearing and settlement of securities and cash transactions in major Asian markets and currencies. We provide margin financing services to brokerage clients who wish to leverage their investments. We lend securities to our prime brokerage clients, enabling them to capture potential short-selling opportunities. We also provide synthetic financing services with total return swap products. The return of our clients under such swaps is linked with the performance of the underlying assets including stocks indexes and other securities. We charge our clients the pre-determined return rate based on a comprehensive assessment of several factors including the cost of funding, market liquidity, supply and demand of products and the risk return ratio. We bear risks including credit risk, liquidity risk, market risk and operational risk under such transactions. We lend the stocks we own but do not intend to sell immediately to our counterparties and borrow the stocks from our counterparties through our stock borrowing and lending service, which contributes to greater liquidity, narrower spreads and improved risk management. Benefiting from our strong client base of sophisticated investors, and our strong capital resources and broad brokerage network, we have large and steady demand for our stock-based lending service.

In respect of our product matrix, our margin financing services include buying and holding on margin, employee stock ownership plan, initial public offering subscription, and Hong Kong margin and connection. Our stock pledged repo transaction services include stock pledged, private placement subscription, convertible bonds subscription, and cross-border guarantee. Our short selling services include long and short strategies, day trade strategies, quantitative strategies and arbitrage strategies. Further, we offer security lending services to institution lenders, mutual fund lenders, hedge fund lenders, and asset or wealth manager lenders.

Asset Management

We provide asset management and alternative investment management products and services for professional investors, mainly through our subsidiaries CITIC Securities Asset Management and CLSA Capital Partners, both of which hold SFC licensed companies engaged in asset management business. Our asset management business offers a diversified and increasing range of investment strategies, and helps professional investors globally, mainly in the United States, Europe and Asia. We receive management fees based on a percentage of the amount of assets under its management and performance fees (carried interest) based on returns on the assets. With clients' interest as top priority, we design and offer high-quality and innovative asset management products and services to Chinese domestic and overseas clients with a view of steady value appreciation over the long term. As at 31 December 2025, the scale of assets managed by CITIC Securities Asset Management and CLSA Capital Partners amounted to approximately U.S.$15.7 billion and U.S.$5 billion, respectively.

As one of the earliest and largest providers of cross-border investment solutions, CITIC Securities Asset Management actively explores the investment opportunities emerging from the "globalisation" of Chinese economy. With the strong support of CITIC Securities, CITIC Securities Asset Management integrates the capabilities from different business lines to help investors realise their distinct investment

opportunities by providing customised solutions. CITIC Securities Asset Management offers a range of institutional managed accounts, public and private funds as well as other tailored and one-stop investment solutions to its institutional, corporate and private client base.

Our asset management invests in a variety of asset classes covering mainstream investment strategies in the private markets, and we help our clients invest in industry leaders in most dynamic sectors such as smart manufacturing, renewables, healthcare, technology, media and telecom, high-end manufacturing and properties, amongst others.

Fund Services

We also provide fund services through CLSA Fund Services (Asia) Limited, which was established to service international asset managers and the growing number of mainland Chinese asset managers that are expanding overseas. We provide tailor-made solutions to hedge funds, private equity, venture capital, real estate, fund of funds, trusts and separately managed accounts, catering to their investment and administration needs with offices in Beijing, Hong Kong, Singapore, Shanghai, Guangzhou and Shenzhen. We provide comprehensive end-to-end solutions spanning middle and back office and fund administration services by leveraging on industry know-how, first-in-class technology infrastructure and robust IT support. The types of fund services we provide include fund accounting services (including reconciliation and break resolution, net asset value computation, performance fee calculation, fund expenses validation, and financial statement & audit assistance), transfer agency services (including transaction processing, investor due diligence, distribution of notices, wire transactions, investor audit confirmation, ongoing anti-money laundering monitoring, and statement and contract note distribution), tax compliance services (including, amongst others, registration for Global Intermediary Identification Numbers and Automatic Exchange of Information, principal point of contact, new investor due diligence and change in circumstances) and middle and back office services (including, amongst others, trade confirmation, daily cash reconciliation, daily position reconciliation, daily profit & loss reconciliation).

Additional fund services provided by us include, but not limited to, custody services such as asset custody services for equities, bonds, etc., corporate actions support, clearing and settlement, report generation and recordkeeping and value-added services such as board meeting support services, online performance analysis services, system platform support and fund establishment consulting (including legal documentation review, bank account setup, etc.).

Capital Partners

CLSA Capital Partners is the only and wholly-owned global private fund management and U.S. dollar balance sheet investment platform of CITIC Securities. With 30 years of investment experience, the firm offers a diverse range of investment strategies. CLSA Capital Partners has a diverge range of investment strategies with over 20 funds under management and various licenses in Hong Kong (Type 1, 4 and 9 activities), Japan (Fund Management Business), Singapore (Fund Management Business) and South Korea (Fund Management Business) as at 31 December 2025. CLSA Capital Partners is also a forerunner in purveying ESG and United Nations ("**UN**") responsible investment principles, being a signatory to the UN Principles of Responsible Investment, endorser of Institutional Limited Partners Association and discloses climate-related risks under the Hong Kong regulatory regime maintained by the SFC. CLSA Capital Partners has integrated our commitment to ESG into its investment strategy and two-stage investment process. This ensures ESG risks and opportunities are reported, considered and documented by the funds and their respective Investment Committees.

MAJOR CLIENTS

Leveraging synergies between our global network resources and the profound customer resources and extensive network layout of CITIC Securities and CITIC Group, we serve institutional clients across a spectrum of business sectors and a diverse group of high-net-worth individual clients from multiple countries and regions including the United States, Europe and Asia Pacific. We have also accumulated a group of trustworthy strategic clients engaging in key fields of PRC national economy, achieving in-depth coverage of major central SOEs, important local SOEs and influential listed companies. We believe our client base will continue to develop strongly, driven by our philosophy of being client-centric and growing together with clients.

COMPETITION

Competition in the financial services industry in Hong Kong has been and is likely to remain intense. Our competition is based on a number of factors, including pricing, capital and access to capital, products and services, innovation, transaction execution capability, reputation, experience and knowledge of our staff, employee compensation and geographic scope.

Our main competitors include other securities firms and fund management companies with a PRC background. We also face competition from commercial banks, insurance companies, private equity funds and trust companies, as well as online financial services providers that have entered into the payment and microfinance businesses. Some of the financial institutions that we compete with are larger in terms of asset size and client base and have greater financial resources or more specialised capabilities than us. International financial institutions, some of which have greater experience and resources than us, have well-established presence in Hong Kong and will continue to compete with us in providing financial products and services either by themselves or in partnership with other PRC based financial institutions. We also face increasing competition in overseas financial markets due to the expansion of our international operations.

We have experienced intense price competition in some of our businesses in recent years. For example, the securities brokerage industry in Hong Kong is very competitive, which has resulted in considerable pressure on brokerage commissions. The increased popularity of alternative trading platforms, including online discount brokers offering deeply discounted fees, has also contributed to the decline in commission rates. In addition, equity and debt underwriting commission fees, as well as asset management fee rates and prime services commission rates, have also been under pressure. We believe that we will continue to experience competitive pressures in these and other areas in the future as some of our competitors seek to win market share through price reduction. Based on the above we believe that future competition in the securities sector will be even more intense, and innovation will be key for business development in the securities industry.

We also face competition in attracting and retaining qualified employees. The competition among large securities firms for qualified sponsor representatives and other high-quality professionals is substantial. Our ability to continue to compete effectively in our businesses will depend upon our ability to attract new employees and retain and motivate our existing employees.

EMPLOYEES

We believe that a major strength and principal reason for our success is the quality and dedication of our people and the shared sense of being part of a team. We strive to create and maintain a work environment that fosters professionalism, excellence and cooperation among our employees and high standards of business ethics. Instilling our culture in all employees is a continual process, in which training plays an important part.

As at 31 December 2025, the Group had a total of 2,291 employees. Our full-time employees participate in various employee benefit plans such as mandatory pension funds and medical insurance plans, etc. The employment contracts generally specify the employees' responsibilities, remuneration and grounds for termination. Compensation for our full-time employees typically consists of a base salary and a discretionary bonus. The discretionary bonus is usually awarded for the relevant year based on the Group's business results and the employees' performance.

We focus on our employees' career development. We conduct performance evaluations for our employees on an annual basis to provide feedback on their performance. We invest in training programmes tailored for employees in different business lines.

TECHNOLOGY

We are committed to the on-going development, maintenance and use of technology. We expect our technology initiatives to greatly enhance client service through increased connectivity and the provision of value-added and tailored products and services, improve our trading execution and post-trade clearing and settlement capabilities, effectively manage our risks and improve overall efficiency, productivity and control.

Electronic commerce and technology have changed and will continue to change the ways that securities and other financial products are traded, distributed and settled. This creates both opportunities and challenges for our businesses. We remain committed to being at the forefront of technological innovation in the financial services market. Our IT centre has developed several innovative technology systems, such as a securities services knowledge database, a bond sales and trading platform, a brokerage business information service platform for high-net-worth clients, a high-performance electronic market-making system, a centralised real-time risk management platform, and a quantitative algorithmic trading strategy platform. We have also developed different trading platforms to address specific needs of different business lines, such as a margin financing and securities lending operating system for our prime services clients, an index futures arbitrage system for our high-end brokerage clients, a trading platform for our FICC and equity derivatives and prime brokerage activities, a centralised trading system for our brokerage clients, an investment and trading system for our asset management clients, and a pricing platform for our fixed income clients.

Business continuity and information security are high priorities for us. We have designed contingency plans to provide reasonable assurance of business continuity in the event of disruptions at our critical facilities. The key elements of the programme are crisis management, business recovery, systems and data recovery, recovery facilities maintenance, and process improvement. We have developed and implemented a framework of information security principles, policies and technology to protect our information assets and those of our clients. Safeguards are applied to maintain the confidentiality, integrity and availability of information resources.

RISK MANAGEMENT AND INTERNAL CONTROL

We acknowledge the significance of fostering a robust risk management culture that encompasses our collective attitudes, values, and standards that influence behaviors associated with risk awareness, risk taking, and risk management. We practice sound internal controls and effective risk management by implementing the following three lines of defense model:

- **First Line of Defence (Individual Business Line/Unit)** — responsible for management and supervision of risks that arise from its own business activity and manages the risks arising from conducting business;

- **Second Line of Defence (Risk Management)** — responsible for establishing independent risk management program to identify, assess, manage and control risks; and

- **Third Line of Defence (Internal Audit)** — independent function within the Group that appraises the effectiveness of the system of internal control (including risk management and governance).

Governance Structure

We seek to monitor and control our risk exposure through various reporting systems covering financial, operational, compliance and legal aspects of our business. We have established a three-level risk management and internal control governance structure as follows: (i) the Risk Management Department, (ii) the Risk Management Committee, and (iii) the relevant Supervisory Committee. Our comprehensive three-level risk management system enables a network of collective decision making among the respective committees. This ensures close cooperation between internal control functions and business departments as well as business lines, and manages risks through a process of review, decision, execution and supervision.

Risk Management Department of the Group ("CSI Group RMD")

CSI Group RMD is responsible for the governance and oversight of risk management within the Group. CSI Group RMD is composed of several teams including Market & Liquidity Risk, Model Risk, Credit Risk, Operational Risk, Technology Risk, Enterprise Risk and New Product Risk.

CSI Group RMD reports to the Risk Management Committee of the Group ("**CSI Group RMC**").

CSI Group RMC

CSI Group RMC is a regional risk management coordination body authorised by Global Risk Management Committee ("**GRMC**") of CITIC Securities. With the delegation and authorisation, CSI Group RMC is responsible for coordinating and implementing risk management of the Group's global business, overseeing and approving relevant risk management framework, policies and limits, and discussing and escalating significant risk-related issues.

CSI Group RMC has reporting lines to the GRMC, the Management Committee of CSI Group and the board of director of the Group (collectively the "**Supervisory Committee**").

Supervisory Committee

The Supervisory Committee consists of the GRMC, the Management Committee of the Group and the board of directors of the Group.

The primary responsibilities of the GRMC are to develop the overall risk management policy and to prescribe strategic structures and resources used for the risk management of the Guarantor, and make them compatible with the internal risk management policy of the Guarantor; to formulate the threshold of major risks; and to supervise, examine and make recommendations on the relevant risk management policies pertaining to key risks.

The Management Committee of the Group serves as the top governing authority responsible for operational management, reporting directly to the board of directors of the Group. The Management Committee convenes meetings to make decisions regarding the activities of the organisation.

The board of directors of the Group is responsible for establishing strategic directions and providing leadership for the Group.

Collectively, the GRMC, the Management Committee of the Group and the board of directors of the Group, known as the Supervisory Committee, act as a reporting line to the CSI Group RMC.

Credit risk

Credit risk is defined as the potential loss arising from an obligor or counterparty failing to meet its obligations in accordance with the agreed terms, thereby defaulting on its obligations. The Group's Credit Risk Policies apply to all in-scope entities and activities that take or create credit risk exposures. CSI Group RMD will assign a credit rating to an issuer/counterparty/client where there is a credit limit assigned.

CSI Group RMD is responsible for:

- Managing the Group's credit exposures to the firm's clients and counterparties;
- Performing credit analysis and approve credit limits as stipulated in the credit limit approval delegation matrix;
- Reviewing and setting credit terms for trading documents, where applicable;
- Establishing appropriate credit limits and perform regular credit exposure monitoring and reporting; and
- Conducting periodic limit reviews and ad-hoc reviews for exceptional credit exposures.

Market risk

Market risk is defined as the potential for financial loss or adverse change in value in traded financial securities and instruments arising from adverse movements in market prices or valuation parameters. Market risk can arise from trading positions in securities, instruments and over-the-counter derivatives.

CSI Group's Market Risk Policy applies to all entities and activities that take or create market risk exposures.

CSI Group RMD, as the second line of defence:

- Develops and maintains market risk policy;
- Measures, monitors and reports on market risk exposures;
- Conducts market risk stress test;
- Reports on and follows up with limit breaches;
- Provides regular market risk report and analysis; and
- Performs ad-hoc investigations and escalate suspicious and/or anomalous trading activities of traders who execute transactions outside of their expected trading activities.

The Group has implemented a comprehensive validation procedure for the valuation of all new products and models. This rigorous process ensures the accuracy and reliability of our valuation practices, minimising any potential valuation-related risks.

Operational risk

Operational risk is defined as the risk of loss or near miss resulting from inadequate or failed internal processes, staff practices, system failures or from external events that are outside the perimeter of the Group's control framework.

The Group's Operational Risk Policy applies to all entities and all employees of the Group. It applies to permanent and temporary members of staff, as well as consultants, contractors and seconded staff from affiliated companies.

CSI Group RMD monitors and facilitates the implementation of effective risk management practices by the first line of defence and assists the risk owners in:

- Reporting adequate risk related information up and down the organisation.
- Developing and maintaining policies, standards and guidelines.
- Reviewing and contributing to the monitoring and reporting of the operational risk profile.
- Designing and providing operational risk training and awareness.
- Promoting a strong risk culture.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to fund assets or meet its contractual or contingent obligations when they fall due. This risk could potentially arise as a result of a balance sheet mismatch in the amount, tenor and composition of funding and liquidity to support the assets.

The Group's Liquidity Risk Management Framework is designed to ensure that it can meet its funding requirements when obligations are due under a range of market conditions, such as economic downturns and interest rate fluctuations. This is achieved through a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

Model risk

Model Risk refers to the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. To manage the risk effectively, the model risk management team is responsible for conducting validations and annual assessments to identify potential issues in the use of the model for its designated purpose, as well as to evaluate performance and compliance with the model risk policy. The team also drafts reports based on the validation results and submits them for review to obtain valuation model approvals from both the Chief Risk Officer at the Group and the Head of the Model Risk Management at our parent company, CITIC Securities. By collaborating with various business units, the team provides guidance on model usage and governance, helping to uphold the integrity and reliability of the valuation and pricing processes for the corresponding financial products.

Money Laundering

We have established policies and procedures to flag and prevent money laundering and terrorist financing. Money laundering covers a wide range of activities intended to mask or alter the source of illegally obtained money. Our employees who know, suspect or have a reasonable basis to believe that a client may have engaged in money laundering activities are required to immediately report to the legal and compliance departments, which, in turn, will notify the appropriate regulatory authorities. We also have in place a client screening procedure to profile clients with a higher-than-average likelihood of engaging in money laundering and terrorist financing activities. When conducting such screening, factors we take into account include the client's background, nature of its business, its origin or place of establishment, associated entities and its ownership structure.

Chinese Walls

As a financial institution providing a wide range of financial services, we consistently face situations where two or more legitimate interests are conflicting in nature. We recognise the importance of managing such conflicts to protect the interests of our clients and our employees. We have implemented Chinese walls to limit conflicts of interest by controlling the flow of material non-public information. A Chinese wall in this context refers to various physical and electronic measures taken to ensure that material non-public information regarding listed companies which is obtained by one department is not released to another department. It is intended to separate those making investment decisions from those in possession of material non-public information. We have developed and implemented policies and procedures to safeguard such information and prevent improper trading. Due to potential conflicts of interest, we have established Chinese walls between our investment banking and research departments, our sales and research departments, as well as our trading and brokerage departments to prevent the flow of material non-public information. To enforce Chinese walls on an administrative level, we have established physical segregation and password-protected access among departments and functional units, including our investment banking, equity sales and trading, asset management, brokerage, research, legal and compliance departments.

As we continually seek to enhance our risk management and internal control functions, we have implemented the following:

- *Firmwide Risk Pooling*

  We plan to measure and monitor our overall risk exposure to ensure that our risks fall within a tolerable range.

- *Risk Limits Systems Based on Capital Allocation*

  We plan to establish a series of risk limit systems to dynamically control and adjust our risk exposure through risk limits, promote timely communication with the front-office business departments and improve the effectiveness of our risk management.

- *Economic Capital Framework*

  We plan to establish an economic capital allocation framework in line with international standards and the capital requirements of the SFC to help us measure the risk adjusted returns of our business units and optimise our resource allocation.

Legal and Regulatory

Licensing Requirements

We operate our business principally in Hong Kong and we are subject to the relevant regulatory requirements in Hong Kong.

Certain members of the Group are licensed under the SFO to carry out regulated activities, including Type 1 (Dealing in securities), Type 2 (Dealing in futures contracts), Type 4 (Advising on securities), Type 6 (Advising on corporate finance), Type 7 (Providing automated trading services) and Type 9 (Asset management).

A member of the Group is an insurance broker company licensed by the Insurance Authority under the Insurance Ordinance (Cap. 41) (the "**IO**") to carry out certain specified regulated activities in one or more lines of insurance business, such as Long Term Business (including Linked Long Term Business).

Legal Proceedings

We may be a party to legal proceedings from time to time that arise from the ordinary course of our business. See "*Risk Factors — Risks Relating to our Business — Substantial legal liability or significant regulatory action against us could materially and adversely affect our results of operations and financial condition, or cause us significant reputational harm and seriously harm our business prospects*". As at the date of this Offering Circular, the Group is not aware of any legal or arbitration proceedings against it, or any pending or threatened proceedings, which are material in the context of the issue of the Notes or the giving of the Guarantee.

Regulatory Review and Proceedings

We are subject to various regulatory requirements and guidelines set forth by the regulatory authorities in Hong Kong (including the SFC) and other jurisdictions that we operate our businesses in.

The Guarantor, its subsidiaries and their respective directors and senior management may be subject to regulatory investigations from time to time, and we and our employees have in the past been found to be non-compliant with regulatory requirements.

DIRECTORS OF THE GUARANTOR

The Board of Directors is responsible and has general powers for the management and conduct of the Guarantor's business. The following table sets out certain information with respect to the Guarantor's directors as at the date of this Offering Circular:

Name	Age	Position
Mr. Li Chunbo	50	Chairman, Director
Mr. Xu Jianqiang	46	Director
Mr. Zhu Yexin	43	Director
Mr. Chen Zhiming	43	Director
Mr. Yuan Feng	42	Director
Mr. Edward Park	51	Director

Mr. Li Chunbo, aged 50, is a director of the Guarantor. Mr. Li is an executive member of CITIC Securities. Mr. Li joined CITIC Securities in 2001 and previously served as the Head of the Research Department and Equity Sales and Trading Department (later renamed as Institutional Equity Department) of CITIC Securities. Mr. LI also serves as Chairman and Chief Executive Officer of the Guarantor; Director of CLSA and CLSA Limited; Vice Chairman of the Eighth Session of International Business Professional Committee of the Securities Association of China. Mr. LI obtained a Bachelor's Degree in Engineering and a Master's Degree in Management from Tsinghua University in 1998 and 2001, respectively.

Mr. Xu Jianqiang, aged 46, is a director of the Guarantor. Mr Xu is also the Co-Chief Executive Officer of CITIC CLSA Group. Mr Xu is assisting the Chairman & CEO of CITIC CLSA Group in jointly assuming the responsibilities of managing CITIC CLSA, making multiple strategic development decisions, and setting the development and objectives for each business to ensure alignment with the company's strategy. At the same time, he monitors overall operations and profitability, ensuring the enhancement of operational efficiency and revenue performance of all business lines. He also directly leads Equity Derivatives, Wealth Management, Asset Management, Commodities, and Futures Clearing businesses in CITIC CLSA Group. Mr Xu joined CITIC Securities in 2005 as a research analyst. He is a founding member of the equity derivatives business line in CITIC Securities. He was seconded to CSI in 2009 to run an equity and convertible bond trading strategy. In 2012, Mr Xu started to set up a cross-border equity derivatives platform in CSI. In 2017, Mr Xu continued to lead the CLSA Equity Derivatives business when CLSA integrated with CSI. In 2019, Mr Xu became the CEO of CITIC Securities Brokerage Hong Kong Limited (CSB), which is CITIC CLSA's Wealth Management platform. In Jun 2022 Mr Xu was appointed as Head of Asset Management in CITIC CLSA. In Nov 2023 Mr Xu was appointed as Deputy Chief Executive Officer & Chief Operating Officer of CITIC CLSA Group. In Feb 2025, Mr Xu was appointed as Co-Chief Executive Officer of CITIC CLSA Group. Mr Xu has a Bachelor's Degree in Mathematics and Applied Mathematics from Peking University, China, and a Master's Degree in Mathematics from the University of British Columbia, Canada. He is a Chartered Financial Analyst holder and a member of the CFA Institute.

Mr. Zhu Yexin, aged 43, is a director of the Guarantor. Mr. Zhu joined CITIC Securities in 2008 and previously served as Investment Banking Committee Member, Party Committee Member of Investment Bank and Head of the Strategy and Planning Department of CITIC Securities. Mr. ZHU serves as an

executive member in CITIC Securities. Mr. Zhu also serves as a director of CLSA Limited and CLSA; Strategic Development Committee Member of Sixth Session of Council of the Shanghai Stock Exchange; and First Session of International Market and Opening-up Professional Committee Member of China Capital Market Society. Mr. Zhu obtained a Bachelor's Degree in Engineering from Shanghai Jiao Tong University in 2005, and a Master's Degree in Management from Shanghai Jiao Tong University in 2008.

Mr. Chen Zhiming, aged 43, is a director of the Guarantor. Mr. Chen is also an executive member of CITIC Securities, and the Administrative Head of the Strategic Client Department of CITIC Securities. Mr. Chen previously worked at CSC Financial and Guorong Securities Co., Ltd. (國融證券股份有限公司). He joined CITIC Securities in 2017, and served as the Administrative Head of the FICC Department of CITIC Securities. Mr. Chen is also a director of CITIC Futures and CLSA. Mr. Chen obtained a Bachelor's Degree in Management from Dongbei University of Finance and Economics in 2006 and a Master's Degree in Management from Dongbei University of Finance and Economics in 2008.

Mr. Yuan Feng, aged 42, is a director of the Guarantor. He is also the Chief Financial Officer of the Guarantor. Mr. Yuan joined CITIC Securities in April 2019 and currently serves as the Deputy Head of the Planning and Finance Department. Mr. Yuan was nominated and appointed as an executive director of KVB Kunlun Financial Group Limited (which was subsequently renamed CLSA Premium Limited ("**CLSA Premium**") and is currently known as Top Eminent Healthcare Group Limited ("**Top Eminent**")), a company listed on the Stock Exchange of Hong Kong with stock code 6877, in 2019. He was subsequently re-designated from an executive director to a non-executive director in CLSA Premium (now known as Top Eminent) with effect from April 2025. From February 2015 to April 2019, Mr. Yuan served as a Senior Accountant in the Finance Department of CITIC Corporation Limited. From July 2008 to July 2014, he worked as an Audit Manager at Deloitte Touche Tohmatsu Certified Public Accountants LLP. He obtained a Master's Degree in Economics, majoring in World Economy, from the University of International Relations in 2008 and has been a member of the Chinese Institute of Certified Public Accountants since 2014.

Mr. Edward Park, aged 51, is a director of the Guarantor. Mr. Park is the chief executive officer of institutional equities, CLSA Limited. Mr. Park is also a director of CLSA Australia Holdings Pty Ltd, CLSA Australia Pty Ltd, CLSA Australia Nominees Pty Ltd, CLSA (UK), CLSA Limited, CLSA Capital Limited, CLSA India Private Limited, CLSA Securities Japan Co., Ltd., CLSA Securities Korea Ltd., CLSA Securities Malaysia Sdn. Bhd., CLSA, CLSA Philippines, Inc., CLSA Singapore Pte Ltd, CLSA Singapore Holdings Pte. Ltd., CLSA Securities (Thailand) Limited and CLSA Americas, LLC. Mr. Park is responsible for managing sales, trading and execution and research. Mr. Park joined CITIC Securities in 1998 and has over 26 years of experience in institutional equities business. Mr. Park obtained a Bachelor of Science in Finance and Japanese from the University of Pennsylvania, Wharton School of Business in 1998.

SENIOR MANAGEMENT OF THE GUARANTOR

The following table sets out certain information with respect to the Guarantor's senior management as at the date of this Offering Circular:

Name	Age	Position
Mr. Li Chunbo	50	Chairman, Director
Mr. Xu Jianqiang	46	Director
Mr. Zhu Yexin	43	Director
Mr. Chen Zhiming	43	Director
Mr. Yuan Feng	43	Director
Mr. Edward Park	51	Director

Mr. Li Chunbo

See "*Directors and Senior Management — Directors of the Guarantor*".

Mr. Xu Jianqiang

See "*Directors and Senior Management — Directors of the Guarantor*".

Mr. Zhu Yexin

See "*Directors and Senior Management — Directors of the Guarantor*".

Mr. Chen Zhiming

See "*Directors and Senior Management — Directors of the Guarantor*".

Mr. Yuan Feng

See "*Directors and Senior Management — Directors of the Guarantor*".

Mr. Edward Park

See "*Directors and Senior Management — Directors of the Guarantor*".

TAXATION

The following summary of certain British Virgin Islands, Hong Kong and U.S. tax consequences of the purchase, ownership and disposition of Notes is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Noteholder or any persons acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. Persons considering the purchase of the Notes should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Notes. Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

BRITISH VIRGIN ISLANDS

The Issuer is exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands.

Payments of principal, premium or interest in respect of the Notes to persons who are not resident in the British Virgin Islands are not subject to British Virgin Islands tax or withholding tax.

Capital gains realised with respect to the Notes by persons who are not persons resident in the British Virgin Islands are also exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not resident in the British Virgin Islands with respect to the Notes.

All instruments relating to transactions in respect of the Notes are exempt from payment of stamp duty in the British Virgin Islands. This assumes that the Issuer does not hold an interest in real estate in the British Virgin Islands.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the "**FSIE Amendments**"), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

(i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the "**SDO**")).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3% of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

(i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Registered Notes constitute loan capital (as defined in the SDO).

With effect from 17 November 2023, if stamp duty applies to the transfer of Registered Notes required to be registered in Hong Kong and which are not otherwise exempt it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$ 5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

FATCA WITHHOLDING

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Hong Kong and the British Virgin Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are characterised as debt (or which are not otherwise treated as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be

"grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions of the Notes — Further Issues*") that are not distinguishable from grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all the Notes in the series, including grandfathered Notes, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream or the CMU (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer, the Guarantor nor any Dealer nor the Arranger takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, the Guarantor nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

THE CLEARING SYSTEMS

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the Issuing and Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the Hong Kong Money Authority (the "**HKMA**") for the safe custody and electronic trading between the members of this service ("**CMU Members**") of capital markets instruments ("**CMU Instruments**") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all financial institutions regulated by the HKMA, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU's custodial services, please refer to the CMU Reference Manual.

Compared to clearing services provided by Euroclear and Clearstream, the standard custody and clearing service provided by the CMU is limited. In particular, unlike the European Clearing Systems, the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-US beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, each have with the CMU.

BOOK-ENTRY OWNERSHIP

Bearer Notes

The Issuer has made applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through the CMU. In respect of Bearer Notes, a Temporary Global Note and/or a Permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream or a sub-custodian for the CMU. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU, Euroclear and Clearstream. Each Global Note will, where applicable, have an International Securities Identification Number ("**ISIN**") and a Common Code and/or a CMU Instrument Number.

Investors in Notes may hold their interest in a Global Note only through a common depositary for Euroclear and/or Clearstream or a sub-custodian for CMU.

Registered Notes

The Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book entry systems in respect of the Notes to be represented by a Global Certificate. The Issuer may also apply to have Notes to be represented by a Global Certificate accepted for clearance through the CMU. Each Global Certificate will have an ISIN and a Common Code or a CMU Instrument Number. Investors in Notes of such Series may hold their interests in a Global Certificate through Euroclear, Clearstream or the CMU (if applicable).

Each Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under "*Subscription and Sale*".

All Registered Notes will initially be in the form of a Global Certificate. Individual Certificates will be available, in the case of Notes initially represented by a Global Certificate, in amounts specified in the applicable Pricing Supplement.

Transfers of Notes Represented by Global Registered Notes

Transfers of any interests in Notes represented by a Global Certificate within Euroclear, Clearstream and CMU will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. Euroclear, Clearstream and CMU have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Certificates among accountholders of Euroclear, Clearstream and CMU. However, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Paying Agents, the Registrar or any Dealer will be responsible for any performance by Euroclear or Clearstream, CMU or their respective accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

REGULATORY ENVIRONMENT

This section summarises the principal laws and regulations in the PRC and Hong Kong which are relevant to our business. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant to us.

PRC REGULATIONS

Issuance of Foreign Debts

The NDRC published the NDRC Administrative Measures on 5 January 2023, which took effect and replaced the NDRC Circular from 10 February 2023. According to the NDRC Administrative Measures, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities with a maturity of more than one year issued outside the PRC with NDRC prior to the issuance of the securities and file or cause to be filed with the NDRC the requisite information and documents within the prescribed time frame.

HONG KONG REGULATORY ENVIRONMENT

Introduction

The SFO is the principal legislation regulating the securities and futures industry in Hong Kong and it is administered by the SFC which is the statutory regulatory body that governs the securities and futures markets and non-bank retail leveraged foreign exchange market in Hong Kong.

The IO is the principal legislation regulating the insurance industry in Hong Kong and it is administered by the Insurance Authority, which is the statutory body that is responsible for regulating and supervising the insurance industry.

Types of Regulated Activities

The SFO provides a single licensing regime under which a person needs only one licence to carry on the different types of regulated activities as specified in Schedule 5 of the SFO. There are ten types of regulated activities, namely:

Type 1: dealing in securities;

Type 2: dealing in futures contracts;

Type 3: leveraged foreign exchange trading;

Type 4: advising on securities;

Type 5: advising on futures contracts;

Type 6: advising on corporate finance;

Type 7: providing automated trading services;

Type 8: securities margin financing;

Type 9: asset management; and

Type 10: providing credit rating services.

Functions of the IO

The IO sets out the regulatory framework applicable to insurers, designated insurance holding companies and insurance intermediaries in Hong Kong, as well as the requirements for the authorisation, designation, licensing, ongoing compliance and reporting obligations of insurers, designated insurance holding companies and insurance intermediaries.

Anti-money Laundering and Counter-terrorist Financing

Licensed corporations are required to comply with the applicable anti-money laundering and counter-terrorist financing laws and regulation in Hong Kong as well as the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations) (the "**Guideline**") published by the SFC.

The Guideline provides practical guidance to assist licensed corporations and their senior management in designing and implementing their own anti-money laundering and counter-terrorist financing policies, procedures and controls in order to meet the relevant legal and regulatory requirements in Hong Kong. Under the Guideline, licensed corporations should, among other things:

- assess the risks of any new products and services before they are introduced and ensure that appropriate additional measures and controls are implemented to mitigate and manage the associated money laundering and terrorist financing risks;

- identify the client and verify the client's identity using reliable, independent source documents, data or information, and take steps from time to time to ensure that the client information is up-to-date and relevant;

- conduct on-going monitoring of activities of the clients to ensure that they are consistent with the nature of business, the risk profile and source of funds, as well as identify transactions that are complex, large or unusual, or patterns of transactions that have no apparent economic or lawful purpose;

- maintain a database of names and particulars of terrorist suspects and designated parties which consolidates the various lists that have been made known to it, as well as comprehensive on-going screening of the client database; and

- conduct on-going monitoring for identification of suspicious transactions and ensure compliance with their legal obligations of reporting funds or property known or suspected to be proceeds of crime or terrorist property to the Joint Financial Intelligence Unit, a unit jointly run by the Hong Kong Police Force and the Hong Kong Customs & Excise Department to monitor and investigate suspected money laundering.

Financial Institutions Resolution Regime

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong (the "**FIRO**") came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other financial institutions in Hong Kong. The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution in Hong Kong. In particular, and subject to certain safeguards, the relevant resolution authority is provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution. These may include, but are not limited to, powers to write off or convert all or a part of the nominal amount of, or distributions on, regulatory capital securities of relevant financial institutions in Hong Kong. Certain details relating to FIRO will be set out through secondary legislation and supporting rules.

OECD's Common Reporting Standard

The Organisation for Economic Co-operation and Development (the "**OECD**") has developed a draft common reporting standard ("**CRS**") and model competent authority agreement to enable the multilateral, automatic exchange of financial account information. The CRS does not include a potential withholding element. Under the CRS financial institutions will be required to identify and report the tax residence status of customers in 101 countries that have endorsed the plans, of which 54 (including EU Member States) have committed to implement the CRS with the first information exchanges expected in 2017. The remaining 47 countries have committed to implement the CRS on a slower timetable with the first information exchanges for these countries expected in 2018.

The adoption of CRS in the PRC and Hong Kong has been effective from 1 January 2017. The PRC and Hong Kong financial institutions may begin collecting tax residency information from their account holders as early as 1 January 2017 and may report information on reportable account holders in 2018. The increased due diligence of customer information and the reporting of information to the tax authorities will increase operational and compliance costs for banks, including the Group. At this time, it is not possible to quantify the full costs of complying with the new legislation as some aspects are still to be determined.

SUBSCRIPTION AND SALE

Pursuant to an amended and restated dealer agreement dated 31 July 2026 and as further amended, restated and/or supplemented from time to time (the "**Dealer Agreement**"), CLSA Limited (the "**Arranger and Dealer**") agreed with the Issuer and the Guarantor a basis on which they or any of them may from time to time agree to subscribe Notes. In addition, the Issuer and the Guarantor has reserved the right to sell Notes directly on its own behalf to Dealers that is not a Permanent Dealer as at the date of the Dealer Agreement. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Notes*". Under the terms of the Dealer Agreement, the Issuer, failing whom the Guarantor, will pay each relevant Dealer a commission (if any) agreed between the Issuer, the Guarantor and the relevant Dealer in respect of Notes subscribed by it.

The Issuer and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement provides that the obligations of the Dealers are subject to certain conditions precedent and entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Arranger, the Dealers and their respective subsidiaries and affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, corporate financing, hedging, financing and brokerage activities ("**Banking Services or Transactions**"). The Arranger, the Dealers and their respective subsidiaries and affiliates may have, from time to time, performed and may in the future perform, various Banking Services or Transactions with the Issuer, the Guarantor or their respective subsidiaries and affiliates, for which they have received, or will receive, customary fees and expenses.

In the ordinary course of their various business activities, the Arranger, the Dealers and their respective subsidiaries and affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their respective subsidiaries or affiliates. Certain of the Arranger, the Dealers and their respective subsidiaries and affiliates may from time to time also enter into swap and other derivative transactions with the Issuer, the Guarantor or their respective subsidiaries or affiliates. The Arranger, the Dealers and their respective subsidiaries and affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In connection with each Tranche of Notes issued under the Programme, the Arranger, the Dealers or certain of their subsidiaries or affiliates, or the Issuer, the Guarantor and/or their respective subsidiaries and affiliates, may act as investors and place orders, purchase and receive allocations and may trade the Notes for their own account and such orders, purchases, allocations or trade of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering of the relevant Tranche of Notes. Accordingly, references herein to the Notes being 'offered' should be read as including any offering of the Notes to the Arranger, the Dealers and/or their respective subsidiaries, or to the Issuer, the Guarantor and their respective subsidiaries and affiliates, as investors for their own

account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Notes may be impacted.

Furthermore, it is possible that a significant proportion of the Notes may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Notes may be constrained. The Issuer, the Guarantor, the Arranger and the Dealers are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

The Arranger, the Dealers or any of their respective affiliates may purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer, the Guarantor or their respective subsidiaries or affiliates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "**X-orders**" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer and/or the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC

Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

SELLING RESTRICTIONS

General

Each Dealer agrees, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws, regulations and directives in force in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering or publicity material or any Pricing Supplement, in all cases at its own expense.

None of the Issuer, the Guarantor, the Trustee or any of the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. With regard to each Tranche, the relevant Dealer(s) will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer(s) and set out in the applicable Pricing Supplement.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Dealer or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

United States

In respect of Notes offered or sold in reliance on Regulation S Category 1 as specified in the applicable Pricing Supplement, the Notes and the Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold or, in the case of Bearer Notes, delivered within the United States except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold or, in the case of Bearer Notes, delivered, and will not offer or sell or, in the case of Bearer Notes, deliver, any Notes and the Guarantee constituting part of its allotment within the United States. The Notes and the Guarantee are being offered and sold outside the United States in reliance on Regulation S.

In respect of Notes offered or sold in reliance on Regulation S Category 2 as specified in the applicable Pricing Supplement, the Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and sold or, in the case of Bearer Notes, delivered, and shall not offer and sell or, in the case of Bearer Notes, deliver, the Notes and the Guarantee (i) as part of their distribution at any time and (ii) otherwise until 40 days after completion of the distribution of the Notes comprising the relevant Tranche, except in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any

directed selling efforts with respect to the Notes and the Guarantee, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has agreed to notify the Issuing and Paying Agent or, in the case of a Syndicated Issue, the Lead Manager when it has completed the distribution of its portion of the Notes so that the Issuing and Paying Agent or, in the case of a Syndicated Issue, the Lead Manager may determine the completion of the distribution of all Notes of the relevant Tranche and notify the other Relevant Dealers of the end of the distribution compliance period. Each Dealer and its affiliates also agree that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

> "The securities covered hereby have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Tranche of securities of which such securities are a part, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in the above provision have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of such Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code and regulations thereunder.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Prohibition of Sales to European Economic Area Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is either one (or both) of the following:

(i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

Other Regulatory Restrictions in the UK

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer or the Guarantor;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

PRC

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC or Taiwan), except as permitted by the securities laws of the PRC.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

British Virgin Islands

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make any invitation directly or indirectly to the public in the British Virgin Islands or any person in the British Virgin Islands to purchase the Notes and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the British Virgin Islands, except as otherwise permitted by British Virgin Islands law.

This Offering Circular does not constitute, and there will not be, an offering of the Notes to any person in the British Virgin Islands.

GENERAL INFORMATION

AUTHORISATIONS

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the update of the Programme and the issue of the Notes thereunder and the performance of its obligations under the Notes, the Trust Deed and the Agency Agreement. The update of the Programme and the issue of the Notes were authorised by the resolutions of the directors of the Issuer dated 9 February 2022, 18 May 2023 and 19 May 2025.

The Guarantor has obtained all necessary consents, approvals and authorisations in connection with the update of the Programme and the giving and the performance of the Guarantee. The update of the Programme and the giving of the Guarantee were authorised by the resolutions of the directors of the Guarantor dated 18 May 2023 and 19 May 2025 and the resolutions of the sole shareholder of the Guarantor dated 18 May 2023.

LITIGATION

As at the date of this Offering Circular, the Group is not aware of any legal or arbitration proceedings against it, or any pending or threatened proceedings, which are material in the context of the issue of the Notes or the giving of the Guarantee.

NO MATERIAL ADVERSE CHANGE

Since 31 December 2025, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in or affecting the general affairs, financial condition, results of operations or prospects of the Issuer, the Guarantor and any of their respective subsidiaries.

DOCUMENTS AVAILABLE

For so long as Notes may be issued pursuant to this Offering Circular, copies of the following documents will be available (upon prior written request and proof of holding and identity satisfactory to the Trustee), during normal business hours (being between 9:00 a.m. and 3:00 p.m., Hong Kong time) on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the principal office of the Trustee, being at the date of this Offering Circular, at 40/F Champion Tower, 3 Garden Road, Central, Hong Kong:

(i) the Trust Deed (which includes the form of the Global Notes, the Global Certificates, the Notes in definitive form, the Coupons, the Receipts and the Talons); and

(ii) the Agency Agreement.

For so long as Notes may be issued pursuant to this Offering Circular, copies of the following documents will be available (upon written request and proof of holding and identity satisfactory to the Issuer), during usual business hours (being between 9:00 a.m. and 3:00 p.m., Hong Kong time) on any

weekday (Saturdays, Sundays and public holidays excepted), for inspection at the principal office of the Issuer, being at the date of this Offering Circular, at 18/F., One Pacific Place, 88 Queensway, Hong Kong:

(i) the constitutive documents of each of the Issuer and the Guarantor;

(ii) the Consolidated Financial Statements;

(iii) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer or the Trustee as to its holding of Notes and identity); and

(iv) a copy of this Offering Circular together with any supplement to this Offering Circular and any other documents incorporated herein or therein referenced.

CLEARING OF THE NOTES

Notes have been accepted for clearance through the Euroclear and Clearstream systems. The relevant ISIN and the Common Code will be specified in the applicable Pricing Supplement. The Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. If the Notes are to be cleared through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

FINANCIAL STATEMENTS

The Consolidated Financial Statements, which are included elsewhere in this Offering Circular, have been audited by KPMG, the Guarantor's independent auditor, as stated in their reports appearing herein.

LISTING OF THE PROGRAMME AND THE NOTES

Application has been made to the HKSE for the listing of the Programme, and will be made to the HKSE for the permission to deal in, and for the listing of, Notes to be issued under the Programme during the 12-month period after the date of this Offering Circular on the HKSE by way of debt issues to Professional Investors only.

The issue price of Notes to be issued under the Programme and listed on the HKSE will be expressed as a percentage of their nominal amount. Admission to the HKSE and quotation of any Notes on the HKSE is not to be taken as an indication of the merits of the Programme, the Notes, the Guarantee, the Issuer, the Guarantor or the Group. The HKSE assumes no responsibility for the correctness of any of the statements made or opinions or reports contained herein.

TEFRA D LEGEND

Notes issued pursuant to TEFRA D (other than temporary Global Notes) and any Coupons, Receipts and Talons appertaining thereto will bear the following legend: "**Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code**."

INDEX TO FINANCIAL STATEMENTS

Audited Consolidated Financial Information of the Guarantor as at and for the year ended 31 December 2025

Independent Auditor's Report F-8

Consolidated Statement of Profit or Loss and Other Comprehensive Income F-12

Consolidated Statement of Financial Position F-14

Consolidated Statement of Cash Flows F-17

Consolidated Statement of Changes in Equity F-19

Notes to the Consolidated Financial Statements F-21

Audited Consolidated Financial Information of the Guarantor as at and for the year ended 31 December 2024

Independent Auditor's Report F-113

Consolidated Statement of Profit or Loss and Other Comprehensive Income F-117

Consolidated Statement of Financial Position F-119

Consolidated Statement of Cash Flows F-122

Consolidated Statement of Changes in Equity F-124

Notes to the Consolidated Financial Statements F-126

KPMG

CITIC Securities International Company Limited

Consolidated financial statements
for the year ended 31 December 2025

CONTENTS

	Pages
Report of the directors	1 – 4
Independent auditor's report	5 – 8
Audited consolidated financial statements	
Consolidated statement of profit or loss and comprehensive income	9 – 10
Consolidated statement of financial position	11 – 13
Consolidated statement of cash flows	14 – 15
Consolidated statement of changes in equity	16 – 17
Notes to consolidated financial statements	18 – 103

Report of the directors

The directors submit herewith their annual report together with the audited consolidated financial statements of CITIC Securities International Company Limited (the "Company") and its subsidiaries (together, the "Group") for the year ended 31 December 2025.

Principal activities

The principal activities of the Company are investment holding and the provision of general administration and support services to its subsidiaries. The principal activities of the subsidiaries comprise the businesses of investment banking, securities brokerage, asset management, investment and trading of securities and direct investments. The principal activities and other particulars of the principal subsidiaries are set out in Note 20 to the consolidated financial statements.

Recommended dividend

The directors do not recommend the payment of dividend in respect of the year ended 31 December 2025 (2024: US$Nil).

Share capital

Details of the movements in share capital of the Company are set out in note 30 to the consolidated financial statements.

Charitable contributions

Charitable contributions made by the Group during the year amounted to US$15,000 (2024: US$67,000).

Directors

(a) Directors of the Company

The Directors of the Company during the year and up to the date of this report were:

Mr. LI Chunbo, Chairman	
Mr. SHI Benliang	(resigned on 27 February 2026)
Mr. XU Jianqiang	
Mr. PARK Edward	
Mr. YU Yang	(resigned on 27 February 2026)
Mr. ZHU Yexin	(appointed on 27 February 2026)
Mr. CHEN Zhiming	(appointed on 27 February 2026)
Mr. YUAN Feng	(appointed on 27 February 2026)

Directors (continued)

The Board confirmed that nothing relating to the affairs of the Group needed to be brought to the attention of the shareholders of the Group.

There being no provision in the Company's Articles of Association for retirement by rotation all remaining directors continue in office.

(b) Directors of the Company's subsidiaries

The names of Directors who have served on the Boards of the Company's subsidiaries during the year and up to the date of this report were:

Akhilesh GUPTA *	Gregg RIEBER *	LIU Liang *
Alan Damian DWERRYHOUSE	Hartly MIGNON	LIU Xinguo
Alexander Eugene DIDENKOWSKI	HOU Yueyang	LYU Jingwei
Alfred O. DY	HU Baifeng	Ma. Martha A. de DIOS
An soon YOO	HUNG Ying Yeung	Mayur Namdeo MESHRAM
Bradley SCHWARTZ	James David MCINTOSH	Megumi KIYOZUKA
CHAN Chi Chuen	Jeremy Dalton D'SLYVA	Michael FROST
CHEN Jiachun	Jeremy David COLLARD	MIN Peter Jae Sun
CHEN Weiwei	JIA Wei	Morten PAULSEN
CHEN Zhiming	Kazunari OHASHI	Novita TJIA
CHENG Yiu Wa	KIM Jae Min	NSM Limited
CHEUNG Yiu Lun	KIM Jong Min *	Odette Rachelle C. PADRE-ISIP
Chirag KAKARIYA	LEE Chia Huan	Oliver MATTHEW
CHIU Kin Ki	Li Chunbo	OSM Limited
CLSACP Holdings Ltd	LI Hang	Paolo Antonio AZURIN
Daniel Thian Liong OEN	LI Jiong	Patrick FLATON
Darragh COMER	LI Kai	Philippe BREDEL *
DENG Li	LI Tinging	Piyathida KITTITHAMVONGS
Douglas REGINALD BURTON-CANTLEY	LIEW Ching San	Pradeep Venkatraman HEGDE
Edward PARK	LIM Foo Hin	QIN Qian
Eileen Rosario CORDERO-BATAC	LIM Han Pin	Ramon G. Opulencia
FAN Ping Lun Alan	LIM Kit Yng *	Richard Paul ZIEGLER
FENG Shu	Lim Sutjianto SJARIFUDIN	Rohit BHATTACHARJEE *
Fions LEDDER	LIU Jing	Ruby Margaret Tan LAO

Directors (continued)

Samir KOGAR	TAN Ming Yi	YU Yang
Seungjoo RO	Toshihide MATSUMOTO	YUAN Feng
SHEN Chen	Vaibhav Vishnudas TOTLA *	YUAN Ransi
SHI Benliang	Vijayabalan MURUGESU	ZHANG Dayu *
Simon Christopher HEMPEL	Vishal Suryakant PATEL	ZHANG Huizi
Simon COWEN	WANG Rui	ZHANG Zheng
Sonal JAIN	William Charles HOLUB	ZHANG Ziyao
SUN Peitao	WU Shuangyi	ZHENG Ying
SUN Yi	XU Jianqiang	
TAN Chung Keat Eric	YANG Lin	

* He/She has resigned/ceased as a Director of the relevant subsidiary(ies) of the Company

Business review

No business review is presented for the year ended 31 December 2025 as the Group has been able to claim an exemption under section 388(3) of the Companies Ordinance Cap. 622 since it is a wholly owned subsidiary of CITIC Securities Company Limited.

Directors' interests in the shares, underlying shares and debentures of the Company or any specified undertaking of the Company

At no time during the year was the Company, its holding company, its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Company's directors to hold any interests in shares or debentures of the Company or any other body corporate.

Directors' interests in transactions, arrangements and contracts

No transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company or entities connected with the director had a material interest, subsisted at the end of the year or at any time during the year.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

Permitted indemnity provisions

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout this year. The Company has also maintained for the directors insurance against certain liabilities in relation to the Company and its associates. The coverage and the sum insured under the policy are reviewed annually.

Auditor

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the board



(Director)

16 March 2026



(Director)

16 March 2026

KPMG

Independent auditor's report to the members of CITIC Securities International Company Limited

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of CITIC Securities International Company Limited ("the Company") and its subsidiaries ("the Group") set out on pages 9 to 103, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report to the members of CITIC Securities International Company Limited (continued)

(incorporated in Hong Kong with limited liability)

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

KPMG

Independent auditor's report to the members of CITIC Securities International Company Limited (continued)

(incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

KPMG

Independent auditor's report to the members of CITIC Securities International Company Limited (continued)

(incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Chui, Ming Wai, Vivian (practising certificate number: P04860).

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

16 March 2026

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025

	Notes	2025 US$'000	2024 US$'000
Fee and commission income	5	770,838	530,124
Net trading income	6	2,143,968	1,296,577
Interest income	7	426,459	317,217
Other income	8	227	118,598
Total operating income		3,341,492	2,262,516
Staff costs	9	(454,915)	(376,039)
Finance costs	10	(938,279)	(707,981)
Other operating expenses	11	(769,364)	(530,945)
Net impairment losses	3.1(b)(ii)	(47,803)	(1,727)
Total operating expenses		(2,210,361)	(1,616,692)
Operating profit		1,131,131	645,824
Share of gains of joint ventures	18	2,376	1,386
Share of gains of associates	19	22,741	8,165
Loss on disposal of a subsidiary	35	(10)	-
Profit before tax		1,156,238	655,375
Tax expense	12	(242,972)	(124,900)
Profit for the year		913,266	530,475

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025 (continued)

	Notes	2025 US$'000	2024 US$'000
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax		14,190	(2,884)
Foreign exchange translation differences		10,400	(14,112)
Items that will not be reclassified to profit or loss			
Foreign exchange translation differences	40	(171)	(3,932)
Remeasurements of defined benefit plan obligations, net of tax		281	(25)
Changes in the fair value of equity investments designated at fair value through other comprehensive income, net of tax		26,500	6,800
Total other comprehensive income, net of tax		51,200	(14,153)
Total comprehensive income for the year		964,466	516,322
Profit attributable to:			
Equity holders of the Company		912,733	528,294
Non-controlling interests		533	2,181
		913,266	530,475
Total comprehensive income attributable to:			
Equity holders of the Company		963,845	514,916
Non-controlling interests		621	1,406
		964,466	516,322

The notes on pages 18 to 103 form part of these financial statements

Consolidated statement of financial position at 31 December 2025

	Notes	2025 US$'000	2024 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	44,769	40,434
Right-of-use assets	16	136,832	95,815
Investment properties	17	22,871	23,223
Goodwill	14(a)	73,351	73,351
Intangible assets	14(b)	5,202	4,413
Investments in joint ventures	18	2,571	2,295
Investments in associates	19	200,458	176,098
Financial assets measured at fair value through profit or loss	22	35,825	64,957
Financial assets measured at fair value through other comprehensive income	21	835,737	660,689
Deferred tax assets	32	28,409	43,074
Other assets		62,098	58,065
		1,448,123	1,242,414
Current assets			
Financial assets measured at fair value through profit or loss	22	36,622,694	30,006,852
Financial assets measured at fair value through other comprehensive income	21	2,308,435	1,726,799
Derivative financial instruments	23	2,847,844	3,185,525
Amounts due from clients, brokers and clearing houses	24	17,766,451	10,140,191
Short term borrowing to group companies	28	525,164	24,681
Reverse repurchase agreements	29	249,591	245,329
Tax recoverable		6,757	25,736
Cash collateral advanced for securities borrowing		1,502,927	586,011
Other debtors, deposits and prepaid expenses		110,779	57,454
Cash held on behalf of customers	26	2,210,037	1,187,192
Cash and bank balances	25	2,362,864	2,173,442
		66,513,543	49,359,212
Assets classified as held for sale	34(b)	-	36,028
		66,513,543	49,395,240
Total assets		67,961,666	50,637,654

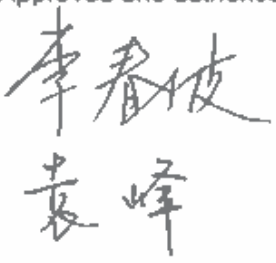
Consolidated statement of financial position at 31 December 2025 (continued)

	Notes	2025 US$'000	2024 US$'000
LIABILITIES			
Non-current liabilities			
Financial liabilities measured at fair value through profit or loss	22	64,046	16,102
Deferred tax liabilities	32	6,642	6,726
Creditors and other accruals		27,438	23,386
Repurchase agreements	29	26,709	67,482
Lease liabilities	16	123,897	80,664
Long term borrowings from group companies	28	1,344	1,593
Debt instrument issued	36	1,967,043	1,546,625
		2,217,119	1,742,578
Current liabilities			
Financial liabilities measured at fair value through profit or loss	22	20,387,565	13,789,524
Derivative financial instruments	23	4,331,444	2,730,096
Amounts due to clients, brokers and clearing houses	24	19,960,167	13,005,489
Bank borrowings	27	3,838,212	1,974,295
Short term borrowings from group companies	28	1,015,472	783,473
Repurchase agreements	29	10,685,714	12,505,281
Lease liabilities	16	21,323	21,071
Creditors and other accruals		276,204	224,246
Tax payable		208,713	153,800
Debt instrument issued	36	931,197	560,451
		61,656,011	45,747,726
Liabilities directly associated with assets classified as held for sale	34(b)	-	4,566
		61,656,011	45,752,292
Total liabilities		63,873,130	47,494,870
Net assets		4,088,536	3,142,784

Consolidated statement of financial position at 31 December 2025 (continued)

	Notes	*2025* US$'000	*2024* US$'000
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	30	1,756,040	1,756,040
Retained earnings		2,429,457	1,516,377
Other reserves	31	(100,987)	(151,752)
		4,084,510	3,120,665
Non-controlling interests		4,026	22,119
Total equity		4,088,536	3,142,784

Approved and authorised for issue by the board of directors on 16 March 2026



Directors

The notes on pages 18 to 103 form part of these financial statements

Consolidated statement of cash flows for the year ended 31 December 2025

	Notes	2025 US$'000	2024 US$'000
Cash flows from operating activities			
Cash (used in)/generated from operations	33.1	(741,957)	1,018,328
Interest received		425,699	316,188
Interest paid		(668,174)	(472,635)
Taxes paid		(150,389)	(51,953)
Net cash flow (used in)/generated from operating activities		(1,134,821)	809,928
Cash flows from investing activities			
Purchase of intangible assets		(513)	(194)
Purchase of property, plant and equipment		(19,258)	(17,904)
Proceeds from disposal of property, plant and equipment		1,115	15
Increase in financial assets measured at fair value through other comprehensive income		(747,692)	(2,168,915)
(Increase)/decrease in short-term deposit		(18,740)	5,208
Capital injection in associates		(27,444)	(27,954)
Proceeds from return of capital from associates		11,240	7,945
Dividends received from associates		99	3,207
Dividends received from joint ventures		2,100	1,500
Proceeds from disposal of an associate		20,179	22,357
Loans to fellow subsidiaries		(499,729)	(25,922)
Net cash outflow in respect of disposal group classified as held for sale		-	(26,534)
Proceeds from disposal of subsidiary	35	12,598	-
Net cash flow used in investing activities		(1,266,045)	(2,227,191)
Cash flows from financing activities			
Proceeds from issue of shares	30	-	916,981
Lease payments			
- Capital elements	33.3	(23,672)	(24,563)
- Interest elements	33.3	(5,548)	(4,913)
Interest paid	33.3	(282,251)	(176,751)
Proceeds from borrowings	33.3	427,796	724,422
Repayments of borrowings	33.3	(236,527)	(627,097)
Repayments of private placement notes issued to the parent company	33.3	-	(919,291)
Proceeds from debt issued	33.3	764,073	1,325,040
Proceeds from bank borrowings	33.3	2,042,208	951,272
Repayments of bank borrowings	33.3	(183,943)	(75,880)

Consolidated statement of cash flows for the year ended 31 December 2025 (continued)

	Notes	2025 US$'000	2024 US$'000
Net cash flow generated from financing activities		2,502,136	2,089,220
Net increase in cash and cash equivalents		101,270	671,957
Cash and cash equivalents at the beginning of the year		2,113,664	1,489,437
Effect of changes in foreign exchange rates		65,066	(47,730)
Cash and cash equivalents at the end of the year	33.2	2,280,000	2,113,664

The notes on pages 18 to 103 form part of these financial statements

Consolidated statement of changes in equity for the year ended 31 December 2025

	Attributable to equity shareholders of the Company								
			Other reserves						
	Share capital US$'000	Retained earnings US$'000	Regulatory reserves US$'000	Capital and other reserve US$'000	Revaluation reserve US$'000	Foreign exchange translation reserve US$'000	Sub-Total US$'000	Non-controlling interest US$'000	Total US$'000
Balance at 1 January 2025	1,756,040	1,516,377	2,583	(3,685)	(20,299)	(130,351)	3,120,665	22,119	3,142,784
Profit for the year	-	912,733	-	-	-	-	912,733	533	913,266
Other comprehensive income	-	262	-	48	40,428	10,374	51,112	88	51,200
Total comprehensive income	-	912,995	-	48	40,428	10,374	963,845	621	964,466
Transfer between reserves	-	85	(85)	-	-	-	-	-	-
Disposal of equity interest in subsidiaries (Note 35)	-	-	-	-	-	-	-	(12,913)	(12,913)
Others	-	-	-	-	-	-	-	(5,801)	(5,801)
Transactions recognised directly in equity	-	85	(85)	-	-	-	-	(18,714)	(18,714)
Balance at 31 December 2025	1,756,040	2,429,457	2,498	(3,637)	20,129	(119,977)	4,084,510	4,026	4,088,536

The notes on pages 18 to 103 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2025 (continued)

	Attributable to equity shareholders of the Company								
			Other reserves						
	Share capital US$'000	Retained earnings US$'000	Regulatory reserves US$'000	Capital and other reserve US$'000	Revaluation reserve US$'000	Foreign exchange translation reserve US$'000	Sub-Total US$'000	Non-controlling interest US$'000	Total US$'000
Balance at 1 January 2024	839,059	987,668	2,486	(3,624)	(23,703)	(113,118)	1,688,768	21,205	1,709,973
Profit for the year	-	528,294	-	-	-	-	528,294	2,181	530,475
Other comprehensive income	-	512	-	(61)	3,404	(17,233)	(13,378)	(775)	(14,153)
Total comprehensive income	-	528,806	-	(61)	3,404	(17,233)	514,916	1,406	516,322
Issue of shares	916,981	-	-	-	-	-	916,981	-	916,981
Transfer between reserves	-	(97)	97	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	(492)	(492)
Transactions recognised directly in equity	916,981	(97)	97	-	-	-	916,981	(492)	916,489
Balance at 31 December 2024	1,756,040	1,516,377	2,583	(3,685)	(20,299)	(130,351)	3,120,885	22,119	3,142,784

The notes on pages 18 to 103 form part of these financial statements.

Notes to the consolidated financial statements
(Expressed in United States dollars unless otherwise indicated)

1 General information

CITIC Securities International Company Limited (the "Company") is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") provide equities, futures and derivatives brokerage, research, underwriting, investment banking, advisory services, investment and trading of securities and fund management, principally in the Asia and the U.S. markets.

In the opinion of the directors, the immediate holding company or parent company of the Company is CITIC Securities Company Limited, which is incorporated in the People's Republic of China and is listed on the Shanghai Stock Exchange (Stock code: 600030) and the Hong Kong Stock Exchange (Stock code: 6030).

2 Material accounting policies

2.1 Statement of compliance and basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and joint venture.

2 Material accounting policies (continued)

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following:

- Certain financial assets and liabilities (including derivative instruments) – measured at fair value or revalued amount (Note 2.8 & 2.9),
- Defined benefits pension plans – plan asset measured at fair value (Note 2.15(c))

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 34)

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

(c) Updates in accounting policies

(i) New and amended HKFRS Accounting Standards

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 Material accounting policies (continued)

2.2 *Consolidation*

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

For business combinations that are not under common control, the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group using uniform accounting policies for like transactions and other events in similar circumstances.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses.

(b) Transactions with non-controlling interests

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Group. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Group.

2 Material accounting policies (continued)

(b) Transactions with non-controlling interests (continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group.

(c) Investments in associates and joint ventures

Associates are all entities over which the group has significant influence but not control or joint control.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures are included in the consolidated statement of profit or loss and comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount to share of profit of investments accounted for using equity method in the consolidated statement of profit or loss and comprehensive income.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses.

2 Material accounting policies (continued)

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is Hong Kong dollar. As the Group operates internationally, management considers that it is more appropriate to use United States dollar ("US dollar"), a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not US dollar, its results and financial position have been translated into US dollar.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are generally recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in the consolidated statement of profit or loss and comprehensive income on a net basis within other income/(expense).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and financial position of all the Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

2 Material accounting policies (continued)

(c) Group companies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.4 Property, plant and equipment

Property, plant and equipment, comprising leasehold improvements, computer hardware and software, furniture and fittings, telecommunication equipment and motor vehicles, are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in profit or loss during the financial year in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives. Leasehold improvements are depreciated using the shorter of remaining lease terms and useful lives. For other items including computer hardware and software, furniture and fittings, motor vehicles, as well as telecommunication equipment, the Group has adopted 3 to 5 years useful lives for depreciation.

Depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Investment properties

Investment properties comprise real estate properties for the purpose of earning rental income and/or for capital appreciation, including buildings that have been leased out.

The Group's investment properties are accounted for using the cost model. The initial recognition and subsequent measurement of buildings and properties that are leased out are calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives of 35 years.

2 Material accounting policies (continued)

2.6 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at each reporting date. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating units (or groups of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or groups of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained. An impairment loss in respect of goodwill is not reversed.

(b) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2 Material accounting policies (continued)

2.7 *Impairment of non-financial assets*

Non-financial assets have an indefinite useful life are not subject to amortisation, and are tested for impairment periodically. Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

2.8 *Financial assets and liabilities*

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Financial assets and financial liabilities are classified as a non-current asset or liability when the amount expected to be recovered or settled is more than 12 months; it is classified as a current asset or liability when the amount expected to be recovered or settled is less than 12 months or does not have rights to defer settlement for at least twelve months.

2 Material accounting policies (continued)

2.8.1 Financial assets

Classification and subsequent measurement

The Group classifies financial assets on the basis of the Group's business model for managing the assets and the cash flow characteristics of the assets:

(i) Amortised cost;

(ii) Fair value through other comprehensive income ("FVOCI"); or

(iii) Fair value through profit or loss ("FVTPL")

The classification requirements for debt and equity instruments are described below:

Debt instruments

The Group classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest ("SPPI"), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by an expected credit loss allowance recognised and measured as described in note 3.1(b).

FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI. The difference between the fair value and the amortised cost are taken through other comprehensive income, except for the recognition of impairment gain or losses, interest income and foreign exchange gain and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "net trading income".

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relation is recognised in profit or loss and presented within net trading income in the period in which it arises. Interest income from these financial assets calculated based on coupon rates is presented within net trading income.

2 Material accounting policies (continued)

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether either Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of other business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how manager are compensated.

Where the business model is to hold assets to collect contractual cash flow or to collect contractual cash flow and sell, the Group assesses whether the financial instruments' cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets is classified and measure at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

Equity instrument are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment a fair value through other comprehensive income. The Group's policy is to designate an equity investment as FVOCI when those investments are held for purposes other than to generate investment returns. Such elections are made on an instrument-by-instrument basis, but may only be made if the investments meets the definition of equity from the issuer's perspective. The subsequent changes in fair value are recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses accumulated in the fair value reserve to profit or loss or retained earnings following derecognition of equity movements designated at FVOCI. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as net trading income when the Group's right to receive payment is established.

Gains and losses on equity investment at FVTPL are recognised in profit or loss and presented in net trading income.

2 Material accounting policies (continued)

Impairment

The Group assess on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current condition and forecasts of future economic conditions

Note 3.1(b) provides more detail of how the expected credit loss allowance is measured

2.8.2 *Financial liabilities*

Classification and measurement

Financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities measured at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognized in profit or loss Interest expense and foreign exchange gains and losses are recognized in profit or loss Any gain or loss on derecognition is also recognized in profit or loss.
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or when the continuing involvement approach applies When the transfer of financial assets did not qualify for derecognition a financial liability is recognised for the consideration received for the transfer In subsequent period, the Group recognises any expense incurred on the financial liability when continuing involvement approach applies.

The Group's financial liabilities include creditors and other accruals, amounts due to clients, brokers and clearing houses, derivative financial instruments, borrowing from fellow subsidiaries, amounts due to the parent company, bank borrowings, repurchase agreements, financial liabilities measured at fair value through profit or loss, interest-bearing bank borrowings, private placement notes issued to the parent company.

2 Material accounting policies (continued)

2.9 Derivative financial instruments and hedging activities

Initial recognition and subsequent measurement

The Group uses certain derivative financial instruments to manage its interest rate risk exposure. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Trading derivatives are classified as current assets or liabilities. Changes in the fair value of these derivative financial instruments are recognised immediately in profit or loss.

2.10 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.11 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Group retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability, reflecting the transaction's economic substance as a loan to the Group.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, reflecting the transaction's economic substance as a loan by the Group.

Repurchase and reverse repurchase agreements are classified as a non-current asset or liability when the amount expected to be recovered or settled is more than 12 months; it is classified as a current asset or liability when the amount expected to be recovered or settled is less than 12 months.

2 Material accounting policies (continued)

2.12 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalent include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, short-term borrowings including bank overdrafts which are subject to an insignificant risk of changes in value. In the consolidated statement of financial position, bank overdrafts are shown within bank borrowings in current liabilities.

2.13 Cash collateral advanced for securities borrowing

Cash collateral advanced in respect of securities borrowed is included in current assets. The securities borrowed are treated as off balance sheet items and the underlying commitments are disclosed in note 37 to the consolidated financial statements.

2.14 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and comprehensive income, except to the extent that it relates to items recognised directly in equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries, associates and jointly controlled entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and consider whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 Material accounting policies (continued)

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

2.15 Employee benefits

(a) Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the operating profits of the Group after certain adjustments and any further amounts agreed by the Management.

Deferred bonus expense has been recognised for the period of service the staff rendered in the current year over the vesting period of each committed bonus pool. The deferred cash discretionary bonus is subject to various vesting conditions, including vesting periods of at least 3 years generally.

(b) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the reporting date.

(c) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits, and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

2 Material accounting policies (continued)

2.16 *Provisions*

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses

Where there are a number of similar obligations the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability The increase in the provision due to the passage of time is recognised as interest expense

2.17 *Revenue recognition*

Revenue is recognised in the consolidated statement of profit or loss and comprehensive income on the following basis:

(i) commission income for dealing in broking, futures and options business is recognised when the underlying transaction is executed;

(ii) commission income from underwriting and placing of securities within the scope of HKFRS 15 generally consists of one performance obligation and recognised at a point in time when the underwriting and placing arrangements are completed. Sponsorship income within the scope of HKFRS 15 generally consists of one performance obligation and recognised over time as there is enforceable right to payment to the Group for performance of services completed up to date and by stage of completion to the agreements.

(iii) fees and commission income from research, consultancy and advisory services are recognised in the accounting period in which the services have been rendered, net of an appropriate allowance for related costs, which are customarily associated with the provision of such services;

(iv) interest income from cash and bank balances, cash collateral advanced for securities borrowing, reverse repurchase agreements, debt investments measured at FVOCI, is calculated using amortised cost and effective interest rate,,

(v) dividend income is recognised when the shareholders' right to receive payment has been established;

(vi) handling income, trade processing fee and other service income are recognised when the services have been rendered.

2 Material accounting policies (continued)

(vii) fee income from asset management is recognised when the related services are rendered; carried interest income is recognised only to the extent that it is highly probable that such an inclusion will not result in a significant reversal in the future when the uncertainty associated is subsequently resolved. The measurement of carried interest income is based on the crystallisation of the Group's entitlement to receive such income and an assessment of the likelihood of any "clawback" provisions; and

(viii) net gains/losses on financial assets and liabilities at fair value through profit or loss include realised gains/losses which are recognised on the trade dates, and unrealised fair value gains/losses which are recognised in the period in which they arise

2.18 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

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

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

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

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

2 Material accounting policies (continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

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

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

Right-of-use assets are measured at cost comprising the following:

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

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

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

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

2.19 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

2 Material accounting policies (continued)

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.21 Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 Material accounting policies (continued)

2.22 *Share capital*

Ordinary shares are classified as equity.

2.23 *Disposal group held for sale*

Non-current assets, or disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, employee benefits assets, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties, which continue to be measured in accordance with the group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution. And subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3 Financial risk management and fair values of financial instruments

3.1 *Financial risk factors*

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management is overseen by the Group's Risk Management Committee ("RC") which comprises the Chief Risk Officer, Chief Financial Officer, Group Head of FICC, Group Head of EQD, Deputy Head of Legal and Compliance, Head of Legal, CEO of Institutional Equities and Head of Treasury. Financial risk is managed by the risk management department, which identifies, evaluates and reports financial risks. Risk management is also in close co-operation with the Group's operating units and other group committees and issues guidelines and policies for overall financial risk management and risk exposure limits.

(a) Market risk

Market risk is the risk of loss arising from movements in observable market variables such as foreign exchange rates, equity and commodity prices, credit spread and interest rates. The Group is exposed to market risk primarily through its investment holdings and trading activities. The Group's investment policy is to invest in all funds managed by the Group in a manner which will satisfy liquidity requirements, safeguard financial assets and manage risks while optimising returns on investments.

3 Financial risk management and fair values of financial instruments (continued)

Market risks primarily include equity price risk, foreign exchange rate risk, commodity price risk, credit spread risk and interest rate risk. Foreign exchange rate risk represents exposures arising from changes in non-functional currency rates. Equity price risk arises from fluctuation in the price and volatility of equities such as stocks, equity and stock index portfolio. Commodity price risk arises from fluctuation in the price and volatility of commodities, such as crude oil, gold etc. Credit spread risk arises from movements of credit spread in risky bonds. Interest rate risk primarily arises from movements in the yield curve of riskless bonds, such as treasury bonds.

Investment portfolios

The Group uses a variety of complementary tools to measure, model and aggregate market risk. The market risk for the investment portfolio that is carried at fair value (which includes financial assets/liabilities held for trading and derivatives) is mainly managed and monitored based on a Value-at-Risk (VaR) methodology which reflects the potential losses due to movements of risk factors including the changes in the interdependency between risk variables. Market risk is monitored against a set of approved limits, with daily reports and other management information provided to the business units and senior management.

Management uses VaR and other approved limits including stop loss, exposure (based on credit ratings), concentration, delta, IR DV01 and Spread DV01 to monitor the market risk of investment portfolio. Besides, the Group manages the market risk exposures of the financial instruments through actively monitoring their positions and movements in relevant market risk variables. If any excessive exposures to market risk are perceived, management would take steps to adjust the relative quantum of its investments or taking out suitable hedging arrangement.

Objectives and limitations of VaR methodology

VaR is used for estimating the potential losses that could occur on positions taken due to movements in market rates and prices over a specified time horizon given a level of confidence.

All possible factors will be considered in VaR calculation. To compensate the limitation of VaR, stress test by projecting the effects of past distressed incidents will be performed. Additionally, issuers' specific risks are monitored and managed daily by management based on the approved exposure limits as mentioned above.

VaR assumptions

The VaR is calculated using Monte Carlo method, based on the following assumptions:

- at a 95 per cent confidence level,
- on a 1-day holding period basis.

Total VaR at the end of period is US$10,269,639 (2024: US$17,399,294).

3 Financial risk management and fair values of financial instruments (continued)

The table below illustrates, by major risk category, the VaR at the end of reporting period:

	2025 US$	*2024* US$
Equity risk	3,335,900	5,307,172
Foreign exchange risk	3,778,740	6,714,079
Interest rate risk	11,103,963	12,927,210
Vega risk	1,846,646	3,988,036
Commodity risk	2,290,319	1,341,596
Total VaR *	10,269,639	17,399,294

* The total VaR figure shown for the Group as a whole is less than the arithmetic sum of the individual risk categories due to the effects of diversification

Back-testing

To evaluate the usefulness and validity, the calculated VaR is back tested against actual profit and loss figures. Actual profit and loss is defined as the change in market value of the trading portfolio in past trading days.

The VaR calculated based on the assumptions adopted is compared against actual profit and loss figures of current day. Theoretically, there is 5% of the time (i.e. 1 out of 20 times) that the actual profit and loss will exceed the VaR calculated if 95% confidence level is adopted.

Back testing is carried out on a daily basis such that any abnormal behaviour of the model can be addressed accordingly. Back-testing result falls in green zone with 2 exceptions observed during the year.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollar. Foreign exchange risk arises from fluctuations in exchange rates of non-domestic currency rates.

Management sets guidelines on the level of net exposure by currency and actively manage the exposure of each currency. The Treasury Department is responsible for monitoring and managing the net position exposure in each foreign currency on a daily basis by (a) using forward foreign exchange contracts and (b) converting excess amounts of foreign currencies into the US dollar.

3 Financial risk management and fair values of financial instruments (continued)

Exposure and sensitivity

The tables below detailed the Group's exposure at the end of the reporting period to currency risk arising significant foreign current exposure. The amounts of the exposure are show in US$, translated using the spot rate at the year end date. The analysis calculates the effect of a reasonably possible movement in the exchange rate against the functional currency of each entity within the group, with all other variables held constant. The analysis is performed on the same basis for 2024.

Foreign currency	*Net Exposure*		*Assumed change in exchange rates*	*Estimated impact on Pre-tax profit*		*Estimated impact on Equity*	
As at 31 December	*2025* US$'000	*2024* US$'000		*2025* US$'000	*2024* US$'000	*2025* US$'000	*2024* US$'000
Australian dollar	24,203	17,534	+5%	77	45	1,210	877
Indian rupee	84,615	62,265	+5%	18	103	4,231	3,113
Indonesian rupee	36,584	42,377	+5%	3	75	1,829	2,119
Japanese yen	61,038	39,069	+5%	436	(267)	3,052	1,953
Korean won	106,320	77,099	+5%	1,153	1	5,316	3,855
Malaysian ringgit	20,983	13,457	+5%	(29)	(21)	1,049	673
Philippines peso	17,333	15,956	+5%	(27)	(85)	867	798
Renminbi	246,290	302,222	+5%	13,107	15,943	12,315	15,111
Singaporean dollar	1,717	1,779	+5%	86	89	86	89
Sterling	127,144	103,711	+5%	505	271	6,357	5,186
Thai baht	55,734	55,257	+5%	100	4	2,787	2,763
	781,961	730,726		15,429	16,178	39,099	36,537

(ii) Interest rate risk

The Group's interest rate risk is the risk of fluctuation in the fair value of one or more financial instruments arising from adverse movements in interest rates. The Group's interest rate risk mainly sources from the volatility of fair value of financial instruments held by the Group which are sensitive to the interest rate risk, resulting from market interest rate's negative fluctuation.

The Group uses interest rate sensitivity analysis as the principal tool to monitor interest rate risk. The use of interest rate sensitivity analysis assumes all other variables remain constant, but changes in the fair value of financial instruments held at the end of the measurement period may impact the Group's pre-tax profit and total equity when interest rates fluctuate reasonably and possibly.

3 Financial risk management and fair values of financial instruments (continued)

Assuming a parallel shift in market interest rates and without taking into consideration of the management's activities to reduce interest rate risk, the impact of such a shift on pre-tax profit and shareholders' equity based on an interest rate sensitivity analysis of the Group is as follows:

Impact on pre-tax profit

	2025 US$000	*2024* US$000
+100 basis points	(179,489)	(155,925)
- 100 basis points	179,489	155,925

Impact on equity

	2025 US$000	*2024* US$000
+100 basis points	(156,405)	(138,657)
- 100 basis points	156,405	138,657

In practice, the actual results may differ from the above sensitivity analysis and the difference could be significant. The analysis is performed on the same basis for 2024

The Group manages its interest rate risk exposures through actively monitoring its interest-bearing financial instruments and the movements in their interest rates. If any excessive exposures to interest rate are perceived, the Group would take steps to adjust the relative quantum of its interest-bearing assets and liabilities or taking out suitable hedging arrangement, as appropriate.

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as at fair value through other comprehensive income (FVOCI) (note 21) or at fair value through profit or loss (FVTPL) (note 22).

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group

The majority of the Group's equity investments are publicly traded and are included in the Hong Kong Stock Exchange 200 Index or the NYSE International 100 Index

Post-tax profit for the period would increase/decrease as a result of gains/losses on equity securities classified as at FVTPL. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as FVOCI

3 Financial risk management (continued)

(b) Credit risk

The Group is exposed to credit risk, which is the risk that a counterparty is unable to pay amounts in full when due. It arises primarily from the amounts due from clients, brokers and clearing houses; reverse repurchase agreements, cash and cash equivalents, derivative financial assets & debt securities instruments. The maximum exposure of credit risk of the Group as at the reporting date is the carrying amount as at the end of the reporting period.

The Group evaluates the financial instruments at each financial statement date after considering whether a significant increase in credit risk ("SICR") has occurred since initial recognition. An ECL allowance for financial instruments is recognised according to the stage of ECL, which reflects the reasonable information and evidence available about the SICR and is also forward-looking.

Disclosures in respect of the Group's exposure to credit risk arising from its financial assets are set out in below.

All the Group's cash and cash equivalents are held in major financial institutions, which management believes are of high credit quality. The Group has policies in place to evaluate credit risk when accepting new business and to monitor its credit exposure to individual customers.

(i) Measurement of the expected credit loss allowance

Expected credit loss measurement

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material.

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

3 Financial risk management (continued)

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The measurement of the expected credit loss allowance for financial instruments are areas that requires the use of models and assumptions about future economic conditions and credit behaviour of the client (such as the likelihood of customers defaulting and the resulting losses).

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

- Determine criteria for significant increase in credit risk.
- Choosing appropriate models and assumptions for the measurement of ECL.
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL.

The Group has applied a "three-stage" impairment model for ECL measurement based on changes in credit quality since initial recognition of financial assets as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the Group;
- If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The Group considers a financial instrument to have experienced a SICR when one or more of the following criteria have been met:
- for margin financing— the occurrence of fore-warning credit management actions such as margin call measure triggered based on the pre-determined threshold of the relevant loan-to-margin value and loan-to-market value ratio, significant deterioration in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements which have an effect on the probability of a default occurring.

3 Financial risk management (continued)

- for debt investments at fair value through other comprehensive income — significant deteriorations but is not yet deemed to be credit-impaired between the investment's initial external or internal credit rating and the credit rating at the reporting date. Debt investments at FVOCI include listed and unlisted debt securities. The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

- for loans receivable arising from business of loans and financing — significant deteriorations between the investment's initial external or internal credit rating and the credit rating at the reporting date.

- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3". The Group defines a financial instrument is credit impaired upon the occurrence of credit events including.

- for margin financing - credit management actions such as collateral valuation falling short of the related margin loan amount; and

- for loans receivable arising from business of loans and financing — significant deterioration in the investment's internal and external rating whereby the issuer is assessed to be typically in default, with little prospect for recovery of principal or interest; or, significant financial difficulty of the issuer.

Inputs, assumptions and estimation techniques

The ECL of different financial portfolios is measured by the Group on either a 12-month or lifetime basis depending on whether they are in Stage 1, 2 or 3 as defined above

A pervasive concept in measuring ECL by the Group is that it should consider forward-looking information.

For loans receivable arising from business of loans and financing, ECL is the product of the Probability of Default ("PD") with consideration of the forward-looking information, Exposure at Default ("EAD"), and Loss Given Default ("LGD")

- The PD represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months, or over the remaining lifetime of the obligation. Appropriate external and internal credit rating and related PD are taken into consideration. The Group has already assessed the PD sensitivities to the macroeconomic economy.

- EAD is based on the amounts the Group expects to be owed at the time of default over the next 12 months or over the remaining lifetime.

- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD is determined based on publicly available information from credit rating agencies based on the issuers and type of securities. The Group assessed the appropriateness to use the external available information.

3 Financial risk management (continued)

For margin financing, ECL is the product of the EAD and Loss Ratio ("LR")

- EAD is based on the amounts the Group expects to be owed at the time of default over the next 12 months or over the remaining lifetime.

LR represents the Group's expectation of the likelihood and extent of loss on exposure based on the relevant loan to collateral ratio. The Group uses historical loss rates based on publicly available information and assesses their appropriateness for the purpose of estimating expected credit losses.

For loans receivable arising from business of loans and financing, the assessment of SICR is performed using the change of the rating between the origination date and reporting date. Following this assessment, the Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3)

The Group considered normal, optimistic and pessimistic economic scenarios in formulating the forward-looking adjustment. Determined by the management, the scenario analysis considered trends of relevant macro-economic indices such as China GDP growth, Hong Kong GDP growth and Hong Kong unemployment rate. Parameters and calculation are reviewed and adjusted annually by the Group.

For margin financing, Hang Seng Index ("HSI") is considered a key economic factor in determination of forward-looking adjustment. Neutral, optimistic and pessimistic scenarios are considered in predicting the HSI movement, based on historical price-earnings ratios and the respective HSI in Bloomberg. A weighting factor is applied based on the number of years HSI stayed in optimistic and pessimistic zone

Given the characteristics of these exposures and the credit management approach adopted, management considers that the impacts of forward-looking information based on key economic variables will not have any significant impacts to the financial statements

The Group considers the aforesaid forecasts and assessments to represent its best estimate of possible outcomes. As with any economic forecasts, the above projections and likelihoods of occurrence are subject to a certain level of uncertainties and further enhancement and calibrations.

3 Financial risk management (continued)

The closing loss allowances for amounts due from clients, brokers and clearing houses as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Amounts due from clients, brokers and clearing houses			
	Simplified approach Lifetime ECL US$000	*Stage 1 12-month ECL* US$000	*Stage 2 Lifetime ECL* US$'000	*Stage 3 Lifetime ECL* US$000
Loss allowance as at 1 January 2024	9,860	-	1	7,868
Increase in loss allowance recognised in profit or loss during the year	4,432	-	96	12
Reversal of impairment losses	(34)	-	-	-
Direct write off	(174)	-	-	-
Exchange differences	1	-	-	42
As at 31 December 2024 and 1 January 2025	14,085	-	97	7,922
Increase in loss allowance recognised in profit or loss during the year	6,318	15,680	-	12
Reversal of impairment losses	(1,698)	-	(93)	-
Direct write off	-	-	-	-
Exchange differences	366	2	(1)	(12)
As at 31 December 2025	19,071	15,682	3	7,922

The closing loss allowances for debt investments at fair value through other comprehensive income as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Debt investments at fair value through other comprehensive income		
	Stage 1 12-month ECL US$'000	*Stage 2 Lifetime ECL* US$'000	*Stage 3 Lifetime ECL* US$'000
Loss allowance as at 1 January 2024	2,532	-	46,035
Reversal of impairment losses	(658)	-	(2,557)
As at 31 December 2024 and 1 January 2025	1,874	-	43,478
Increase in debt investments loss allowance recognised in profit or loss during the year	25,045	-	2,557
As at 31 December 2025	26,919	-	46,035

3 Financial risk management (continued)

Amounts due from clients, brokers and clearing houses, debt investments at fair value through other comprehensive income, other debtors and reverse repurchase agreements with loss allowance held are shown as follow:

	Gross exposure US$'000	*Impairment allowance* US$'000	*Net Exposure* US$'000	*Carrying amount* US$'000
As at 31 December 2025				
Amounts due from clients, brokers and clearing houses - Margin receivable/loans receivable arising from business of loans and financing	1,801,780	(23,606)	1,778,174	1,778,174
Amounts due from clients, brokers and clearing houses - Others	16,007,349	(19,072)	15,988,277	15,988,277
Debt investments at fair value through other comprehensive income	2,585,689	(72,954)	2,512,735	2,308,435
Other debtors and deposits	34,924	(343)	34,581	34,581
Reverse repurchase agreements	249,591		249,591	249,591
Total	20,679,333	(115,975)	20,563,358	20,359,058

	Gross exposure US$'000	*Impairment allowance* US$'000	*Net Exposure* US$'000	*Carrying amount* US$'000
As at 31 December 2024				
Amounts due from clients, brokers and clearing houses - Margin receivable/loans receivable arising from business of loans and financing	955,566	(8,019)	947,547	947,547
Amounts due from clients, brokers and clearing houses – Others	9,206,729	(14,085)	9,192,644	9,192,644
Debt investments at fair value through other comprehensive income	1,814,826	(45,352)	1,769,474	1,726,799
Other debtors and deposits	38,010	(780)	37,230	37,230
Reverse repurchase agreements	245,329	-	245,329	245,329
Total	12,260,460	(68,236)	12,192,224	12,149,549

3 Financial risk management (continued)

(ii) Net impairment losses on financial assets

During the year, expected credit losses were recognised in profit or loss in relation to below financial assets

	2025 US$000	2024 US$000
Amounts due from clients, brokers and clearing houses		
Impairment losses	22,010	4,540
Reversal of impairment losses	(1,791)	(34)
	20,219	4,506
Impairment losses on debt investments at fair value through other comprehensive income	27,602	-
Reversal of impairment losses on debt investments at fair value through other comprehensive income	-	(3,215)
Impairment losses on other debtors	58	437
Reversal of impairment losses on other debtors	(76)	(1)
Net impairment losses on financial assets	47,803	1,727

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to fund assets or meet its contractual or contingent obligations when they fall due. This risk could potentially arise as a result of a balance sheet mismatch in amount, tenor and composition of funding and liquidity to support the assets.

The Group's Liquidity Risk Management Framework is designed to ensure that it is able to meet its funding requirements as they fall due under a range of market conditions. This is achieved via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring. Liquidity risk is monitored by the Group's Treasury and Risk personnel.

As at 31 December 2025, the Group's total available credit lines amounted to US$10,886,068,000 (2024: US$6,459,150,000) of which US$6,625,273,000 (2024: US$4,032,078,000) was unutilised

3 Financial risk management (continued)

The table below presents the contractual cash flows payable by the Group and undiscounted cash flows as at the reporting dates

	Less than 3 months US$'000	*3 months to 1 year* US$'000	*Over 1 year* US$'000	*Total* US$'000
As at 31 December 2025				
Non-derivative financial liabilities				
Financial liabilities measured at fair value through profit or loss	9,126,476	4,936,897	6,388,238	20,451,611
Long term borrowings from group companies	-	4	1,348	1,352
Short term borrowings from group companies	220,133	810,994	-	1,031,127
Amounts due to clients, brokers and clearing houses	19,960,167	-	-	19,960,167
Repurchase agreements	10,551,106	171,132	28,463	10,750,701
Creditors and other accruals	101,591	-	11,925	113,516
Lease liabilities	7,035	19,759	147,430	174,224
Bank borrowings	3,541,188	301,124	-	3,842,312
Debt instrument issued	291,641	727,433	2,123,281	3,142,355
	43,799,337	6,967,343	8,700,685	59,467,365
Cash flows from derivative financial liabilities settled on a net basis	1,202,441	806,441	1,941,648	3,950,530
Gross-settled derivative financial liabilities	152,811	86,083	142,020	380,914
Contractual amounts receivable	(31,297,556)	(12,110,967)	(3,879,198)	(47,287,721)
Contractual amounts payable	31,450,367	12,197,050	4,021,218	47,668,635

3 Financial risk management (continued)

	Less than 3 months US$'000	*3 months to 1 year* US$'000	*Over 1 year* US$'000	*Total* US$'000
As at 31 December 2024				
Non-derivative financial liabilities				
Financial liabilities measured at fair value through profit or loss	4,477,713	4,210,837	5,117,076	13,805,626
Long term borrowings from group companies	-	5	1,606	1,611
Short term borrowings from group companies	793,300	2,184	-	795,484
Amounts due to clients, brokers and clearing houses	13,005,489	-	-	13,005,489
Repurchase agreements	12,272,864	262,400	73,600	12,608,864
Creditors and other accruals	85,905	-	10,069	95,974
Lease liabilities	6,664	18,823	93,231	118,718
Bank borrowings	1,977,574	1,065	-	1,978,639
Debt instrument issued	128,981	504,271	1,667,967	2,301,219
	32,748,490	4,999,585	6,963,549	44,711,624
Cash flows from derivative financial liabilities settled on a net basis	539,411	784,930	935,623	2,259,964
Gross-settled derivative financial liabilities:	267,575	145,299	57,258	470,132
Contractual amounts receivable	(13,581,287)	(14,759,217)	(2,783,220)	(31,123,724)
Contractual amounts payable	13,848,862	14,904,516	2,840,478	31,593,856

3 Financial risk management (continued)

3.2 *Capital risk management*

The Group's objectives when managing capital are

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders
- to support the Group's stability and growth; and
- to fulfil the regulatory capital requirements of its subsidiaries where they operate.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability projected operating cash flows, projected capital expenditures and projected strategic investment opportunities

Since the Group provides financial services to its clients in different countries, various subsidiaries within the Group are regulated by local regulatory authorities in countries in which they operate, and are subject to different local capital requirements imposed by the local regulatory authorities. In general, these capital requirements vary depending on factors such as dealing volume, unsettled trade balances and concentration factors These regulatory capital requirements are monitored on a daily basis

On 31 December 2025, a subsidiary company of the Group has certain bank borrowings total outstanding amount of US$1,320,000,000 (2024 US$384,500,000), where certain financial conditions are imposed on the guarantor, CITIC Securities International Company Limited, the holding company of the Group and its subsidiary companies ("CSI group") on a consolidated basis. In 2025 and 2024, CSI Group has complied with these conditions throughout the reporting period

As in prior periods, the Group monitors capital by reviewing the level of capital that is at the disposal of the Group ("adjusted capital") Adjusted capital generally comprises all components of shareholders' equity excluding revaluation reserves. The adjusted capital of the Group as at 31 December 2025 was US$4,064,381,000 (2024: US$3,140,964,000)

3.3 *Fair value estimation*

For financial instruments that are measured at fair value, HKFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

3 Financial risk management (continued)

The following table presents the Group's assets and liabilities that are measured at fair value at the end of the reporting periods.

	Level 1 US$'000	*Level 2* US$'000	*Level 3* US$'000	*Total* US$'000
As at 31 December 2025				
Assets				
Financial assets measured at fair value through profit or loss				
- listed equities	22,714,003	24,347	-	22,738,350
- managed funds	262,831	116,678	27,264	406,773
- precious metals	334,208	-	-	334,208
- unlisted equities	-	-	8,845	8,845
- debt securities		12,903,583	266,760	13,170,343
Derivative financial instruments	137,247	2,709,097	1,500	2,847,844
Financial assets measured at fair value through other comprehensive income				
- unlisted equities	-	824,435	11,302	835,737
- debt securities	263,569	2,034,921	9,945	2,308,435
Total assets	23,711,858	18,613,061	325,616	42,650,535
Liabilities				
Financial liabilities measured at fair value through profit or loss				
- listed equities	2,571,659	5,600	-	2,577,259
- managed funds	-	28,664	35,382	64,046
- medium term notes	-	17,181,534	-	17,181,534
- debt securities	-	128,939	-	128,939
- equity linked notes	-	499,833	-	499,833
- unlisted equities	-	-	-	-
Derivative financial instruments	551,001	3,780,443	-	4,331,444
Total liabilities	3,122,660	21,625,013	35,382	24,783,055

3 Financial risk management (continued)

	Level 1 US$'000	*Level 2* US$'000	*Level 3* US$'000	*Total* US$'000
As at 31 December 2024				
Assets				
Financial assets measured at fair value through profit or loss				
- listed equities	15,790,775	-	-	15,790,775
- managed funds	1,596,492	73,969	60,579	1,731,040
- unlisted equities	-	1,005	4,428	5,433
- debt securities	14,627	12,146,003	383,931	12,544,561
Derivative financial instruments	64,250	3,119,090	2,185	3,185,525
Financial assets measured at fair value through other comprehensive income				
- unlisted equities	-	646,986	13,703	660,689
- debt securities	197,787	1,474,081	54,931	1,726,799
Total assets	17,663,931	17,461,134	519,757	35,644,822
Liabilities				
Financial liabilities measured at fair value through profit or loss				
- listed equities	1,312,323	-	-	1,312,323
- managed funds	3,933	16,275	-	20,208
- medium term notes	-	11,983,197	-	11,983,197
- debt securities	-	65,882	-	65,882
- equity linked notes	-	416,154	-	416,154
- unlisted equities	-	7,862	-	7,862
Derivative financial instruments	52,937	2,677,159	-	2,730,096
Total liabilities	1,369,193	15,166,529	-	16,535,722

3 Financial risk management (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current closing price. These instruments are included in level 1. Instruments included in level 1 comprise listed equity investments and future contracts are classified as financial assets measured at fair value through profit or loss or other comprehensive income.

The Group's valuation process

Product Control team within the Finance Department is in charge of valuation review in the Group. Valuations required for financial reporting purposes, including Level 3 fair values, are discussed internally at least every quarter, which is in line with the Group's policy. The carrying amount of receivables and payables are assumed to approximate their fair values.

Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Total return swaps are valued using market values for the underlying equities that are quoted in an active market and adjusted for counterparty credit risk of the total return swap issuer.

Fair value measurements using significant unobservable inputs (Level 3)

Instruments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include investment in defaulted debt instruments, investments in unlisted investment funds, equity investment in partnerships and derivatives.

There were no transfers between Level 1 and 2 for recurring fair value measurements during both years. The following table presents the movements in Level 3 instrument for the year.

3 Financial risk management (continued)

	Financial assets measured at fair value through profit or loss – Unlisted equity securities US$'000	*Financial assets measured at fair value through profit or loss – Debt securities* US$'000	*Financial assets measured at fair value through profit or loss – Managed funds* US$'000	*Trading derivatives at FVPL* US$'000	*Financial assets measured at fair value through other comprehensive income* US$'000	*Total* US$'000
At 1 January 2025	4,428	383,931	60,579	2,185	68,634	519,757
Acquisitions	6,667	88,526	-	-	-	95,393
Disposals	(1)	(205,042)	(38,704)	-	(55,081)	(298,828)
Gains recognised in other comprehensive income	-	-	-	-	7,694	7,694
Gains/(losses) recognised in profits or loss	(2,449)	(655)	5,389	(685)	-	1,600
At 31 December 2025	8,645	266,760	27,264	1,500	21,247	325,616

	Financial liabilities measured at fair value through profit or loss – Unlisted managed funds US$'000	*Total* US$'000
At 1 January 2025	-	-
Acquisitions	35,409	35,409
Disposals	-	-
Gains recognised in profits or loss	(27)	(27)
At 31 December 2025	35,382	35,382

3 Financial risk management (continued)

	Financial assets measured at fair value through profit or loss – Unlisted equity securities US$'000	*Financial assets measured at fair value through profit or loss – Debt securities* US$'000	*Financial assets measured at fair value through profit or loss – Managed funds* US$'000	*Trading derivatives at FVPL* US$'000	*Financial assets measured at fair value through other comprehensive income* US$'000	*Total* US$'000
At 1 January 2024	5,710	187,809	109,873	4,600	66,596	374,588
Acquisitions	1,193	295,916	98	-	4,481	301,688
Disposals	(824)	(93,249)	(42,963)	-	-	(137,036)
Losses recognised in other comprehensive income	-	-	-	-	(2,443)	(2,443)
Losses recognised in profits or loss	(1,651)	(6,545)	(6,429)	(2,415)	-	(17,040)
At 31 December 2024	4,428	383,931	60,579	2,185	68,634	519,757

	Financial liabilities measured at fair value through profit or loss – Unlisted managed funds US$'000	*Total* US$'000
At 1 January 2024	29,622	29,622
Acquisitions	2,639	2,639
Disposals	(28,094)	(28,094)
Losses recognised in profits or loss	(4,167)	(4,167)
At 31 December 2024	-	-

3 Financial risk management (continued)

	Valuation Methodologies	Unobservable inputs	Unit	Range of unobservable inputs 2025	2024	Relationship to fair value
Debt securities investments	Market approach	Marketability discount	%	11.01 ~ 13.75	10.89 ~ 12.25	Negative
Unlisted equity investments	Latest financial information	Latest transfer price	USD per share	10.99	8.08 ~ 9.09	Positive
		Net Asset Value/investment cost	USD'000	21 ~ 181,614	19 ~ 91,353	Positive
	Market approach	Marketability discount	%	30 ~ 33	30 ~ 33	Negative
		EV/EBITDA multiples	Multiples	4x	4x	Positive
		P/S Multiples	Multiples	2.1x ~ 3.3x	2.1x ~ 5.4x	Positive
Unlisted managed fund	Latest financial information	Net Asset Value/investment cost	USD'000	1,637 ~ 81,540	2,893 ~ 190,714	Positive
	Market approach	Marketability discount	%	50	40	Negative
Derivative financial instruments	Black-Scholes model	Probability of conversion	%	N/A	30	Positive
		Discount rate	%	N/A	25 ~ 30	Negative
Derivative financial instruments	Expected realization	Value of divestment proposal	N/A	N/A	N/A	N/A

3.4 Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's consolidated statement of financial position, or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the consolidated statement of financial position.

3 Financial risk management (continued)

Financial assets and liabilities subject to offsetting as at the end of the reporting periods:

	Gross amount of recognised financial assets/ liabilities US$'000	Gross amount of recognised financial liabilities/ assets offset in the consolidated statement of financial position US$'000	Net amount of financial assets/ liabilities presented in the consolidated statement of financial position US$'000	Related amounts not offset in the consolidated statement of financial position: Financial instruments other than cash collateral US$'000	Net amount US$'000
31 December 2025					
Financial assets					
Derivative financial instruments (b)	2,847,844	-	2,847,844	(1,349,532)	1,498,312
Reverse repurchase agreement (b)	249,591	-	249,591	(205,249)	44,342
Margin receivables	1,738,439	(193,616)	1,544,823	-	1,544,823
Receivables from cash clients	313,771	-	313,771	(313,771)	-
Amounts due from clearing houses (a)	3,118,967	(2,292,277)	826,690	-	826,690
	8,268,612	(2,485,893)	5,782,719	(1,868,552)	3,914,167
Financial liabilities					
Derivative financial instruments (b)	4,331,444	-	4,331,444	(1,349,532)	2,981,912
Repurchase agreements (b)	10,712,423	-	10,712,423	(10,712,423)	-
Margin payables	601,966	(193,616)	408,350	-	408,350
Payables to cash clients	1,389,111	-	1,389,111	(1,389,111)	-
Amounts due to clearing houses (a)	2,937,705	(2,292,277)	645,428	-	645,428
	19,972,649	(2,485,893)	17,486,756	(13,451,066)	4,035,690

3 Financial risk management (continued)

	Gross amount of recognised financial assets/ liabilities US$'000	Gross amount of recognised financial liabilities/ assets offset in the consolidated statement of financial position US$'000	Net amount of financial assets/ liabilities presented in the consolidated statement of financial position US$'000	Related amounts not offset in the consolidated statement of financial position: Financial instruments other than cash collateral US$'000	Net amount US$'000
31 December 2024					
Financial assets					
Derivative financial instruments (b)	3 185,525	-	3 185 525	(1,062,581)	2 122 944
Reverse repurchase agreement (b)	245 329	-	245 329	(236,596)	8,733
Margin receivables	1,000 560	(45,266)	955,294	-	955,294
Receivables from cash clients	185,732	-	185,732	(185,732)	-
Amounts due from clearing houses (a)	1 133 457	(670 782)	462,675	-	462,675
	5,750,603	(716,048)	5,034 555	(1 484,909)	3 549,646
Financial Liabilities					
Derivative financial instruments (b)	2 730 096	-	2 730,096	(1,062,581)	1 667 515
Repurchase agreements (b)	12 572,763	-	12 572 763	(12,572,763)	-
Margin payables	239 936	(45,266)	194 670	-	194 670
Payables to cash clients	749 504	-	749,504	(749,504)	-
Amounts due to clearing houses (a)	818 018	(670,782)	147,236	-	147 236
	17,110 317	(716,048)	16 394 269	(14 384,848)	2 009 421

(a) Offsetting arrangements - Amount due from/to clearing houses

Under the agreement of continuous net settlement with Hong Kong Securities Clearing Company Limited ("HKSCC") and overseas clearing houses, the Group has a legally enforceable right to set off the money obligation receivable and payable with clearing houses on the settlement date and the Group intends to settle on a net basis.

(b) Master netting arrangements

The Group entered into International Swaps and Derivatives Association ("ISDA") Master Agreements and Global Master Repurchase Agreements ("GMRA") for derivatives and repurchase agreements. Under the terms of these arrangements, only where certain credit events occur (such as default) will the net position owing to/receivable from a single counterparty in the same currency be taken as owing/receivable and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the table above.

4 Critical accounting estimates and judgments

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Estimation of goodwill impairment

Goodwill are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(b) Recognition of deferred taxes

Deferred taxes are recognised for the future tax implications of transactions and events that have been recognised for financial statements. When appropriate, based on internal judgement and analysis, deferred tax assets are recognised for tax losses not yet used and for deductible temporary differences based upon enacted tax laws and prevailing tax rates. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax benefits can be utilised, management's judgement is required to assess the probability of future taxable profits. The profitability assessment is carried out periodically to ensure all new information or changes to existing information are taken into account. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the current income tax and deferred income tax in the period during which such a determination is made.

As at the end of the reporting periods, the Group has unrecognised deferred tax assets of approximately US$77,731,000 (2024: US$72,228,000) in relation to tax losses and deductible temporary differences. Refer to Note 32 to the consolidated financial statements for details.

(c) Fair value estimation

The Group holds investments in various financial instruments that measured at fair value which are classified as level 3 under HKFRS 13.

The fair value of financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 Critical accounting estimates and judgments (continued)

The fair value of these investments has been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. These valuations require level of judgement of the Group to make estimates about expected future cash flows credit risks, discount rates, volatilities and operating results. The inclusion of these estimates in determining the fair values are subject to uncertainty.

(d) Expected credit loss allowance for financial assets

The loss allowances for financial assets were based on assumptions about risk of default and expected loss rates. Based on historical data, the Group used a number of judgements for ECL measurement, including determining criteria for significant increase of credit risk, choosing appropriate models and assumptions, as well as projection of macroeconomic variables for forward-looking scenarios. Details of the key assumptions and inputs used are disclosed in the table in Note 3.1(b).

5 Fee and commission income

	2025 US$'000	*2024* US$'000
Brokerage commission	442,995	376,324
Research fee income	25,397	34,358
Underwriting and placing commission and sponsorship income	236,922	62,994
Corporate advisory and asset management fees	63,722	54,096
Referral fee income	1,802	2,352
Total fee and commission income	770,838	530,124

Notes: Total fee and commission income arose from customer contracts under HKFRS 15.

6 Net trading income

	2025 US$'000	*2024* US$'000
Net gains on financial assets and financial liabilities at FVTPL	1,386,679	808,746
Net gains on financial assets measured at FVOCI	9,237	2,057
Dividend income	121,626	193,170
Interest income from debt securities measured at FVTPL	626,426	292,604
Total net trading income	2,143,968	1,296,577

7 Interest income

	2025 US$'000	2024 US$'000
Interest income		
- bank deposits	82,387	81,213
- loan receivable arising from business of loans and financing	62,498	47,968
- reverse repurchase agreements	9,629	8,865
- deposits with clearing houses and brokers	93,830	70,180
- financial assets measured at fair value through other comprehensive income	92,648	44,237
- securities borrowing and lending	71,166	61,699
- borrowing to fellow subsidiary	11,868	194
- others	2,433	2,841
Total interest income	426,459	317,217

Notes: Total interest income are calculated using the effective interest method

8 Other income

	2025 US$'000	2024 US$'000
Service fee income	1,872	2,150
Overhead expenses recharge to related companies	14,079	10,880
Miscellaneous income	11,955	18,671
Sales of healthcare products	1,520	11,022
Rental income	2,102	1,764
Net foreign exchange (loss)/gain	(31,301)	74,111
Total other income	227	118,598

9 Staff costs

	2025 US$'000	2024 US$'000
Salaries and other short-term employee benefits	439,741	360,791
Pension costs - contribution to pension plans	12,526	14,506
Termination benefits	2,648	742
Total employee benefits expenses	454,915	376,039

10 Finance costs

	2025 US$'000	2024 US$'000
Interest expense on:		
- bank borrowings	164,375	105,747
- client securities accounts	1,197	510
- borrowings from group companies	20,213	25,967
- repurchase agreements	507,890	460,936
- lease liabilities	5,548	4,913
- collateral received from counterparties	51,276	23,772
- debt instrument issued	113,419	44,943
- others	9,329	6,607
	873,247	673,395
Banking facilities related fees and charges	3,761	2,130
Securities borrowing and lending expenses	61,271	32,456
Total finance costs	938,279	707,981

11 Other operating expenses

An analysis of major other operating expenses is as follows:

	2025 US$'000	2024 US$'000
Brokerage commission expense	411,451	224,330
Information services and communication expense	99,689	93,353
Net settlement charge	83,217	61,307
Rebate and introduction fee	52,838	44,365
Depreciation on right-of-use assets (Note 16)	26,115	25,335
Depreciation on property, plant and equipment (Note 15)	14,322	13,562
Legal and professional fees	11,254	8,710
Auditor's remuneration	2,783	2,980
Depreciation on investment properties (Note 17)	803	747
Amortisation of intangible assets (Note 14(b))	426	210
Impairment loss/(reversal) on investment properties (Note 17)	1,185	(1,538)

12 Tax expense

The amount of tax expense charged to the consolidated statement of profit or loss and comprehensive income represents:

	2025 US$'000	*2024* US$'000
Current tax on profits for the year excluding Pillar Two income taxes	196,844	110,300
Current tax of prior years excluding Pillar Two income taxes	18,726	771
Pillar Two income taxes	467	-
Withholding tax	8,244	6,937
Deferred tax (Note 32)	18,691	6,892
Total tax expense	242,972	124,900

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates if taxation ruling in the relevant countries.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits of the consolidated entities as follows:

	2025 US$'000	*2024* US$'000
Profit before tax	1,156,238	655,375
Tax calculated at domestic rates applicable to profits in respective jurisdictions	**198,704**	**125,863**
Income not subject to tax	(18,704)	(12,907)
Expenses not deductible for tax purposes	8,034	6,510
Utilisation of previously unrecognised tax losses	(5,249)	(2,190)
Tax losses for which no deferred tax asset was recognised	4,302	3,568
Current tax of prior periods	18,726	771
Deferred tax of prior periods	13,482	65
Withholding tax	8,244	6,937
Pillar Two income taxes	467	-
Others (Note 12(i))	14,966	(3,717)
Tax expense	242,972	124,900

12 Tax expense (continued)

In addition to profit tax provision, the Group has recognised the below tax-related provision as at 31 December 2025 and 2024:

(i) Provision for tax in India

CLSA India Private Limited has been involved in tax litigation on deduction of inter-company service fees since year ended 31 March 2011. The litigation is at various stages of appeal and final orders are yet to be received. Accordingly, significant judgement is required in determining such tax provision. Based on professional advice received and management best estimates, provisions amounting to US$65,283,000 have been made as at 31 December 2025 (2024: US$51,771,000).

(ii) Provision for other taxes

In light of the further integration of the business models, the Group updated the transfer pricing policies effective from 1 January 2021. The updated transfer pricing policies remain subject to review by several local regulators in the relevant jurisdictions. In determining its income tax provision, the Group makes judgements regarding these complex tax regulations as well as estimate how certain items will be taxed and potentially disputed in various jurisdictions in the future. Given the uncertainty, the provision relating to this matter is estimated to be US$23,339,000 as at 31 December 2025 (2024: US$21,683,000) based on management best estimates.

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries. As disclosed below, the Group is also liable to Pillar Two income taxes.

Pillar Two income taxes

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co- operation and Development.

From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and certain other jurisdictions where a domestic minimum top-up tax has not been implemented.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred.

13 Dividends

No final dividend in respect of the year ended 31 December 2025 was to be proposed by the Company (2024: Nil).

14 Goodwill and intangible assets

(a) Goodwill

	2025 US$'000	2024 US$'000
Cost		
At 1 January	379,951	379,951
Additions	-	-
At 31 December	379,951	379,951
Accumulated impairment		
At 1 January	306,600	306,600
Provision for the year	-	-
At 31 December	306,600	306,600
Net book value		
At 31 December	73,351	73,351

Impairment test for cash-generating units containing goodwill

As at 31 December 2025, the carrying amounts of goodwill allocated to the Group's cash-generating units ("CGUs") as follows:

	Note	2025 US$'000	2024 US$'000
Goodwill arising from business acquisitions:			
- Investment Banking	(i)	31,849	31,849
- Equity Derivatives	(i)	41,483	41,483
- Acquisitions of operations in several countries		19	19
Total		73,351	73,351

Recoverable amounts of goodwill are determined based on the value-in-use of each group of CGUs.

14 Goodwill and intangible assets (continued)

Notes

(i) Goodwill arising from business acquisition made by the Company in 2013

Acquisition of CLSA B.V. and its subsidiaries (collectively referred as "CLSA Group") was completed in 2013, and management regarded this as a single CGU up to the year ended 31 December 2021.

In 2021, the Group completed a restructuring to increase the collaboration between offshore and onshore business units and to align the reporting structure of various business line and rebranding of the business. This triggered a reallocation of goodwill, with carrying amount of US$287 million as at 31 December 2020, to individual cash-generating-units at the reorganisation date. The restructure of management reporting lines resulted in a reallocation of goodwill to 5 individual CGUs.

The reallocation of goodwill was performed on the basis of the relative values of CGUs identified as at the date of reorganisation.

	At reorganisation date US$'000
CGUs:	
Institutional Brokerage	169,482
Investment Banking	31,849
Fixed Income	44,431
Equity Derivatives	41,483
Asset Management *	-
CLSA Group acquired in 2013	287,245

* At reorganisation date, according to relative fair value of each respective CGU, no goodwill was reallocated to the Asset Management CGU.

14 Goodwill and intangible assets (continued)

The key assumptions used in the estimation of value-in-use of the CGUs were as follows:

	As at 31 December 2025			As at 31 December 2024		
	Discount rate (pre-tax)	*Terminal value growth rate*	*Average operating profit margin forecast*	*Discount rate (pre-tax)*	*Terminal value growth rate*	*Average operating profit-margin forecast*
Investment Banking	18.7%	2.5%	27%	19.9%	2%	32%
Equity Derivatives	16.5%	2.5%	52%	17.3%	2%	48%

The discount rate was a pre-tax measure based on the weighted average cost of capital ("WACC") or a rate reflects specific risks relating to each CGU. The WACC depends on inputs reflecting a number of financial and economic variables including the risk-free rate, market premium, market cost of debt and a specific premium to reflect the inherent risk of this operating segment. These variables are based on the market's assessment of the economic variables and management's judgement.

A long-term growth rate of 2.5% (2024: 2%) into perpetuity for CLSA Group acquired in 2013 were determined based on the long term growth rate forecast included in industry reports.

A five-year projection of cash flows for all the CGUs were included in the discounted cash flow model. The average operating profit margin forecast represents the expected earnings before interests and tax, and depreciation and amortisation, taking into account of past experience, and anticipated revenue growth over the five-year projection period.

The key assumptions in the table above are updated as at 31 December 2025. The Group has revised the average operating profit-margin forecast taking into consideration the actual financial results of 2025. The discount rate is calculated using the latest market data inputs.

14 Goodwill and intangible assets

(b) Intangible assets

	Customer relationship US$'000	Trademarks US$'000	Internally-generated software US$'000	Externally-purchased software US$'000	Exchange trading rights US$'000	Others US$'000	Total US$'000
Cost							
At 1 January 2025	172,388	42,500	82,600	4,206	6,788	14,350	322,832
Additions	-	-	-	513	-	-	513
Disposals	-	-	-	-	-	(14,350)	(14,350)
Exchange differences	-	-	-	701	(12)	-	689
At 31 December 2025	172,388	42,500	82,600	5,420	6,777	-	309,685
Accumulated amortisation							
At 1 January 2025	170,527	-	82,600	3,998	3,059	14,350	274,222
Amortisation charges	60	-	-	366	-	-	426
Write back	-	-	-	-	-	(14,350)	(14,350)
Exchange differences	-	-	-	(4)	(9)	-	(13)
At 31 December 2025	170,587	-	82,600	4,048	3,050	-	260,285
Accumulated impairment							
At 1 January 2025	1,800	42,500	-	-	18	-	44,318
Provision for the year	-	-	-	-	-	-	-
At 31 December 2025	1,800	42,500	-	-	18	-	44,318
Net book value							
At 31 December 2025	121	-	-	1,372	3,709	-	5,202
Cost							
At 1 January 2024	172,388	42,500	82,600	3,884	6,807	14,350	322,619
Additions	-	-	-	194	-	-	194
Exchange differences	-	-	-	128	(19)	-	109
At 31 December 2024	172,388	42,500	82,600	4,206	6,788	14,350	322,832
Accumulated amortisation							
At 1 January 2024	170,467	-	82,600	3,526	3,071	14,350	274,014
Amortisation charges	60	-	-	150	-	-	210
Exchange differences	-	-	-	10	(12)	-	(2)
At 31 December 2024	170,527	-	82,600	3,686	3,059	14,350	274,222
Accumulated impairment							
At 1 January 2024	1,800	42,500	-	-	18	-	44,318
Provision for the year	-	-	-	-	-	-	-
At 31 December 2024	1,800	42,500	-	-	18	-	44,318
Net book value							
At 31 December 2024	191	-	-	520	3,712	-	4,413

The trademarks and exchange trading rights are not amortised as they have no expiry date and management expects to use the trademark and the exchange trading rights in the foreseeable future.

The customer relationship, internally-generated software and externally purchased software are amortised over the expected useful lives of 10 years, 5 years and 5 years respectively.

15 Property, plant and equipment

	Leasehold improvements US$'000	*Computer hardware and software* US$'000	*Furniture and fittings* US$'000	*Telecommuni-cations equipment* US$'000	*Motor vehicles* US$'000	*Total* US$'000
Year ended 31 December 2025						
At 1 January 2025	10,117	26,637	1,986	1,629	65	40,434
Additions	4,671	13,503	868	216	-	19,258
Disposals/written off	(113)	(958)	(109)	-	-	(1,180)
Depreciation	(2,909)	(10,126)	(707)	(570)	(10)	(14,322)
Exchange differences	318	186	51	19	5	579
At 31 December 2025	12,084	29,242	2,089	1,294	60	44,769
At 31 December 2025						
Cost	36,119	195,000	8,392	8,664	294	248,469
Accumulated depreciation	(24,035)	(165,758)	(6,303)	(7,370)	(234)	(203,700)
Net book amount	12,084	29,242	2,089	1,294	60	44,769

15 Property, plant and equipment (continued)

	Leasehold improvements US$'000	*Computer hardware and software* US$'000	*Furniture and fittings* US$'000	*Telecommuni-cations equipment* US$'000	*Motor vehicles* US$'000	*Total* US$'000
Year ended 31 December 2024						
At 1 January 2024	5,462	27,614	2,155	1,939	76	37,246
Additions	7,927	9,034	662	281	-	17,904
Disposals of group reclassified as held for sale	-	(1)	(8)	(1)	-	(10)
Disposals/written off	(660)	(59)	(87)	(2)	-	(808)
Depreciation	(2,580)	(9,686)	(727)	(558)	(11)	(13,562)
Exchange differences	(32)	(265)	(9)	(30)	-	(336)
At 31 December 2024	10,117	26,637	1,986	1,629	65	40,434
At 31 December 2024						
Cost	33,309	184,297	8,890	9,601	340	236,437
Accumulated depreciation	(23,192)	(157,660)	(6,904)	(7,972)	(275)	(196,003)
Net book amount	10,117	26,637	1,986	1,629	65	40,434

16 Leases

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2025 US$'000	*2024* US$'000
Right-of-use assets		
Buildings	136,624	95,691
Motor vehicles	120	92
IT equipments	88	32
	136,832	95,815
Lease liabilities		
Current	21,323	21,071
Non-current	123,897	80,664
	145,220	101,735

Additions to the right-of-use assets during the 2025 financial year were US$20,641,000 (2024: US$41,914,000).

(ii) Amounts recognised in the consolidated statement of profit or loss and comprehensive income

The consolidated statement of profit or loss and comprehensive income shows the following amounts relating to leases:

	2025 US$'000	*2024* US$'000
Depreciation charge of right-of-use assets		
Buildings	25,967	25,280
Motor vehicles	57	36
IT equipments	91	19
	26,115	25,335
Interest expense (included in finance costs)	5,548	4,913
Expense relating to short-term leases	1,182	899

The total cash outflow for leases in 2025 was US$30,402,025 (2024: US$30,375,000).

16 Leases (continued)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 1 year to 15 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17 Investment properties

	Commercial and industrial building	
	2025	*2024*
	US$'000	US$'000
Cost		
At 1 January	33,916	34,383
Disposal	-	-
Exchange differences	2,436	(467)
At 31 December	36,352	33,916
Accumulated depreciation		
At 1 January	(4,479)	(3,799)
Depreciation charge	(803)	(747)
Exchange differences	(335)	67
At 31 December	(5,617)	(4,479)
Allowance for impairment		
At 1 January	(6,214)	(7,843)
Impairment (loss)/reversal on investment properties	(1,185)	1,538
At 31 December	(465)	91
Closing book amount	(7,864)	(6,214)
Net book amount	22,871	23,223

17 Investment properties (continued)

(i) Amount recognised in profit of loss for investment properties

	2025 US$'000	*2024* US$'000
Rental income from operating leases	2,102	1,796
Direct operating expenses from property that generated rental income	(2,628)	(3,706)
Impairment reversal (loss)/gain on investment properties	(1,185)	1,538

(ii) Leasing arrangement

The investment properties are leased to tenants under operating leases with rentals payable monthly

18 Investments in joint ventures

	2025 US$'000	*2024* US$'000
At 1 January	2,295	2,411
Share of gains of joint ventures	2,376	1,386
Dividend	(2,100)	(1,500)
Exchange differences	-	(2)
At 31 December	2,571	2,295

Set out below are the joint ventures of the Group as at 31 December 2025 and 2024. The joint ventures are held directly by the Group. The country of incorporation or registration is also their principal place of business.

18 Investments in joint ventures (continued)

Nature of investment in each joint venture as at the end of the reporting periods:

Name	*Place of incorporation*	*Group interest as at 31 December 2025*	*Group interest as at 31 December 2024*	*Principal activities*
Bright Lee Capital	British Virgin Islands	48.00%	48.00%	Asset management
CSOBOR Fund GP, Limited	Cayman Islands	49.00%	49.00%	Asset management
Double Nitrogen Fund GP, Limited	Cayman Islands	48.00%	48.00%	Fund General Partner
Sino-Ocean Land Logistics Investment Management Limited	Cayman Islands	50.00%	50.00%	Asset management
Sunrise Capital Holdings IV Limited	Cayman Islands	50.00%	50.00%	Asset management
Sunrise Capital Holdings V Limited	Cayman Islands	25.00%	25.00%	Asset management

All joint ventures are held indirectly through other subsidiaries. They are private companies and there are no quoted market prices available for their shares.

There were no commitment and contingent liabilities relating to the Group's interest in the joint ventures.

The Group has no individually material joint venture as at year-end

19 Investments in associates

	2025 US$'000	*2024* US$'000
As at 1 January	176,098	173,177
New investment in associates	12,917	16,254
Additional investment in associates	20,526	11,700
Share of gains	22,741	8,165
Dividends	(99)	(3,207)
Return of capital	(11,240)	(7,945)
Disposal of investments invested by the associates	(20,179)	(22,357)
Exchange differences	(306)	311
As at 31 December	200,458	176,098

19 Investments in associates (continued)

The Group's share of the results of its associates, all of which are unlisted whose quoted market price is not available, and their aggregated assets (including goodwill) and liabilities are as follows

Name	Place of incorporation	Principal activities	Effective percentage of interest in ownership	
			As at 31 December 2025	As at 31 December 2024
Aria Investment Partners III, L P ##	Cayman Islands	Private equity fund		29.56%
Aria Investment Partners IV, L P	Cayman Islands	Private equity fund	39.14%	39.14%
Aria Investment Partners V, L P	Cayman Islands	Private equity fund	45.45%	45.45%
Fudo Capital II, L P ##	Cayman Islands	Real estate fund	-	6.55%
Sunrise Capital II, L P.	Cayman Islands	Real estate fund	23.99%	23.99%
Sunrise Capital III, L P. #	Cayman Islands	Real estate fund	6.08%	6.08%
Sunrise Capital IV, L P #	Cayman Islands	Real estate fund	5.49%	5.49%
Sunrise Capital V (JPY), L.P. #	Cayman Islands	Real estate fund	6.64%	6.64%
Clean Resources Asia Growth Fund L.P. #	Cayman Islands	Hedge fund	3.00%	3.00%
CLSA Aviation Private Equity Fund I##	Korea	Investment vehicle	-	6.86%
CLSA Aviation Private Equity Fund II#	Korea	Investment vehicle	0.08%	0.06%
CLSA Aviation II Investments (Cayman) Limited#	Cayman Islands	Investment vehicle	12.39%	12.39%
CLSA Infrastructure Private Equity Fund I#	Korea	Asset management	0.14%	0.14%
CT Smith Holdings Limited (Former name as CT CLSA Holdings Limited)	Sri Lanka	Broking and investment banking	25.00%	25.00%
CSOBOR Fund L P	Cayman Islands	Asset management	24.51%	24.51%
Citron PE Holdings Limited	British Virgin Islands	Asset management	35.00%	35.00%
Holisol Logistics Private Limited	India	Asset management	20.29%	20.29%
Pine Tree Special Opportunity FMC LLC	Cayman Islands	Asset management	-	50.00%
Lending Ark Asia Secured Private Debt Fund I (Non-US), LP	Cayman Islands	Asset management	22.16%	22.16%
Lending Ark Asia Secured Private Debt Holding Limited	Cayman Islands	Asset management	30.00%	30.00%
CLSA Asia Growth Fund, L P.	Cayman Islands	Private equity fund	29.02%	29.24%
Top Eminent Healthcare Group Limited (formerly known as "CLSA Premium Limited")	Cayman Islands	Investment Holding	19.03%	
CLSA Korea Private Equity Fund I	Korea	Private equity fund	19.61%	

The Group is also the General Partner of certain funds at Group level, management considers the Group have significant influence on those funds' investments and recognise those funds as investment in associate accordingly

The associates were dissolved during the year

All associates are held indirectly through other subsidiaries.

19 Investments in associates (continued)

19.1 Summarised financial information for associates

Set out below are the summarised financial information for the Group's investments in associates which are accounted for using the equity method, that are material to the Group.

Summarised balance sheet

	Sunrise Capital II, L.P. US$'000	Citron PE Holdings Limited US$'000	Lending Ark Asia Secured Private Debt Fund I (Non-US), LP US$'000
As at 31 December 2025			
Total current assets	174,735	54,888	22,253
Total current liabilities	(175)	(394)	(418)
Total non-current assets	10,479	45,251	124,564
Total non-current liabilities	(36,077)	(101)	(1,006)
Net assets	148,962	99,644	145,393
Reconciliation to carrying amounts:			
Closing net assets	148,962	99,644	145,393
Group's share in %	23.99%	35.00%	22.16%
Group's share in US$	35,736	34,875	32,225
Carrying value	35,736	34,875	32,225
As at 31 December 2024			
Total current assets	172,969	56,679	12,302
Total current liabilities	-	(11,394)	(139)
Total non-current assets	-	50,379	149,178
Total non-current liabilities	(32,798)	(156)	(933)
Net assets	140,171	95,508	160,408
Reconciliation to carrying amounts:			
Closing net assets	140,171	95,508	160,408
Group's share in %	23.99%	35.00%	22.16%
Group's share in US$	33,627	33,428	35,553
Carrying value	33,627	33,428	35,553

19 Investments in associates (continued)

Summarised statement of comprehensive income

	Sunrise Capital II, L.P US$'000	Citron PE Holdings Limited US$'000	Lending Ark Asia Secured Private Debt Fund I (Non-US), LP US$'000
For the year ended 31 December 2025			
Revenue	989	1,085	17,257
Expenses	(2,891)	(554)	(2,535)
Depreciation and amortisation	-	-	-
Interest income	-	1,779	128
Net realised gain/(loss) on investments	159,066	4,506	(7,973)
Net change of unrealised appreciation/(depreciation) on investments	(148,373)	(2,507)	8,743
Profit before tax	8,791	4,309	15,620
Income tax expenses	-	-	-
Total comprehensive income/(loss)	8,791	4,309	15,620

	Sunrise Capital II, L.P US$'000	Citron PE Holdings Limited US$'000	Lending Ark Asia Secured Private Debt Fund I (Non-US), LP US$'000
For the year ended 31 December 2024			
Revenue	749	4,034	20,386
Expenses	(12,371)	(2,507)	(3,090)
Depreciation and amortisation	-	-	-
Interest income	-	1,837	453
Net realised gain/(loss) on investments	-	(4,206)	40
Net change of unrealised appreciation/(depreciation) on investments	67,362	(6,665)	(3,660)
Profit/(loss) before tax	55,740	(7,507)	14,129
Income tax expenses	-	(20)	-
Total comprehensive income/(loss)	55,740	(7,527)	14,129

The following table illustrates the aggregate unaudited financial information of the Group's associates that are not individually material.

	2025 US$'000	2024 US$'000
Profit/(loss) for the year	15,662	(5,704)
Total comprehensive income	15,662	(5,704)
Carrying amount	97,622	73,490

20 Subsidiaries

20.1 Information about subsidiaries

The following is a list of the principal subsidiaries of the Company as at 31 December 2025 and 31 December 2024:

Name	Place of incorporation	Group interest as at 31 December 2025	Group interest as at 31 December 2024	Principal activities
CLSA B.V.	Netherlands	100%[1]	100%[1]	Investment holding
CLSA Europe B.V.	Netherlands	100%[1]	100%[1]	Provision of securities brokerage and investment banking services
CITIC Securities (Hong Kong) Limited	Hong Kong	100%[1]	100%[1]	Corporate finance and advisory services
CITIC Securities Brokerage (HK) Limited	Hong Kong	100%[1]	100%[1]	Securities brokerage and margin financing
CITIC Securities Futures (HK) Limited	Hong Kong	100%[1]	100%[1]	Brokerage of futures and options contracts
CITIC Securities Finance (HK) Limited	Hong Kong	100%[1]	100%[1]	Treasury services
CLSA Investments Ltd	Cayman Islands	100%[1]	100%[1]	Investment holding
CLSA Australia Holdings Pty Ltd	Australia	100%[1]	100%[1]	Investment holding
CITIC Securities CLSA Capital Partners Limited	Hong Kong	100%[1]	100%[1]	Investment holding
CLSA Fund Services (Asia) Limited	Hong Kong	100%[1]	100%[1]	Fund Administrative services
CLSA Global Investments Management Limited	British Virgin Islands	100%[1]	100%[1]	Investment holding
SetClear Pte. Ltd.	Singapore	100%[1]	100%[1]	IT & middle/back office services
CSI Global Markets Holdings Limited	British Virgin Islands	100%[1]	100%[1]	Holding company
CLSA Americas Holdings, Inc.	United States of America	100%[1]	100%[1]	Holding company
Top Eminent Healthcare Group Limited (formerly known as "CLSA Premium Limited")	Cayman Islands	–	59.03%[1]	Investment holding
CITIC Securities Asset Management (HK) Limited (Formerly known as CLSA Asset Management Limited	Hong Kong	100%	100%	Asset management

20 Subsidiaries (continued)

20.1 Information about subsidiaries

Name	Place of incorporation	Group interest as at 31 December 2025	Group interest as at 31 December 2024	Principal activities
CITIC Securities CLSA Capital Partners (HK) Limited	Hong Kong	100%	100%	Investment advisory Services
CLSA Limited	Hong Kong	100%	100%	Broking and dealing in securities and underwriting
CITIC Securities International Capital Management Limited (Formerly known as CSI Capital Management Limited)	British Virgin Islands	100%	100%	Investment and securities trading
CITIC Securities International Global Markets Limited (Formerly known as CSI Global Markets Limited)	Hong Kong	100%	100%	Securities brokerage
XinZheng Operation Management Limited	PRC	100%[1]	100%[1]	IT & middle/back office services

[1] Subsidiaries held directly by the Company

In 2025, the Group's holding in Top Eminent Healthcare Group Limited (formerly known as CLSA Premium Limited) was changed from 59.03% to 19.3% during the year as a result of partial sales of shares. Since the Group lost significant influence on Top Eminent Healthcare Group Limited during the year, it is classified as investment in associate upon the share disposal.

20 Subsidiaries (continued)

20.2 *Summarised financial information on subsidiaries with material non-controlling interests*

The total non-controlling interest as at 31 December 2025 is US$4,026,000 (2024: US$22,119,000), of which US$4,035,000 (2024: US$5,374,000) is for PT CLSA Sekuritas Indonesia, nil (2024: US$3,210,000) is for CLSA Funding (Cayman) Limited, negative balance of US$9,000 (2024: US$646,000) is for Avignon Holdings Limited and nil (2024: US$12,889,000) is for CLSA Premium Limited.

Set out below are summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Name of subsidiary	*Place of incorporation*	*Ownership interest held by the group* 2025	2024	*Ownership interest held by non-controlling interests* 2025	2024	*Principal activities*
PT CLSA Sekuritas Indonesia	Indonesia	60.00%	60.00%	40.00%	40.00%	Provision of securities brokerage and underwriting services
CLSA Funding (Cayman) Limited	Cayman Islands	72.05%	72.05%	27.95%	27.95%	Investment holding
Avignon Holdings Limited	Guernsey	71.71%	71.71%	28.29%	28.29%	Investment holding

Set out below are summarised financial information for subsidiary that has material non-controlling interests.

Summarised balance sheet

	PT CLSA Sekuritas Indonesia	
	2025 US$'000	*2024* US$'000
Current		
Assets	68,272	63,840
Liabilities	(34,328)	(25,766)
Total current net assets	33,944	38,074
Non-current		
Assets	2,572	2,802
Liabilities	-	-
Total non-current net assets	2,572	2,802
Net assets	36,516	40,876

20 Subsidiaries (continued)

Summarised consolidated statement of profit or loss and comprehensive income

	PT CLSA Sekuritas Indonesia	
	2025	*2024*
	US$'000	US$'000
Revenue	8,874	12,477
Post-tax profit from continuing operations	1,523	1,535
Total comprehensive income/(loss)	716	(402)
Profit allocated to non-controlling interest	609	614
Dividends paid to non-controlling interest	1,966	506

	PT CLSA Sekuritas Indonesia	
	2025	*2024*
	US$'000	US$'000
Cash generated from operating activities	1,386	2,478
Cash flows used in investing activities	(237)	(178)
Cash flows used in financing activities	(4,915)	(1,266)

The information above is the amount before inter-company eliminations.

21 Financial assets measured at fair value through other comprehensive income

	2025	*2024*
	US$'000	US$'000
Non-current portion		
Unlisted equities	835,737	660,689
Current assets		
Debt securities	2,308,435	1,726,799

During the year, net loss of US$40,428,000 (2024: loss of USD1,602,000) was recognised in other comprehensive income for financial assets measured at fair value through other comprehensive income

22 Financial assets and liabilities at fair value through profit or loss

	As at 31 December 2025	
	Assets	*Liabilities*
	US$'000	US$'000
Non-current portion		
Fair value through profit or loss		
- Unlisted equities	8,562	-
- Managed funds	27,263	64,046*
Total for non-current portion	35,825	64,046
Current portion		
Held for trading		
- Listed equities	22,738,349	2,577,259
- Managed funds	356,723	-
- Debt securities	13,140,649	128,939
- Precious metals	334,208	-
	36,569,929	2,706,198
Fair value through profit or loss		
- Unlisted equities	283	-
- Debt securities	29,694	-
- Listed equities	1	-
- Managed funds	22,787	-
- Equity linked notes	-	499,833
- Medium term notes	-	17,181,534
	52,765	17,681,367
Total for current portion	36,622,694	20,387,565

Note:

* Balance of financial liabilities measured at fair value through profit or loss represents net assets attributable to non-controlling interests of investment funds.

22 Financial assets and liabilities at fair value through profit or loss (continued)

	As at 31 December 2024	
	Assets	*Liabilities*
	US$'000	US$'000
Non-current portion		
Fair value through profit or loss		
- Unlisted equities	4,167	-
- Managed funds	60,790	16,102*
Total for non-current portion	64,957	16,102
Current portion		
Held for trading		
- Listed equities	15,790,009	1,312,323
- Managed funds	1,670,185	4,106
- Debt securities	12,514,902	65,882
	29,975,096	1,382,311
Fair value through profit or loss		
- Unlisted equities	1,266	7,862
- Debt securities	29,659	-
- Listed equities	766	-
- Managed funds	65	-
- Equity linked notes	-	416,154
- Medium term notes	-	11,983,197
	31,756	12,407,213
Total for current portion	30,006,852	13,789,524

Note:

* Balance of financial liabilities measured at fair value through profit or loss represents net assets attributable to non-controlling interests of investment funds

23 Derivative financial instruments

	Assets	*Liabilities*
	US$'000	US$'000
As at 31 December 2025		
- Interest rate derivatives	363,489	222,413
- Currency derivatives	293,877	448,313
- Equity derivatives	2,035,641	3,430,844
- Credit derivatives	6,838	1,000
- Others	147,999	228,874
Total	2,847,844	4,331,444

23 Derivative financial instruments (continued)

	Assets US$'000	*Liabilities* US$'000
As at 31 December 2024		
- Interest rate derivatives	428,748	562,664
- Currency derivatives	737,979	654,573
- Equity derivatives	1,824,579	1,432,093
- Credit derivatives	375	5,636
- Others	193,844	75,130
Total	3,185,525	2,730,096

24 Amounts due from/to clients, brokers and clearing houses

	2025 US$'000	*2024* US$'000
Amounts due from		
- clients	2,535,124	1,525,793
- brokers	12,645,442	7,218,110
- clearing houses	826,690	462,675
Margin receivable	1,544,823	955,294
Loans receivable arising from business of loans and financing	256,957	272
Accounts receivable arising from assets management business	-	2
Others	93	149
	17,809,129	10,162,295
Less: provision for impairment losses (i)	(42,678)	(22,104)
Total amounts due from clients, brokers and clearing houses	17,766,451	10,140,191
Amounts due to		
- clients	13,766,742	10,031,417
- brokers and other counterparties	5,547,997	2,826,836
- clearing houses	645,428	147,236
Total amounts due to clients, brokers and clearing houses	19,960,167	13,005,489

(i) Note 3.1 (b) provide details about the estimations of impairment losses.

25 Cash and bank balances

	2025 US$'000	2024 US$'000
Cash at bank and in hand	2,189,235	2,025,470
Time deposits with banks	173,629	147,972
Total cash and bank balances	2,362,864	2,173,442

As at 31 December 2025, the Group had restricted funds of US$77,616,000 (2024: US$57,884,000).

26 Cash held on behalf of customers

The Group maintains segregated trust accounts with authorised financial institutions to hold clients' deposits arising from normal course of business.

27 Bank borrowings

	2025 US$'000	2024 US$'000
Current		
Bank borrowings (secured)	-	18,981
Bank borrowings (unsecured)	3,829,109	1,954,919
Bank overdrafts (unsecured)	9,103	395
	3,838,212	1,974,295
Total bank borrowings	3,838,212	1,974,295

As at 31 December 2024, listed securities and investment fund holdings belonging to margin clients of a subsidiary of the Group which engaged in securities brokerage and margin financing businesses, with a total market value of US$598,055,000 were pledged to banks as collateral for short-term floating rate bank loans of US$386,000 for its margin financing businesses. The remaining secured bank loans were secured by company shares of certain subsidiaries of US$31,659,000.

The effective interest rate of bank borrowings as at 31 December 2025 is 4.18% (2024: 4.91%).

28 Long term borrowings/Short term borrowings to/from group companies

	2025 US$'000	2024 US$'000
Current		
Borrowings to a fellow subsidiary (i)	525,164	24,681
Total borrowings to group companies	525,164	24,681
Non-current		
Borrowings from a related company (ii)	1,344	1,593
	1,344	1,593
Current		
Borrowings from a fellow subsidiary (iii)	286,242	303,198
Borrowings from parent company (iv)	729,228	480,275
Borrowings from a related company	2	-
	1,015,472	783,473
Total borrowings from group companies	1,016,816	785,066

(i) Short term borrowings to a fellow subsidiary are unsecured, interest bearing and repayable in 2026. Short term borrowings amounting to US$524,433,000 (2024: US$24,674,000) are interest bearing at a fixed rate of 1% - 5.03% (2024: 1%) per annum

(ii) Long term borrowings from a related company amounting to USD$1,344,000 (2024 US$1,593,000) are unsecured, interest bearing at a fixed rate of 0 31% per annum and repayable in 2028

(iii) Short term borrowings from fellow a subsidiary are unsecured, interest bearing and repayable in 2026. Short term borrowings amounting to US$284,918,000 (2024: US$298,126,000) are interest bearing at a fixed rate of 2.72% - 3 40% (2024: 2.82% - 5.8%) per annum. The remaining balance amounting to US$1,324,000 (2024: US$5,072,000) is interest free

(iv) Short term borrowings from parent company are unsecured, interest bearing and repayable in 2026. Short term borrowings amounting to US$716,066,000 (2024 US$477,008,000) are interest bearing at a fixed rate of 2 07% - 2 15% (2024: 2 07%) per annum. The remaining balance amounting to US$13,162,000 (2024: US$3,267,000) is interest free

29 Reverse repurchase agreements/Repurchase agreements

The Group enters into Reverse repurchase agreements ("Reverse REPO") which involve purchasing securities from counterparties and reselling them to the counterparties on a specific future date at a specific price. The Group also enters into Repurchase agreements ("REPO") which involve selling securities to counterparties and repurchasing them from the counterparties on a specific future date at a specific price.

Financial assets accepted as collaterals

Financial assets are accepted as collaterals as part of Reverse REPO arrangements which the Group is permitted to sell or repledge under standard market documentation.

The aggregate fair value of financial assets accepted as collaterals that the Group is permitted to sell or repledge in the absence of default amounted to US$205,249,000 (2024: US$236,596,000), of which US$192,987,000 (2024: US$153,074,000) has been sold or repledged to third parties as at 31 December 2025.

Financial assets placed as collaterals

As at 31 December 2025, the carrying amount and fair value of securities sold under agreements to repurchase was US$11,819,038,000 (2024: US$14,309,539,000). These securities are the debt securities and equities included in the financial assets held for trading in the statement of financial position. The counterparty is allowed to sell or repledge those securities sold under repurchase agreements in the absence of default by the Group but has an obligation to return the securities at the maturity of the contracts.

30 Share capital

	2025		2024	
	Number of shares '000	Share Capital US$'000	Number of shares '000	Share Capital US$'000
Ordinary shares, Issued and fully paid:				
As at 1 January	11,792,740	1,756,040	6,516,050	839,059
Increase in share capital	-	-	5,276,690	916,981
As at 31 December	11,792,740	1,756,040	11,792,740	1,756,040

For further expansion of offshore business, approved by board of directors of CITIC Securities Company Limited, there was a capital injection, amounting to HK$5,000,000,000 and US$276,689,868 in 2024, with the number of issued shares has increased by 5,276,689,868

There is no capital injection in 2025

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets

31 Other reserves

Other reserves mainly comprise of regulatory reserves, capital and other reserves, revaluation reserves, as well as foreign currency translation reserves. Please refer to Statement of Changes in equities for detail movements of each item

During the year, the Group has transferred US$85,000 (2024: (US$97,000)) from/(to) regulatory reserves in accordance with regulatory requirements in respective territories where certain subsidiaries operate and are not available for distribution

32 Deferred tax

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of US$77,731,000 (2024: US$72,228,000) of which US$77,384,000 (2024: US$71,646,000) relate to tax losses amounting to US$374,704,000 (2024: US$334,847,000) that can be carried forward against future taxable income.

Deferred tax liabilities of US$15,383,000 (2024: US$15,069,000) have not been recognised for withholding taxes that could be payable on the unremitted earnings of certain subsidiaries, as such amounts are currently considered permanently reinvested. Unremitted earnings totalled US$174,528,000 as at 31 December 2025 (2024: US$177,435,000).

The movement in deferred tax assets and liabilities to the various balance sheet items, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred tax assets	*Salaries, allowances and bonuses* US$'000	*Depreciation allowances* US$'000	*Tax loss* US$'000	*Others* US$'000	*Total* US$'000
At 1 January 2024	14,003	2,117	33,238	2,545	51,903
Recognised in profit or loss	570	(1,446)	(10,442)	2,651	(8,667)
Exchange differences	(178)	(100)	(1,541)	1,627	(192)
At 31 December 2024	14,425	571	21,255	6,823	43,074
At 1 January 2025	14,425	571	21,255	6,823	43,074
Recognised in profit or loss	(5,642)	210	(20,652)	9,470	(16,614)
Exchange differences	481	(2,139)	(380)	3,987	1,949
At 31 December 2025	9,264	(1,358)	223	20,280	28,409

Deferred tax liabilities	*Depreciation allowances* US$'000	*Others* US$'000	*Salaries, allowances, and bonuses* US$'000	*Total* US$'000
At 1 January 2024	3,148	5,351	–	8,499
Recognised in profit or loss	(1,052)	(723)	–	(1,775)
Recognised in other comprehensive income	–	(821)	–	(821)
Exchange differences	–	823	–	823
At 31 December 2024	2,096	4,630	–	6,726
At 1 January 2025	2,096	4,630	–	6,726
Recognised in profit or loss	619	1,832	(374)	2,077
Recognised in other comprehensive income	–	(4,995)	–	(4,995)
Exchange differences	(401)	3,235	–	2,834
At 31 December 2025	2,314	4,702	(374)	6,642

33 Cash flow information

33.1 Cash generated from operations

	2025 US$'000	*2024* US$'000
Profit before tax	1,156,238	655,375
Adjustments for:		
Interest income	(426,459)	(317,217)
Finance costs and securities borrowing and lending expenses	938,279	707,981
Depreciation	41,240	39,644
Amortisation of intangible assets	426	210
Share of profit from joint ventures	(2,376)	(1,386)
Share of profit from associates	(22,741)	(8,165)
Fixed asset written off	74	792
(Gain)/loss on disposal of property, plant and equipment	(9)	1
Loss on disposal of subsidiary	10	-
Impairment loss/(reversal) on investment properties	1,185	(1,538)
Net impairment losses	47,803	1,727
	1,733,670	1,077,424
Changes in working capital		
Increase in reverse repurchase agreements	(5,187)	(168,354)
Increase in other assets	(8,379)	(12,265)
Decrease/(increase) in financial assets/liabilities at fair value through profit or loss & derivative financial instruments	1,992,503	(5,951,015)
Increase in amounts due from clients, brokers and clearing houses	(7,646,479)	(2,922,366)
(Increase)/decrease in cash collateral advanced for securities borrowing	(916,916)	385,667
Increase in other debtors, deposits and prepaid expenses	(52,403)	(16,724)
Increase in amounts due to clients, brokers and clearing houses	6,954,678	1,763,718
Increase/(decrease) in bonus payable, creditors and accruals	56,291	(5,222)
(Decrease)/increase in repurchase agreements	(1,826,890)	6,947,401
Increase in cash held on behalf of customers	(1,022,845)	(79,936)
Cash (used in)/generated from operations	(741,957)	1,018,328

33 Cash flow information (continued)

33.2 Analysis of cash and cash equivalents

	2025 US$'000	*2024* US$'000
Cash and cash equivalent on consolidated statement of position	2,362,864	2,173,442
Less Restricted balance	(30,153)	(25,807)
Less Short-term deposit with original maturity more than 3 months	(52,711)	(33,971)
Cash and cash equivalent on consolidated statement of cashflow	2,280,000	2,113,664

33 Cash flow information (continued)

33.3 Reconciliation of liabilities arising from financing activities

	Bank borrowings US$'000	*Lease Liabilities* US$'000	*Borrowings from group companies* US$'000	*Private placement notes issued to the parent company* US$'000	*Debt instrument* US$'000
At 1 January 2024	(1,097,295)	(91,293)	(709,829)	(919,172)	(792,516)
Financing cash flows	(875,392)	29,476	(97,325)	919,291	(1,325,040)
New leases	-	(41,914)	-	-	-
Lease modifications	-	5,587	-	-	-
Foreign exchange adjustments	329	1,322	8,749	(119)	21,788
Other changes					
Interest expense (Note 10)	(105,747)	(4,913)	(25,967)	-	(44,943)
Interest payments	103,810	-	39,306	-	33,635
At 31 December 2024	(1,974,295)	(101,735)	(785,066)	-	(2,107,076)
At 1 January 2025	(1,974,295)	(101,735)	(785,066)	-	(2,107,076)
Financing cash flows	(1,858,265)	29,220	(191,269)	-	(764,073)
New leases	-	(20,641)	-	-	-
Lease modifications	-	(45,139)	-	-	-
Foreign exchange adjustments	(957)	(1,377)	(33,531)	-	(22,980)
Other changes					
Interest expense (Note 10)	(164,375)	(5,548)	(20,213)	-	(113,419)
Interest payments	159,680	-	13,263	-	109,308
At 31 December 2025	(3,838,212)	(145,220)	(1,016,816)	-	(2,898,240)

34 Assets classified as held for sale

On 29 December 2024, management committed to a plan to sell its 59.03% equity interest in CLSA Premium Limited, a subsidiary of the Company, representing 40% of the total issued shares. Accordingly, all the assets and liabilities of CLSA Premium Limited are classified as held for sale. Efforts to sell the assets classified as held for sale have started and sale has been completed in 2025. On 18 February 2025, the Group disposed 40% of its equity interest for a consideration of US$12,598,000 (Note 35).

(a) Impairment losses relating to the assets classified as held for sale

There are no impairment losses relating to the assets classified as held for sale.

(b) Assets and liabilities of assets classified as held for sale

As 31 December 2024, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	Top Eminent Healthcare Group Limited US$'000
Property, plant and equipment	10
Other debtors, deposits and prepaid expenses	9,334
Cash held on behalf of customers	150
Cash and bank balances	26,534
Assets classified as held for sale	36,028
Amount due to clients, brokers and clearing houses	145
Tax payable	396
Creditors and other accruals	4,025
Liabilities directly associated with assets classified as held for sale	4,566

(c) Cumulative income or expenses included in other comprehensive income.

There are no cumulative income or expenses included in other comprehensive income relating to the assets classified as held for sale.

(d) The valuation approaches used in measuring the fair value of the disposal group are asset-based approach and income approach.

35 Partial disposal of equity interest in subsidiaries

On 18 February 2025, the Group disposed 40% of its equity interest in one of its subsidiaries, CLSA Premium Limited. After the transaction, the Group's remaining interest became 19.03% whereas CLSA Premium Limited become an associate (Note 19).

	Top Eminent Healthcare Group Limited US$'000
Net assets disposed of	
Assets classified as held for sale	36,028
Liabilities directly associated with assets classified as held for sale	(4,566)
Other debtors, deposits and prepaid expenses	58
Non-controlling interest	(12,913)
	18,607
Investments in associates	(5,999)
Loss on disposal of subsidiaries	(10)
	12,598
Satisfied by:	
Cash	12,598
An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:	
Cash consideration	12,598

36 Debt instrument issued

	2025 US$'000	2024 US$'000
By category		
- Medium term notes issued	2,898,240	2,107,076
By maturity		
- Within one year	931,197	560,451
- One year to five years	1,967,043	1,546,625
	2,898,240	2,107,076

(a) Public issued medium term notes

Below are the public issued medium term notes that are material to the Group

Item	Note	2025 US$'000	2024 US$'000
CSI MTN N2504	(i)	-	301,691
CSI MTN N2607-R	(ii)	362,957	344,946
XS2729757109	(iii)	94,055	93,712
CSI MTN N2804	(iv)	501,159	499,955
CSI MTN N2710	(iv)	504,802	505,707
CSI MTN N2807	(v)	775,912	-

(i) CSI MTN Limited issued US$300,000,000 3.375 per cent Guaranteed Notes due 2025 under the US$3,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 21 April 2022. The programme is unconditionally and irrevocably guaranteed by CITIC Securities International Company Limited.

(ii) CSI MTN Limited issued CNY2,500,000,000 3.1 per cent Guaranteed Notes due 2026 under the US$3,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 13 July 2023. The programme is unconditionally and irrevocably guaranteed by CITIC Securities International Company Limited.

(iii) CSI MTN Limited issued JPY14,700,000,000 1 per cent Guaranteed Notes due 2027 under the US$3,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 25 January 2024. The programme is unconditionally and irrevocably guaranteed by CITIC Securities International Company Limited.

36 Debt instrument issued (continued)

(iv) CSI MTN Limited issued US$500,000,000 4 375 per cent Guaranteed Notes due 2028 and US$500,000,000 floating rate Guaranteed Notes due 2027 under the US$5,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 22 October 2024. The programme is unconditionally and irrevocably guaranteed by CITIC Securities International Company Limited

(v) CSI MTN Limited issued USD600,000,000 floating rate Guaranteed Notes due 2028 under the USD5,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 16 July 2025 and USD170,000,000 floating rate Guaranteed Notes due 2028 under the USD5,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 4 December 2025. The programme is unconditionally and irrevocably guaranteed by CITIC Securities International Company Limited.

As at 31 December 2025, debt instruments are guaranteed notes under the MTN Programme.

As at 31 December 2025, there was no default related to any issued debt instruments.

37 Commitments

At 31 December 2025, the Group has financial commitments of US$69,702,000 (2024: US$59,652,000) arising from having partnership interests in various investment funds.

At 31 December 2025, the Group entered into securities borrowing arrangements with third parties under which it has securities borrowing and lending commitments. The Group had US$1,784,814,000 (2024: US$850,681,000) cash collaterals placed with securities lenders for its borrowing of equity securities of a total market value US$2,727,924,000 (2024: US$849,753,000) and US$282,146,000 (2024: US$264,929,000) cash collaterals received from securities borrowers for their borrowing of equity securities of a total market value US$397,376,000 (2024: US$21,225,000).

At 31 December 2025, the Group has unrecognised deferred bonus commitments of US$39,374,000 (2024: US$29,961,000) payable to staff subject to vesting periods, for at least 3 years in the future.

38 Related-party transactions

38.1 Balance sheet items

	Note	2025 US$'000	2024 US$'000
Right-of-use assets granted to the fellow subsidiaries		3,848	6,797
Derivative financial assets			
- parent company		609,651	1,504,493
- fellow subsidiaries		87,340	27,034
Amounts due from clients, brokers and clearing houses			
- parent company		308,795	80,423
- fellow subsidiaries		1,303,236	790,130
Other debtors, deposits and prepaid expenses from fellow subsidiaries		831	854
Other assets from fellow subsidiaries		9,095	4,360
Short term borrowing to fellow subsidiaries		525,164	24,681
Cash and cash equivalents placed in a bank related to the parent company		58,345	18,646
Cash held on behalf of customers placed in a bank related to the parent company		29,215	16,355
Financial asset at fair value through profit or loss to fellow subsidiaries		35,685	30,377
Financial asset at fair value through other comprehensive income to fellow subsidiaries		-	54,931
Financial liabilities measured at fair value through profit or loss			
- parent company		(3,405,380)	(4,248,770)
- fellow subsidiaries		(50,023)	(97,194)
Derivative financial liabilities			
- parent company		(1,306,098)	(922,313)
- fellow subsidiaries		(276,379)	
Amount due to parent company		(20,418)	(125)
Amount due to clients, brokers and clearing houses			
- parent company		(4,198,741)	(4,037,811)
- fellow subsidiaries		(21,738)	(5,717)
Creditors and other accruals			
- parent company		(21,434)	(175,962)
- fellow subsidiaries		(1,433)	(1,416)
Short term borrowings			
- parent company	28	(729,228)	(480,275)
- fellow subsidiaries	28	(286,242)	(303,198)
Lease liabilities from fellow subsidiaries		(3,983)	(6,866)
Debt instrument issued		(2,324,831)	(1,831,009)

38 Related-party transactions (continued)

38.2 Statement of profit or loss and comprehensive income items

	Note	2025 US$'000	2024 US$'000
Corporate advisory fee from:			
- fellow subsidiaries		992	368
Brokerage commission from fellow subsidiaries		182	15
Other income from related companies	8	14,079	10,880
Net trading (losses)/income from fellow subsidiaries		-	72
Net interest income from:			
- fellow subsidiaries		2,386	4,528
Brokerage commission expense from parent company		(5,554)	(921)
Information services and communication expenses paid to fellow subsidiaries		(345)	(253)
Net settlement charges from fellow subsidiaries		(6,812)	(3,510)
Other operating expenses paid to			
- parent company		(4,931)	(40)
- fellow subsidiaries		(6,475)	(7,037)
Finance costs:			
- parent company		(10,697)	(4,341)
- fellow subsidiaries		(65,272)	(41,813)

Note: The fee received and expenses paid are on terms mutually agreed.

38.3 Key management compensation

(a) Key management compensation

	2025 US$'000	2024 US$'000
Salaries and other short-term employee benefits	7,309	7,565
Post-employment benefits	80	66
Termination benefits	-	-
Other long-term benefits	1,110	1,165
	8,499	8,796

(b) Loans advanced to key management

There are no loans, quasi-loans and other dealings, whether directly or indirectly, subsisted at the end of the year or at any time during the year, entered into by the Company or subsidiary undertaking of the Company in favour of directors of Company and of the holding company of the Company, controlled bodies corporate by and connected entities with such directors (2024: Nil).

38 Related-party transactions (continued)

38.4 Co-investment arrangements in investment funds

In relation to the Group's investment funds business, the Group operates certain co-investment arrangements in some investment funds currently managed by the Group.

Under these arrangements, certain eligible staff are allowed to invest in these funds and the terms are defined in the respective funds' agreements. The directors consider the overall committed co-investments to be insignificant in terms of the respective size of funds under the Group's management.

The Group provides financial support in the form of a loan to those eligible staff up to a maximum of 50% of their committed amounts for investing in those funds. The loan is interest bearing. The eligible staff are required to fully repay the loan upon termination of employment. The loan is secured by the staff's respective fund investment. At 31 December 2025, the total amounts committed by the Group under these arrangements was US$462,500 (2024: US$4,674,500) and the total amounts utilised was US$79,000 (2024: US$282,000).

39 Directors' remuneration

Benefits and interests of directors disclosed pursuant to section 383 of the Hong Kong Company Ordinance (Cap.622G), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap 622G) is as follows.

	2025 US$'000	*2024* US$'000
Directors' Fees		-
Other emoluments		
Salaries, bonuses, allowance and other non-cash benefits	4,724	4,738
Pension scheme contributions	61	62
Other long-term benefits	493	451
	5,278	5,251

During the years ended 31 December 2025 and 2024, all emoluments paid were related to a person's services as a director, whether of the Company or its subsidiary undertaking. There were no emoluments paid to in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking.

During the year ended 31 December 2025, there was no payment made as compensation for the early termination of the appointment and no consideration was provided to third parties for making available directors' services (2024: Nil).

There were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: Nil).

39 Directors' remuneration (continued)

There were no loans, quasi-loans and other dealings entered into by the Company or subsidiary undertaking of the Company in favour of directors of Company and of the holding company of the Company, controlled bodies corporate by and connected entities with such directors (2024: Nil).

40 Balance Sheet of the Company

	Notes	2025 US$'000	2024 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment		2,991	653
Right-of-use assets		91,008	46,040
Investments in subsidiaries	20	3,549,280	3,413,326
Subordinated loan due from a subsidiary		281,216	128,734
Investment in associate		6,023	-
Other assets		142	139
Deferred tax assets		1,021	980
Total non-current assets		3,931,681	3,589,872
CURRENT ASSETS			
Loan due from subsidiaries		729,228	479,548
Subordinated loan due from subsidiary		218,972	-
Due from subsidiaries		34,002	28,724
Tax recoverable		1,661	-
Other debtors, deposits and prepaid expenses		9,252	8,130
Cash and cash equivalents		11,080	2,647
Total current assets		1,004,195	519,049
CURRENT LIABILITIES			
Loan due to subsidiaries		500,188	129,264
Short term borrowings from group companies		729,228	479,116
Due to subsidiaries		25	1
Lease liabilities		11,176	12,304
Creditors and other accruals		43,191	39,959
Bank borrowings		-	19,001
Tax payable		-	279
Total current liabilities		1,283,808	679,925
NET CURRENT LIABILITIES		(279,613)	(160,876)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,652,068	3,428,996

40 Balance Sheet of the Company (continued)

	2025 US$'000	2024 US$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	3,652,068	3,428,996
NON-CURRENT LIABILITIES		
Lease liabilities	81,350	34,783
Creditors and other accruals	1,023	1,030
Total non-current liabilities	82,373	35,813
Net assets	3,569,695	3,393,183
EQUITY		
Share capital	1,756,040	1,756,040
Other reserves (Note (a))	1,813,655	1,637,143
Total equity	3,569,695	3,393,183

The balance sheet of the Company was approved by the Board of Directors on 16 March 2026 and was signed on its behalf

Director

Director

40 Balance Sheet of the Company (continued)

Note (a): Reserve movement of the Company

	Other reserves US$'000
At 1 January 2024	1,558,242
Profit for the year	82,833
Effect of change in foreign exchange rate	(3,932)
At 31 December 2024	1,637,143
Profit for the year	176,683
Effect of change in foreign exchange rate	(171)
At 31 December 2025	1,813,655

41 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Contracts referencing nature-dependent electricity*	1 January 2026
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following

41 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025 (continued)

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

KPMG

CITIC Securities International Company Limited

Consolidated financial statements
for the year ended 31 December 2024

CONTENTS **Pages**

Report of the directors	1 – 4
Independent auditor's report	5 – 8
Audited consolidated financial statements	
Consolidated statement of profit or loss and comprehensive income	9 – 10
Consolidated statement of financial position	11 – 13
Consolidated statement of cash flows	14 – 15
Consolidated statement of changes in equity	16 – 17
Notes to consolidated financial statements	18 – 97

Report of the directors

The directors submit herewith their annual report together with the audited consolidated financial statements of CITIC Securities International Company Limited (the "Company") and its subsidiaries (together, the "Group") for the year ended 31 December 2024.

Principal activities

The principal activities of the Company are investment holding and the provision of general administration and support services to its subsidiaries. The principal activities of the subsidiaries comprise the businesses of investment banking, securities brokerage, asset management, investment and trading of securities and direct investments. The principal activities and other particulars of the principal subsidiaries are set out in Note 20 to the consolidated financial statements.

Recommended dividend

The directors do not recommend the payment of dividend in respect of the year ended 31 December 2024 (2023: US$Nil).

Share capital

Details of the movements in share capital of the Company are set out in note 30 to the consolidated financial statements.

Charitable contributions

Charitable contributions made by the Group during the year amounted to US$67,000 (2023: US$133,000).

Directors

(a) Directors of the Company

The Directors of the Company during the year and up to the date of this report were:

Mr. LI Chunbo, Chairman
Mr. SHI Benliang
Mr. XU Jianqiang
Mr. PARK Edward
Mr. YU Yang

Directors (continued)

The Board confirmed that nothing relating to the affairs of the Group needed to be brought to the attention of the shareholders of the Group.

There being no provision in the Company's Articles of Association for retirement by rotation, all remaining directors continue in office.

(b) Directors of the Company's subsidiaries

The names of Directors who have served on the Boards of the Company's subsidiaries during the year and up to the date of this report were:

Akhilesh GUPTA	George Edward Hamlyn BASHFORTH	LYU Jingwei
Alan Damian DWERRYHOUSE	Gonzalo JALLES	MA Yao *
Alexander Eugene DIDENKOWSKI	Gregg RIEBER	Ma. Martha A. de DIOS
Alfred O. DY	HA Sang-soo *	Megumi KIYOZUKA
An soon YOO	Hartly MIGNON	Michael FROST
BOEY Xianjie *	HU Baifeng	MIN Peter Jae Sun
Bradley SCHWARTZ	HUNG Ying Yeung	Mingliang LV *
CHAN Chi Chuen	James David MCINTOSH	Morten PAULSEN
CHEN Jiachun	Jeremy Dalton D'SLYVA	Novita TJIA
CHEN Weiwei	Jeremy David COLLARD	NSM Limited
CHEN Zhiming	JIA Wei	Odette Rachelle C. PADRE-ISIP
CHENG Yiu Wa	Kazunari OHASHI	Oliver MATTHEW
CHEUNG Yiu Lun	KIM Jae Min	OSM Limited
Chirag KAKARIYA	KIM Jong Min	Paolo Antonio AZURIN
CHIU Kin Ki	LEE Chia Huan	Patrick FLATON
CLSACP Holdings Ltd.	LI Chunbo	Philippe BREDEL
Daniel Thian Liong OEN	LI Hang	Pradeep Venkatraman HEGDE
Darragh COMER	LI Jiong	QIN Qian
Douglas REGINALD BURTON-CANTLEY	LI Tingting	Ramon G. Opulencia
Edward PARK	LIM Fooi Hin	Richard Eric Marshall FISCHER *
Eileen Rosario CORDERO-BATAC	LIM Kit Yng	Richard Paul ZIEGLER
FAN Ping Lun Alan	Lim Sutjianto SJARIFUDIN	Rohit BHATTACHARJEE
FENG Shu	LIU Liang	Ruby Margaret Tan LAO
Floris LEDDER	LIU Xinguo	Samir KOGAR

Directors (continued)

SHEN Chen	Vaibhav Vishnudas TOTLA	YONG Heng Foo Bernard *
SHI Benliang	Vijayabalan MURUGESU	YU Yang
SHI Liang *	Vishal Suryakant PATEL	YUAN Feng
Simon Christopher HEMPEL	WANG Rui	YUAN Ransi
Simon COWEN	WANG Ting *	ZHANG Dayu
Sonal JAIN	William Charles HOLUB	ZHANG Huizi
SUN Peitao	WU Shuangyi	ZHANG Zheng
SUN Yi	XU Jianqiang	ZHANG Ziyao
TAN Chung Keat Eric	YANG Lin	ZHENG Ying

* He/She has resigned/ceased as a Director of the relevant subsidiary(ies) of the Company.

Business review

No business review is presented for the year ended 31 December 2024 as the Group has been able to claim an exemption under section 388(3) of the Companies Ordinance Cap. 622 since it is a wholly owned subsidiary of CITIC Securities Company Limited.

Directors' interests in the shares, underlying shares and debentures of the Company or any specified undertaking of the Company

At no time during the year was the Company, its holding company, its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Company's directors to hold any interests in shares or debentures of the Company or any other body corporate.

Directors' interests in transactions, arrangements and contracts

No transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company or entities connected with the director had a material interest, subsisted at the end of the year or at any time during the year.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

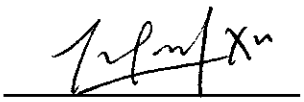
Permitted indemnity provisions

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the company is currently in force and was in force throughout this year. The Company has also maintained for the directors insurance against certain liabilities in relation to the Company and its associates. The coverage and the sum insured under the policy are reviewed annually.

Auditor

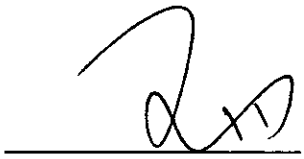
KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



(Director) James Xu

14 March 2025



(Director) Frank Yu

14 March 2025

KPMG

Independent auditor's report to the members of CITIC Securities International Company Limited

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of CITIC Securities International Company Limited ("the Company") and its subsidiaries ("the Group") set out on pages 9 to 97, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report to the members of CITIC Securities International Company Limited (continued)

(incorporated in Hong Kong with limited liability)

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of CITIC Securities International Company Limited (continued)

(incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent auditor's report to the members of CITIC Securities International Company Limited (continued)

(incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

14 March 2025

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Notes	*2024* US$'000	*2023* US$'000 (restated)
Fee and commission income	5	530,124	400,850
Net trading income	6	1,296,577	832,033
Interest income	7	317,217	286,297
Other income	8	118,598	83,131
Total operating income		2,262,516	1,602,311
Staff costs	9	(376,039)	(361,107)
Finance costs	10	(707,981)	(523,777)
Other operating expenses	11	(530,945)	(450,983)
Net impairment losses	3.1(b)(ii)	(1,727)	(22,462)
Total operating expenses		(1,616,692)	(1,358,329)
Operating profit		645,824	243,982
Share of gains of joint ventures	18	1,386	1,452
Share of gains of associates	19	8,165	17,280
Gain on disposal of an associate	19	-	21,419
Profit before tax		655,375	284,133
Tax expense	12	(124,900)	(38,019)
Profit for the year		530,475	246,114

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 (continued)

	Notes	*2024* US$'000	*2023* US$'000 (restated)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of tax		(2,884)	9,558
Foreign exchange translation differences		(14,112)	(1,182)
Reclassification to profit or loss upon disposal		-	(13,833)
Items that will not be reclassified to profit or loss			
Foreign exchange translation differences	40	(3,932)	(3,614)
Remeasurements of defined benefit plan obligations, net of tax		(25)	(156)
Changes in the fair value of equity investments designated at fair value through other comprehensive income, net of tax		6,800	(4,745)
Total other comprehensive income, net of tax		(14,153)	(13,972)
Total comprehensive income for the year		516,322	232,142
Profit/(loss) attributable to:			
Equity holders of the Company		528,294	245,127
Non-controlling interests		2,181	987
		530,475	246,114
Total comprehensive income attributable to:			
Equity holders of the Company		514,916	231,173
Non-controlling interests		1,406	969
		516,322	232,142

The notes on pages 18 to 97 form part of these financial statements.

Consolidated statement of financial position at 31 December 2024

	Notes	2024 US$'000	2023 US$'000 (restated)
ASSETS			
Non-current assets			
Property, plant and equipment	15	40,434	37,246
Right-of-use assets	16	95,815	85,621
Investment properties	17	23,223	22,741
Goodwill	14(a)	73,351	73,351
Intangible assets	14(b)	4,413	4,427
Investments in joint ventures	18	2,295	2,411
Investments in associates	19	176,098	173,177
Financial assets measured at fair value through profit or loss	22	64,957	115,563
Financial assets measured at fair value through other comprehensive income	21	660,689	12,421
Deferred tax assets	32	43,074	51,933
Other assets		58,065	37,800
		1,242,414	616,691
Current assets			
Financial assets measured at fair value through profit or loss	22	30,006,852	20,883,597
Financial assets measured at fair value through other comprehensive income	21	1,726,799	198,827
Derivative financial instruments	23	3,185,525	1,984,916
Amounts due from clients, brokers and clearing houses	24	10,140,191	7,222,546
Short term borrowing to fellow subsidiaries		24,681	-
Reverse repurchase agreements	29	245,329	75,960
Tax recoverable		25,736	21,197
Cash collateral advanced for securities borrowing		586,011	971,678
Other debtors, deposits and prepaid expenses		57,454	50,302
Cash held on behalf of customers	26	1,187,192	1,107,406
Cash and bank balances	25	2,173,442	1,562,423
		49,359,212	34,078,852
Assets classified as held for sale	34	36,028	-
		49,395,240	34,078,852
Total assets		50,637,654	34,695,543

Consolidated statement of financial position at 31 December 2024 (continued)

	Notes	2024 US$'000	2023 US$'000 (restated)
LIABILITIES			
Non-current liabilities			
Financial liabilities measured at fair value through profit or loss	22	16,102	71,151
Deferred tax liabilities	32	6,726	8,499
Creditors and other accruals		23,386	19,997
Repurchase agreements	29	67,482	229,281
Lease liabilities	16	80,664	69,514
Long term borrowings from group companies	28	1,593	99,354
Bank borrowings	27	-	24,143
Debt instrument issued	36	1,546,625	656,108
		1,742,578	1,178,047
Current liabilities			
Financial liabilities measured at fair value through profit or loss	22	13,789,524	10,261,291
Derivative financial instruments	23	2,730,096	1,880,545
Amounts due to clients, brokers and clearing houses	24	13,005,489	11,241,916
Bank borrowings	27	1,974,295	1,073,152
Short term borrowings from group companies	28	783,473	610,475
Repurchase agreements	29	12,505,281	5,342,305
Lease liabilities	16	21,071	21,779
Private placement notes issued to the parent company	35	-	919,172
Creditors and other accruals		224,246	236,878
Tax payable		153,800	83,602
Debt instrument issued	36	560,451	136,408
		45,747,726	31,807,523
Liabilities directly associated with assets classified as held for sale	34	4,566	-
		45,752,292	31,807,523
Total liabilities		47,494,870	32,985,570
Net assets		3,142,784	1,709,973

Consolidated statement of financial position at 31 December 2024 (continued)

	Notes	*2024* US$'000	*2023* US$'000 (restated)
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	30	1,756,040	839,059
Retained earnings		1,516,377	987,668
Other reserves	31	(151,752)	(137,959)
		3,120,665	1,688,768
Non-controlling interests		22,119	21,205
Total equity		3,142,784	1,709,973

Approved and authorised for issue by the board of directors on 14 March 2025

James Xu

Frank Yu

Directors

The notes on pages 18 to 97 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Cash flows from operating activities			
Cash generated from operations	33.1	1,018,328	991,548
Interest received		316,188	232,391
Interest paid		(649,386)	(460,245)
Taxes paid		(51,953)	(19,439)
Net cash flow generated from operating activities		633,177	744,255
Cash flows from investing activities			
Purchase of intangible assets		(194)	(373)
Purchase of property, plant and equipment		(17,904)	(20,283)
Proceeds from disposal of property, plant and equipment		15	15
Proceeds from disposal of investment properties		-	5,358
(Increase)/decrease in financial assets measured at fair value through other comprehensive income		(2,168,915)	12,301
Decrease in short-term deposit		5,208	8,821
Capital injection in associates		(27,954)	(8,042)
Proceeds from return of capital from associates		7,945	9,466
Proceeds from return of capital from joint ventures		-	4
Dividends received from associates		3,207	6,184
Dividends received from joint ventures		1,500	454
Proceeds from disposal of an associate		22,357	78,920
Loans to fellow subsidiaries		(25,922)	-
Net cash outflow in respect of disposal group classified as held for sale		(26,534)	-
Net cash flow (used in)/generated from investing activities		(2,227,191)	92,825
Cash flows from financing activities			
Proceeds from issue of shares	30	916,981	-
Lease payments			
- Capital elements	33.3	(24,563)	(23,887)
- Interest elements	33.3	(4,913)	(4,073)
Proceeds from borrowings	33.3	724,422	390,897
Repayments of borrowings	33.3	(627,097)	(999,210)
Repayments of private placement notes issued to the parent company	33.3	(919,291)	(138,277)
Proceeds from debt issued	33.3	1,325,040	307,267
Proceeds from bank borrowings	33.3	951,272	429,855
Repayments of bank borrowings	33.3	(75,880)	(736,637)

Consolidated statement of cash flows for the year ended 31 December 2024 (continued)

	Notes	*2024* US$'000	*2023* US$'000
Net cash flow generated from/(used in) financing activities		2,265,971	(774,065)
Net increase in cash and cash equivalents		671,957	63,015
Cash and cash equivalents at the beginning of the year		1,489,437	1,428,427
Effect of changes in foreign exchange rates		(47,730)	(2,005)
Cash and cash equivalents at the end of the year	33.2	2,113,664	1,489,437

The notes on pages 18 to 97 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2024

	Attributable to equity shareholders of the Company								
			Other reserves						
	Share capital US$'000	*Retained earnings* US$'000	*Regulatory reserves* US$'000	*Capital and other reserve* US$'000	*Revaluation reserve* US$'000	*Foreign exchange translation reserve* US$'000	*Sub-Total* US$'000	*Non-controlling Interest* US$'000	*Total* US$'000
Balance at 1 January 2024	839,059	987,668	2,486	(3,624)	(23,703)	(113,118)	1,688,768	21,205	1,709,973
Profit for the year	-	528,294	-	-	-	-	528,294	2,181	530,475
Other comprehensive income	-	512	-	(61)	3,404	(17,233)	(13,378)	(775)	(14,153)
Total comprehensive income	-	528,806	-	(61)	3,404	(17,233)	514,916	1,406	516,322
Issue of shares	916,981	-	-	-	-	-	916,981	-	916,981
Transfer between reserves	-	(97)	97	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	(492)	(492)
Transactions recognised directly in equity	916,981	(97)	97	-	-	-	916,981	(492)	916,489
Balance at 31 December 2024	1,756,040	1,516,377	2,583	(3,685)	(20,299)	(130,351)	3,120,665	22,119	3,142,784

The notes on pages 18 to 97 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2024 (continued)

	Attributable to equity shareholders of the Company								
			Other reserves						
	Share capital US$'000	*Retained earnings* US$'000	*Regulatory reserves* US$'000	*Capital and other reserve* US$'000	*Revaluation reserve* US$'000	*Foreign exchange translation reserve* US$'000	*Sub-Total* US$'000	*Non-controlling Interest* US$'000	*Total* US$'000
Balance at 1 January 2023	839,059	742,231	2,796	10,406	(28,516)	(108,381)	1,457,595	53,052	1,510,647
Profit for the year	-	245,127	-	-	-	-	245,127	987	246,114
Other comprehensive income	-	-	-	(14,030)	4,813	(4,737)	(13,954)	(18)	(13,972)
Total comprehensive income	-	245,127	-	(14,030)	4,813	(4,737)	231,173	969	232,142
Transfer between reserves	-	310	(310)	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	(32,816)	(32,816)
Transactions recognised directly in equity	-	310	(310)	-	-	-	-	(32,816)	(32,816)
Balance at 31 December 2023	839,059	987,668	2,486	(3,624)	(23,703)	(113,118)	1,688,768	21,205	1,709,973

The notes on pages 18 to 97 form part of these financial statements.

Notes to the consolidated financial statements

(Expressed in United States dollars unless otherwise indicated)

1 General information

CITIC Securities International Company Limited (the "Company") is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") provide equities, futures and derivatives brokerage, research, underwriting, investment banking, advisory services, investment and trading of securities and fund management, principally in the Asia and the U.S. markets.

In the opinion of the directors, the immediate holding company or parent company of the Company is CITIC Securities Company Limited, which is incorporated in the People's Republic of China and is listed on the Shanghai Stock Exchange (Stock code: 600030) and the Hong Kong Stock Exchange (Stock code: 6030).

2 Material accounting policies

2.1 Statement of compliance and basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. Material accounting policies adopted by the group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and joint venture.

2 Material accounting policies (continued)

(b) Basis of preparation of the financial statements (continued)

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following:

- Certain financial assets and liabilities (including derivative instruments) – measured at fair value or revalued amount (Note 2.8 & 2.9);

- Defined benefits pension plans – plan asset measured at fair value (Note 2.15(b))

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 34).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

(c) Updates in accounting policies

(i) New and amended HKFRSs

The HKICPA has issued a new HKFRS and a number of amendments to HKFRSs that are first effective for the accounting period. None of these developments are relevant to the Group except for below:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current ("2020 amendments") and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants* ("2022 amendments")

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

2 Material accounting policies (continued)

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the Group's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the HKAS 1 amendments, the Group has reassessed the classification of its liabilities as current or non-current. The amendments do not have a material impact on the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and cash flows.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

For business combinations that are not under common control, the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group using uniform accounting policies for like transactions and other events in similar circumstances.

2 Material accounting policies (continued)

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses.

(b) Transactions with non-controlling interests

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Group. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Group.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group.

(c) Investments in associates and joint ventures

Associates are all entities over which the group has significant influence but not control or joint control.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

2 Material accounting policies (continued)

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures are included in the consolidated statement of profit or loss and comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount to share of profit of investments accounted for using equity method in the consolidated statement of profit or loss and comprehensive income.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is Hong Kong dollar. As the Group operates internationally, management considers that it is more appropriate to use United States dollar ("US dollar"), a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not US dollar, its results and financial position have been translated into US dollar.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are generally recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in the consolidated statement of profit or loss and comprehensive income on a net basis within other income/(expense).

2 Material accounting policies (continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and financial position of all the Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.4 Property, plant and equipment

Property, plant and equipment, comprising leasehold improvements, computer hardware and software, furniture and fittings, telecommunication equipment and motor vehicles, are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in profit or loss during the financial year in which they are incurred.

2 Material accounting policies (continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives. Leasehold improvements are depreciated using the shorter of remaining lease terms and useful lives. For other items including computer hardware and software, furniture and fittings, motor vehicles, as well as telecommunication equipment, the Group has adopted 3 to 5 years useful lives for depreciation.

Depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Investment properties

Investment properties comprise real estate properties for the purpose of earning rental income and/or for capital appreciation, including buildings that have been leased out.

The Group's investment properties are accounted for using the cost model. The initial recognition and subsequent measurement of buildings and properties that are leased out are calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives of 35 years.

2.6 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at each reporting date. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating units (or groups of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or groups of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2 Material accounting policies (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained. An impairment loss in respect of goodwill is not reversed.

(b) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.7 Impairment of non-financial assets

Non-financial assets have an indefinite useful life are not subject to amortisation, and are tested for impairment periodically. Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

2.8 Financial assets and liabilities

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

2 Material accounting policies (continued)

Financial assets and financial liabilities are classified as a non-current asset or liability when the amount expected to be recovered or settled is more than 12 months; it is classified as a current asset or liability when the amount expected to be recovered or settled is less than 12 months or does not have rights to defer settlement for at least twelve months.

2.8.1 Financial assets

Classification and subsequent measurement

The Group classifies financial assets on the basis of the Group's business model for managing the assets and the cash flow characteristics of the assets:

(i) Amortised cost;

(ii) Fair value through other comprehensive income ("FVOCI"); or

(iii) Fair value through profit or loss ("FVTPL").

The classification requirements for debt and equity instruments are described below:

Debt instruments

The Group classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest ("SPPI"), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by an expected credit loss allowance recognised and measured as described in note 3.1(b).

FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gain or losses, interest income and foreign exchange gain and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "net trading income".

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relation is recognised in profit or loss and presented within net trading income in the period in which it arises. Interest income from these financial assets calculated based on coupon rates is presented within net trading income.

2 Material accounting policies (continued)

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether either Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of other business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how manager are compensated.

Where the business model is to hold assets to collect contractual cash flow or to collect contractual cash flow and sell, the Group assesses whether the financial instruments' cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets is classified and measure at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be every infrequent and none occurred during the period.

Equity instruments

Equity instrument are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment a fair value through other comprehensive income. The Group's policy is to designate an equity investment as FVOCI when those investments are held for purposes other than to generate investment returns. There is no subsequent reclassification of fair value gains and losses to profit or loss following derecognition of equity movements designated at FVOCI. Impairment losses (and reversal of impairment losses) on such investments are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as net trading income when the Group's right to receive payment is established.

Gains and losses on equity investment at FVTPL are recognised in profit or loss and presented in net trading income.

2 Material accounting policies (continued)

Impairment

The Group assess on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current condition and forecasts of future economic conditions

Note 3.1(b) provides more detail of how the expected credit loss allowance is measured.

2.8.2 Financial liabilities

Classification and measurement

Financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities measured at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attribute to change in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition or when the continuing involvement approach applies. When the transfer of financial assets did not qualify for derecognition, a financial liability is recognised for the consideration received for the transfer. In subsequent period, the Group recognises any expense incurred on the financial liability when continuing involvement approach applies.

The Group's financial liabilities include creditors and other accruals, amounts due to clients, brokers and clearing houses, derivative financial instruments, borrowing from fellow subsidiaries, amounts due to the parent company, bank borrowings, repurchase agreements, financial liabilities measured at fair value through profit or loss, interest-bearing bank borrowings, private placement notes issued to the parent company.

2 Material accounting policies (continued)

2.9 Derivative financial instruments and hedging activities

Initial recognition and subsequent measurement

The Group uses certain derivative financial instruments to hedge interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, where the Group hedges net investment in foreign operations and designates certain derivatives hedges of investments in foreign operations as net investment hedges.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

(a) Derivatives

Certain derivative financial instruments do not qualify for hedge accounting and are accounted for at fair value through profit or loss and classified as held for trading. Changes in the fair value of these derivative financial instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

2.10 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.11 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Group retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability, reflecting the transaction's economic substance as a loan to the Group.

2 Material accounting policies (continued)

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, reflecting the transaction's economic substance as a loan by the Group.

Repurchase and reverse repurchase agreements are classified as a non-current asset or liability when the amount expected to be recovered or settled is more than 12 months; it is classified as a current asset or liability when the amount expected to be recovered or settled is less than 12 months.

2.12 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalent include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, short-term borrowings including bank overdrafts which are subject to an insignificant risk of changes in value. In the consolidated statement of financial position, bank overdrafts are shown within bank borrowings in current liabilities.

2.13 Cash collateral advanced for securities borrowing

Cash collateral advanced in respect of securities borrowed is included in current assets. The securities borrowed are treated as off balance sheet items and the underlying commitments are disclosed in note 37 to the consolidated financial statements.

2.14 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and comprehensive income, except to the extent that it relates to items recognised directly in equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries, associates and jointly controlled entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and consider whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 Material accounting policies (continued)

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

2.15 Employee benefits

(a) Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the operating profits of the Group after certain adjustments and any further amounts agreed by the Management.

Deferred bonus expense has been recognised for the period of service the staff rendered in the current year over the vesting period of each committed bonus pool. The deferred cash discretionary bonus is subject to various vesting conditions, including vesting periods of at least 3 years generally.

(b) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the reporting date.

(c) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

2 Material accounting policies (continued)

2.16 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.17 Revenue recognition

Revenue is recognised in the consolidated statement of profit or loss and comprehensive income on the following basis:

(i) commission income for dealing in broking, futures and options business is recognised when the underlying transaction is executed;

(ii) commission income from underwriting and placing of securities within the scope of HKFRS 15 generally consists of one performance obligation and recognised at a point in time when the underwriting and placing arrangements are completed. Sponsorship income within the scope of HKFRS 15 generally consists of one performance obligation and recognised over time as there is enforceable right to payment to the Group for performance of services completed up to date and by stage of completion to the agreements;

(iii) fees and commission income from research, consultancy and advisory services are recognised in the accounting period in which the services have been rendered, net of an appropriate allowance for related costs, which are customarily associated with the provision of such services;

(iv) interest income from cash and bank balances, cash collateral advanced for securities borrowing, reverse repurchase agreements, debt investments measured at amortised costs and FVOCI, is calculated using amortised cost and effective interest rate;;

(v) dividend income is recognised when the shareholders' right to receive payment has been established;

(vi) handling income, trade processing fee and other service income are recognised when the services have been rendered;

2 Material accounting policies (continued)

(vii) fee income from asset management is recognised when the related services are rendered; carried interest income is recognised only to the extent that it is highly probable that such an inclusion will not result in a significant reversal in the future when the uncertainty associated is subsequently resolved. The measurement of carried interest income is based on the crystallisation of the Group's entitlement to receive such income and an assessment of the likelihood of any "clawback" provisions; and

(viii) net gains/losses on financial assets and liabilities at fair value through profit or loss include realised gains/losses which are recognised on the trade dates; and unrealised fair value gains/losses which are recognised in the period in which they arise.

2.18 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

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

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

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

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

2 Material accounting policies (continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

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

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

Right-of-use assets are measured at cost comprising the following:

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

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

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

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term 16). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

2.19 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

2 Material accounting policies (continued)

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.21 Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity

2.22 Share capital

Ordinary shares are classified as equity.

2 Material accounting policies (continued)

2.23 Disposal group held for sale

Non-current assets, or disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, employee benefits assets, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties, which continue to be measured in accordance with the group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution. And subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3 Financial risk management and fair values of financial instruments

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management is overseen by the Group's Risk Management Committee ("RC") which comprises the Chief Risk Officer, Chief Financial Officer, Group Head of FICC, Group Head of EQD, Deputy Head of Legal and Compliance, Head of Legal, CEO of Institutional Equities and Head of Treasury. Financial risk is managed by the risk management department, which identifies, evaluates and reports financial risks. Risk management is also in close co-operation with the Group's operating units and other group committees and issues guidelines and policies for overall financial risk management and risk exposure limits.

(a) Market risk

Market risk is the risk of loss arising from movements in observable market variables such as foreign exchange rates, equity and commodity prices, credit spread and interest rates. The Group is exposed to market risk primarily through its investment holdings and trading activities. The Group's investment policy is to invest in all funds managed by the Group in a manner which will satisfy liquidity requirements, safeguard financial assets and manage risks while optimising returns on investments.

Market risks primarily include equity price risk, foreign exchange rate risk, commodity price risk, credit spread risk and interest rate risk. Foreign exchange rate risk represents exposures arising from changes in non-functional currency rates. Equity price risk arises from fluctuation in the price and volatility of equities such as stocks, equity and stock index portfolio. Commodity price risk arises from fluctuation in the price and volatility of commodities, such as crude oil, gold etc. Credit spread risk arises from movements of credit spread in risky bonds. Interest rate risk primarily arises from movements in the yield curve of riskless bonds, such as treasury bonds.

3 Financial risk management and fair values of financial instruments (continued)

Investment portfolios

The Group uses a variety of complementary tools to measure, model and aggregate market risk. The market risk for the investment portfolio that is carried at fair value (which includes financial assets/liabilities held for trading and derivatives) is mainly managed and monitored based on a Value-at-Risk (VaR) methodology which reflects the potential losses due to movements of risk factors including the changes in the interdependency between risk variables. Market risk is monitored against a set of approved limits, with daily reports and other management information provided to the business units and senior management.

Management uses VaR and other approved limits including stop loss, exposure (based on credit ratings), concentration, delta, IR DV01 and Spread DV01 to monitor the market risk of investment portfolio. Besides, the Group manages the market risk exposures of the financial instruments through actively monitoring their positions and movements in relevant market risk variables. If any excessive exposures to market risk are perceived, management would take steps to adjust the relative quantum of its investments or taking out suitable hedging arrangement.

Objectives and limitations of VaR methodology

VaR is used for estimating the potential losses that could occur on positions taken due to movements in market rates and prices over a specified time horizon given a level of confidence.

All possible factors will be considered in VaR calculation. To compensate the limitation of VaR, stress test by projecting the effects of past distressed incidents will be performed. Additionally, issuers' specific risks are monitored and managed daily by management based on the approved exposure limits as mentioned above.

VaR assumptions

The VaR is calculated using Monte Carlo method, based on the following assumptions:

- at a 95 per cent confidence level,
- on a 1-day holding period basis,

Total VaR at the end of period is US$17,399,294 (2023: US$6,072,469).

The table below illustrates, by major risk category, the VaR at the end of reporting period:

	2024 US$	*2023* US$
Equity risk	5,307,172	1,580,563
Foreign exchange risk	6,714,079	2,950,333
Interest rate risk	12,927,210	3,766,230
Vega risk	3,988,036	1,002,657
Commodity risk	1,341,596	688,202
Total VaR *	17,399,294	6,072,469

* The total VaR figure shown for the Group as a whole is less than the arithmetic sum of the individual risk categories due to the effects of diversification.

3 Financial risk management and fair values of financial instruments (continued)

Back-testing

To evaluate the usefulness and validity, the calculated VaR is back tested against actual profit and loss figures. Actual profit and loss is defined as the change in market value of the trading portfolio in past trading days.

The VaR calculated based on the assumptions adopted is compared against actual profit and loss figures of current day. Theoretically, there is 5% of the time (i.e. 1 out of 20 times) that the actual profit and loss will exceed the VaR calculated if 95% confidence level is adopted.

Back testing is carried out on a daily basis such that any abnormal behaviour of the model can be addressed accordingly. Back-testing result falls in green zone with 2 exceptions observed during the year.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollar. Foreign exchange risk arises from fluctuations in exchange rates of non-domestic currency rates.

Management sets guidelines on the level of net exposure by currency and actively manage the exposure of each currency. The Treasury Department is responsible for monitoring and managing the net position exposure in each foreign currency on a daily basis by (a) using forward foreign exchange contracts and (b) converting excess amounts of foreign currencies into the US dollar.

Exposure and sensitivity

The tables below detailed the Group's exposure at the end of the reporting period to currency risk arising significant foreign current exposure. The amounts of the exposure are show in US$, translated using the spot rate at the year end date. The analysis calculates the effect of a reasonably possible movement in the exchange rate against the functional currency of each entity within the group, with all other variables held constant. The analysis is performed on the same basis for 2023.

Foreign currency	*Net Exposure*		*Assumed change in exchange rates*	*Estimated Impact on Pre-tax profit*		*Estimated Impact on Equity*	
As at 31 December	*2024* US$'000	*2023* US$'000		*2024* US$'000	*2023* US$'000	*2024* US$'000	*2023* US$'000
Australian dollar	17,534	16,123	+5%	45	112	877	806
Indian rupee	62,265	82,180	+5%	103	(48)	3,113	4,109
Indonesian rupee	42,377	45,811	+5%	75	165	2,119	2,291
Japanese yen	39,069	115,108	+5%	(267)	3,382	1,953	5,755
Korean won	77,099	73,954	+5%	1	77	3,855	3,698
Malaysian ringgit	13,457	12,515	+5%	(21)	(18)	673	626
Philippines peso	15,956	17,427	+5%	(65)	(19)	798	871
Renminbi	302,222	146,776	+5%	15,943	8,161	15,111	7,339
Singaporean dollar	1,779	5,182	+5%	89	259	89	259
Sterling	103,711	74,875	+5%	271	113	5,186	3,744
Thai baht	55,257	49,286	+5%	4	(237)	2,763	2,464
	730,726	639,237		16,178	11,947	36,537	31,962

3 Financial risk management (continued)

(ii) Interest rate risk

The Group's interest rate risk is the risk of fluctuation in the fair value of one or more financial instruments arising from adverse movements in interest rates. The Group's interest rate risk mainly sources from the volatility of fair value of financial instruments held by the Group which are sensitive to the interest rate risk, resulting from market interest rate's negative fluctuation.

The Group uses interest rate sensitivity analysis as the principal tool to monitor interest rate risk. The use of interest rate sensitivity analysis assumes all other variables remain constant, but changes in the fair value of financial instruments held at the end of the measurement period may impact the Group's pre-tax profit and total equity when interest rates fluctuate reasonably and possibly.

Assuming a parallel shift in market interest rates and without taking into consideration of the management's activities to reduce interest rate risk, the impact of such a shift on pre-tax profit and shareholders' equity based on an interest rate sensitivity analysis of the Group is as follows:

Impact on pre-tax profit

	2024 US$000	*2023* US$000
+100 basis points	(155,925)	(112,363)
- 100 basis points	155,925	112,363

Impact on equity

	2024 US$000	*2023* US$000
+100 basis points	(138,657)	(110,375)
- 100 basis points	138,657	110,375

In practice, the actual results may differ from the above sensitivity analysis and the difference could be significant. The analysis is performed on the same basis for 2023.

The Group manages its interest rate risk exposures through actively monitoring its interest-bearing financial instruments and the movements in their interest rates. If any excessive exposures to interest rate are perceived, the Group would take steps to adjust the relative quantum of its interest-bearing assets and liabilities or taking out suitable hedging arrangement, as appropriate.

3 Financial risk management (continued)

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as at fair value through other comprehensive income (FVOCI) (note 21) or at fair value through profit of loss (FVTPL) (note 22).

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The majority of the Group's equity investments are publicly traded and are included in the Hong Kong Stock Exchange 200 Index or the NYSE International 100 Index.

Post-tax profit for the period would increase/decrease as a result of gains/losses on equity securities classified as at FVTPL. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as FVOCI.

(b) Credit risk

The Group is exposed to credit risk, which is the risk that a counterparty is unable to pay amounts in full when due. It arises primarily from the loans and advances to customers, the amounts due from clients, brokers and clearing houses; reverse repurchase agreements, cash and cash equivalents, derivative financial assets & debt securities instruments. The maximum exposure of credit risk of the Group as at the reporting date is the carrying amount as at the end of the reporting period.

The Group evaluates the financial instruments at each financial statement date after considering whether a significant increase in credit risk ("SICR") has occurred since initial recognition. An ECL allowance for financial instruments is recognised according to the stage of ECL, which reflects the reasonable information and evidence available about the SICR and is also forward-looking.

Disclosures in respect of the Group's exposure to credit risk arising from its financial assets are set out in below.

All the Group's cash and cash equivalents are held in major financial institutions, which management believes are of high credit quality. The Group has policies in place to evaluate credit risk when accepting new business and to monitor its credit exposure to individual customers.

(i) Measurement of the expected credit loss allowance

Expected credit loss measurement

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

3 Financial risk management (continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

- variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The measurement of the expected credit loss allowance for financial instruments are areas that requires the use of models and assumptions about future economic conditions and credit behaviour of the client (such as the likelihood of customers defaulting and the resulting losses).

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

- Determine criteria for significant increase in credit risk;

- Choosing appropriate models and assumptions for the measurement of ECL;

- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL.

The Group has applied a "three-stage" impairment model for ECL measurement based on changes in credit quality since initial recognition of financial assets as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the Group;

3 Financial risk management (continued)

- If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The Group considers a financial instrument to have experienced a SICR when one or more of the following criteria have been met:

- for margin financing— the occurrence of fore-warning credit management actions such as margin call measure triggered based on the pre-determined threshold of the relevant loan-to-margin value and loan-to-market value ratio, significant deterioration in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements which have an effect on the probability of a default occurring;

- for debt investments at fair value through other comprehensive income — significant deteriorations but is not yet deemed to be credit-impaired between the investment's initial external or internal credit rating and the credit rating at the reporting date. Debt investments at FVOCI include listed and unlisted debt securities. The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI;

- for loans receivable arising from business of loans and financing — significant deteriorations between the investment's initial external or internal credit rating and the credit rating at the reporting date.

- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3". The Group defines a financial instrument is credit impaired upon the occurrence of credit events including:

- for margin financing — credit management actions such as collateral valuation falling short of the related margin loan amount; and

- for loans receivable arising from business of loans and financing — significant deterioration in the investment's internal and external rating whereby the issuer is assessed to be typically in default, with little prospect for recovery of principal or interest; or, significant financial difficulty of the issuer.

Inputs, assumptions and estimation techniques

The ECL of different financial portfolios is measured by the Group on either a 12-month or lifetime basis depending on whether they are in Stage 1, 2 or 3 as defined above.

A pervasive concept in measuring ECL by the Group is that it should consider forward-looking information.

For loans receivable arising from business of loans and financing, ECL is the product of the Probability of Default ("PD") with consideration of the forward-looking information, Exposure at Default ("EAD"), and Loss Given Default ("LGD"):

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime of the obligation. Appropriate external and internal credit rating and related PD are taken into consideration. The Group has already assessed the PD sensitivities to the macroeconomic economy.

3 Financial risk management (continued)

- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD is determined based on publicly available information from credit rating agencies based on the issuers and type of securities. The Group assessed the appropriateness to use the external available information.

For margin financing, ECL is the product of the EAD and Loss Ratio ("LR"):

- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

LR represents the Group's expectation of the likelihood and extent of loss on exposure based on the relevant loan to collateral ratio. The Group uses historical loss rates based on publicly available information and assesses their appropriateness for the purpose of estimating expected credit losses.

For loans receivable arising from business of loans and financing, the assessment of SICR is performed using the change of the rating between the origination date and reporting date. Following this assessment, the Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3).

The Group considered normal, optimistic and pessimistic economic scenarios in formulating the forward-looking adjustment. Determined by the management, the scenario analysis considered trends of relevant macro-economic indices such as China GDP growth, Hong Kong GDP growth and Hong Kong unemployment rate. Parameters and calculation are reviewed and adjusted annually by the Group.

For margin financing, Hang Seng Index ("HSI") is considered a key economic factor in determination of forward-looking adjustment. Neutral, optimistic and pessimistic scenarios are considered in predicting the HSI movement, based on historical price-earnings ratios and the respective HSI in Bloomberg. A weighting factor is applied based on the number of years HSI stayed in optimistic and pessimistic zone.

Given the characteristics of these exposures and the credit management approach adopted, management considers that the impacts of forward-looking information based on key economic variables will not have any significant impacts to the financial statements.

The Group considers the aforesaid forecasts and assessments to represent its best estimate of possible outcomes. As with any economic forecasts, the above projections and likelihoods of occurrence are subject to a certain level of uncertainties and further enhancement and calibrations.

3 Financial risk management (continued)

The closing loss allowances for amounts due from clients, brokers and clearing houses as at 31 December 2024 reconcile to the opening loss allowances as follows:

	Amounts due from clients, brokers and clearing houses			
	Simplified approach Lifetime ECL US$000	*Stage 1 12-month ECL* US$000	*Stage 2 Lifetime ECL* US$'000	*Stage 3 Lifetime ECL* US$000
Loss allowance as at 1 January 2023	2,894	-	14	7,796
Reclassification	613	-	-	-
Increase in loss allowance recognised in profit or loss during the year	6,479	-	-	85
Reversal of provision	(96)	-	(13)	-
Exchange differences	(30)	-	-	(13)
As at 31 December 2023 and 1 January 2024	9,860	-	1	7,868
Increase in loss allowance recognised in profit or loss during the year	4,432	-	96	12
Reversal of provision	(34)	-	-	-
Direct write off	(174)	-	-	-
Exchange differences	1	-	-	42
As at 31 December 2024	14,085	-	97	7,922

The closing loss allowances for debt investments at fair value through other comprehensive income as at 31 December 2024 reconcile to the opening loss allowances as follows:

	Debt investments at fair value through other comprehensive income		
	Stage 1 12-month ECL US$'000	*Stage 2 Lifetime ECL* US$'000	*Stage 3 Lifetime ECL* US$'000
Loss allowance as at 1 January 2023	1,805	-	30,690
Increase in debt investments loss allowance recognised in profit or loss during the year	727	-	15,345
As at 31 December 2023 and 1 January 2024	2,532	-	46,035
Decrease in debt investments loss allowance recognised in profit or loss during the year	(658)	-	(2,557)
As at 31 December 2024	1,874	-	43,478

3 Financial risk management (continued)

Amounts due from clients, brokers and clearing houses, debt investments at fair value through other comprehensive income, other debtors and reverse repurchase agreements with loss allowance held are shown as follow:

	Gross exposure US$'000	*Impairment allowance* US$'000	*Net Exposure* US$'000	*Carrying amount* US$'000
As at 31 December 2024				
Amounts due from clients, brokers and clearing houses - Margin receivable/loans receivable arising from business of loans and financing	955,566	(8,019)	947,547	947,547
Amounts due from clients, brokers and clearing houses – Others	9,206,729	(14,085)	9,192,644	9,192,644
Debt investments at fair value through other comprehensive income	1,814,826	(45,352)	1,769,474	1,726,799
Other debtors and deposits	38,010	(780)	37,230	37,230
Reverse repurchase agreements	245,329	-	245,329	245,329
Total	12,260,460	(68,236)	12,192,224	12,149,549

	Gross exposure US$'000	*Impairment allowance* US$'000	*Net Exposure* US$'000	*Carrying amount* US$'000
As at 31 December 2023				
Amounts due from clients, brokers and clearing houses - Margin receivable/loans receivable arising from business of loans and financing	682,236	(1,941)	680,295	680,295
Amounts due from clients, brokers and clearing houses – Others	6,558,039	(15,788)	6,542,251	6,542,251
Debt investments at fair value through other comprehensive income	288,125	(48,567)	239,558	198,827
Other debtors and deposits	29,597	(667)	28,930	28,930
Reverse repurchase agreements	75,960	-	75,960	75,960
Total	7,633,957	(66,963)	7,566,994	7,526,263

3 Financial risk management (continued)

(ii) Net impairment losses on financial assets

During the year, expected credit losses were recognised in profit or loss in relation to below financial assets:

	2024 US$000	*2023* US$000
Amounts due from clients, brokers and clearing houses:		
Impairment losses	4,540	6,564
Reversal of impairment losses	(34)	(109)
	4,506	6,455
Impairment losses on debt investments at fair value through other comprehensive income	-	16,072
Reversal of impairment losses on debt investments at fair value through other comprehensive income	(3,215)	-
Impairment losses on other debtors	437	11
Reversal of impairment losses	(1)	(76)
Net impairment losses on financial assets	1,727	22,462

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to fund assets or meet its contractual or contingent obligations when they fall due. This risk could potentially arise as a result of a balance sheet mismatch in amount, tenor and composition of funding and liquidity to support the assets.

The Group's Liquidity Risk Management Framework is designed to ensure that it is able to meet its funding requirements as they fall due under a range of market conditions. This is achieved via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring. Liquidity risk is monitored by the Group's Treasury and Risk personnel.

As at 31 December 2024, the Group's total available credit lines amounted to US$6,459,150,000 (2023: US$5,933,581,000) of which US$4,032,078,000 (2023: US$4,247,779,000) was unutilised.

3 Financial risk management (continued)

The table below presents the contractual cash flows payable by the Group and undiscounted cash flows as at the reporting dates.

	Less than 3 months US$'000	*3 months to 1 year* US$'000	*Over 1 year* US$'000	*Total* US$'000
As at 31 December 2024				
Non-derivative financial liabilities				
Financial liabilities measured at fair value through profit or loss	4,477,713	4,210,837	5,117,076	13,805,626
Long term borrowings from group companies	-	5	1,606	1,611
Short term borrowings from group companies	793,300	2,184	-	795,484
Amounts due to clients, brokers and clearing houses	13,005,489	-	-	13,005,489
Repurchase agreements	12,272,864	262,400	73,600	12,608,864
Creditors and other accruals	85,905	-	10,069	95,974
Lease liabilities	6,664	18,823	93,231	118,718
Bank borrowings	1,977,574	1,065	-	1,978,639
Debt instrument issued	128,981	504,271	1,667,967	2,301,219
	32,748,490	4,999,585	6,963,549	44,711,624
Cash flows from derivative financial liabilities settled on a net basis	539,411	784,930	935,623	2,259,964
Gross-settled derivative financial liabilities:	267,575	145,299	57,258	470,132
Contractual amounts receivable	(13,581,287)	(14,759,217)	(2,783,220)	(31,123,724)
Contractual amounts payable	13,848,862	14,904,516	2,840,478	31,593,856

3 Financial risk management (continued)

	Less than 3 months US$'000	*3 months to 1 year* US$'000	*Over 1 year* US$'000	*Total* US$'000
As at 31 December 2023				
Non-derivative financial liabilities				
Financial liabilities measured at fair value through profit or loss	2,980,772	729,036	6,622,634	10,332,442
Long term borrowings from group companies	-	-	107,502	107,502
Short term borrowings from group companies	515,787	102,517	-	618,304
Amounts due to clients, brokers and clearing houses	11,271,422	-	-	11,271,422
Repurchase agreements	5,193,191	168,337	248,138	5,609,666
Creditors and other accruals	109,530	-	8,946	118,476
Lease liabilities	7,030	19,128	78,357	104,515
Bank borrowings	1,076,119	-	24,536	1,100,655
Private placement notes issued to the parent company	-	919,172	-	919,172
Debt instrument issued	-	26,153	675,086	701,239
Short-term financing instrument payable	93,730	45,258	-	138,988
	21,247,581	2,009,601	7,765,199	31,022,381
Cash flows from derivative financial liabilities settled on a net basis	308,037	224,511	1,165,535	1,698,083
Gross-settled derivative financial liabilities:	72,379	55,392	54,691	182,462
Contractual amounts receivable	(10,979,700)	(4,830,478)	(2,954,010)	(18,764,188)
Contractual amounts payable	11,052,079	4,885,870	3,008,701	18,946,650

3 Financial risk management (continued)

3.2 Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- to support the Group's stability and growth; and
- to fulfil the regulatory capital requirements of its subsidiaries where they operate.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

Since the Group provides financial services to its clients in different countries, various subsidiaries within the Group are regulated by local regulatory authorities in countries in which they operate, and are subject to different local capital requirements imposed by the local regulatory authorities. In general, these capital requirements vary depending on factors such as dealing volume, unsettled trade balances and concentration factors. These regulatory capital requirements are monitored on a daily basis.

On 31 December 2024, a subsidiary company of the Group has certain bank borrowings, total outstanding amount of US$384,500,000 (2023: US$450,000,000), where certain financial conditions are imposed on the guarantor, CITIC Securities International Company Limited, the holding company of the Group and its subsidiary companies ("CSI group") on a consolidated basis. In 2024 and 2023, CSI Group has complied with these conditions throughout the reporting period.

As in prior periods, the Group monitors capital by reviewing the level of capital that is at the disposal of the Group ("adjusted capital"). Adjusted capital generally comprises all components of shareholders' equity excluding revaluation reserves. The adjusted capital of the Group as at 31 December 2024 was US$3,140,964,000 (2023: US$1,712,470,000).

3.3 Fair value estimation

For financial instruments that are measured at fair value, HKFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

3 Financial risk management (continued)

The following table presents the Group's assets and liabilities that are measured at fair value at the end of the reporting periods.

	Level 1 US$'000	*Level 2* US$'000	*Level 3* US$'000	*Total* US$'000
As at 31 December 2024				
Assets				
Financial assets measured at fair value through profit or loss				
- listed equities	15,790,775	-	-	15,790,775
- managed funds	1,596,492	73,969	60,579	1,731,040
- unlisted equities	-	1,005	4,428	5,433
- debt securities	14,627	12,146,003	383,931	12,544,561
Derivative financial instruments	64,250	3,119,090	2,185	3,185,525
Financial assets measured at fair value through other comprehensive income				
- unlisted equities	-	646,986	13,703	660,689
- debt securities	197,787	1,474,081	54,931	1,726,799
Total assets	17,663,931	17,461,134	519,757	35,644,822
Liabilities				
Financial liabilities measured at fair value through profit or loss				
- listed equities	1,312,323	-	-	1,312,323
- managed funds	3,933	16,275	-	20,208
- medium term notes	-	11,983,197	-	11,983,197
- debt securities	-	65,882	-	65,882
- equity linked notes	-	416,154	-	416,154
- unlisted equities	-	7,862	-	7,862
Derivative financial instruments	52,937	2,677,159	-	2,730,096
Total liabilities	1,369,193	15,166,529	-	16,535,722

3 Financial risk management (continued)

	Level 1 US$'000	*Level 2* US$'000	*Level 3* US$'000	*Total* US$'000
As at 31 December 2023				
Assets				
Financial assets measured at fair value through profit or loss				
- listed equities	14,170,377	-	-	14,170,377
- managed funds	1,030,591	29,267	109,873	1,169,731
- unlisted equities	-	-	5,710	5,710
- debt securities	1,806	5,463,727	187,809	5,653,342
Derivative financial instruments	85,447	1,894,869	4,600	1,984,916
Financial assets measured at fair value through other comprehensive income				
- unlisted equities	-	-	12,421	12,421
- debt securities	-	144,652	54,175	198,827
Total assets	15,288,221	7,532,515	374,588	23,195,324
Liabilities				
Financial liabilities measured at fair value through profit or loss				
- listed equities	1,417,968	-	-	1,417,968
- managed funds	35,671	10,096	29,622	75,389
- medium term notes	-	8,365,445	-	8,365,445
- debt securities	-	50,963	-	50,963
- equity linked notes	-	422,677	-	422,677
- unlisted equities	-	-	-	-
Derivative financial instruments	11,458	1,869,087	-	1,880,545
Total liabilities	1,465,097	10,718,268	29,622	12,212,987

3 Financial risk management (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current closing price. These instruments are included in level 1. Instruments included in level 1 comprise listed equity investments, future contracts and debt securities are classified as financial assets measured at fair value through profit or loss or other comprehensive income.

The Group's valuation process

Product Control team within the Finance Department is in charge of valuation review in the Group. Valuations required for financial reporting purposes, including Level 3 fair values, are discussed internally at least every quarter, which is in line with the Group's policy. The carrying amount of receivables and payables are assumed to approximate their fair values.

Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Total return swaps are valued using market values for the underlying equities that are quoted in an active market and adjusted for counterparty credit risk of the total return swap issuer.

Fair value measurements using significant unobservable inputs (Level 3)

Instruments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include investment in defaulted debt instruments, investments in unlisted investment funds, equity investment in partnerships and derivatives.

There were no transfers between Level 1 and 2 for recurring fair value measurements during both years. The following table presents the movements in Level 3 instrument for the year.

3 Financial risk management (continued)

	Financial assets measured at fair value through profit or loss - Unlisted equity securities US$'000	*Financial assets measured at fair value through profit or loss – Debt securities* US$'000	*Financial assets measured at fair value through profit or loss – Managed funds* US$'000	*Trading derivatives at FVPL* US$'000	*Financial assets measured at fair value through other comprehensive income* US$'000	*Total* US$'000
At 1 January 2024	5,710	187,809	109,873	4,600	66,596	374,588
Acquisitions	1,193	295,916	98	-	4,481	301,688
Disposals	(824)	(93,249)	(42,963)	-	-	(137,036)
Losses recognised in other comprehensive income	-	-	-	-	(2,443)	(2,443)
Losses recognised in profits or loss	(1,651)	(6,545)	(6,429)	(2,415)	-	(17,040)
At 31 December 2024	4,428	383,931	60,579	2,185	68,634	519,757

	Financial liabilities measured at fair value through profit or loss – Unlisted managed funds US$'000	*Total* US$'000
At 1 January 2024	29,622	29,622
Acquisitions	2,639	2,639
Disposals	(28,094)	(28,094)
Losses recognised in profits or loss	(4,167)	(4,167)
At 31 December 2024	-	-

3 Financial risk management (continued)

	Financial assets measured at fair value through profit or loss - Unlisted equity securities US$'000	*Financial assets measured at fair value through profit or loss - Debt securities* US$'000	*Financial assets measured at fair value through profit or loss - Managed funds* US$'000	*Trading derivatives at FVPL* US$'000	*Financial assets measured at fair value through other comprehensive income* US$'000	*Total* US$'000
At 1 January 2023	4,565	267,742	56,717	8,400	73,726	411,150
Acquisitions	926	69,878	48,994	-	-	119,798
Disposals	-	(138,489)	(4,113)	-	(13,363)	(155,965)
Gains recognised in other comprehensive income	-	-	-	-	6,233	6,233
Gains/(losses) recognised in profits or loss	219	(11,322)	8,275	(3,800)	-	(6,628)
At 31 December 2023	5,710	187,809	109,873	4,600	66,596	374,588

	Valuation Methodologies	*Unobservable Inputs*	*Unit*	*Range of unobservable inputs 2024*	*2023*	*Relationship to fair value*
Debt securities investments	Market approach	Marketability discount	%	-0.89 ~ 12.25	-3.84 ~ 60	Negative
Unlisted equity investments	Latest financial information	Latest transfer price	USD per share	8.08 ~ 9.09	8.58	Positive
		Net Asset Value/Investment cost	USD'000	19 ~ 91,353	19 ~ 82,807	Positive
	Market approach	Marketability discount	%	30 ~ 33	9 ~ 22	Negative
		EV/EBITDA multiples	Multiples	4x	6x	Positive
		P/S Multiples	Multiples	2.1x ~ 5.4x	14.9x	Positive
Unlisted managed fund	Latest financial information	Net Asset Value/Investment cost	USD'000	2,893 ~ 190,714	6,836 ~ 199,127	Positive
	Market approach	EV/Revenue multiples	Multiples	-	2.6x	Positive
		P/E Multiples	Multiples	-	40.9x	Positive
		Marketability discount	%	40	10 ~ 15	Negative
Derivative financial instruments	Black-Scholes model	Probability of conversion	%	30	10 ~ 35	Positive
		Discount rate	%	25 ~ 30	20 ~ 25	Negative

3 Financial risk management (continued)

3.4 *Offsetting financial assets and financial liabilities*

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's consolidated statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the consolidated statement of financial position.

Financial assets and liabilities subject to offsetting as at the end of the reporting periods:

	Gross amount of recognised financial assets/ liabilities US$'000	*Gross amount of recognised financial liabilities/ assets offset in the consolidated statement of financial position* US$'000	*Net amount of financial assets/ liabilities presented in the consolidated statement of financial position* US$'000	*Related amounts not offset in the consolidated statement of financial position* — *Financial instruments other than cash collateral* US$'000	*Net amount* US$'000
31 December 2024					
Financial assets					
Derivative financial instruments (b)	3,185,525	-	3,185,525	(1,062,581)	2,122,944
Reverse repurchase agreement (b)	245,329	-	245,329	(236,596)	8,733
Margin receivables	1,000,560	(45,266)	955,294	(955,294)	-
Amounts due from clearing houses (a)	1,133,457	(670,782)	462,675	-	462,675
	5,564,871	(716,048)	4,848,823	(2,254,471)	2,594,352
Financial liabilities					
Derivative financial instruments (b)	2,730,096	-	2,730,096	(1,062,581)	1,667,515
Repurchase agreements (b)	12,572,763	-	12,572,763	(12,572,763)	-
Margin payables	239,936	(45,266)	194,670	(194,670)	-
Amounts due to clearing houses (a)	818,018	(670,782)	147,236	-	147,236
	16,360,813	(716,048)	15,644,765	(13,830,014)	1,814,751

3 Financial risk management (continued)

	Gross amount of recognised financial assets/ liabilities US$'000	*Gross amount of recognised financial liabilities/ assets offset in the consolidated statement of financial position* US$'000	*Net amount of financial assets/ liabilities presented in the consolidated statement of financial position* US$'000	*Related amounts not offset in the consolidated statement of financial position* — *Financial instruments other than cash collateral* US$'000	*Net amount* US$'000
31 December 2023					
Financial assets					
Derivative financial instruments (b)	1,984,916	-	1,984,916	(655,511)	1,329,405
Reverse repurchase Agreement (b)	75,960	-	75,960	(75,960)	-
Margin receivables	738,148	(56,194)	681,954	(681,954)	-
Amounts due from clearing houses (a)	1,032,715	(797,348)	235,367	-	235,367
	3,831,739	(853,542)	2,978,197	(1,413,425)	1,564,772
Financial liabilities					
Derivative financial instruments (b)	1,880,545	-	1,880,545	(655,511)	1,225,034
Repurchase agreements (b)	5,571,586	-	5,571,586	(5,571,586)	-
Margin payables	253,378	(56,194)	197,184	(197,184)	-
Amounts due to clearing houses (a)	1,165,397	(797,348)	368,049	-	368,049
	8,870,906	(853,542)	8,017,364	(6,424,281)	1,593,083

(a) Offsetting arrangements – Amount due from/to clearing houses

Under the agreement of continuous net settlement with Hong Kong Securities Clearing Company Limited ("HKSCC") and overseas clearing houses, the Group has a legally enforceable right to set off the money obligation receivable and payable with clearing houses on the settlement date and the Group intends to settle on a net basis.

(b) Master netting arrangements

The Group entered into International Swaps and Derivatives Association ("ISDA") Master Agreements and Global Master Repurchase Agreements ("GMRA") for derivatives and repurchase agreements. Under the terms of these arrangements, only where certain credit events occur (such as default), will the net position owing to/receivable from a single counterparty in the same currency be taken as owing/receivable and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the table above.

4 Critical accounting estimates and judgments

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimation of goodwill impairment

Goodwill are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(b) Recognition of deferred taxes

Deferred taxes are recognised for the future tax implications of transactions and events that have been recognised for financial statements. When appropriate, based on internal judgement and analysis, deferred tax assets are recognised for tax losses not yet used and for deductible temporary differences based upon enacted tax laws and prevailing tax rates. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax benefits can be utilised, management's judgement is required to assess the probability of future taxable profits. The profitability assessment is carried out periodically to ensure all new information or changes to existing information are taken into account. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the current income tax and deferred income tax in the period during which such a determination is made.

As at the end of the reporting periods, the Group has unrecognised deferred tax assets of approximately US$72,228,000 (2023: US$72,692,000) in relation to tax losses and deductible temporary differences. Refer to Note 32 to the consolidated financial statements for details.

(c) Fair value estimation

The Group holds investments in various financial instruments that measured at fair value which are classified as level 3 under HKFRS 13.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 Critical accounting estimates and judgments (continued)

The fair value of these investments has been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates. These valuations require level of judgement of the Group to make estimates about expected future cash flows, credit risks, discount rates, volatilities and operating results. The inclusion of these estimates in determining the fair values are subject to uncertainty.

(d) Expected credit loss allowance for financial assets

The loss allowances for financial assets were based on assumptions about risk of default and expected loss rates. Based on historical data, the Group used a number of judgements for ECL measurement, including determining criteria for significant increase of credit risk, choosing appropriate models and assumptions, as well as projection of macroeconomic variables for forward-looking scenarios. Details of the key assumptions and inputs used are disclosed in the table in Note 3.1(b).

5 Fee and commission income

	2024 US$'000	*2023* US$'000 (restated)
Brokerage commission	376,324	302,063
Research fee income	34,358	26,848
Underwriting and placing commission and sponsorship income	62,994	40,771
Corporate advisory and asset management fees	54,096	31,168
Referral fee income	2,352	-
Total fee and commission income	530,124	400,850

Notes: Total fee and commission income arose from customer contracts under HKFRS 15.

6 Net trading income

	2024 US$'000	*2023* US$'000
Net gains on financial assets and financial liabilities at FVTPL	808,746	584,266
Net gains on financial assets at FVOCI	2,057	1,540
Dividend income	193,170	136,287
Interest income from debt securities at FVTPL	292,604	109,940
Total net trading income	1,296,577	832,033

7 Interest income

	2024 US$'000	2023 US$'000 (restated)
Interest income		
- bank deposits	81,213	90,963
- loan receivable arising from business of loans and financing	47,968	48,953
- reverse repurchase agreements	8,885	4,015
- deposits with clearing houses and brokers	70,180	70,629
- financial assets measured at fair value through other comprehensive income	44,237	9,420
- securities borrowing and lending	61,699	58,592
- others	3,035	3,725
Total interest income	317,217	286,297

Notes: Total interest income are calculated using the effective interest method.

8 Other income

	2024 US$'000	2023 US$'000
Service fee income	2,150	2,150
Overhead expenses recharge to related companies	10,880	8,621
Miscellaneous income	18,671	7,634
Sales of healthcare products	11,022	22,728
Rental income	1,764	1,505
Net foreign exchange gain	74,111	40,493
Total other income	118,598	83,131

9 Staff costs

	Notes	2024 US$'000	2023 US$'000
Salaries and other short-term employee benefits		360,791	347,013
Pension costs – contribution to pension plans	(i)	14,506	13,453
Termination benefits		742	641
Total employee benefits expenses		376,039	361,107

10 Finance costs

	2024 US$'000	2023 US$'000
Interest expense on:		
- bank borrowings	105,747	86,842
- client securities accounts	510	672
- private placement notes	-	2,394
- borrowings from group companies	25,967	47,636
- repurchase agreements	460,936	295,040
- lease liabilities	4,913	4,073
- collateral received from counterparties	23,772	18,564
- debt instrument issued	44,943	24,262
- others	6,607	13,597
	673,395	493,080
Banking facilities related fees and charges	2,130	2,768
Securities borrowing and lending expenses	32,456	27,929
Total finance costs	707,981	523,777

11 Other operating expenses

An analysis of major other operating expenses is as follows:

	2024 US$'000	2023 US$'000 (restated)
Brokerage commission expense	224,330	151,069
Information services and communication expense	93,353	86,166
Net settlement charge	61,307	49,439
Rebate and introduction fee	44,365	39,087
Depreciation on right-of-use assets (Note 16)	25,335	24,888
Depreciation on property, plant and equipment (Note 15)	13,562	12,105
Legal and professional fees	8,710	8,119
Auditor's remuneration	2,980	3,098
Depreciation on investment properties (Note 17)	747	845
Amortisation of intangible assets (Note 14)	210	10,301
Impairment charge of intangible assets (Note 14)	-	18
Impairment (reversal)/loss on investment properties (Note 17)	(1,538)	674

12 Tax expense

The amount of tax expense charged to the consolidated statement of profit or loss and comprehensive income represents:

	2024 US$'000	*2023* US$'000
Current tax on profits for the year	110,300	41,811
Current tax of prior years	771	(2,328)
Withholding tax	6,937	3,438
Deferred tax (Note 32)	6,892	(4,902)
Total tax expense	124,900	38,019

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates if taxation ruling in the relevant countries.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits of the consolidated entities as follows:

	2024 US$'000	*2023* US$'000
Profit before tax	655,375	284,133
Tax calculated at domestic rates applicable to profits in respective jurisdictions	**125,863**	**44,612**
Income not subject to tax	(12,907)	(9,815)
Expenses not deductible for tax purposes	6,510	2,321
Utilisation of previously unrecognised tax losses	(2,190)	(2,646)
Tax losses for which no deferred tax asset was recognised	3,568	2,195
Current tax of prior periods	771	(2,328)
Deferred tax of prior periods	65	(501)
Recognition of prior year deferred tax assets	-	184
Withholding tax	6,937	3,438
Others	(3,717)	559
Tax expense	124,900	38,019

12 Tax expense (continued)

In addition to profit tax provision, the Group has recognised the below tax-related provision as at 31 December 2024 and 2023:

(i) Provision for tax in India

CLSA India Private Limited has been involved in tax litigation on deduction of inter-company service fees since year ended 31 March 2011. The litigation is at various stages of appeal and final orders are yet to be received. Accordingly, significant judgement is required in determining such tax provision. Based on professional advice received and management best estimates, provisions amounting to US$51,771,000 have been made as at 31 December 2024 (2023: US$54,390,000).

(ii) Provision for other taxes

In light of the further integration of the business models, the Group has updated the transfer pricing policies effective from 1 January 2021. The updated transfer pricing policies are yet to be reviewed by local regulators in the relevant jurisdictions. In determining its income tax provision, the Group makes judgements regarding these complex tax regulations as well as estimate how certain items will be taxed and potentially disputed in various jurisdictions in the future. Given the uncertainty, the provision relating to this matter is estimated to be US$21,683,000 as at 31 December 2024 (2023: US$20,588,000) based on management best estimates.

Pillar Two income taxes

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") for a new global minimum tax reform applicable to large multinational enterprises. The Company falls within the scope of the Pillar Two model rules. Among the jurisdictions in which the Company operates ("operating jurisdictions"), the Pillar Two legislation (effecting the Pillar Two model rules/components thereof) became effective in some jurisdictions during 2024, while it is expected to become effective in Singapore and Hong Kong from 2025 retrospectively after relevant domestic legislations are enacted.

Under the legislation, the Company is obligated to pay a top-up tax for the difference between its Global Anti-Base Erosion ("GloBE") effective tax rate ("ETR") per jurisdiction and the 15% minimum rate. The Company has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pilar Two income taxes.

For other operating jurisdictions which are in the process of implementing their Pillar Two income tax legislation, it is possible that the Company may be subject to additional Pillar Two income taxes in those jurisdictions from 2025. The Company is continuing to assess the impact of the Pillar Two income tax legislation on its future financial performance.

13 Dividends

No final dividend in respect of the year ended 31 December 2024 was to be proposed by the Company (2023: Nil).

14 Goodwill and intangible assets

(a) *Goodwill*

	2024 US$'000	*2023* US$'000
Cost		
At 1 January	379,951	379,951
Additions	-	-
At 31 December	379,951	379,951
Accumulated impairment		
At 1 January	306,600	306,600
Provision for the year	-	-
At 31 December	306,600	306,600
Net book value		
At 31 December	73,351	73,351

Impairment test for cash-generating units containing goodwill

As at 31 December 2024, the carrying amounts of goodwill allocated to the Group's cash-generating units ("CGUs") as follows:

	Note	*2024* US$'000	*2023* US$'000
Goodwill arising from business acquisitions:			
- Investment Banking	(i)	31,849	31,849
- Equity Derivatives	(i)	41,483	41,483
- Acquisitions of operations in several countries		19	19
Total		73,351	73,351

Recoverable amounts of goodwill are determined based on the value-in-use of each group of CGUs.

14 Goodwill and intangible assets (continued)

Notes

(i) Goodwill arising from business acquisition made by the Company in 2013

Acquisition of CLSA B.V. and its subsidiaries (collectively referred as "CLSA Group") was completed in 2013, and management regarded this as a single CGU up to the year ended 31 December 2021.

In 2021, the Group completed a restructuring to increase the collaboration between offshore and onshore business units and to align the reporting structure of various business line and rebranding of the business. This triggered a reallocation of goodwill, with carrying amount of US$287 million as at 31 December 2020, to individual cash-generating-units at the reorganisation date. The restructure of management reporting lines resulted in a reallocation of goodwill to 5 individual CGUs.

The reallocation of goodwill was performed on the basis of the relative values of CGUs identified as at the date of reorganisation.

	At reorganisation date US$'000
CGUs:	
Institutional Brokerage	169,482
Investment Banking	31,849
Fixed Income	44,431
Equity Derivatives	41,483
Asset Management *	-
CLSA Group acquired in 2013	287,245

* At reorganisation date, according to relative fair value of each respective CGU, no goodwill was reallocated to Asset Management CGU.

14 Goodwill and intangible assets (continued)

The key assumptions used in the estimation of value-in-use of the CGUs were as follows:

	As at 31 December 2024			*As at 31 December 2023*		
	Discount rate (pre-tax)	*Terminal value growth rate*	*Average operating profit-margin forecast*	*Discount rate (pre-tax)*	*Terminal value growth rate*	*Average operating profit-margin forecast*
Investment Banking	19.9%	2%	30%	18.0%	2%	10%
Equity Derivatives	17.3%	2%	48%	15.6%	2%	49%

The discount rate was a pre-tax measure based on the weighted average cost of capital ("WACC") or a rate reflects specific risks relating to each CGU. The WACC depends on inputs reflecting a number of financial and economic variables including the risk-free rate, market premium, market cost of debt and a specific premium to reflect the inherent risk of this operating segment. These variables are based on the market's assessment of the economic variables and management's judgement.

A long-term growth rate of 2% (2023: 2%) into perpetuity for CLSA Group acquired in 2013 were determined based on the long term growth rate forecast included in industry reports.

A five-year projection of cash flows for all the CGUs were included in the discounted cash flow model. The average operating profit margin forecast represents the expected earnings before interests and tax, and depreciation and amortisation, taking into account of past experience, and anticipated revenue growth over the five-year projection period.

The key assumptions in the table above are updated as at 31 December 2024. The Group has revised the average operating profit-margin forecast taking into consideration the actual financial results of 2024. The discount rate is calculated using the latest market data inputs.

14 Goodwill and intangible assets

(b) Intangible assets

	Customer relationship US$'000	*Trademarks* US$'000	*Internally-generated software* US$'000	*Externally-purchased software* US$'000	*Exchange Trading rights* US$'000	*Others* US$'000	*Total* US$'000
Cost							
At 1 January 2024	172,368	42,500	82,600	3,994	6,807	14,350	322,619
Additions	-	-	-	194	-	-	194
Exchange differences	-	-	-	18	(18)	-	-
At 31 December 2024	172,368	42,500	82,600	4,206	6,789	14,350	322,813
Accumulated amortisation							
At 1 January 2024	170,467	-	82,600	3,526	3,071	14,350	274,014
Amortisation charges	60	-	-	150	-	-	210
Exchange differences	-	-	-	10	(12)	-	(2)
At 31 December 2024	170,527	-	82,600	3,686	3,059	14,350	274,222
Accumulated impairment							
At 1 January 2024	1,660	42,500	-	-	18	-	44,178
Provision for the year	-	-	-	-	-	-	-
At 31 December 2024	1,660	42,500	-	-	18	-	44,178
Net book value							
At 31 December 2024	181	-	-	520	3,712	-	4,413
Cost							
At 1 January 2023	172,368	42,500	82,600	3,627	6,805	14,350	322,250
Additions	-	-	-	373	-	-	373
Exchange differences	-	-	-	(6)	2	-	(4)
At 31 December 2023	172,368	42,500	82,600	3,994	6,807	14,350	322,619
Accumulated amortisation							
At 1 January 2023	160,556	-	82,600	3,410	3,070	14,079	263,715
Amortisation charges	9,911	-	-	119	-	271	10,301
Exchange differences	-	-	-	(3)	1	-	(2)
At 31 December 2023	170,467	-	82,600	3,526	3,071	14,350	274,014
Accumulated impairment							
At 1 January 2023	1,660	42,500	-	-	-	-	44,160
Provision for the year	-	-	-	-	18	-	18
At 31 December 2023	1,660	42,500	-	-	18	-	44,178
Net book value							
At 31 December 2023	241	-	-	468	3,718	-	4,427

The trademarks and exchange trading rights are not amortised as they have no expiry date and management expects to use the trademark and the exchange trading rights in the foreseeable future.

The customer relationship, internally-generated software and externally purchased software are amortised over the expected useful lives of 10 years, 5 years and 5 years respectively.

15 Property, plant and equipment

	Leasehold improvements US$'000	*Computer hardware and software* US$'000	*Furniture and fittings* US$'000	*Telecommuni -cations equipment* US$'000	*Motor vehicles* US$'000	*Total* US$'000
Year ended 31 December 2024						
At 1 January 2024	5,462	27,614	2,155	1,939	76	37,246
Additions	7,927	9,034	662	281	-	17,904
Disposals of group reclassified as held for sale	-	(1)	(8)	(1)	-	(10)
Disposals/written off	(660)	(59)	(87)	(2)	-	(808)
Depreciation	(2,580)	(9,686)	(727)	(558)	(11)	(13,562)
Exchange differences	(32)	(265)	(9)	(30)	-	(336)
At 31 December 2024	10,117	26,637	1,986	1,629	65	40,434
At 31 December 2024						
Cost	33,309	184,297	8,890	9,601	340	236,437
Accumulated depreciation	(23,192)	(157,660)	(6,904)	(7,972)	(275)	(196,003)
Net book amount	10,117	26,637	1,986	1,629	65	40,434

15 Property, plant and equipment (continued)

	Leasehold improvements US$'000	*Computer hardware and software* US$'000	*Furniture and fittings* US$'000	*Telecommuni-cations equipment* US$'000	*Motor vehicles* US$'000	*Total* US$'000
Year ended 31 December 2023						
At 1 January 2023	5,900	19,518	2,283	1,321	89	29,111
Additions	1,720	16,601	776	1,186	-	20,283
Disposals/written off	(7)	(6)	(6)	-	-	(19)
Depreciation	(2,158)	(8,451)	(918)	(564)	(14)	(12,105)
Exchange differences	7	(48)	20	(4)	1	(24)
At 31 December 2023	5,462	27,614	2,155	1,939	76	37,246
At 31 December 2023						
Cost	28,953	182,941	8,797	10,182	602	231,475
Accumulated depreciation	(23,491)	(155,327)	(6,642)	(8,243)	(526)	(194,229)
Net book amount	5,462	27,614	2,155	1,939	76	37,246

16 Leases

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2024 US$'000	*2023* US$'000
Right-of-use assets		
Buildings	95,691	85,423
Motor vehicles	92	142
IT equipments	32	56
	95,815	85,621
Lease liabilities		
Current	21,071	21,779
Non-current	80,664	69,514
	101,735	91,293

Additions to the right-of-use assets during the 2024 financial year were US$41,914,000 (2023: US$14,662,000).

(ii) Amounts recognised in the consolidated statement of profit or loss and comprehensive income

The consolidated statement of profit or loss and comprehensive income shows the following amounts relating to leases:

	2024 US$'000	*2023* US$'000
Depreciation charge of right-of-use assets		
Buildings	25,280	24,823
Motor vehicles	36	45
IT equipments	19	20
	25,335	24,888
Interest expense (included in finance costs)	4,913	4,073
Expense relating to short-term leases	899	1,830

The total cash outflow for leases in 2024 was US$30,375,000(2023: US$29,790,000).

16 Leases (continued)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 1 year to 15 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17 Investment properties

	Commercial and industrial building	
	2024	*2023*
	US$'000	US$'000
Cost		
At 1 January	34,383	40,841
Disposal	-	(8,724)
Exchange differences	(467)	2,266
At 31 December	33,916	34,383
Accumulated depreciation		
At 1 January	(3,799)	(3,529)
Depreciation charge	(747)	(845)
Disposal	-	787
Exchange differences	67	(212)
At 31 December	(4,479)	(3,799)
Allowance for impairment		
At 1 January	(7,843)	(10,336)
Impairment reversal/(loss) on investment properties	1,538	(674)
Disposal	-	3,744
At 31 December	91	(577)
Closing book amount	(6,214)	(7,843)
Net book amount	23,223	22,741

As at 31 December 2024 and 2023, the net book amount of the investment properties are approximated to its fair value.

17 Investment properties (continued)

(i) Amount recognised in profit of loss for investment properties

	2024 US$'000	*2023* US$'000
Rental income from operating leases	1,796	1,505
Direct operating expenses from property that generated rental income	(3,706)	(1,882)
Impairment reversal/(loss) on investment properties	1,538	(674)

(ii) Non-current assets pledged as security

Refer to Note 27 for information on non-current assets pledged as security by the Group for 2023.

(iii) Leasing arrangement

The investment properties are leased to tenants under operating leases with rentals payable monthly.

18 Investments in joint ventures

	2024 US$'000	*2023* US$'000
At 1 January	2,411	1,415
Return of capital	-	(4)
Share of gains of joint ventures	1,386	1,452
Dividend	(1,500)	(454)
Exchange differences	(2)	2
At 31 December	2,295	2,411

Set out below are the joint ventures of the Group as at 31 December 2024 and 2023. The joint ventures are held directly by the Group. The country of incorporation or registration is also their principal place of business.

18 Investments in joint ventures (continued)

Nature of investment in each joint venture as at the end of the reporting periods:

Name	*Place of incorporation*	*Group interest as at 31 December 2024*	*Group interest as at 31 December 2023*	*Principal activities*
Bright Lee Capital	British Virgin Islands	48.00%	48.00%	Asset management
CSOBOR Fund GP, Limited	Cayman Islands	49.00%	49.00%	Asset management
Double Nitrogen Fund GP, Limited	Cayman Islands	48.00%	48.00%	Fund General Partner
Sino-Ocean Land Logistics Investment Management Limited	Cayman Islands	50.00%	50.00%	Asset management
Sunrise Capital Holdings IV Limited	Cayman Islands	50.00%	50.00%	Asset management
Sunrise Capital Holdings V Limited	Cayman Islands	25.00%	25.00%	Asset management
Kingvest Limited	Cayman Islands	-	44.85%	Asset management

All joint ventures are held indirectly through other subsidiaries. They are private companies and there are no quoted market prices available for their shares.

There were no commitment and contingent liabilities relating to the Group's interest in the joint ventures.

The Group has no individually material joint venture as at year-end.

19 Investments in associates

	2024 US$'000	*2023* US$'000
As at 1 January	173,177	234,846
New investment in associates	16,254	-
Additional investment in associates	11,700	8,042
Share of gains	8,165	17,280
Dividends	(3,207)	(6,184)
Return of capital	(7,945)	(9,466)
Disposal of investments invested by the associates	(22,357)	(71,334)
Exchange differences	311	(7)
As at 31 December	176,098	173,177

19 Investments in associates (continued)

The Group's share of the results of its associates, all of which are unlisted whose quoted market price is not available, and their aggregated assets (including goodwill) and liabilities are as follows:

Name	*Place of incorporation*	*Principal activities*	*Effective percentage of interest in ownership*	
			As at 31 December 2024	*As at 31 December 2023*
Aria Investment Partners III, L.P.	Cayman Islands	Private equity fund	29.56%	28.10%
Aria Investment Partners IV, L.P.	Cayman Islands	Private equity fund	39.14%	39.14%
Aria Investment Partners V, L.P.	Cayman Islands	Private equity fund	45.45%	45.45%
Fudo Capital II, L.P.#	Cayman Islands	Real estate fund	6.55%	6.13%
Sunrise Capital II, L.P.	Cayman Islands	Real estate fund	23.99%	23.99%
Sunrise Capital III, L.P. #	Cayman Islands	Real estate fund	6.08%	6.08%
Sunrise Capital IV, L.P. #	Cayman Islands	Real estate fund	5.49%	5.41%
Sunrise Capital V (JPY), L.P. #	Cayman Islands	Real estate fund	6.64%	-
Clean Resources Asia Growth Fund L.P.#	Cayman Islands	Hedge fund	3.00%	3.00%
CLSA Aviation Private Equity Fund I#	Korea	Investment vehicle	6.86%	6.86%
CLSA Aviation Private Equity Fund II#	Korea	Investment vehicle	0.08%	0.08%
CLSA Aviation II Investments (Cayman) Limited#	Cayman Islands	Investment vehicle	12.39%	12.39%
CLSA Infrastructure Private Equity Fund I#	Korea	Asset management	0.14%	0.14%
CT CLSA Holdings Limited	Sri Lanka	Broking and Investment banking	25.00%	25.00%
CSOBOR Fund L.P.	Cayman Islands	Asset management	24.51%	24.58%
Citron PE Holdings Limited	British Virgin Islands	Asset management	35.00%	35.00%
Holisol Logistics Private Limited	India	Asset management	20.29%	20.29%
Pine Tree Special Opportunity FMC LLC	Cayman Islands	Asset management	50.00%	50.00%
Lending Ark Asia Secured Private Debt Fund I (Non-US), LP	Cayman Islands	Asset management	22.16%	22.16%
Lending Ark Asia Secured Private Debt Holding Limited	Cayman Islands	Asset management	30.00%	30.00%
CLSA Asia Growth Fund, L.P.	Cayman Islands	Private equity fund	29.24%	-
Alfalah CLSA Securities (Private) Limited	Pakistan	Stock brokerage, investment counselling, fund placements and investment consultancy	2.9%	24.90%

The Group is also the General Partner of certain funds at Group level, management considers the Group have significant influence on those funds' investments and recognise those funds as investment in associate accordingly.

19 Investments in associates (continued)

All associates are held indirectly through other subsidiaries.

In 2024, the Group's holding in Alfalah CLSA Securities (Private) Limited was diluted from 24.9% to 2.9% during the year as a result of a rights issue. Since the Group lost significant influence on Alfalah CLSA Securities (Private) Limited during the year, it is classified as Financial assets measured at fair value through profit or loss upon the share dilution.

19.1 Summarised financial information for associates

Set out below are the summarised financial information for the Group's investments in associates which are accounted for using the equity method, that are material to the Group.

Summarised balance sheet

	Sunrise Capital II, L.P. US$'000	*Citron PE Holdings Limited* US$'000	*Lending Ark Asia Secured Private Debt Fund I (Non-US), LP* US$'000
As at 31 December 2024			
Total current assets	172,869	56,679	12,302
Total current liabilities	-	(11,394)	(139)
Total non-current assets	-	50,379	149,178
Total non-current liabilities	(32,698)	(156)	(933)
Net assets	140,171	95,508	160,408
Reconciliation to carrying amounts:			
Closing net assets	140,171	95,508	160,408
Group's share in %	23.99%	35.00%	22.16%
Group's share in US$	33,627	33,428	35,553
Carrying value	33,627	33,428	35,553
As at 31 December 2023			
Total current assets	984	43,830	13,105
Total current liabilities	(370)	(10,304)	(502)
Total non-current assets	103,634	68,982	191,084
Total non-current liabilities	(19,828)	-	-
Net assets	84,420	102,508	203,687
Reconciliation to carrying amounts:			
Closing net assets	84,420	102,508	203,687
Group's share in %	23.99%	35.00%	22.16%
Group's share in US$	20,255	35,878	45,146
Carrying value	20,255	35,878	45,146

19 Investments in associates (continued)

Summarised statement of comprehensive income

	Sunrise Capital II, L.P. US$'000	*Citron PE Holdings Limited* US$'000	*Lending Ark Asia Secured Private Debt Fund I (Non-US), LP* US$'000
For the year ended 31 December 2024			
Revenue	749	4,034	20,386
Expenses	(12,371)	(2,507)	(3,090)
Depreciation and amortisation	-	-	-
Interest income	-	1,837	453
Net realised gain/(loss) on investments	-	(4,206)	40
Net change of unrealised appreciation/(depreciation) on investments	67,362	(6,665)	(3,660)
Profit/(loss) before tax	55,740	(7,507)	14,129
Income tax (expenses)/credit	-	(20)	-
Total comprehensive income/(loss)	55,740	(7,527)	14,129

	Sunrise Capital II, L.P. US$'000	*Citron PE Holdings Limited* US$'000	*Lending Ark Asia Secured Private Debt Fund I (Non-US), LP* US$'000
For the year ended 31 December 2023			
Revenue	-	12,170	22,946
Expenses	(3,687)	(2,760)	(3,384)
Depreciation and amortisation	-	-	-
Interest income	1,327	1,846	188
Net realised gain/(loss) on investments	-	(86)	(35)
Net change of unrealised appreciation/(depreciation) on investments	(2,197)	(9,840)	330
Profit/(loss) before tax	(4,557)	1,330	20,045
Income tax (expenses)/credit	-	(16)	-
Total comprehensive income/(loss)	(4,557)	1,314	20,045

The following table illustrates the aggregate unaudited financial information of the Group's associates that are not individually material.

	2024 US$'000	*2023* US$'000
Profit/(loss) for the year	(5,704)	801
Total comprehensive income	(5,704)	801
Carrying amount	73,490	49,635

20 Subsidiaries

20.1 Information about subsidiaries

The following is a list of the principal subsidiaries of the Company as at 31 December 2024 and 31 December 2023:

Name	Place of incorporation	Group interest as at 31 December 2024	Group interest as at 31 December 2023	Principal activities
CLSA B.V.	Netherlands	100%[1]	100%[1]	Investment holding
CLSA Europe B.V.	Netherlands	100%[1]	100%[1]	Provision of securities brokerage and investment banking services
CITIC Securities (Hong Kong) Limited	Hong Kong	100%[1]	100%[1]	Corporate finance and advisory services
CITIC Securities Brokerage (HK) Limited	Hong Kong	100%[1]	100%[1]	Securities brokerage and margin financing
CITIC Securities Futures (HK) Limited	Hong Kong	100%[1]	100%[1]	Brokerage of futures and options contracts
CITIC Securities Finance (HK) Limited	Hong Kong	100%[1]	100%[1]	Treasury services
CLSA Investments Ltd.	Cayman Islands	100%[1]	100%[1]	Investment holding
CLSA Australia Holdings Pty Ltd	Australia	100%[1]	100%[1]	Investment holding
CITIC Securities CLSA Capital Partners Limited	Hong Kong	100%[1]	100%[1]	Investment holding
CLSA Fund Services (Asia) Limited	Hong Kong	100%[1]	100%[1]	Fund Administrative services
CLSA Global Investments Management Limited	British Virgin Islands	100%[1]	100%[1]	Investment holding
SetClear Pte. Ltd.	Singapore	100%[1]	100%[1]	IT & middle/back office services
CSI Global Markets Holdings Limited	British Virgin Islands	100%[1]	100%[1]	Holding company
CLSA Americas Holdings, Inc.	United States of America	100%[1]	100%[1]	Holding company
CLSA Premium Limited	Cayman Islands	59.03%[1]	59.03%[1]	Investment holding
CITIC Securities Asset Management (HK) Limited (Formerly known as CLSA Asset Management Limited	Hong Kong	100%	100%	Asset management
CITIC Securities CLSA Capital Partners (HK) Limited	Hong Kong	100%	100%	Investment advisory Services
CLSA Limited	Hong Kong	100%	100%	Broking and dealing in securities and underwriting
CITIC Securities International Capital Management Limited (Formerly known as CSI Capital Management Limited)	British Virgin Islands	100%	100%	Investment and securities trading
CITIC Securities International Global Markets Limited (Formerly known as CSI Global Markets Limited)	Hong Kong	100%	100%	Securities brokerage
XinZheng Operation Management Limited	PRC	100%[1]	100%[1]	IT & middle/back office services

[1] Subsidiaries held directly by the Company

20 Subsidiaries (continued)

20.2 Summarised financial information on subsidiaries with material non-controlling interests

The total non-controlling interest as at 31 December 2024 is US$22,119,000 (2023: US$21,205,000), of which US$5,374,000 (2023: US$5,496,000) is for PT CLSA Sekuritas Indonesia, US$3,210,000 (2023: US$2,845,000) is for CLSA Funding (Cayman) Limited, US$646,000 (2023: US$298,000) is for Avignon Holdings Limited and US$12,889,000 (2023: US$12,566,000) is for CLSA Premium Limited.

Set out below are summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Name of subsidiary	*Place of incorporation*	*Ownership interest held by the group* 2024	2023	*Ownership interest held by non-controlling interests* 2024	2023	*Principal activities*
PT CLSA Sekuritas Indonesia	Indonesia	60.00%	60.00%	40.00%	40.00%	Provision of securities brokerage and underwriting services
CLSA Funding (Cayman) Limited	Cayman Islands	72.05%	72.05%	27.95%	27.95%	Investment holding
Avignon Holdings Limited	Guernsey	71.71%	71.71%	28.29%	28.29%	Investment holding
CLSA Premium Limited (Note 34)	Cayman Islands	59.03%	59.03%	40.97%	40.97%	Investment holding

Set out below are summarised financial information for each subsidiary that has non-controlling interests.

Summarised balance sheet

	PT CLSA Sekuritas Indonesia		*CLSA Funding (Cayman) Limited*		*Avignon Holdings Limited*		*CLSA Premium Limited*	
	2024 US$'000	*2023* US$'000	*2024* US$'000	*2023* US$'000	*2024* US$'000	*2023* US$'000	*2024* US$'000	*2023* US$'000
Current								
Assets	63,840	106,710	112	225	2,276	2,140	36,018	32,018
Liabilities	(25,766)	(66,368)	(7)	(4)	(1,759)	(2,261)	(4,566)	(1,395)
Total current net assets/(liabilities)	38,074	40,342	105	221	517	(121)	31,452	30,623
Non-current								
Assets	2,802	2,167	11,379	9,959	1,529	888	10	50
Liabilities	-	-	-	-	-	-	-	-
Total non-current net assets	2,802	2,167	11,379	9,959	1,529	888	10	50
Net assets	40,876	42,509	11,484	10,180	2,046	767	31,462	30,673

20 Subsidiaries (continued)

Summarised consolidated statement of profit or loss and comprehensive income

	PT CLSA Sekuritas Indonesia		*CLSA Funding (Cayman) Limited*		*Avignon Holdings Limited*		*CLSA Premium Limited*	
	2024 US$'000	*2023* US$'000	*2024* US$'000	*2023* US$'000	*2024* US$'000	*2023* US$'000	*2024* US$'000	*2023* US$'000
Revenue	12,477	12,442	1,541	463	1,948	1,987	13,043	23,959
Post-tax profit/(loss) from continuing operations	1,535	2,550	1,528	452	1,359	(2,178)	1,695	800
Total comprehensive income/(loss)	(402)	3,298	1,528	452	1,321	(2,057)	448	800
Profit/(loss) allocated to non-controlling interest	614	1,020	427	126	400	(578)	695	328
Dividends paid to non-controlling interest	506	-	108	99	42	49	-	-

	PT CLSA Sekuritas Indonesia		*CLSA Funding (Cayman) Limited*		*Avignon Holdings Limited*		*CLSA Premium Limited*	
	2024 US$'000	*2023* US$'000	*2024* US$'000	*2023* US$'000	*2024* US$'000	*2023* US$'000	*2024* US$'000	*2023* US$'000
Cash generated from/ (used in) operating activities	2,478	3,648	376	293	226	(1,469)	(1,001)	1,271
Cash flows used in investing activities	(178)	-	-	-	(62)	(16)	-	-
Cash flows used in financing activities	(1,266)	(250)	(387)	(354)	(42)	(188)	-	-

The information above is the amount before inter-company eliminations.

21 Financial assets measured at fair value through other comprehensive income

	2024 US$'000	*2023* US$'000
Non-current portion		
Unlisted equities	660,689	12,421
Current assets		
Debt securities	1,726,799	198,827

During the year, net loss of USD1,602,000 (2023: gain of USD 4,813,000) was recognised in other comprehensive income for financial assets measured at fair value through other comprehensive income.

22 Financial assets and liabilities at fair value through profit or loss

	As at 31 December 2024	
	Assets	*Liabilities*
	US$'000	US$'000
Non-current portion		
Fair value through profit or loss		
- Unlisted equities	4,167	-
- Managed funds	60,790	16,102*
Total for non-current portion	64,957	16,102
Current portion		
Held for trading		
- Listed equities	15,790,009	1,312,323
- Managed funds	1,670,185	4,106
- Debt securities	12,514,902	65,882
	29,975,096	1,382,311
Fair value through profit or loss		
- Unlisted equities	1,266	7,862
- Debt securities	29,659	-
- Listed equities	766	-
- Managed funds	65	-
- Equity linked notes	-	416,154
- Medium term notes	-	11,983,197
	31,756	12,407,213
Total for current portion	30,006,852	13,789,524

Note:

* Balance of financial liabilities measured at fair value through profit or loss represents net assets attributable to non-controlling interests of investment funds.

22 Financial assets and liabilities at fair value through profit or loss (continued)

	As at 31 December 2023	
	Assets	*Liabilities*
	US$'000	US$'000
Non-current portion		
Fair value through profit or loss		
- Unlisted equities	5,690	-
- Managed funds	109,873	71,151*
Total for non-current portion	115,563	71,151
Current portion		
Held for trading		
- Listed equities	14,167,382	1,410,447
- Managed funds	1,059,789	4,239
- Debt securities	5,623,775	50,963
	20,850,946	1,465,649
Fair value through profit or loss		
- Unlisted equities	19	7,521
- Debt securities	29,568	-
- Listed equities	2,995	-
- Managed funds	69	-
- Equity linked notes	-	422,677
- Medium term notes	-	8,365,444
	32,651	8,795,642
Total for current portion	20,883,597	10,261,291

Note:

* Balance of financial liabilities measured at fair value through profit or loss represents net assets attributable to non-controlling interests of investment funds.

23 Derivative financial instruments

	Assets	*Liabilities*
	US$'000	US$'000
As at 31 December 2024		
- Interest rate derivatives	428,748	562,664
- Currency derivatives	737,979	654,573
- Equity derivatives	1,824,579	1,432,093
- Credit derivatives	375	5,636
- Others	193,844	75,130
Total	3,185,525	2,730,096

23 Derivative financial instruments (continued)

	Assets US$'000	*Liabilities* US$'000
As at 31 December 2023		
- Interest rate derivatives	377,842	283,670
- Currency derivatives	180,743	218,462
- Equity derivatives	1,394,054	1,279,694
- Credit derivatives	1,265	1,810
- Others	31,012	96,909
Total	1,984,916	1,880,545

24 Amounts due from/to clients, brokers and clearing houses

	2024 US$'000	*2023* US$'000
Amounts due from		
- clients	1,525,793	1,920,298
- brokers	7,218,110	4,401,706
- clearing houses	462,675	235,367
Margin receivable	955,294	681,954
Loans receivable arising from business of loans and financing	272	282
Accounts receivable arising from assets management business	2	499
Others	149	169
	10,162,295	7,240,275
Less: provision for impairment losses (i)	(22,104)	(17,729)
Total amounts due from clients, brokers and clearing houses	10,140,191	7,222,546
Amounts due to		
- clients	10,031,417	8,777,547
- brokers and other counterparties	2,826,836	2,096,320
- clearing houses	147,236	368,049
Total amounts due to clients, brokers and clearing houses	13,005,489	11,241,916

(i) Note 3.1 (b) provide details about the estimations of impairment losses.

25 Cash and bank balances

	2024 US$'000	*2023* US$'000
Cash at bank and in hand	2,025,470	1,387,643
Time deposits with banks	147,972	174,780
Total cash and bank balances	2,173,442	1,562,423

As at 31 December 2024, the Group had restricted funds of US$57,884,000 (2023: US$67,591,000).

26 Cash held on behalf of customers

The Group maintains segregated trust accounts with authorised financial institutions to hold clients' deposits arising from normal course of business.

27 Bank borrowings

	2024 US$'000	*2023* US$'000
Non-current		
Bank borrowings (secured)	-	24,143
Current		
Bank borrowings (secured)	18,981	727
Bank borrowings (unsecured)	1,954,919	1,072,194
Bank overdrafts (unsecured)	395	231
	1,974,295	1,073,152
Total bank borrowings	1,974,295	1,097,295

As at 31 December 2024, listed securities and investment fund holdings belonging to margin clients of a subsidiary of the Group which engaged in securities brokerage and margin financing businesses, with a total market value of US$598,055,000 (2023: US$467,542,000) were pledged to banks as collateral for short-term floating rate bank loans of US$386,000 (2023: US$384,000) for its margin financing businesses. The remaining secured bank loans were secured by company shares of certain subsidiaries of US$31,659,000 (2023: certain subsidiaries of US$39,606,000).

The effective interest rate of bank borrowings as at 31 December 2024 is 4.91% (2023: 5.97%).

28 Long term borrowings /Short term borrowings from group companies

	2024 US$'000	2023 US$'000
Non-current		
Borrowings from a fellow subsidiary (i)	-	97,591
Borrowings from a related company (ii)	1,593	1,763
	1,593	99,354
Current		
Borrowings from fellow subsidiaries (iii)	303,198	510,250
Borrowings from parent company (iv)	480,275	100,225
	783,473	610,475
Total borrowings from group companies	785,066	709,829

(i) Long term borrowings from a fellow subsidiary amounting to US$35 million as at 31 December 2023 was early repaid in 2024.

(ii) Long term borrowings from a related company amounting to USD$1,593,000 (2023: US$1,763,000) are unsecured, interest bearing at a fixed rate of 0.31% per annum and repayable in 2028.

(iii) Short term borrowings from fellow subsidiaries are unsecured, interest bearing and repayable in 2024. Short term borrowings amounting to US$298,126,000 (2023: US$490,487,000) are interest bearing at a fixed rate of 2.82% – 5.8% (2023: 5.98% - 6.73%) per annum.

(iv) Short term borrowings from parent company are unsecured, interest bearing and repayable in 2024. Short term borrowings amounting to US$477,008,000 (2023: US$98,294,000) are interest bearing at a fixed rate of 2.07% (2023: 2.25%) per annum. The remaining balance amounting to US$3,267,000 (2023: US$1,130,000) is interest free.

29 Reverse repurchase agreements/Repurchase agreements

The Group enters into Reverse repurchase agreements ("Reverse REPO") which involve purchasing securities from counterparties and reselling them to the counterparties on a specific future date at a specific price. The Group also enters into Repurchase agreements ("REPO") which involve selling securities to counterparties and repurchasing them from the counterparties on a specific future date at a specific price.

Financial assets accepted as collaterals

Financial assets are accepted as collaterals as part of Reverse REPO arrangements which the Group is permitted to sell or repledge under standard market documentation.

29 Reverse repurchase agreements/Repurchase agreements (continued)

The aggregate fair value of financial assets accepted as collaterals that the Group is permitted to sell or repledge in the absence of default amounted to US$236,596,000 (2023: US$68,828,000), of which US$153,074,000(2023: US$53,704,000) has been sold or repledged to third parties as at 31 December 2024.

Financial assets placed as collaterals

As at 31 December 2024, the carrying amount and fair value of securities sold under agreements to repurchase was US$14,309,539,000 (2023: US$6,269,111,000). These securities are the debt securities and equities included in the financial assets held for trading in the statement of financial position. The counterparty is allowed to sell or repledge those securities sold under repurchase agreements in the absence of default by the Group but has an obligation to return the securities at the maturity of the contracts.

30 Share capital

	2024		*2023*	
	Number of shares '000	*Share Capital* US$'000	*Number of shares* '000	*Share Capital* US$'000
Ordinary shares, Issued and fully paid:				
As at 1 January	6,516,050	839,059	6,516,050	839,059
Increase in share capital	5,276,690	916,981	-	-
As as 31 December	11,792,740	1,756,040	6,516,050	839,059

For further expansion of offshore business, approved by board of directors of CITIC Securities Company Limited, there was a capital injection, amounting to HK$5,000,000,000 and US$276,689,868 in 2024, with the number of issued shares has increased by 5,276,689,868.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

31 Other reserves

Other reserves mainly comprise of regulatory reserves, capital and other reserves, revaluation reserves, as well as foreign currency translation reserves. Please refer to Statement of Changes in equities for detail movements of each item.

During the year, the Group has transferred US$97,000 (2023: (US$310,000)) to /(from) regulatory reserves in accordance with regulatory requirements in respective territories where certain subsidiaries operate and are not available for distribution.

32 Deferred tax

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of US$72,228,000 (2023: US$78,429,000) of which US$71,646,000 (2023: US$77,616,000) relate to tax losses amounting to US$334,847,000 (2023: US$359,443,000) that can be carried forward against future taxable income.

Deferred tax liabilities of US$15,069,000 (2023: US$13,783,000) have not been recognised for withholding taxes that could be payable on the unremitted earnings of certain subsidiaries, as such amounts are currently considered permanently reinvested. Unremitted earnings totalled US$177,435,000 as at 31 December 2024 (2023: US$160,606,000).

The movement in deferred tax assets and liabilities to the various balance sheet items, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred tax assets	*Salaries, allowances, and bonuses* US$'000	*Depreciation allowances* US$'000	*Tax loss* US$'000	*ECL provision on financial assets* US$'000	*Others* US$'000	*Total* US$'000
At 1 January 2023	13,079	155	23,144	4,998	4,295	45,671
Recognised in profit or loss	1,097	1,953	10,470	(4,998)	(1,688)	6,834
Exchange differences	(143)	9	(376)	-	(62)	(572)
At 31 December 2023	14,033	2,117	33,238	-	2,545	51,933
At 1 January 2024	14,033	2,117	33,238	-	2,545	51,933
Recognised in profit or loss	570	(1,446)	(10,442)	-	2,651	(8,667)
Exchange differences	(178)	(100)	(1,541)	-	1,627	(192)
At 31 December 2024	14,425	571	21,255	-	6,823	43,074

Deferred tax liabilities	*Depreciation allowances* US$'000	*Others* US$'000	*Intangible assets* US$'000	*Total* US$'000
At 1 January 2023	1,640	476	3,603	5,719
Recognised in profit or loss	1,508	4,027	(3,603)	1,932
Recognised in other comprehensive income	-	1,420	-	1,420
Exchange differences	-	(572)	-	(572)
At 31 December 2023	3,148	5,351	-	8,499
At 1 January 2024	3,148	5,351	-	8,499
Recognised in profit or loss	(1,052)	(723)	-	(1,775)
Recognised in other comprehensive income	-	(821)	-	(821)
Exchange differences	-	823	-	823
At 31 December 2024	2,096	4,630	-	6,726

33 Cash flows information

33.1 Cash generated from operations

	2024 US$'000	*2023* US$'000
Profit before tax	655,375	284,133
Adjustments for:		
Interest income	(317,217)	(227,705)
Finance costs and securities borrowing and lending expenses	707,981	495,848
Depreciation	39,644	37,838
Amortisation of intangible assets	210	10,301
Share of profit from joint ventures	(1,386)	(1,452)
Share of profit from associates	(8,165)	(17,280)
Gain on disposal of an associate	-	(21,419)
Fixed asset written off	792	19
Loss/(gain) on disposal of property, plant and equipment	1	(15)
Gain on disposal of investment properties	-	(1,165)
Impairment loss on intangible assets	-	18
Impairment (reversal)/loss on investment properties	(1,538)	674
Net impairment losses	1,727	22,462
	1,077,424	582,257
Changes in working capital:		
(Increase)/decrease in reverse repurchase agreements	(168,354)	28,622
Increase in other assets	(12,265)	(11,176)
Increase in financial assets/liabilities at fair value through profit or loss & derivative financial instruments	(5,951,015)	(1,886,831)
Increase in amounts due from clients, brokers and clearing houses	(2,922,366)	(37,268)
Decrease/(increase) in cash collateral advanced for securities borrowing	385,667	(145,739)
(Increase)/decrease in other debtors, deposits and prepaid expenses	(16,724)	27,871
Increase in amounts due to clients, brokers and clearing houses	1,763,718	1,732,084
Decrease in bonus payable, creditors and accruals	(5,222)	(30,941)
Increase in repurchase agreements	6,947,401	543,823
(Increase)/decrease in cash held on behalf of customers	(79,936)	188,846
Cash generated from operations	1,018,328	991,548

33 Cash flows information (continued)

33.2 Analysis of cash and cash equivalents

	2024 US$'000	*2023* US$'000
Cash and cash equivalent on consolidated statement of position	2,173,442	1,562,423
Less: Restricted balance	(25,807)	(33,807)
Less: Short-term deposit with original maturity more than 3 months	(33,971)	(39,179)
Cash and cash equivalent on consolidated statement of cashflow	2,113,664	1,489,437

33 Cash flows information (continued)

33.3 Reconciliation of liabilities arising from financing activities

	Bank borrowings US$'000	*Lease Liabilities* US$'000	*Borrowings from group companies* US$'000	*Private placement notes issued to the parent company* US$'000	*Debt instrument issued* US$'000
At 1 January 2023	(1,400,406)	(90,519)	(1,298,408)	(1,058,666)	(475,273)
Financing cash flows	306,782	27,960	608,313	138,277	(307,267)
New leases	-	(14,662)	-	-	-
Lease modifications	-	(10,070)	-	-	-
Foreign exchange adjustments	(1,269)	71	831	1,217	(5,240)
Other changes:					
Interest expense (Note 10)	(86,842)	(4,073)	(47,636)	(2,394)	(24,262)
Interest payments (Presented as operating cash flows)	84,440	-	27,071	2,394	19,526
At 31 December 2023	(1,097,295)	(91,293)	(709,829)	(919,172)	(792,516)
At 1 January 2024	(1,097,295)	(91,293)	(709,829)	(919,172)	(792,516)
Financing cash flows	(875,392)	29,476	(97,325)	919,291	(1,325,040)
New leases	-	(41,914)	-	-	-
Lease modifications	-	5,587	-	-	-
Foreign exchange adjustments	329	1,322	8,749	(119)	21,788
Other changes:					
Interest expense (Note 10)	(105,747)	(4,913)	(25,967)	-	(44,943)
Interest payments (Presented as operating cash flows)	103,810	-	39,306	-	33,635
At 31 December 2024	(1,974,295)	(101,735)	(785,066)	-	(2,107,076)

34 Assets classified as held for sale

On 29 December 2024, management committed to a plan to sell its 59.03% equity interest in CLSA Premium Limited, a subsidiary of the Company, representing 40% of the total issued shares. Accordingly, all the assets and liabilities of CLSA Premium Limited are classified as held for sale. Efforts to sell the assets classified as held for sale have started and sale has been completed in 2025.

(a) Impairment losses relating to the assets classified as held for sale

There are no impairment losses relating to the assets classified as held for sale.

(b) Assets and liabilities of assets classified as held for sale

As 31 December 2024, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities.

	CLSA Premium Limited **US$'000**
Property, plant and equipment	10
Other debtors, deposits and prepaid expenses	9,334
Cash held on behalf of customers	150
Cash and bank balances	26,534
Assets classified as held for sale	36,028
Amount due to clients, brokers and clearing houses	145
Tax payable	396
Creditors and other accruals	4,025
Liabilities directly associated with assets classified as held for sale	4,566

(c) Cumulative income or expenses included in other comprehensive income.

There are no cumulative income or expenses included in other comprehensive income relating to the assets classified as held for sale.

(d) The valuation approaches used in measuring the fair value of the disposal group are asset-based approach and income approach.

35 Private placement notes issued to the parent company

The private placement notes outstanding at 31 December 2023 totalling US$919,172,000 was repaid in full during the year ended 31 December 2024.

36 Debt instrument issued

	2024 US$'000	2023 US$'000
By category		
- Medium term notes issued	2,107,076	792,516
By maturity		
- Within one year	560,451	136,408
- One year to five years	1,546,625	656,108
	2,107,076	792,516

(a) Public issued medium term notes

Item	Note	2024 US$'000	2023 US$'000
CSI MTN N2504	(i)	301,691	300,752
CSI MTN N2607-R	(ii)	344,946	355,356
XS2729757109	(iii)	93,712	-
CSI MTN N2804	(iv)	499,955	-
CSI MTN N2710	(iv)	505,707	-
HK0001092177	(v)	102,305	-

(i) CSI MTN Limited issued US$300,000,000 3.375 per cent Guaranteed Notes due 2025 under the US$3,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 21 April 2022. The programme is unconditionally and irrevocably guaranteed by CITIC Securities International Company Limited.

(ii) CSI MTN Limited issued CNY2,500,000,000 3.1 per cent Guaranteed Notes due 2026 under the US$3,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 13 July 2023. The programme is unconditionally and irrevocably guaranteed by CITIC Securities International Company Limited.

(iii) CSI MTN Limited issued JPY14,700,000,000 1 per cent Guaranteed Notes due 2027 under the US$3,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 25 January 2024. The programme is unconditionally and irrevocably guaranteed by CITIC Securities International Company Limited.

(iv) CSI MTN Limited issued US$500,000,000 4.375 per cent Guaranteed Notes due 2028 and US$500,000,000 floating rate guaranteed notes due 2027 under the US$5,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 22 October 2024. The programme is unconditionally and irrevocably guaranteed by CITIC Securities International Company Limited.

(v) CSI MTN Limited issued CNY750,000,000 2.65 per cent Guaranteed Notes due 2027 under the USD5,000,000,000 Medium Term Note Programme (the "MTN Programme") to the public on 18 December 2024. The programme is unconditionally and irrevocably guaranteed by CITIC Securities International Company Limited.

As at 31 December 2024, debt instruments are guaranteed notes under the MTN Programme.

As at 31 December 2024, there was no default related to any issued debt instruments.

37 Commitments

At 31 December 2024, the Group has financial commitments of US$59,652,000 (2023: US$38,871,000) arising from having partnership interests in various investment funds.

At 31 December 2024, the Group entered into securities borrowing arrangements with third parties under which it has securities borrowing and lending commitments. The Group had US$850,681,000 (2023: US$1,288,243,000) cash collaterals placed with securities lenders for its borrowing of equity securities of a total market value US$849,753,000 (2023: US$1,447,766,000) and US$264,929,000 (2023: US$316,824,000) cash collaterals received from securities borrowers for their borrowing of equity securities of a total market value US$21,225,000 (2023: US$14,668,000).

At 31 December 2024, the Group has unrecognised deferred bonus commitments of US$29,961,000 (2023: US$25,440,000) payable to staff subject to vesting periods, for at least 3 years in the future.

38 Related-party transactions

38.1 Balance sheet items

	Note	*2024* US$'000	*2023* US$'000
Right-of-use assets granted to the fellow subsidiaries		6,797	1,721
Derivative financial assets			
- parent company		1,504,493	773,515
- fellow subsidiaries		27,034	-
Amounts due from clients, brokers and clearing houses			
- parent company		80,423	784,962
- fellow subsidiaries		790,130	335,917
Other debtors, deposits and prepaid expenses			
- parent company		-	43
- fellow subsidiaries		854	1,398
Other assets from fellow subsidiaries		4,360	4,260
Short term borrowing to fellow subsidiaries		24,681	-
Cash and cash equivalents placed in a bank related to the parent company		18,648	35,761
Cash held on behalf of customers placed in a bank related to the parent company		16,355	104,122
Financial asset at fair value through profit or loss to fellow subsidiaries		30,377	-
Financial asset at fair value through other comprehensive income to fellow subsidiaries		54,931	55,963
Financial liabilities measured at fair value through profit or loss			
- parent company		(4,248,770)	(3,581,507)
- fellow subsidiaries		(97,194)	(30,794)
Derivative financial liabilities			
- parent company		(922,313)	(846,313)
- fellow subsidiaries		-	(89,149)

38 Related-party transactions (continued)

38.1 Balance sheet items (continued)

Amount due to group companies			
- parent company		(125)	(125)
Amount due to clients, brokers and clearing houses			
- parent company		(4,037,811)	(1,310,727)
- fellow subsidiaries		(5,717)	-
Creditors and other accruals			
- parent company		(175,962)	(151,606)
- fellow subsidiaries			-
Long term borrowings from a fellow subsidiary	28	-	(97,591)
Short term borrowings			
- parent company	28	(480,275)	(99,423)
- fellow subsidiaries	28	(303,198)	(490,487)
Lease liabilities from fellow subsidiaries		(6866)	(1,953)
Private placement notes issued to parent company	35	-	(919,172)
Debt instrument issued		(1,831,009)	(91,669)

38.2 Statement of profit or loss and comprehensive income items

	Note	*2024* US$'000	*2023* US$'000
Corporate advisory fee from:			
- fellow subsidiaries		368	995
Brokerage commission from fellow subsidiaries		15	-
Other income from related companies	8	10,880	8,621
Net trading (losses)/income from fellow subsidiaries		72	(34,479)
Net interest income from:			
- fellow subsidiaries		4,528	12,455
- related companies			(1)
Brokerage commission expense from parent company		(921)	(9,536)
Information services and communication expenses paid to fellow subsidiaries		(253)	(345)
Net settlement charges from fellow subsidiaries		(3,510)	(2,613)
Other operating expenses paid to			
- parent company		(40)	-
- fellow subsidiaries		(7,037)	(7,101)
Finance costs:			
- parent company		(4,341)	(2,393)
- fellow subsidiaries		(41,813)	(81,613)

Note: The fee received and expenses paid are on terms mutually agreed.

38 Related-party transactions (continued)

38.3 Key management compensation

(a) Key management compensation

	2024 US$'000	*2023* US$'000
Salaries and other short-term employee benefits	7,565	8,426
Post-employment benefits	66	64
Termination benefits	-	-
Other long-term benefits	1,165	1,272
	8,796	9,762

(b) Loans advanced to key management

There are no loans, quasi-loans and other dealings, whether directly or indirectly, subsisted at the end of the year or at any time during the year, entered into by the Company or subsidiary undertaking of the Company in favour of directors of Company and of the holding company of the Company, controlled bodies corporate by and connected entities with such directors (2023: Nil).

38.4 Co-investment arrangements in investment funds

In relation to the Group's investment funds business, the Group operates certain co-investment arrangements in some investment funds currently managed by the Group.

Under these arrangements, certain eligible staff are allowed to invest in these funds and the terms are defined in the respective funds' agreements. The directors consider the overall committed co-investments to be insignificant in terms of the respective size of funds under the Group's management.

The Group provides financial support in the form of a loan to those eligible staff up to a maximum of 50% of their committed amounts for investing in those funds. The loan is interest bearing. The eligible staff are required to fully repay the loan upon termination of employment. The loan is secured by the staff's respective fund investment. At 31 December 2024, the total amounts committed by the Group under these arrangements was US$4,674,500 (2023: US$4,674,500) and the total amounts utilised was US$282,000 (2023: US$511,000).

39 Directors' remuneration

Benefits and interests of directors disclosed pursuant to section 383 of the Hong Kong Company Ordinance (Cap.622G), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap 622G) is as follows:

	2024 US$'000	*2023* US$'000
Directors' Fees	-	-
Other emoluments:		
Salaries, bonuses, allowance and other non-cash benefits	4,738	5,200
Pension scheme contributions	62	64
Other long-term benefits	451	486
	5,251	5,750

Note: Other benefits include leave paid, insurance premium and club membership.

During the years ended 31 December 2024 and 2023, all emoluments paid were related to a person's services as a director, whether of the Company or its subsidiary undertaking. There were no emoluments paid to in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking.

During the year ended 31 December 2024, there was no payment made as compensation for the early termination of the appointment and no consideration was provided to third parties for making available directors' services (2023: Nil).

There were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: Nil).

There were no loans, quasi-loans and other dealings entered into by the Company or subsidiary undertaking of the Company in favour of directors of Company and of the holding company of the Company, controlled bodies corporate by and connected entities with such directors (2023: Nil).

40 Balance Sheet of the Company

	Notes	2024 US$'000	2023 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment		653	1,048
Right-of-use assets		46,040	52,056
Investments in subsidiaries	20	3,413,326	3,117,401
Subordinated loan due from a subsidiary		128,734	-
Other assets		139	141
Deferred tax assets		980	277
Total non-current assets		3,589,872	3,170,923
CURRENT ASSETS			
Loan due from subsidiaries		479,548	157,393
Due from subsidiaries		28,724	259,570
Other debtors, deposits and prepaid expenses		8,130	7,848
Cash and cash equivalents		2,647	18,298
Total current assets		519,049	443,109
CURRENT LIABILITIES			
Loan due to subsidiaries		129,264	-
Short term borrowings from group companies		479,118	99,094
Due to subsidiaries		1	108,020
Lease liabilities		12,304	11,311
Private placement notes issued to the parent company		-	919,172
Creditors and other accruals		39,959	37,006
Bank borrowings		19,001	-
Tax payable		278	632
Total current liabilities		679,925	1,175,235
NET CURRENT LIABILITIES		(160,876)	(732,126)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,428,996	2,438,797

40 Balance Sheet of the Company (continued)

	2024 US$'000	*2023* US$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	3,428,996	2,438,797
NON-CURRENT LIABILITIES		
Lease liabilities	34,783	40,501
Creditors and other accruals	1,030	995
Total non-current liabilities	35,813	41,496
Net assets	3,393,183	2,397,301
EQUITY		
Share capital	1,756,040	839,059
Other reserves (Note (a))	1,637,143	1,558,242
Total equity	3,393,183	2,397,301

The balance sheet of the Company was approved by the Board of Directors on 14 March 2025 and was signed on its behalf

Director James Xu

Director Frank Yu

40 Balance Sheet of the Company (continued)

Note (a): Reserve movement of the Company

	Other reserves US$'000
At 1 January 2023	823,753
Profit for the year	738,103
Effect of change in foreign exchange rate	(3,614)
At 31 December 2023	1,558,242
Profit for the year	82,833
Effect of change in foreign exchange rate	(3,932)
At 31 December 2024	1,637,143

41 Comparative figures

Certain 2023 comparative figures has been restated to conform to current year's presentation. Please refer to consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, Note 5, Note 7, Note 11 for the effect of restatement.

42 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates - Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

REGISTERED OFFICES

ISSUER

CSI MTN Limited
Kingston Chambers
PO Box 173, Road Town, Tortola
British Virgin Islands

GUARANTOR

CITIC Securities International Company Limited
中信證券國際有限公司
26th Floor CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

AUDITOR OF THE GUARANTOR

KPMG
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

TRUSTEE

Citicorp International Limited
40/F Champion Tower
Three Garden Road
Central
Hong Kong

REGISTRAR

Citicorp International Limited
9/F, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong

ISSUING AND PAYING AGENT AND TRANSFER AGENT IN RESPECT OF NOTES OTHER THAN CMU NOTES

Citibank, N.A., London Branch
c/o Citibank, N.A.
Dublin Branch
1 North Wall Quay
Dublin 1
Ireland

CMU LODGING AND PAYING AGENT AND TRANSFER AGENT IN RESPECT OF CMU NOTES

Citicorp International Limited
9/F, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong

LEGAL ADVISERS TO THE ISSUER AND THE GUARANTOR

As to Hong Kong law and English law

Norton Rose Fulbright Hong Kong
38/F, Jardine House
1 Connaught Place
Central
Hong Kong

As to British Virgin Islands law

Ogier
11/F Central Tower
28 Queen's Road Central
Central
Hong Kong

LEGAL ADVISER TO THE DEALERS

As to Hong Kong law and English law

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Hong Kong

Appendix II — Pricing Supplement in relation to the Notes dated 28 October 2026

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS OUTSIDE OF THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached document. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached. In accessing the attached, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access.

Confirmation of your representation: You have accessed the attached document on the basis that you have confirmed your representation to the Managers (as referred to in the attached document) that:

(1) you and any customers you represent are a non-U.S. person outside the United States and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and, to the extent you purchase the securities described in the attached document you will be doing so outside the United States in an offshore transaction pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"); and

(2) you consent to delivery of the attached document and any amendments or supplements thereto by electronic transmission.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Managers and any person who controls any of them nor any of their respective directors, employees, representatives, officers, agents, advisers or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

Restrictions: The attached document is being furnished in connection with offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the document. You are reminded that the information in the attached document is not complete and may be changed.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT). THIS OFFERING IS MADE SOLELY TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

THE ATTACHED DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES OR TO ANY U.S. PERSON. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the Issuer or the Guarantor (each as defined in the attached document) of the securities or the Managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute directed selling efforts (within the meaning of Regulation S under the Securities Act) in the United States or elsewhere.

The Notes will be Yulan bonds issued under an initiative established by Shanghai Clearing House (银行间市场清算所股份有限公司) ("**SHCH**") and Euroclear Bank SA/NV ("**Euroclear**") in December 2020 through which Yulan bonds are issued, registered, settled and cleared. Investors should note that there are limited instances in the past where Yulan bonds have been issued. There are certain key differences between the Notes and typical eurobonds including the form of the Notes (which will be in dematerialised form) and a holder of a beneficial interest in the Notes must rely on the arrangement between SHCH and Euroclear in which the records relating to its beneficial interests in the Notes will be maintained (where definitive certificates may not be issued). In order to be an eligible investor for the Notes, an investor is required to submit an investor disclosure certificate indicating such investor's Legal Entity Identifier ("**LEI**") code to Euroclear pursuant to the requirement of the Yulan bond initiative in order to subscribe for any Notes. Investors who have an existing Euroclear account may obtain the investor disclosure certificate directly from Euroclear. For prospective investors who are not registered with Euroclear, they may participate in the purchase of the Notes via a custodian who has an account registered with Euroclear, and the relevant custodian may obtain the form of such investor disclosure certificate directly from Euroclear. None of the Issuer, the Guarantor, the Managers or the Agents shall be responsible for filling out such investor disclosure certificate or submitting any investor's LEI code on its behalf to Euroclear. In considering whether to invest in the Notes, prospective investors should consider all the information in the attached document, including but not limited to the risks and uncertainties and the clearing and settlement of the Notes described in the attached document and the Offering Circular (as defined in the attached document). Prospective

investors should consult their own independent advisers and make their own assessment about the potential risks in making any investment decision with the Notes.

You are reminded that you have accessed the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this communication, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED DOCUMENT, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

PRICING SUPPLEMENT

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Paragraph 21 of the Hong Kong SFC Code of Conduct – As paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission applies to this offering of Notes, prospective investors should refer to the section on "*Important Notice to Prospective Investors*" appearing on pages iii to iv of the Offering Circular (as defined below), and CMIs (as defined in the Offering Circular) should refer to the section on "*Important Notice to CMIs (including private banks)*" appearing on pages 176 to 178 of the Offering Circular.

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**HKSE**")) ("**Professional Investors**") only.

Notice to Hong Kong Investors: Each of the Issuer and the Guarantor confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the HKSE on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Issuer, the Guarantor or the Group (as defined below) or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the HKSE take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This document, together with the Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor or the Issuer, the Guarantor and their respective subsidiaries as a whole (together, the "**Group**"). Each of the Issuer and the Guarantor accepts full responsibility for the

accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and the quotation of the Notes on the official list of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in the Offering Circular or this Pricing Supplement. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Group or the Notes.

Pricing Supplement dated 28 October 2026

CSI MTN Limited
Legal entity identifier (LEI): 2549008F29JNGIBO2O60
Issue of CNY2,000,000,000 1.80 per cent. Guaranteed Notes due 2029 (the "Notes")
Unconditionally and Irrevocably Guaranteed by
CITIC Securities International Company Limited 中信證券國際有限公司
under its U.S.$7,000,000,000
Guaranteed Medium Term Note Programme (the "Programme")

This document constitutes the pricing supplement relating to the issue of Notes described herein (the "**Pricing Supplement**").

This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the offering circular dated 31 July 2026 (the "**Offering Circular**") as amended and supplemented by the additional disclosure in this Pricing Supplement. References to "Conditions" shall mean the Terms and Conditions of the Notes (the "**Conditions**") set forth in Schedule 1 (*Terms and Conditions of the Notes*) of this Pricing Supplement and any reference to a particularly numbered Condition shall be construed accordingly. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of the Offering Circular and this Pricing Supplement (including the Schedules included herein).

For the avoidance of doubt, the Terms and Conditions of the Notes set forth in the Offering Circular do not apply to the Notes. Neither the amended and restated trust deed dated 31 July 2026 nor the amended and restated agency agreement dated 31 July 2026 in relation to the Programme shall apply to the Notes. Holders of the Notes will not have the benefits of a trustee to act for them should an event of default occur and would need to take enforcement action themselves.

The Notes will be constituted by a deed of covenant to be dated on or around the Issue Date and executed by the Issuer (as amended, varied, restated, novated, supplemented or replaced from time to time, the "**Deed of Covenant**"), substantially in the form set out in Schedule 6 (*Form of Deed of Covenant*) of this Pricing Supplement. The Notes will also have the benefit of a deed of guarantee to be dated on or around the Issue Date and executed by the Guarantor (as amended, varied, restated, novated, supplemented or replaced from time to time, the "**Deed of Guarantee**"), substantially in the form set out in Schedule 7 (*Form of Deed of Guarantee*) of this Pricing Supplement.

The Notes will be issued in dematerialised registered form by entry in a register (the "**Register**") maintained by SHCH with Euroclear initially being entered in the Register as the sole registered holder. A services agreement (as amended, varied, restated, novated, supplemented or replaced from time to time, the "**Services Agreement**") has been entered into on or prior to the Issue Date in relation to the Notes between the Issuer and SHCH as registrar. The Services Agreement is written in Chinese only and is governed by the PRC laws.

A fiscal agency agreement to be dated on or around the Issue Date will be entered into between the Issuer, the Guarantor and China CITIC Bank International Limited as fiscal agent and paying agent in relation to the Notes (as amended, varied, restated, novated, supplemented or replaced from time to time, the "**Fiscal Agency Agreement**").

1	(i) Issuer:	CSI MTN Limited
	(ii) Guarantor:	CITIC Securities International Company Limited 中信證券國際有限公司
2	(i) Series Number:	199
	(ii) Tranche Number:	001
	(iii) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency or Currencies:	Renminbi ("**CNY**")
4	Aggregate Nominal Amount:	
	(i) Series:	CNY2,000,000,000
	(ii) Tranche:	CNY2,000,000,000
5	(i) Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Gross proceeds:	CNY2,000,000,000
6	(i) Specified Denominations:	CNY2,000,000
	(ii) Calculation Amount:	CNY1,000,000
7	(i) Issue Date:	4 November 2026
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	The Interest Payment Date falling on, or nearest to, 4 November 2029
9	Interest Basis:	1.80 per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12	Put/Call Options:	Call Option (further particulars specified below)
13	Date of Board / Shareholder approval for issuance of Notes and Guarantee obtained:	Issuer's Board Resolutions dated 18 May 2023 and 19 May 2025; and Guarantor's Board Resolutions dated 18 May 2023 and 19 May 2025 and Guarantor's Shareholder Resolutions dated 18 May 2023, respectively
14	Listing:	The Stock Exchange of Hong Kong Limited and the Singapore Exchange Securities Trading Limited
15	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	1.80 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	4 November annually in each year, commencing on 4 November 2027, adjusted in accordance with the Modified Following Business Day Convention
	(iii) Fixed Coupon Amount(s): (Applicable to Notes in definitive form)	Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards, save that as long as the Notes are held in an account with the Relevant Clearing System, the calculation of Fixed Coupon Amount(s) shall be made in respect of the aggregate principal amount of the Notes
	(iv) Broken Amount(s): (Applicable to Notes in definitive form)	Not Applicable
	(v) Day Count Fraction:	Actual/365 (Fixed)
	(vi) Determination Date(s)	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
17	Floating Rate Note Provisions	Not Applicable
18	Zero Coupon Note Provisions	Not Applicable
19	Index Linked Interest Note Provisions	Not Applicable
20	Dual Currency Interest Note Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
21	Call Option	Applicable
	(i) Optional Redemption Date(s):	From or after 4 October 2029
	(ii) Optional Redemption Amount and method, If any, of calculation of such amount(s):	CNY1,000,000 per Calculation Amount
	(iii) If redeemable in part:	Not Applicable; the Call Option shall be in respect of all of the Notes
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice period (if other than as set out in the Conditions):	In accordance with Condition 6(d)
22	Put Option	Not Applicable
23	Final Redemption Amount of each Note:	CNY1,000,000 per Calculation Amount
24	Early Redemption Amount payable on redemption for taxation reasons or on event of default or other	CNY1,000,000 per Calculation Amount

	early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	**Registered Notes**: The Notes will be issued in registered dematerialised form by inscription in the Register maintained by SHCH, with Euroclear initially being entered in the Register as the sole registered holder. The Notes will be constituted by the Deed of Covenant. The holders of the Notes are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Deed of Covenant (substantially in the form set out in Schedule 6 (*Form of Deed of Covenant*) of this Pricing Supplement). Definitive certificates are not contemplated to be issued in respect of the Notes. See Schedule 3 (*Introduction to Yulan Bonds*) of this Pricing Supplement. The section of the Offering Circular entitled "*Summary of Provisions Relating to the Notes while in Global Form*" does not apply to the Notes.
26	Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable For the avoidance of doubt, "business day" for these Notes shall include the following: (a) Hong Kong; and (b) Beijing
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29	Details relating to Instalment Notes:	Not Applicable
30	Redenomination applicable:	Redenomination not applicable
31	Consolidation provisions:	Not Applicable
32	Other terms or special conditions:	Please refer to Schedule 1 (*Terms and Conditions of the Notes*) of this Pricing Supplement. See also Schedule 2 (*Additional Risk Factors*) and Schedule

		3 (*Introduction to Yulan Bonds*) of this Pricing Supplement.
DISTRIBUTION		
33	(i) If syndicated, names of Managers:	CLSA Limited China Minsheng Banking Corp., Ltd. Hong Kong Branch BOSC International Securities Limited China Construction Bank (Asia) Corporation Limited Agricultural Bank of China Limited Hong Kong Branch China CITIC Bank International Limited Industrial and Commercial Bank of China (Asia) Limited The Hongkong and Shanghai Banking Corporation Limited China Zheshang Bank Co., Ltd. (Hong Kong Branch) Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch Bank of China Limited Industrial Bank Co., Ltd. Hong Kong Branch CMBC Securities Company Limited Bank of Communications Co., Ltd. Hong Kong Branch CNCB (Hong Kong) Capital Limited (collectively, the "**Managers**")
	(ii) Stabilisation Manager(s) (if any):	Any one of the Managers (other than China CITIC Bank International Limited) appointed and acting in its capacity as stabilisation manager
34	If non-syndicated, name of relevant Dealer:	Not Applicable
35	U.S. Selling Restrictions:	Reg. S Category 2 TEFRA not applicable
36	Additional selling restrictions:	Not Applicable
OPERATIONAL INFORMATION		
37	Any clearing system(s) other than Euroclear or Clearstream or the CMU and the relevant identification number(s):	See Schedule 4 (*Clearance and Settlement*) of this Pricing Supplement for further information. The section of the Offering Circular entitled "*Summary of Provisions relating to the Notes while in Global Form*" does not apply to the Notes.
38	Delivery:	Delivery against payment

39	Additional Paying Agent(s) (if any):	China CITIC Bank International Limited acts as the Fiscal Agent and the Paying Agent of the Notes. For the avoidance of doubt, Citicorp International Limited (which is the trustee for the Programme), Citibank, N.A., London Branch (which is the issuing and paying agent and where appointed, calculation agent for the Programme) and Citicorp International Limited (which is the CMU lodging and paying agent, CMU transfer agent, and where appointed, calculation agent for the Programme) is not involved in this issuance of the Notes.
40	(i) ISIN:	CND1000BK8S9
	(ii) Common Code:	355497232

GENERAL

41	The aggregate nominal amount of Notes issued has been translated into U.S. dollars at the rate of CNY6.6702 = U.S.$1.00, producing a sum of (for Notes not denominated in U.S. dollars):	Approximately U.S.$299,841,084.23
42	Rating:	The Notes to be issued have been rated A- by Fitch Ratings Ltd.
43	Private Bank Rebate/Commission:	Not Applicable

HONG KONG SFC CODE OF CONDUCT

44	Contact email addresses of the Overall Coordinator(s) where underlying investor information in relation to omnibus orders should be sent:	projectharbor2026@clsa.com
45	Marketing and Investor Targeting Strategy:	As set out in the Offering Circular

STABILISATION

In connection with the issue of the Notes, one or more of the Managers named as Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in this Pricing Supplement provided that China CITIC Bank International Limited shall not be appointed or acting as the Stabilisation Manager may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

LISTING APPLICATION

This Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$7,000,000,000 Guaranteed Medium Term Note Programme of CSI MTN Limited.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that any Note is exchanged in definitive form. In addition, in the event that any Note is exchanged in definitive form, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Notes in definitive form, including details of the paying agent in Singapore, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes will be traded on the SGX-ST in a minimum board lot size of not less than S$200,000 (or its equivalent in other currencies).

MATERIAL ADVERSE CHANGE STATEMENT

There has been no material adverse change in the financial position or prospects of the Issuer, of the Guarantor or of the Group since 31 December 2025.

RECENT DEVELOPMENT

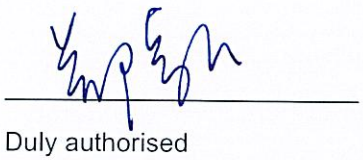
In August 2026, CITIC Securities Company Limited injected approximately HK$11,618.9 million into the Guarantor, resulting in the fully paid capital of HK$23,134.9 million and U.S.$276.7 million of the Guarantor.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

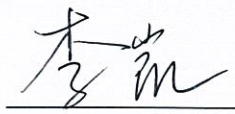
CSI MTN LIMITED

By: 

Duly authorised

Signed on behalf of the Guarantor:

CITIC SECURITIES INTERNATIONAL COMPANY LIMITED 中信證券國際有限公司

By: 

Duly authorised

SCHEDULE 1
TERMS AND CONDITIONS OF THE NOTES

TERMS AND CONDITIONS OF THE NOTES

In respect of the Notes only, the section entitled "Terms and Conditions of the Notes" in the Offering Circular shall be deleted in its entirety and replaced by the following:

*The following is the text of the terms and conditions that subject to completion and amendment and as supplemented or varied in accordance with the provisions of the pricing supplement dated 28 October 2026 (the "**Pricing Supplement**"), shall be applicable to the Notes only. References in these Conditions to "Notes" are to this series of Notes only, not to any other notes that may be issued under the Programme.*

The Notes are issued by CSI MTN Limited (the "**Issuer**") and guaranteed by CITIC Securities International Company Limited 中信證券國際有限公司(the "**Guarantor**") under the U.S.$7,000,000,000 Guaranteed Medium Term Note Programme (the "**Programme**"), and are constituted by a deed of covenant dated 4 November 2026 (the "**Issue Date**") (as amended, restated and/or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer. A fiscal agency agreement dated the Issue Date (as amended, restated and/or supplemented from time to time, the "**Fiscal Agency Agreement**") has been entered into in relation to the Notes between the Issuer, the Guarantor, China CITIC Bank International Limited as fiscal agent and paying agent (the "**Fiscal Agent**" and the "**Paying Agent**", which expression, where the context so admits, includes any successor fiscal agent or successor paying agent (as the case may be) appointed from time to time in connection with the Notes). The Notes will have the benefit of a deed of guarantee dated 4 November 2026 (as amended, restated and/or supplemented from time to time, the "**Deed of Guarantee**") entered into by the Guarantor.

A services agreement to be dated on or before the Issue Date (as amended, restated or supplemented from time to time, the "**Services Agreement**") has been entered into in relation to the Notes between the Issuer and Shanghai Clearing House (银行间市场清算所股份有限公司) ("**SHCH**") as registrar as described in the Services Agreement (the "**Registrar**", which expression, where the context so admits, includes any successor registrar appointed from time to time in connection with the Notes). The Services Agreement is written in Chinese only and is governed by PRC laws. In these terms and conditions (these "**Conditions**") references to the "**Agents**" are to the Fiscal Agent, the Paying Agents and the Registrar and any reference to an "**Agent**" is to any one of them.

So long as any Note is outstanding (as defined in the Fiscal Agency Agreement), copies of the Fiscal Agency Agreement, the Services Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection by Noteholders at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m., Hong Kong time, Monday to Friday other than public holidays) at the specified office of the Paying Agent or the Fiscal Agent, upon prior written request and proof of holding and identity satisfactory to the relevant Paying Agent or the Fiscal Agent (as the case may be).

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed of Covenant and the Deed of Guarantee and are deemed to have notice of those provisions applicable to them of the Fiscal Agency Agreement and the Services Agreement. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Deed of Covenant, the Deed of Guarantee, the Fiscal Agency Agreement and the Services Agreement.

For the avoidance of doubt, (i) the amended and restated trust deed dated 31 July 2026 entered into between the Issuer, the Guarantor and Citicorp International Limited as trustee (the "**Trustee**"), and (ii) the amended and restated agency agreement dated 31 July 2026 entered into between the Issuer, the Guarantor, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent and the other agents named therein, in each case in relation to the Programme, do not apply to the Notes.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Pricing Supplement or the Fiscal Agency Agreement.

1 Form, Denomination and Title

The Notes are issued in the Specified Denomination as specified in the Pricing Supplement in dematerialised registered form by inscription in a register (the "**Register**") maintained by the Registrar, with Euroclear Bank SA/NV ("**Euroclear**") initially being entered in the Register as the sole registered holder. No certificate or other evidence of title, other than the Deed of Covenant, will be issued by, or on behalf of, the Issuer to evidence title to a Note unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation. The Notes are debt obligations of the Issuer owing under the Deed of Covenant.

When the Notes are held in an account with the Relevant Clearing System and an accountholder in whose name an interest in the Notes is entered on the books and records of the Relevant Clearing System, the amount of interest in the Notes as shown in the books and records of the Relevant Clearing System held by such accountholder shall represent the entire holding of interest in the Notes of that accountholder.

In these Conditions:

"**Noteholder**" or, in respect of any Note, "**holder**" means the person whose name appears in the account of the relevant accountholder as being entitled to such Note; and

"**Relevant Clearing System**" means Euroclear and/or any other alternative clearing system or systems designated pursuant to a cooperation agreement entered into between Euroclear and SHCH.

2 Transfers of Notes

(a) **Transfers of Notes**: Transfers of interests in the Notes which are held in an account with the Relevant Clearing System, in collaboration with SHCH, will be effected in accordance with the rules of the Relevant Clearing System in effect from time to time, and any transferee acquiring such interests in the Notes will be required to have and maintain an account with the Relevant Clearing System. Noteholders may not require transfers to be effected on the PRC Payment Business Day (as defined in Condition 7(a)) prior to (i) the due date for any payment of principal or interest in respect of the Notes, or (ii) any date on which the Notes have been called for redemption by the Issuer pursuant to Condition 6(b), or (iii) any date on which the relevant Notes have been put for redemption by the Noteholders pursuant to Condition 6(c).

(b) **Transfers Free of Charge**: Transfers of Notes shall be effected without charge by or on behalf of the Issuer or the Registrar, but upon (i) payment by the relevant Noteholder of any tax, duty or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar may require); and (ii) the Registrar being satisfied in its absolute discretion with the documents of title or identity of the person making the application.

3 Guarantee and Status

(a) **Status of Notes**: The Notes constitute direct, unsubordinated, unconditional and (subject to Condition 4(b)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(b), at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.

(b) **Guarantee**: The Guarantor will, in respect of the Notes pursuant to the Deed of Guarantee, unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Notes and the Deed of Covenant (the "**Guarantee**"). The payment

obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Condition 4(b), at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

4 Negative Pledge and Other Covenants

(a) Limitations on the Issuer

So long as any Note remains outstanding (as defined in the Fiscal Agency Agreement), the Issuer undertakes not to, and the Guarantor undertakes to cause the Issuer not to, conduct any business or any activities other than:

(i) (A) the establishment and the maintenance of the Programme, (B) the issue of the Notes or other bonds or notes which are, or are capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) outside the People's Republic of China (for the purposes hereof, not including the Hong Kong and Macau Special Administrative Regions or Taiwan) (the "**PRC**") (without regard, however, to whether or not such instruments are sold through public offerings or private placements) and the on-lending of the proceeds thereof to the Guarantor or any of the Guarantor's Subsidiaries and affiliates and any other activities reasonably incidental thereto as necessary in connection therewith (which shall for the avoidance of doubt include creating or permitting to exist any Security subject to Condition 4(b)(i) below), (C) the incurrence of indebtedness otherwise than under the Programme (whether by way of secured or unsecured loans, credit facilities or otherwise) and the on-lending of the amounts borrowed therefrom to the Guarantor or any of the Guarantor's Subsidiaries and affiliates and any other activities reasonably incidental thereto as necessary in connection therewith and (D) the activities directly related to the establishment and/or maintenance of the Issuer's corporate existence (the activities described in this Condition 4(a)(i), the "**Permitted Activities**"); and

(ii) to establish or to allow to exist any Subsidiary of the Issuer which conducts any of the Permitted Activities set out in sub-paragraph (i) above.

(b) Negative Pledge

So long as any Note remains outstanding,

(i) the Issuer shall not, and shall procure that none of its Subsidiaries will, create or permit to exist any Security upon any of its property or assets, now owned or hereafter acquired, to secure any Relevant Indebtedness outside the PRC or to secure any guarantee or indemnity in respect of such Relevant Indebtedness of any Person, without, in any such case, making effective provision whereby the Notes issued by the Issuer will be secured either (a) at least equally and rateably with such Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) or (b) by such other Security as may be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Noteholders; and

(ii) the Guarantor shall not, and shall procure that none of its Principal Subsidiaries (other than any Principal Subsidiary, the common shares of which are listed for trading on any recognised stock exchange, or any Subsidiary of such Principal Subsidiary) will, create or permit to exist any Security upon any of its property or assets, at any time, with a book value exceeding 7.5% of the Consolidated Total Assets in the aggregate, now owned or hereafter acquired, to secure any Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) outside the PRC of any Person

without, in any such case, making effective provision whereby the Notes issued by the Issuer will be secured either (a) at least equally and rateably with such Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) or (b) by such other Security as may be approved by an Extraordinary Resolution of the Noteholders.

(c) In these Conditions:

"**Consolidated Total Assets**" means, as of any date, the consolidated total assets less the sum of (i) cash held on behalf of customers and (ii) customers' refundable deposits of the Guarantor, each measured in accordance with the Hong Kong Financial Reporting Standards ("**HKFRS**") as of the balance sheet date of the most recent Guarantor Audited Financial Statements published by the Guarantor;

"**Guarantor Audited Financial Statements**" means the audited annual consolidated financial statements prepared in accordance with HKFRS (audited by an internationally recognised firm of independent accountants) of the Guarantor and its Subsidiaries;

a "**Person**" means any state-owned enterprise, individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company, government or any agency or political subdivision thereof or any other entity;

"**Relevant Indebtedness**" of any Person means any present or future indebtedness that is in the form of, or represented or evidenced by, any bonds, notes, debentures, debenture stocks, loan stock certificates or other securities, which are, or intended to be, quoted, listed or dealt in or traded on any stock exchange or over-the-counter market or other securities market and has a final maturity of one year or more from its date of incurrence or issuance;

"**Security**" means any mortgage, charge, pledge, lien or other security interest; and

"**Subsidiary**" of any Person means (a) any company or other business entity of which that Person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that Person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that Person.

5 Interest and other Calculations

(a) **Interest**: Each Note bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date specified in the Pricing Supplement. The amount of interest payable shall be determined in accordance with Condition 5(c).

(b) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined below).

(c) **Calculations**: The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the Pricing Supplement, and the Day Count Fraction for such Interest

Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula), provided however that as long as the Notes are held in an account with the Relevant Clearing System, the calculation of interest payable in respect of any Note for any Interest Accrual Period shall be made in respect of the total aggregate principal amount of the Notes. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(d) **Rounding**: For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up). For these purposes, "**unit**" means the lowest amount of such currency that is available as legal tender in the jurisdiction(s) of such currency.

(e) **Business Day Convention**: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Following Business Day Convention, such date shall be postponed to the next day that is a PRC Payment Business Day (as defined in Condition 7(a)), (B) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a PRC Payment Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding PRC Payment Business Day.

(f) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30.

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30.

(vii) if "**30E/360 (ISDA)**" is specified in the Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(viii) if "**Actual/Actual-ICMA**" is specified in the Pricing Supplement,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such in the Pricing Supplement or, if none is so specified, the Interest Payment Date(s).

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each

successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, unless otherwise specified in the Pricing Supplement, shall mean the Fixed Coupon Amount or Broken Amount specified in the Pricing Supplement as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the Pricing Supplement.

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified in the Pricing Supplement.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the Pricing Supplement.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the Pricing Supplement.

"**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made.

"**Specified Currency**" means the currency specified as such in the Pricing Supplement or, if none is specified, the currency in which the Notes are denominated.

6 Redemption, Purchase and Options

(a) **Final Redemption**: Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the Pricing Supplement at its Final Redemption Amount (which, unless otherwise provided in the Pricing Supplement, is its principal amount).

(b) **Redemption for Taxation Reasons**: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Noteholders (in accordance with Condition 13) and in writing to the Fiscal Agent (which such notice shall be irrevocable) at their Early Redemption Amount specified in the Pricing Supplement (which, unless otherwise provided in the Pricing Supplement, is its principal amount) together with interest accrued to (but excluding) the date fixed for redemption, if (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes

effective on or after the date on which agreement is reached to issue the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the giving of any Tax Redemption Notice pursuant to this Condition 6(b), the Issuer (or the Guarantor, as the case may be) shall deliver (or procure to be delivered) to the Fiscal Agent a certificate in English signed by an Authorised Signatory (as defined in the Fiscal Agency Agreement) of the Issuer (or of the Guarantor, as the case may be) stating that the circumstances referred to in (i) and (ii) above of this Condition 6(b) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and the Agents shall be entitled (but shall not be obliged) to accept and rely upon such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (i) and (ii) above of this Condition 6(b) without further enquiry and without liability to any Noteholder, in which event it shall be conclusive and binding on the Noteholders. The Agents shall be protected and shall be entitled (but shall not be obliged) to accept and conclusively rely upon (without further investigation or enquiry) and shall have no liability to any Noteholder, the Issuer, the Guarantor or any other person for so accepting and relying on any such certificate. All Notes in respect of which any notice of redemption is given under this Condition 6(b) shall be redeemed on the date specified in such notice in accordance with this Condition 6(b).

(a) **Redemption for Change of Control**: At any time following the occurrence of a Change of Control, the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Notes on the Put Settlement Date (as defined below) at 101 per cent. of the Early Redemption Amount (the "**Change of Control Redemption Amount**"), together in each case with accrued interest to (but excluding), such Put Settlement Date. To exercise such right, the holder of the relevant Note must deposit at the specified office of the Fiscal Agent a duly completed and signed notice of redemption, substantially in the form set out in the Fiscal Agency Agreement (a "**Put Exercise Notice**"), by not later than 30 days following the occurrence of a Change of Control or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 13.

The "**Put Settlement Date**" shall be the 14th day after the expiry of such period of 30 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes which are the subject of the Put Exercise Notice delivered as aforesaid on the Put Settlement Date.

The Issuer (failing whom the Guarantor) shall give notice to the Noteholders (in accordance with Condition 13) and to the Fiscal Agent in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 6(a).

None of the Agents shall be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to the occurrence of a Change of Control has occurred or may occur and each of them shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer and none of them shall be liable to the Issuer, the Guarantor, the Company, any Noteholders or any other person for not doing so.

For the purposes of these Conditions, a "**Change of Control**" means the occurrence of one or more of the following events:

(i) the Guarantor ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer; or

(ii) CITIC Securities Company Limited (the "**Company**") ceases to directly or indirectly hold or own 50 per cent. of the issued share capital of the Guarantor;

(b) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (in accordance with Condition 13) and in writing to the Fiscal Agent (or such other notice period as may be specified in the Pricing Supplement) redeem all or, if so provided, some of the Notes on any Optional Redemption Date specified in the Pricing Supplement. Any such redemption of Notes shall be at their Optional Redemption Amount specified in the Pricing Supplement (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to (but excluding) the date fixed for redemption, if applicable. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount (as specified in the Pricing Supplement) to be redeemed specified hereon and no greater than the Maximum Redemption Amount (as specified in the Pricing Supplement) to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption the notice to Noteholders shall specify the nominal amount of Notes drawn and the holder(s) of such Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Fiscal Agent, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(c) **Notices of Redemption**: All Notes in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date specified in such notice in accordance with this Condition 6. If there is more than one notice of redemption given in respect of any Note, the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.

(d) **Purchases**: The Issuer, the Guarantor and their respective Subsidiaries may at any time purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for certain purposes, including for the purpose of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10 and 11(a).

(e) **Cancellation**: All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be held, reissued, resold or surrendered for cancellation and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

7 Payments

(a) **Payments in respect of the Notes**: All payments in respect of the Notes will be made by the Fiscal Agent on behalf of the Issuer in the Specified Currency by transfer to an account

denominated in that currency and maintained with a bank in the principal financial centre of the country of the Specified Currency.

Notwithstanding the above, so long as the Notes are held in an account with the Relevant Clearing System, the Relevant Clearing System will then make each payment to the persons shown as the accountholders in the books and records of the Relevant Clearing System at the close of business of the Relevant Clearing System on the PRC Payment Business Day before the due date for such payments or otherwise in accordance with the rules of the Relevant Clearing System in effect from time to time, where "**PRC Payment Business Day**" means a day (other than a Saturday, Sunday or public holiday) upon which commercial banks are open for general business (including dealings in foreign currencies) in Beijing. Each payment to the Relevant Clearing System in accordance with these Conditions shall discharge the Issuer's payment obligations under the Notes.

(b) **Payments subject to Fiscal Laws**: All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives applicable thereto in the place of payment without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law, regulation or official guidance implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) **Appointment of Agents**: The Fiscal Agent, the Paying Agents and the Registrar initially appointed by the Issuer and the Guarantor and their respective specified offices are listed in the Deed of Covenant. The Fiscal Agent, the Paying Agents and the Registrar act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, the Paying Agents and/or the Registrar, which notice shall expire at least 30 days before or after any due date for payment in respect of the Notes, and to appoint additional or other paying agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar, (iii) a Paying Agent, and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed.

Notice of any such change, termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Noteholders in accordance with Condition 13.

(d) **Non-Business Days**: If any date for payment in respect of any Note is not a PRC Payment Business Day, the holder shall not be entitled to payment until the next following PRC Payment Business Day nor to any interest or other sum in respect of such postponed payment.

8 Taxation

All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes or under the Guarantee, shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction (as defined below) or, in each case any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If any Tax Jurisdiction deduction or withholding is required in respect of the Notes or under the Guarantee, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts ("**Additional Tax Amounts**"), so that the net amount received by the Noteholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required, except that no such Additional Tax Amounts shall be payable in respect of any Note (or the Guarantee, as the case may be) held by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of the Note.

As used in these Conditions, "**Tax Jurisdiction**" means the British Virgin Islands or Hong Kong.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Deed of Covenant.

For the avoidance of doubt, none of the Agents shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for (A) determining whether the Issuer, the Guarantor or any Noteholder is liable to pay any taxes, duty, charges, withholding or other payment referred to in this Condition 8; or (B) determining the sufficiency or insufficiency of any amounts so paid. None of the Agents shall be responsible or liable for any failure by the Issuer, the Guarantor, any Noteholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal or premium (if any)) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If an Event of Default (as defined below) occurs and is continuing, any Note may, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the specified office of the Fiscal Agent by holders of at least 25 per cent. in nominal amount of the Notes then outstanding, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together (if applicable) with accrued interest without further action or formality. Notice of any such declaration shall promptly be given by the Issuer to the Noteholders.

An "**Event of Default**" occurs if:

(a) **Non-Payment:** there has been a failure to pay the principal (which for the avoidance of doubt does not include premium for the purposes of this Condition 10(a)), premium (if any) or interest on any of the Notes when due and such failure continues for a period of seven days (in the case of principal) or 14 days (in the case of premium or interest); or

(b) **Breach of Other Obligations:** the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Deed of Covenant or the Deed of Guarantee and such default (i) is incapable of remedy or (ii) is capable of remedy and remains unremedied for 60 days after a Noteholder has given written notice thereof to the Issuer or the Guarantor, as the case may be; or

(c) **Cross-Acceleration:**

(i) any Indebtedness of the Issuer, the Guarantor or any of their respective Principal Subsidiaries is not paid when due or (as the case may be) within any applicable grace period;

(ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Principal Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or

(iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries fails to pay when due any amount payable by it under any guarantee of any Indebtedness;

provided that (x) the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds U.S.$100,000,000 (or its equivalent in any other currency or currencies) and (y) such Indebtedness (other than any such Indebtedness of the Issuer) has an original maturity of more than 365 days; or

(d) **Unsatisfied Judgement:** one or more judgement(s) or order(s) for the payment of an aggregate amount in excess of U.S.$100,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, the Guarantor or any of their respective Principal Subsidiaries and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) **Security Enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any material part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Principal Subsidiary where the aggregate value of such material part of the undertaking, assets or revenues exceeds U.S.$100,000,000 and such action is not discharged within 60 days after the date thereof; or

(f) **Insolvency:** (i) the Issuer, the Guarantor or any Principal Subsidiary becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any Principal Subsidiary or the whole or any material part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Principal Subsidiary where the aggregate value of such material part of the undertaking, assets or revenues exceeds U.S.$100,000,000 is appointed (or application for any such appointment is made), (iii) the Issuer, the Guarantor or any Principal Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of any Indebtedness given by it, or (iv) the Issuer, the Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or any substantial part of its business, except (A) in the case of any Principal Subsidiary, where the cessation is for the purpose of and followed by a solvent winding up, dissolution, reconstruction, amalgamation, merger or consolidation whereby the business, undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor, and/or another Subsidiary, or (B) on terms approved by an Extraordinary Resolution of the Noteholders; or

(g) **Winding-up etc.:** an order by any court of competent jurisdiction or other authority is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any Principal Subsidiary, except (i) in the case of any Principal Subsidiary, for the purpose of and followed by a solvent winding up, dissolution, reconstruction, merger or consolidation whereby the business, undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor and/or another Subsidiary or (ii) on terms approved by an Extraordinary Resolution of the Noteholders; or

(h) **Analogous Events:** any event occurs which under the laws of the British Virgin Islands, Hong Kong or the PRC has an analogous effect to any of the events referred to in paragraphs (d) (Unsatisfied judgement) to (g) (Winding-up etc.) above; or

(i) **Failure to Take Action, etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, the Deed of Covenant, the Deed of Guarantee or the Fiscal Agency Agreement, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Deed of Covenant, the Deed of Guarantee or the Fiscal Agency Agreement admissible in evidence in the courts of England is not taken, fulfilled or done; or

(j) **Unlawfulness:** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Deed of Covenant, the Deed of Guarantee or the Fiscal Agency Agreement; or

(k) **Unenforceability of Guarantee:** except as permitted under the Deed of Guarantee, any part of the Guarantee is unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by the Issuer or the Guarantor.

In these Conditions:

"**Principal Subsidiary**" means a principal subsidiary of the Guarantor as set out in its most recent Guarantor Audited Financial Statements.

"**guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

(a) any obligation to purchase such Indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(c) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(d) any other agreement to be responsible for such Indebtedness;

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) **Meetings of Noteholders**: The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Fiscal Agency Agreement, the Services Agreement, the Deed of Covenant or the Deed of Guarantee. Such a meeting may be convened by the Issuer or the Guarantor or in writing by Noteholders holding not less than 15 per cent. in aggregate principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Final Redemption Amount or Early Redemption Amount in respect of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, Change of Control Redemption Amount or the Optional Redemption Amount, (v) to vary the currency or currencies of payment or denomination of the Notes, (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (vii) to modify or cancel the Deed of Guarantee otherwise than in accordance with Condition 11(b), in which case the necessary quorum will be two or more persons holding or representing not less than two-thirds or at any adjourned meeting not less than one-quarter in aggregate principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Fiscal Agency Agreement provides that a resolution (x) in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate principal amount of the Notes for the time being outstanding, or (y) passed by Electronic Consent (as defined in the Fiscal Agency Agreement), if permitted by the rules and procedures of the Relevant Clearing System and SHCH, shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) **Modification and Waiver**: The Notes, these Conditions, the Deed of Covenant, the Deed of Guarantee and the Fiscal Agency Agreement may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or is to correct a manifest error or to comply with any mandatory provision

of applicable law or if to do so could not reasonably be expected to be materially prejudicial to the interests of the Noteholders. Any such modification shall be binding on the Noteholders, and shall be notified by the Issuer, failing whom, the Guarantor, to the Noteholders and the Fiscal Agent as soon as practicable thereafter. In the absence of express notice to the contrary, the Fiscal Agent is entitled to assume that there is no such modification made and the Fiscal Agent shall be under no obligation to check or verify the accuracy and correctness of any information provided to it by or monitor any performance (financial or otherwise) of the Issuer, the Guarantor or any other person under the Notes, the Deed of Covenant, the Deed of Guarantee, the Fiscal Agency Agreement, the Services Agreement or any other agreement or document relating to the transactions herein or therein contemplated. The Fiscal Agent shall not be responsible to Noteholders for any loss or liability arising from any failure to do so.

(c) **Substitution**: The Deed of Covenant contains provisions permitting, subject to such amendment of the Deed of Covenant and such other conditions as required pursuant to the Deed of Covenant, but without the consent of the Noteholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business in place of the Issuer or of any previous substituted company, as principal debtor under the Deed of Covenant and the Notes. In the case of such a substitution, the Issuer may (but shall not be obliged to) agree, without the consent of the Noteholders, to a change of the law governing the Notes and the Deed of Covenant provided that such change would not in the opinion of the Issuer be materially prejudicial to the interests of the Noteholders. The Deed of Guarantee contains provisions permitting, subject to such amendment of the Deed of Guarantee and such other conditions as required pursuant to the Deed of Guarantee, but without the consent of the Noteholders, to the substitution of the Guarantor or its successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Guarantor or of any previous substituted company, as guarantor under the Deed of Guarantee and the Notes. In the case of such a substitution, the Guarantor may (but shall not be obliged to) agree, without the consent of the Noteholders, to a change of the law governing the Notes and the Deed of Guarantee provided that such change would not in the opinion of the Guarantor be materially prejudicial to the interests of the Noteholders.

12 Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, the issue price and the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any such other securities issued pursuant to this Condition 12 and consolidated and forming a single series with the Notes.

13 Notices

(a) If permitted by the rules and procedures of the Relevant Clearing System and SHCH, notices to the holders of the Notes may be given by delivery of the relevant notice to SHCH and SHCH will then deliver such notice to the Relevant Clearing System for communication by the Relevant Clearing System to entitled accountholders in substitution for publication as required by Condition 13(b). Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to the Relevant Clearing System.

(b) If not permitted by the rules and procedures of the Relevant Clearing System and SHCH, so long as the Notes are held in account with the Relevant Clearing System, notices to the holders of the Notes may be given by publication on the website of the relevant stock exchange or relevant

authority in respect of which the Notes are being listed or admitted to trading. Any such notice will be deemed to have been given on the date of the first publication.

14 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the Notes is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer, the Guarantor or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer and the Guarantor to the extent of the amount in the currency of payment under the Notes that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, the Issuer and the Guarantor jointly and severally shall indemnify it against any loss sustained by it as a result. In any event, the Issuer and the Guarantor jointly and severally shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 14, it shall be sufficient for the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the other obligations of the Issuer and the Guarantor, respectively, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue to be in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

15 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except to the extent expressly provided for in these Conditions and in the Deed of Covenant.

16 Governing Law and Jurisdiction

(a) **Governing Law**: The Notes, the Deed of Covenant, the Deed of Guarantee and the Fiscal Agency Agreement and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction**: The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Deed of Covenant, the Deed of Guarantee and the Fiscal Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Deed of Covenant, the Deed of Guarantee and the Fiscal Agency Agreement ("**Proceedings**") shall be brought in the courts of Hong Kong. Each of the Issuer, the Guarantor and the Fiscal Agent irrevocably submits to the exclusive jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) **Agent for Service of Process**: The Issuer has irrevocably agreed to receive service of process at the Guarantor's place of business in Hong Kong from time to time, currently at 26th Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong in any Proceedings in Hong Kong.

(d) **Waiver of Immunity:** Each of the Issuer and the Guarantor hereby waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence whether in the Hong Kong courts or in any other courts or tribunals where a judgement or award may be

enforced, agrees not to plead or claim any such immunity in any Proceedings or arbitration, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgement made or given in connection with any Proceedings or arbitration and/or any pre-judgement interim relief or post execution judgement.

SCHEDULE 2
ADDITIONAL RISK FACTORS

This section describes certain selected risk factors relating to the Notes. Please also see "Risk Factors" in the Offering Circular for a complete list of risk factors relating to the Notes.

New Yulan bond initiative provided by SHCH and Euroclear

Investors should be aware of that the Notes are Yulan bonds to be issued pursuant to the initiative established by SHCH and Euroclear in December 2020, and that there have been limited instances in the past where Yulan bonds have been issued. In particular, the Notes differ in certain respects from typical Eurobonds, as the issue, registration, transfer, settlement and clearing, and payment under the Notes are subject to the procedures of SHCH and Euroclear. Prospective investors should consult their own independent advisers and make their own assessment of any potential risks before making any investment decision with the Notes. Please refer to other Schedules in this Pricing Supplement for additional disclosure relating to the Notes as Yulan bonds.

The requirement to provide LEI Code

It is a mandatory requirement of the Yulan bond initiative that each accountholder of Euroclear who holds an interest in the Notes to provide the Legal Entity Identifier ("**LEI**") code(s) of such accountholder (if such accountholder is also the underlying investor) or the underlying investor(s) (to the extent the relevant investor is a legal entity whereas a LEI code is applicable to it) who holds a beneficial interest in the Notes through such accountholder, to Euroclear in order to purchase the Notes. Similarly, subsequent transfers of the Notes can only be made to holders with accounts (either by themselves or through their custodians) registered with Euroclear, and who provide their respective LEI codes (to the extent the relevant holder is a legal entity whereas a LEI code is applicable to it). None of the Issuer, the Guarantor or the Managers shall be responsible for filling out any investor disclosure certificate or submitting any investor's LEI code on its behalf to Euroclear.

Additionally, there is no bridge settlement between Euroclear and other clearing systems in respect of the Notes. For example, an investor holding an interest in the Notes through an account with the CMU Service in respect of the Notes held in Euroclear will hold that interest through the account which the CMU has with Euroclear. Therefore, the number of potential transferees is limited. As such, the liquidity and tradability of the Notes may be limited.

Notes in dematerialised form with no definitive certificates

The Notes will be initially issued in dematerialised form and a holder of a beneficial interest in the Notes must rely on the arrangement between SHCH and Euroclear in which the records relating to its beneficial interests in the Notes will be maintained. No certificate or other evidence of title, other than the Deed of Covenant, will be issued by, or on behalf of, the Issuer to evidence title to a Note unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation. No successor to Euroclear has been specified under the cooperation agreement between Euroclear and SHCH, as such investors have no certainty as to which successor clearing system will hold the Notes in the event that Euroclear terminates the cooperation agreement. In the event of closure of Euroclear or SHCH, an investor may not be able to obtain a record of its holding of the Notes, which could cause a delay or make it impossible for the Issuer or the Guarantor to make payment to the relevant investor.

Holders of beneficial interest in the Notes must rely on the procedures and cooperation agreement between Euroclear and SHCH

Prospective investors and accountholders of Euroclear who hold a beneficial interest in the Notes must rely on the procedures of Euroclear and SHCH with respect to the issue, registration, transfer, settlement, clearing of and payment under the Notes, and the enforcement of the Noteholders' rights against the Issuer and/or the Guarantor. Investors will acquire direct rights against the Issuer in limited circumstances specified in the Deed of Covenant and against the Guarantor as set out in the Deed of Guarantee. Each accountholder of Euroclear who hold an

interest in the Notes must rely on the arrangement between SHCH and Euroclear for the records relating to beneficial interests in the Notes. The number of potential holders of the Notes could be limited and there can be no assurance that the liquidity of the Notes would not be affected.

As at the date of this Pricing Supplement, the rules and operational procedures of Yulan bonds are still under development, and there are limitations on certain aspects such as collection of instructions from the accountholders and investors. Please also see "*Notices and provisions relating to meetings of Noteholders*" below. Before investing in the Notes, prospective investors should understand thoroughly (either alone or with the help of their advisers) all the potential risks of holding the Notes.

Notices and provisions relating to meetings of Noteholders

The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of the Terms and Conditions of the Notes. Any such modification may be made if sanctioned by the passing of certain resolutions by Noteholders.

Procedures for the accountholders to give any instructions for the purposes of any meeting of Noteholders or any resolutions to be voted by Noteholders will be subject to the rules of Euroclear in effect from time to time. As at the date of this Pricing Supplement, the infrastructure to facilitate the procedures relating to provision of information to Noteholders via Euroclear and *vice versa* under the Yulan bond initiative is not yet available. Prior to such procedures being made available, any notices to the Noteholders shall be given by publication on the website of the relevant stock exchange or relevant authority in respect of which the Notes are being listed or admitted to trading.

There are potential PRC tax consequences for investors in relation to the Notes

There is no rule or regulation publicly known and currently effective in the PRC which sets out the PRC stamp duty implications of the issuance, sale or transfer of bonds, notes or other securities in the PRC. Currently, no PRC stamp duty is imposed on the issuance, sale or transfer of bonds, notes or other securities issued by the Issuer in China. As at the date of this Pricing Supplement, the issuance or sale or transfer of the Notes in the PRC is not subject to any PRC stamp duty. The Notes are to be issued within the quota of foreign debt dated 8 March 2026 granted by the NDRC pursuant to the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第 56 號) issued by the NDRC and which came into effect on 10 February 2023 and will be governed by English law. However, there can be no assurance as to whether the PRC tax authorities will interpret that the Notes are entered into, received, issued or delivered in the PRC purely because SHCH is the registrar of the Notes. In addition, there can be no assurance as to whether the PRC tax authorities will promulgate rules or regulations with respect to PRC stamp duty in the future. Therefore, if the PRC tax authorities interpret that the Notes are entered into, received, issued or delivered in the PRC and they promulgate rules or regulations with respect to stamp duty in the future, there can be no assurance that the stamp duty would not be imposed on the transfer of the Notes and uncertainty remains as to what the tax rate would be at that time.

Before investing in the Notes, each prospective investor should understand thoroughly (either alone or with the help of its own tax adviser) the possible PRC tax consequences of buying, holding or selling any Notes and the procedures for paying relevant taxes.

SCHEDULE 3
INTRODUCTION TO YULAN BONDS

The following summary describes certain key features of Yulan bonds. *In considering whether to invest in the Notes, which will be Yulan bonds to be issued pursuant to the initiative established by SHCH and Euroclear in December 2020, prospective investors should consider all the information in this Pricing Supplement, including but not limited to the risks and uncertainties described in the Offering Circular and this Pricing Supplement. In particular, there are certain key differences between Yulan bonds and eurobonds including procedures and requirements of SHCH and Euroclear which are unique to Yulan bonds, some of which are described in this Schedule. Prospective investors should consult their own independent advisers and make their own assessment of any potential risks in making any investment decision with the Notes.*

Yulan bonds

Yulan bonds (including the Notes) are issued pursuant to an initiative established by SHCH and Euroclear in December 2020 and through which are issued, registered, settled and cleared. Yulan bonds are offshore bonds denominated in U.S. dollars, euro or other currencies issued by PRC incorporated entities (including offshore entities or branches under their control) pursuant to the cooperation between SHCH and Euroclear.

Provision of LEI code

In order to be an eligible investor for the Notes, an investor needs to have an account registered with Euroclear or participate indirectly through a custodian who has an account registered with Euroclear and such accountholder of Euroclear who holds an interest in the Notes is required to submit an investor disclosure certificate indicating the LEI code(s) of itself (if such accountholder is also the underlying investor) or the underlying investor(s) (to the extent the relevant investor is a legal entity whereas a LEI code is applicable to it) who holds a beneficial interest in the Notes through such accountholder, to Euroclear pursuant to the requirement of the Yulan bond initiative in order to subscribe for any Notes. For further details, see Schedule 4 (*Clearing and Settlement*) of this Pricing Supplement. Investors who have an existing Euroclear account may obtain the form of such investor disclosure certificate directly from Euroclear. For prospective investors who are not registered with Euroclear, they may participate in the purchase of the Notes via a custodian who has an account registered with Euroclear, and the relevant custodian may obtain the form of such investor disclosure certificate directly from Euroclear. None of the Issuer, the Guarantor or the Managers shall be responsible for filling out such investor disclosure certificate or submitting any investor's LEI code on its behalf to Euroclear.

Similarly, subsequent transfers of the Notes can only be made to holders with accounts (either by themselves or through their custodians) registered with Euroclear, and who provide their respective LEI codes (to the extent the relevant holder is a legal entity whereas a LEI code is applicable to it). Additionally, there is no bridge settlement between Euroclear and other clearing systems in respect of the Notes. For example, an investor holding an interest in the Notes through an account with the CMU Service in respect of the Notes held in Euroclear will hold that interest through the account which the CMU Service has with Euroclear.

Holders of beneficial interest in the Notes must rely on the procedures and cooperation agreement between Euroclear and SHCH

Prospective investors and accountholders of Euroclear who hold a beneficial interest in the Notes must rely on the procedures of Euroclear and SHCH with respect to the issue, registration, transfer, settlement, clearing of and payment under the Notes, and the enforcement of the Noteholders' rights against the Issuer and/or the Guarantor. Investors will acquire direct rights against the Issuer in limited circumstances specified in the Deed of Covenant, against the Guarantor as set out in the Deed of Guarantee.

Distributions of principal, premium (if any) or interest with respect to the Notes held through Euroclear will be credited to the accounts of Euroclear participants in accordance with its rules and procedures. Neither the Issuer

nor the Guarantor will be responsible or liable for the records relating to, or payments made in respect of, beneficial interests in the Notes held through the facilities of any clearing system.

The Notes will be issued in dematerialised form entered by inscription in a register maintained by SHCH, with Euroclear initially being entered in the register as the sole registered holder. Pursuant to the cooperation agreement entered into between Euroclear and SHCH (the "**Cooperation Agreement**"), if Euroclear notifies SHCH that the Cooperation Agreement is to be terminated, Euroclear has agreed to transfer the Notes to one or more participant(s) of SHCH (as the successor clearing platform) and, upon the instructions of Euroclear, SHCH will enter the name of such participant(s) as the registered holder(s) of the Notes. The Cooperation Agreement is a bilateral agreement between Euroclear and SHCH entered into pursuant to the abovementioned initiative and is not available to third parties for inspection. Unlike traditional eurobonds, the Notes will be issued in dematerialised form, and definitive certificates may not be issued in respect of the Notes if (i) Euroclear is closed for business for a prescribed period or announces an intention to permanently cease business, or (ii) any circumstances described in Condition 10 (*Events of Default*) occurs. In the circumstance described in (i), pursuant to the Cooperation Agreement, Euroclear has agreed that the Notes shall be transferred to one or more participant(s) of SHCH (as the successor clearing platform) by Euroclear and the registration of such successor clearing platform as the registered holder and a holder of a beneficial interest in the Notes must rely on such arrangement for the records relating to beneficial interests in the Notes. At the date of this Pricing Supplement, a named successor to Euroclear has not been specified under the Cooperation Agreement nor the Terms and Conditions of the Notes.

Notices and provisions relating to meetings of Noteholders

The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of the Terms and Conditions of the Notes. Any such modification may be made if sanctioned by the passing of certain resolutions by Noteholders. Procedures for the accountholders to give any instructions for the purposes of any meeting of Noteholders or any resolutions to be voted by Noteholders will be subject to the rules of Euroclear in effect from time to time. As at the date of this Pricing Supplement, the infrastructure to facilitate the procedures relating to provision of information to Noteholders via Euroclear and *vice versa* under the Yulan bond initiative is not yet available. Prior to such procedures being made available, any notices to the Noteholders shall be given by publication on the website of the relevant stock exchange or relevant authority in respect of which the Notes are being listed or admitted to trading.

SCHEDULE 4
CLEARANCE AND SETTLEMENT

The section entitled "Summary of Provisions relating to the Notes while in Global Form" in the Offering Circular shall be deleted in its entirely and replaced as follows:

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear (the "Clearing System"), in collaboration with SHCH, pursuant to the Yulan bond initiative, currently in effect. The information in this section concerning the Clearing System has been obtained from sources that the Issuer and the Guarantor believe to be reliable, but none of the Issuer, the Guarantor or any Manager takes any responsibility for the accuracy thereof and undue reliance should not be placed on any such information. Prospective investors should read and understand the prevailing rules and procedures of the relevant clearing systems before making any investment decision. Investors wishing to use the facilities of the Clearing System are advised to confirm the continued applicability of the rules, regulations and procedures of the Clearing System. None of the Issuer, the Guarantor, the Managers or any other party to the Fiscal Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial interests in the Notes held through the facilities of the Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Shanghai Clearing House

The following has been extracted from the company profile of SHCH (published on 29 May 2026) and the Issuer takes no responsibility or liability for the description of SHCH set out below.

Shanghai Clearing House ("**SHCH**"), established on November 28, 2009, is a landmark achievement of China's response to the international financial crisis in 2008, the fulfillment of reform commitments of the G20 Pittsburgh Summit, and the construction of Shanghai as an international financial center. As a systemically important financial infrastructure directly managed by the People's Bank of China, SHCH is the qualifying central conterparty of China's interbank market and the only CSD headquartered in Shanghai.

Based on regulatory expectations, market needs, and our own strengths, SHCH has established the condensed "1234" development strategy: Anchor the core goal of "building an independent, controllable, safe, and efficient financial infrastructure", adhere to the financial positioning of "serving the central bank's duties and serving the Shanghai International Financial Center", adhere to directions of "Internationalization, Specialization, Digitalization", and "more actively integrate into the world, more widely connect internal and external, more comprehensively improve service level, more controllably manage risks".

With continuous efforts, SHCH has initially established six major platforms: firstly, the world's main OTC FX Central Clearing platform; secondly, a globally leading platform for RMB asset allocation and risk management; thirdly, an important bond issuance and custody platform in China; fourthly, a multi-level bulk commodity clearing platform that precisely serves the real economy; fifthly, a broad cross-border connectivity platform; and sixthly, a distinctive international financial interaction platform.

Positioned as a financial infrastructure, SHCH has established three long-term goals based on thorough research and investigation: to become the primary central securities depository for overseas RMB bond assets, the leading central counterparty for overseas RMB financial product transactions, the main central clearing institution for China's OTC commodity transactions.

Euroclear

Euroclear holds securities for its customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between its account holders. Euroclear provides various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear also deals with domestic securities markets in several countries through established depository and custodial relationships.

Euroclear's customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In order to be an eligible investor for the Notes, an investor needs to have an account registered with Euroclear or participate indirectly through a custodian who has an account registered with Euroclear.

In September 2018, the PBOC published Reply of the General Office of the People's Bank of China on Approving the Cooperation between Shanghai Clearing House and Euroclear Bank SA/NV to Facilitate the Issuance of USD Denominated Bonds by Issuers to International Investors (中国人民银行办公厅关于同意上海清算所与欧清银行合作为发行人面向国际投资者发行美元债券提供便利的批复), which was subsequently amended in August 2020 by the Reply of the General Office of the People's Bank of China on Approving the Cooperation between Shanghai Clearing House and Euroclear Bank SA/NV to Facilitate the Issuance of Bonds Denominated in All Currencies by Issuers to International Investors (人民银行办公厅关于同意上海清算所与欧清合作为境内机构面向国际投资者发行全币种境外债券提供相关服务的批复) (together, the "**PBOC Replies**"), authorising the issuance of Yulan bonds in dematerialised form entered in Euroclear, in collaboration with SHCH, to international investors. These PBOC replies remain in force as the foundational statutory authorisation for Yulan bonds. No subsequent formal PBOC regulatory document has amended or superseded them. Nevertheless, market implementation practices, operational procedures, the scope of eligible issuers, connectivity arrangements (including linkages with international securities depositories other than Euroclear), settlement workflows and corporate action protocols have been expanded and refined from time to time pursuant to operational guidance published by SHCH and its overseas counterparts. Investors should note that the practice of issuing, registering, settling and clearing of Notes in Euroclear, in collaboration with SHCH may be further altered and refined. The Notes will be Yulan bonds issued under the PBOC Replies and there are limited instances in the past where Yulan bonds have been issued for reference.

It is a mandatory requirement of the Yulan bond initiative that each accountholder of Euroclear who holds a beneficial interest in the Notes will be required to submit a one-off investor disclosure certificate – China (the "**RG 621 form**"), indicating the LEI code(s) of such accountholder (if such accountholder is also the underlying investor) or the underlying investor(s) (to the extent the relevant investor is a legal entity whereas a LEI code is applicable to it) who holds a beneficial interest in the Notes through such accountholder, together with a settlement instruction (which shall also include the relevant LEI code(s)) via EasyWay or SWIFT, to Euroclear in order to subscribe for any Notes. Each RG 621 form is to be submitted to Euroclear at least two or three Euroclear Business Days prior to the Issue Date. Each settlement instruction is to be submitted to Euroclear at least one Euroclear Business Day prior to the Issue Date. "**Euroclear Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January. Any investor who has an existing Euroclear account may obtain the RG 621 form from Euroclear's newsletter or the official website of Euroclear. For prospective investors who are not registered with Euroclear, they may participate in the purchase of the Notes via a custodian who has an account registered with Euroclear, and the relevant custodian may obtain the form of such investor disclosure certificate directly from Euroclear. None of the Issuer, the Guarantor or the Managers shall be responsible for filling out any RG 621 form or submitting any investor's LEI code on its behalf to Euroclear. In this paragraph, "**one-off**" means an investor or its custodian/agent who uses its Euroclear account to trade the Notes will not be required to re-fill or re-submit the RG 621 form once it has completed the RG 621 form.

Similarly, subsequent transfers of the Notes can only be made to holders with accounts (either by themselves or through their custodians) registered with Euroclear, and who provide their respective LEI codes (to the extent the relevant holder is a legal entity whereas a LEI code is applicable to it). Euroclear will reject a settlement instruction on the basis that (i) such settlement instruction contains no LEI code, or (ii) the LEI code in such settlement instruction is incorrectly formatted, or (iii) Euroclear is not able to identify such LEI code.

Additionally, there is no bridge settlement between Euroclear and other clearing systems in respect of the Notes. For prospective investors who are not registered with Euroclear, they may participate in the purchase of the Notes via a custodian/agent account with Euroclear who may be required to settle the relevant Notes on their behalf. If

any investor needs to place an order through its custodian/agent, its custodian/agent shall ensure that the requirements of Euroclear are met and, where such underlying investor is required to provide a settlement instruction to its custodian/agent, such custodian/agent shall be responsible for filling out the RG 621 form, indicating its LEI code and submitting it to Euroclear in order to purchase any Notes. The settlement instruction is subject to the mutual arrangement between such underlying investor and its custodian/agent.

For the avoidance of doubt, the RG 621 form is required to disclose the LEI code of each beneficial holder of the Notes (to the extent the relevant beneficial holder is a legal entity whereas a LEI code is applicable to it). Investors trading in principal and custodians trading on behalf of underlying investors for the first time, will need to submit such form to Euroclear on behalf of itself or the relevant underlying investors trading through custodians, respectively.

SCHEDULE 5
PRC TAXATION

The following should be incorporated in the section entitled "Taxation" in the Offering Circular:

PRC

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Noteholders in this "Taxation" section. In considering whether to invest in the Notes, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Pursuant to the Enterprise Income Tax Law ("**EIT Law**") and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose "de facto management body" are within the territory of China are treated as PRC tax resident enterprises for the purpose of the EIT Law and must pay PRC enterprise income tax at the rate of 25% in respect of their taxable income. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the territory of PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to PRC enterprise income tax at the rate of 25% on its taxable income. At the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law. However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future.

Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without an establishment within the PRC or whose income has no connection to its establishment inside the PRC must pay enterprise income tax on income sourced within the PRC, and such income tax must be withheld at source by the PRC payer acting as a withholding agent. Accordingly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer would be required to withhold income tax from the payments of interest or premium (if any) in respect of the Notes to any non-PRC Noteholder, and gain from the disposition of the Notes may be subject to PRC tax, if the income or gain is treated as PRC-source. The tax rate is generally 10% for non-resident enterprise Noteholders and 20% in the case of non-resident individuals. The Issuer has agreed to pay additional amounts to Noteholders, subject to certain exceptions, so that they would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Notes.

To the extent that the PRC has entered into arrangements relating to the avoidance of double income taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of PRC income taxes, such lower rate may apply to qualified non-PRC resident enterprise Noteholders or individual Noteholders. However, it is unclear whether in practice non-PRC Noteholders might be able to obtain the benefit of income tax treaties entered into between PRC and their countries. The Issuer or the Guarantor (as the case may be) has agreed to pay additional amounts to Non-PRC Noteholders, subject to certain exceptions, so that Non-PRC Noteholders would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Notes.

Under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) which was promulgated on 21 August 2006 (the "**Tax Arrangement**") for the purpose of the avoidance of double taxation and relevant interpretation of the Tax Arrangement formulated by the State Administration of Taxation of the PRC, the tax charged on PRC-source interest income paid on the Notes to non-resident Noteholders who or which are residents of Hong Kong (including enterprise holders and individual holders) as defined under the Tax Arrangement is generally 7 per cent. of the gross amount of the interest. According to the Tax Arrangement, Noteholders who are Hong Kong

residents, including both enterprise holders and individual holders, may be exempted from PRC income tax on capital gains derived from a sale or exchange of the Notes.

On 23 March 2016, the Ministry of Finance and the State Administration of Taxation jointly issued the Circular of Full Implementation of Business Tax to Value-Added Tax Reform (Cai Shui [2016] No. 36) (關於全面推開營業稅改徵增值稅試點的通知) (財稅[2016] 36 號), which introduced a new value-added tax ("**VAT**") from 1 May 2016. Subsequently, on 25 December 2024, the National People's Congress of the PRC issued the new Value-Added Tax Law of the People's Republic of China (the "**New VAT Law**"), which is effective on 1 January 2026. Pursuant to the New VAT Law, VAT is applicable where entities or individuals provide services within the PRC. The revenues generated from the taxable sale of services by entities and individuals, such as financial services, shall be subject to VAT if the seller of the services is located within the PRC or the services are consumed within the PRC (including services provided to entities or individuals located within the PRC by entities or individuals outside of the PRC). If the Issuer is deemed to be a PRC resident enterprise under the EIT Law, it may be obligated to withhold VAT at a rate of 6 per cent. on payments of interest and certain other amounts on the Notes paid by the Issuer to Noteholders that are located outside of the PRC.

Subject to certain exceptions, the Issuer and Guarantor will be required to pay additional amounts with respect to any such PRC withholding taxes. The request to pay additional amounts will increase the cost of servicing the Notes and will adversely impact the cash flows of the Issuer and the Guarantor. In addition, if any PRC tax is imposed on the disposition of the Notes, an investor's investment return would be materially and adversely affected.

Stamp Duty

Pursuant to the Stamp Duty Law of the People's Republic of China ("**Stamp Duty Law**") promulgated on 10 June 2021 and effective on 1 July 2022, any entity or individual which makes taxable documents and conduct securities transactions (referring to the transfer of the stocks and depository receipts based on stocks) within the territory of the People's Republic of China shall pay stamp duty. There is no rule or regulation publicly known and currently effective in the PRC which sets out the PRC stamp duty implications of the issuance, sale or transfer of bonds, notes or other securities in the PRC. Currently, no PRC stamp duty has imposed on the issuance, sale or transfer of bonds, notes or other securities issued by the Guarantor in China. As at the date of this Pricing Supplement, the issuance or sale or transfer of the Notes in the PRC is not subject to any PRC stamp duty. The Notes are to be issued under the foreign debt approval dated 8 March 2026 pursuant to the Administrative Measures for Examination and Registration of Medium and Long-term Foreign Debts of Enterprises (Decree No. 56 of the National Development and Reform Commission) (企业中长期外债审核登记管理办法(国家发展和改革委员会令第 56 号)) and will be governed by English law. However, there can be no assurance as to whether the PRC tax authorities will interpret that the Notes are entered into, received, issued or delivered in the PRC purely because SHCH is the registrar of the Notes. In addition, there can be no assurance as to whether the PRC tax authorities will promulgate rules or regulations with respect to PRC stamp duty in the future. Therefore, if the PRC tax authorities interpret that the Notes are entered into, received, issued or delivered in the PRC and they promulgate rules or regulations with respect to stamp duty in the future, there can be no assurance that the stamp duty would not be imposed on the transfer of the Notes and uncertainty remains as to what the tax rate would be at that time.

SCHEDULE 6
FORM OF DEED OF COVENANT

Dated 4 November 2026

CSI MTN LIMITED

as Issuer

DEED OF COVENANT

---

relating to

CNY2,000,000,000 1.80 per cent. notes due 2029 issued under

U.S.$7,000,000,000 Guaranteed Medium Term Note Programme

guaranteed by

CITIC SECURITIES INTERNATIONAL COMPANY LIMITED

中信證券國際有限公司

This Deed of Covenant is made on 4 November 2026 by **CSI MTN Limited** (the "**Issuer**") in favour of the Noteholders and the Relevant Account Holders (as defined below) from time to time.

Whereas:

(A) The Issuer has established a U.S.$7,000,000,000 guaranteed medium term note programme (the "**Programme**") in connection with which the Issuer and CITIC Securities International Company Limited 中信證券國際有限公司 (the "**Guarantor**") have entered into an amended and restated trust deed dated 31 July 2026 (the "**Original Trust Deed**"), and an amended and restated agency agreement dated 31 July 2026 (the "**Original Agency Agreement**"). The Original Trust Deed and the Original Agency Agreement do not apply to the Notes (as defined below).

(B) The Issuer has agreed to issue CNY2,000,000,000 1.80 per cent. notes due 2029 under the Programme (the "**Notes**" which expression shall include, unless the context otherwise requires, any further notes issued pursuant to Condition 12 (*Further Issues*) and forming a single series with the Notes).

(C) The Issuer and the Guarantor have entered into a fiscal agency agreement dated 4 November 2026 (as amended, restated or supplemented from time to time, the "**Fiscal Agency Agreement**") with China CITIC Bank International Limited as fiscal agent (the "**Fiscal Agent**", which expression, where the context so admits, includes any successor fiscal agent appointed from time to time in connection with the Notes) and other agents named therein in respect of the Notes only and not in respect of any other notes issued under the Programme.

(D) A services agreement dated on or before 4 November 2026 (as amended, restated and/or supplemented from time to time, the "**Services Agreement**") has been entered into in relation to the Notes between the Issuer and Shanghai Clearing House (银行间市场清算所股份有限公司) ("**SHCH**") as registrar (the "**Registrar**", which expression, where the context so admits, includes any successor registrar appointed from time to time in connection with the Notes) as described in the Services Agreement. The Services Agreement is written in Chinese only and is governed by the PRC laws.

(E) Euroclear Bank SA/NV ("**Euroclear**") and SHCH have entered into a cooperation agreement dated 8 December 2020 (as amended, restated and/or supplemented from time to time, the "**Cooperation Agreement**").

(F) The Notes will have the benefit of a deed of guarantee dated 4 November 2026 entered into by the Guarantor in relation to the Notes.

(G) The Issuer is a BVI business company with limited liability incorporated in the British Virgin Islands and is an indirect wholly owned subsidiary of the Guarantor as of the date hereof. The Guarantor is incorporated in Hong Kong with limited liability.

(H) The Notes will be issued in dematerialised form entered by inscription in a register maintained by SHCH (the "**Register**") with Euroclear initially being entered in the Register as the sole registered holder. No certificate or other evidence of title, other than this Deed, will be issued by, or on behalf of, the Issuer to evidence title to the Notes unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

(I) The Issuer wishes to make arrangements for the protection of the interests of Noteholders and Relevant Account Holders in the circumstances set out below.

This Deed witnesses as follows:

1 Interpretation

1.1 Defined Terms: In this Deed, unless the context otherwise requires:

"**Account Holder**" means a holder of a Securities Account;

"**Conditions**" means the terms and conditions of the Notes as set out in Schedule 1 to the Fiscal Agency Agreement as amended or supplemented by the pricing supplement dated 28 October 2026 and as amended or supplemented from time to time, with respect to any Notes held in an account with Euroclear, in collaboration with SHCH, by the rules and procedures of Euroclear and SHCH in effect from time to time and any reference to a particularly numbered Condition shall be construed accordingly;

An Entry "**corresponds**" with another Entry if (i) both Entries relate to the Notes, (ii) one of those Entries has been debited from the Securities Account of an Account Holder in connection with, and substantially at the same time as, the credit of the other Entry to the Securities Account of another Account Holder and (iii) the purpose of debiting the first Entry and crediting the second Entry was to transfer all rights relating to the debited Entry from the Account Holder to whose Securities Account it was debited to the other Account Holder to whose Securities Account the other Entry has been credited; and one Entry "**corresponds**" with another Entry if they both correspond with a third Entry, the term "**corresponding**" has meanings correlative to the foregoing;

"**Direct Rights**" means the rights referred to and defined in Clause 4.1;

"**Entry**" means an entry relating to a Note in a Securities Account of an Account Holder;

"**Original Account Holder**" means an Account Holder who has one or more Entries credited to his Securities Account on 4 November 2026;

"**PRC**" means the People's Republic of China, which shall for the purpose of this Deed only, exclude Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Relevant Account Holder**" means an Original Account Holder or a Subsequent Account Holder, as the case may be;

"**Relevant Clearing System**" means Euroclear and/or any other alternative clearing system or systems designated pursuant to the Cooperation Agreement;

"**Securities Account**" means any arrangement between SHCH and any other person (the "**holder of the Securities Account**") pursuant to which the Relevant Clearing System may acknowledge to the holder of the Securities Account that it holds securities, or rights in respect of securities, for the account or benefit of such holder and, in relation to a specific Entry, means the Securities Account to which such Entry is credited;

"**Subsequent Account Holder**" means an Account Holder who has had an Entry credited to his Securities Account in connection with the debit of a corresponding Entry in respect of which Direct Rights have arisen from the Securities Account of another Account Holder (a "**Previous Account Holder**"); and

"**Transfer Time**" means, in relation to any Subsequent Account Holder's Entry, the time at which such Entry is credited to his Securities Account.

1.2 **Headings:** Headings shall be ignored in construing this Deed.

1.3 **Contracts:** References in this Deed to this Deed or any other document are to this Deed or these documents as amended, supplemented or replaced from time to time in relation to the Notes and includes any document that amends, supplements or replaces them.

1.4 **Incorporation of terms:** Terms which are defined (or given a particular meaning) in the Conditions have the same meaning when used in this Deed unless the same term is also defined in this Deed, in which case the definition in this Deed prevails.

2 The Notes

2.1 Creation of Notes

2.1.1 The obligations of the Issuer under the Notes are constituted by, and owing under, this Deed.

2.1.2 The Notes will be issued in dematerialised form by inscription in the Register, with Euroclear initially being entered in the Register as the sole registered holder and will remain in such form unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

2.2 Undertaking to pay

The Issuer unconditionally and irrevocably undertakes with each holder of a Note issued by it:

2.2.1 to pay, in respect of that Note:

(i) principal, premium (if any) and any interest; and

(ii) any other amounts that may be payable,

each in accordance with the Conditions; and

2.2.2 otherwise to observe its obligations under, and to comply with, the Conditions.

3 Register

The Issuer undertakes that it shall procure the Registrar to establish and maintain the Register.

4 Direct Rights

4.1 **Acquisition of Direct Rights:** Each Relevant Account Holder shall automatically acquire at the Relevant Time for each of its Entries, without the need for any further action on behalf of any person, against the Issuer all those rights ("**Direct Rights**") which the Relevant Account Holder would have had if such Relevant Account Holder had been duly registered in the Register. The Issuer's obligations under this Clause shall be a separate and independent obligation by reference to each Note which each Relevant Account Holder has credited to its Securities Account with the Relevant Clearing System and the Issuer agrees that each Relevant Account Holder may assign its rights under this Deed in whole or in part. With respect to each Relevant Account Holder, "**Relevant Time**" is the time at which (i) Euroclear is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (ii) any of the circumstances described in Condition 10 (*Events of Default*) occurs.

4.2 **Termination of Direct Rights:** The Direct Rights of each Previous Account Holder in relation to any Entry shall terminate at the Transfer Time.

5 Records Conclusive

The records of the Relevant Clearing System shall, in the absence of manifest error, be conclusive evidence as to the identity of each Relevant Account Holder and each Entry in respect of which Direct Rights have arisen at the Relevant Time and the amount of any payment made in respect of any Entry. For the purposes of this Clause 5, one or more certificate(s) issued by the Relevant Clearing System stating the relevant information shall be conclusive evidence of the records of the Relevant Clearing System at the date of such certificate.

6 Title to Entries

6.1 **Each Relevant Account Holder Entitled to Enforce**: Any Relevant Account Holder is entitled severally to enforce its rights arising out of this Deed in respect of any Entry in which its own name is entered without using the name of or obtaining any authority from any predecessor in title.

6.2 **Payment to Relevant Account Holder Constituting Good Discharge:** Each Relevant Account Holder is entitled to receive payment of the amount due in respect of each of its Entries and of all other sums referable to its Direct Rights to the exclusion of any other person and payment in full by the Issuer to such Relevant Account Holder shall discharge the Issuer from all obligations in respect of each such Entry and such Direct Rights.

7 Counterparts of this Deed

This Deed may be executed in any number of counterparts, all of which when taken together shall constitute one and the same document. Executed originals of this Deed have been delivered to the Fiscal Agent and shall be held until all the obligations of the Issuer under this Deed have been discharged in full. The Issuer covenants with each Relevant Account Holder on demand to produce or procure that there is produced an executed original hereof to such Relevant Account Holder and to allow it to take copies thereof on demand at any reasonable time. Any Relevant Account Holder is entitled severally to, in any proceedings relating to this Deed, protect and enforce its rights arising out of this Deed in respect of any Entry to which it is entitled on the basis of the records of the Relevant Clearing System as provided in Clause 5 and a copy of this Deed without the need for production in such proceedings or in any court of the actual records or this Deed. This Clause shall not limit any right of any Relevant Account Holder to the production of the originals of such records or documents in evidence in accordance with the applicable laws, rules and regulations.

8 Amendment of this Deed

The Issuer may not amend, vary, terminate or suspend this Deed or its obligations hereunder unless such amendment, variation, termination or suspension is to correct a manifest error or shall have been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) to which the special quorum provisions specified in the Fiscal Agency Agreement apply, save that nothing in this Clause shall prevent the Issuer from increasing or extending its obligations under this Deed by way of supplement to it at any time.

9 Payments

9.1 **Payments Free of Taxes:** All payments by the Issuer under this Deed shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands or Hong Kong or, in each case, any political subdivision or authority therein or thereof having power to tax, subject to and in accordance with Condition 8 (*Taxation*) (with references therein to a "Noteholder" or "holder" being construed as a Noteholder or Relevant Account Holder, as the case may be).

9.2 **Stamp Duties:** The Issuer covenants to and agrees with the Noteholders and the Relevant Account Holders that the Issuer shall pay any stamp, issue, documentary or other taxes and duties, including interest and penalties, payable in British Virgin Islands, Hong Kong and any other jurisdiction in respect of the creation, issue and offering of the Notes and the execution or delivery of this Deed or payable in any jurisdiction in connection with the enforcement of the Notes or any other such document or instrument following the occurrence of an Event of Default. The Issuer shall also indemnify the Noteholders and the

Relevant Account Holders, on an after tax basis, from and against all stamp, issue, documentary or other taxes (including interest and penalties) paid or due and payable by any of them in any jurisdiction in connection with any action taken by or on behalf of the Noteholders and/or the Relevant Account Holders to enforce the Issuer's obligations under this Deed.

10 Deed Poll

This Deed shall take effect as a deed poll for the benefit of the Noteholders and the Relevant Account Holders from time to time.

11 Notices

11.1 Notices to the holders of the Notes shall be given in accordance with the Conditions.

11.2 The initial Agents and their initial specified offices are set out in Schedule 1 to this Deed.

12 Governing Law and Jurisdiction

12.1 **Governing Law:** This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

12.2 **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Deed and accordingly any legal action or proceedings arising out of or in connection with this Deed ("**Proceedings**") shall be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of Hong Kong and waives any objections to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

12.3 **Service of Process**: The Issuer irrevocably agrees to receive service of process at the Guarantor's place of business in Hong Kong from time to time, currently at 26th Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong in any Proceedings in Hong Kong. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer or the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in Hong Kong, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify the Noteholders of such appointment. Nothing shall affect the right to serve process in any other manner permitted by law.

12.4 **Waiver of Immunity:** The Issuer hereby waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence whether in the Hong Kong courts or in any other courts or tribunals where a judgment or award may be enforced, agrees not to plead or claim any such immunity in any Proceedings or arbitration, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings or arbitration and/or any pre-judgment interim relief or post execution judgment.

13 Substitution

13.1 The Issuer may, without the consent of the Noteholders, but shall not be obliged to, agree to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business (the "**Substituted Obligor**") in place of the Issuer (or of any previous substitute under this Clause 13) as the principal debtor under this Deed of Covenant and the Notes, provided that:

13.1.1 a deed is executed or undertaking given by the Substituted Obligor to the Noteholders agreeing to be bound by this Deed of Covenant, the Fiscal Agency Agreement, the Services Agreement and the Notes (with consequential amendments as the Substituted Obligor may deem appropriate) as if the Substituted Obligor had been named in this Deed of Covenant, the Fiscal Agency Agreement, the Services Agreement and the Notes as the principal debtor in place of the Issuer;

13.1.2 if the Substituted Obligor is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "**Substituted Territory**") other than the territory to the taxing jurisdiction of which (or to any such authority of or in which) the Issuer is subject generally (the "**Issuer's Territory**"), the Substituted Obligor shall (unless the Noteholders otherwise agree) give to the Noteholders an undertaking in terms corresponding to Condition 8 (*Taxation*) with the substitution for the references in that Condition to the Issuer's Territory of references to the Substituted Territory whereupon this Deed of Covenant, the Fiscal Agency Agreement, the Services Agreement and the Notes shall be read accordingly;

13.1.3 if any director of the Substituted Obligor certifies that it will be solvent immediately after such substitution, the Noteholders need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer; and

13.1.4 the obligations of the Substituted Obligor under this Deed of Covenant, the Fiscal Agency Agreement, the Services Agreement and the Notes are guaranteed by the Guarantor in the same terms (with consequential amendments as necessary) as the Guarantee.

13.2 **Release of Substituted Issuer**: An agreement by the Issuer pursuant to this Clause 13 shall, if so expressed, release the Issuer (or a previous substitute of the Issuer) from any or all of its obligations under this Deed of Covenant, the Fiscal Agency Agreement, the Services Agreement and the Notes. Notice of the substitution shall be given by the Substituted Obligor to the Noteholders and the Agents within 14 days of the execution of such documents and compliance with such requirements.

13.3 **Completion of Substitution**: On completion of the formalities set out in this Clause 13, the Substituted Obligor shall be deemed to be named in this Deed of Covenant, the Fiscal Agency Agreement, the Services Agreement and the Notes as the principal debtor in place of the Issuer (or of any previous substitute), and this Deed of Covenant, the Fiscal Agency Agreement, the Services Agreement and the Notes shall be deemed to be amended as necessary to give effect to the substitution.

Schedule 1
The Specified Offices of the Agents

The Fiscal Agent and Paying Agent

China CITIC Bank International Limited
29/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong
Fax no.: +852 2258 2757
Attention: Securities Services, Agency & Trust

The Registrar

Shanghai Clearing House
No.2 East Beijing Road
Huangpu District
Shanghai, PRC
Fax no.: +86 21 2319 8866
Attention: ICD cross border business team

This Deed is delivered on the date stated at the beginning.

Executed as a Deed by

CSI MTN Limited

By:

SCHEDULE 7
FORM OF DEED OF GUARANTEE

Dated 4 November 2026

CITIC SECURITIES INTERNATIONAL COMPANY LIMITED

中信證券國際有限公司

as Guarantor

DEED OF GUARANTEE

---

relating to

CNY2,000,000,000 1.80 per cent. notes due 2029 issued under

U.S.$7,000,000,000 Guaranteed Medium Term Note Programme

guaranteed by

CITIC SECURITIES INTERNATIONAL COMPANY LIMITED

中信證券國際有限公司

This Deed of Guarantee is made on 4 November 2026 by CITIC Securities International Company Limited 中信證券國際有限公司 (the "**Guarantor**") in favour of the Noteholders and the Relevant Account Holders from time to time.

Whereas:

(A) CSI MTN Limited (the "**Issuer**") has established a U.S.$7,000,000,000 guaranteed medium term note programme (the "**Programme**") in connection with which the Issuer and CITIC Securities International Company Limited 中信證券國際有限公司 (the "**Guarantor**") have entered into an amended and restated trust deed dated 31 July 2026 (the "**Original Trust Deed**"), and an amended and restated agency agreement dated 31 July 2026 (the "**Original Agency Agreement**"). The Original Trust Deed and the Original Agency Agreement do not apply to the Notes (as defined below).

(B) The Issuer has agreed to issue CNY2,000,000,000 1.80 per cent. notes due 2029 under the Programme (the "**Notes**" which expression shall include, unless the context otherwise requires, any further notes issued pursuant to Condition 12 (*Further Issues*) and forming a single series with the Notes).

(C) The Issuer and the Guarantor have entered into a fiscal agency agreement dated 4 November 2026 (as amended, restated or supplemented from time to time, the "**Fiscal Agency Agreement**") with China CITIC Bank International Limited as fiscal agent (the "**Fiscal Agent**" which expression, where the context so admits, includes any successor fiscal agent appointed from time to time in connection with the Notes) and other agents named therein in respect of the Notes only and not in respect of any other notes issued under the Programme.

(D) The Notes will be constituted by, and have the benefit of, a deed of covenant dated 4 November 2026 (as amended, restated or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer.

(E) The Issuer is a BVI business company with limited liability incorporated in the British Virgin Islands and is an indirect wholly owned subsidiary of the Guarantor as of the date hereof. The Guarantor is incorporated in Hong Kong with limited liability.

(F) Pursuant to this Deed of Guarantee, the Guarantor has agreed to unconditionally and irrevocably guarantee to the Noteholders and the Relevant Account Holders the payment of all sums expressed to be payable from time to time by the Issuer under the Notes and the Deed of Covenant.

(G) The parties hereto intend this document to take effect as a deed.

This Deed of Guarantee Witnesses as follows:

1 Interpretation

1.1 Defined Terms: In this Deed of Guarantee, unless otherwise defined herein, capitalised terms shall have the same meaning given to them in the Deed of Covenant and the terms and conditions of the Notes as set out in Schedule 1 of the Fiscal Agency Agreement as amended and supplemented by the pricing supplement dated 28 October 2026 and as amended or supplemented from time to time (together, the "**Conditions**"). In addition, "**PRC**" means the People's Republic of China (for the purpose of this Deed of Guarantee only, excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan).

1.2 Headings: Headings shall be ignored in construing this Deed of Guarantee.

1.3 Contracts: References in this Deed of Guarantee to this Deed of Guarantee or any other document are to this Deed of Guarantee or such other documents as amended, varied, restated, novated, supplemented and/or replaced from time to time in relation to the Notes and includes any document that amends, varies, restates, novates, supplements and/or replaces them.

1.4 **Clauses:** References in this Deed of Guarantee to Clauses are to clauses in this Deed of Guarantee unless otherwise stated.

2 Guarantee and Indemnity

2.1 **Guarantee:** The Guarantor unconditionally and irrevocably guarantees that if the Issuer does not pay any sum expressed to be payable by it under the Deed of Covenant or the Notes, by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise pursuant to the Deed of Covenant or the Notes), the Guarantor shall pay forthwith on demand that sum to or to the order of each Noteholder and Relevant Account Holder before close of business on that date in the city to which payment is so to be made. All payments under this Deed of Guarantee by the Guarantor shall be made subject to and in accordance with the Conditions (in the case of payments in respect of the Notes), the Deed of Covenant and the Fiscal Agency Agreement. Notwithstanding any other provision of this Deed of Guarantee, the Guarantor shall not be obliged to make payment more than once in respect of the same sum payable under the same Note or Entry, whether to a Noteholder, a Relevant Account Holder or any other person, and the aggregate liability of the Guarantor under this Deed of Guarantee shall not exceed the amounts expressed to be payable by the Issuer in respect of the Notes and the Deed of Covenant. Payment in full by the Guarantor to Euroclear (as registered holder) or to the Relevant Account Holder in respect of any Note or Entry shall, to the extent of such payment, discharge the Guarantor from its obligations under this Deed of Guarantee in respect of that Note or Entry as against all persons claiming through or under the same.

2.2 **Guarantor as Principal Debtor:** As between the Guarantor, the Noteholders and the Relevant Account Holders but without affecting the Issuer's obligations, the Guarantor shall be liable under this Deed of Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, its obligations shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor, including (i) any time, indulgence, waiver or consent at any time given to the Issuer or any other person other than the Guarantor, (ii) save for the change, substitution or replacement of the Guarantor, or the waiver, release or discharge of the Guarantor's obligations, any amendment to any other provisions of this Deed of Guarantee, the Deed of Covenant, or the Conditions or to any security or other guarantee or indemnity, (iii) the making or absence of any demand on the Issuer or any other person for payment, (iv) the enforcement or absence of enforcement of this Deed of Guarantee, the Deed of Covenant, the Notes or of any security or other guarantee or indemnity in respect thereof, (v) the taking, existence or release of any security, guarantee or indemnity other than the release of the security, guarantee or indemnity provided under this Deed of Guarantee, the Deed of Covenant, the Notes or any judgment obtained against the Issuer or any action to enforce the same, (vi) the dissolution, winding up, administration, moratorium, amalgamation, reconstruction or reorganisation of the Issuer or any other person or any change in its status, function, control or ownership, or (vii) the illegality, invalidity or unenforceability of or any defect in any provision of this Deed of Guarantee, the Deed of Covenant, the Notes or any of the Issuer's obligations under any of them.

2.3 **Guarantor's Obligations Continuing:** The Guarantor's obligations under this Deed of Guarantee are and shall remain in full force and effect by way of continuing security until no sum remains payable by the Issuer or the Guarantor under the Deed of Covenant, the Notes or this Deed of Guarantee. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind in relation to payments under the Guarantee.

2.4 **Exercise of Guarantor's Rights:** So long as any sum remains payable under the Deed of Covenant, the Notes or this Deed of Guarantee,

(i) any right of the Guarantor, by reason of the performance of any of its obligations under this Deed of Guarantee, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity, will be exercised and enforced by the Guarantor only in such manner and on such terms as the Noteholders and the Relevant Account Holders may require or approve; and

(ii) any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer will be immediately paid to the Noteholders and the Relevant Account Holders;

but so that nothing in this Clause 2.4 shall be construed as creating a charge or any other security.

2.5 **Avoidance of Payments:** The Guarantor shall as soon as practicable on demand indemnify each Noteholder and Relevant Account Holder, on an after tax basis, against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under this Deed of Guarantee or any Note and shall in any event pay to the relevant Noteholder or Relevant Account Holder as soon as practicable on demand the amount as refunded by it.

2.6 **Debts of Issuer:** If any moneys become payable by the Guarantor under this Deed of Guarantee, the Guarantor shall procure that the Issuer will not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Guarantor.

2.7 **Indemnity:** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees: (i) that any sum that, although expressed to be payable by the Issuer under the Deed of Covenant, the Notes or this Deed of Guarantee, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, any Noteholder or Relevant Account Holder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Noteholder or Relevant Account Holder on demand; and (ii) as a primary obligation to indemnify each Noteholder and Relevant Account Holder against any loss suffered by it as a result of (x) any sum expressed to be payable by the Issuer under the Deed of Covenant or the Notes not being paid on the date and otherwise in the manner specified in the Deed of Covenant or in the Conditions or (y) any payment obligation of the Issuer under the Deed of Covenant or the Notes being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to any Noteholder or Relevant Account Holder), in each case of (x) and (y), the amount of such loss being the amount expressed to be payable by the Issuer in respect of the relevant sum. This Clause 2.7 will continue in full force and effect as regards the Noteholders and the Relevant Account Holders even if they no longer are holders of the Notes and/or the Notes are no longer outstanding and/or the Deed of Covenant has been terminated.

2.8 **Incorporation of Terms:** The Guarantor agrees that it will comply with and be bound by all such provisions contained in the Conditions which relate to it.

3 Payments

3.1 **Payments Free of Taxes:** All payments by the Guarantor under this Deed of Guarantee in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or, in each case, any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by

law, subject to and in accordance with Condition 8 (*Taxation*) (with references therein to a "Noteholder" or "holder" being construed as a Noteholder or Relevant Account Holder, as the case may be).

3.2 **Stamp Duties:** The Guarantor shall pay any stamp, issue, documentary or other taxes and duties, including interest and penalties, payable in a Tax Jurisdiction and any other jurisdiction in respect of creation, issue and offering of the Notes and the execution or delivery of this Deed of Guarantee or payable in connection with the enforcement of the Notes or any other such document or instrument following the occurrence of an Event of Default. The Noteholders and the Relevant Account Holders shall not be concerned with, or obliged or required to enquire into, the sufficiency of any amount paid by the Guarantor for this purpose. The Guarantor will also indemnify each of the Noteholders and the Relevant Account Holders, on an after tax basis, from and against all stamp, issue, documentary or other taxes (including interest and penalties) paid or due and payable by any of them in any jurisdiction in connection with any action taken by or on behalf of such Noteholder or Relevant Account Holder to enforce the Guarantor's obligations under this Deed of Guarantee.

4 Amendment and Termination

The Guarantor may not amend, vary, terminate or suspend this Deed of Guarantee or its obligations hereunder unless such amendment, variation, termination or suspension is to correct a manifest error, to comply with any mandatory provision of law or shall have first been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) in accordance with the Fiscal Agency Agreement, save that nothing in this Clause 4 shall prevent the Guarantor from increasing or extending its obligations under this Deed of Guarantee by way of supplement to it upon the issue of further Notes under Condition 12 (*Further Issues*).

5 General

5.1 **Benefit:** This Deed of Guarantee shall take effect as a deed poll and enure for the benefit of the Noteholders and the Relevant Account Holders.

5.2 **Deposit of Guarantee:** The Guarantor acknowledges the right of each Noteholder and each Relevant Account Holder to the production of, and to obtain a copy of, this Deed of Guarantee. Any Relevant Account Holder is entitled severally to, in any proceedings relating to this Deed of Guarantee, protect and enforce its rights arising out of this Deed of Guarantee in respect of any Entry to which it is entitled on the basis of the records of the Relevant Clearing System as provided in Clause 6 and a copy of this Deed of Guarantee without the need for production in such proceedings or in any court of the actual records or this Deed of Guarantee. This Clause shall not limit any right of any Relevant Account Holder to the production of the originals of such records or documents in evidence in accordance with the applicable laws, rules and regulations.

6 Records Conclusive

The records of the Relevant Clearing System shall, in the absence of manifest error, be conclusive evidence as to the identity of each Relevant Account Holder and each Entry in respect of which Direct Rights have arisen at the Relevant Time and the amount of any payment made in respect of any Entry. For the purposes of this Clause 6, one or more certificate(s) issued by the Relevant Clearing System stating the relevant information shall be conclusive evidence of the records of the Relevant Clearing System at the date of such certificate.

7 Title to Entries

7.1 **Each Relevant Account Holder Entitled to Enforce:** Any Relevant Account Holder is entitled to enforce its rights arising out of this Deed in respect of any Entry credited to its Securities Account without using the name of or obtaining any authority from any predecessor in title.

7.2 **Payment to Relevant Account Holder Good Discharge:** Each Relevant Account Holder is entitled to receive payment of the amount due in respect of each of its Entries and of all other sums referable to its Direct Rights to the exclusion of any other person and payment in full by the Guarantor to such Relevant Account Holder shall discharge the Guarantor from all obligations in respect of each such Entry and such Direct Rights.

8 Governing Law and Jurisdiction

8.1 **Governing Law:** This Deed of Guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

8.2 **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Deed of Guarantee and accordingly any legal action or proceedings arising out of or in connection with this Deed of Guarantee ("**Proceedings**") shall be brought in the courts of Hong Kong. The Guarantor and the Noteholders and the Relevant Account Holders irrevocably submit to the jurisdiction of the courts of Hong Kong and waive any objections to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

8.3 **Service of Process:** The Guarantor's current address for service of process in any Proceedings is 26th Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong. Such service shall be deemed completed on delivery to such address (whether it is forwarded to and received by the Guarantor). If for any reason such address changes, the Guarantor irrevocably agrees to appoint a substitute process agent and/or shall immediately notify the Noteholders of such new address and/or appointment. Nothing shall affect the right to serve process in any other manner permitted by law.

8.4 **Waiver of Immunity:** The Guarantor hereby waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence whether in the Hong Kong courts or in any other courts or tribunals where a judgment or award may be enforced, agrees not to plead or claim any such immunity in any Proceedings or arbitration, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings or arbitration and/or any pre-judgment interim relief or post execution judgment.

9 Substitution

9.1 The Guarantor may, without the consent of the Noteholders, but shall not be obliged to, agree to the substitution of the Guarantor's successor in business or any Subsidiary of the Guarantor or its successor in business (the "**Substituted Obligor**") in place of the Guarantor (or of any previous substitute under this Clause 9) as the guarantor under this Deed of Guarantee and the Notes, provided that:

(i) a deed is executed or undertaking given by the Substituted Obligor to the Noteholders agreeing to be bound by this Deed of Guarantee, the Fiscal Agency Agreement and the Notes (with consequential amendments as the Substituted Obligor may deem appropriate) as if the Substituted Obligor had been named in this Deed of Guarantee, the Fiscal Agency Agreement and the Notes as the guarantor in place of the Guarantor;

(ii) if the Substituted Obligor is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "**Substituted Territory**") other than the

territory to the taxing jurisdiction of which (or to any such authority of or in which) the Guarantor is subject generally (the "**Guarantor's Territory**"), the Substituted Obligor shall (unless the Noteholders otherwise agree) give to the Noteholders an undertaking in terms corresponding to Condition 8 (*Taxation*) with the substitution for the references in that Condition to the Guarantor's Territory of references to the Substituted Territory whereupon this Deed of Guarantee, the Fiscal Agency Agreement and the Notes shall be read accordingly;

(iii) if any director of the Substituted Obligor certifies that it will be solvent immediately after such substitution, the Noteholders need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Guarantor; and

(iv) the obligations of the Substituted Obligor under this Deed of Guarantee, the Fiscal Agency Agreement and the Notes are in the same terms (with consequential amendments as necessary) as the Guarantee.

9.2 **Release of Substituted Guarantor**: An agreement by the Guarantor pursuant to this Clause 9 shall, if so expressed, release the Guarantor (or a previous substitute of the Guarantor) from any or all of its obligations under this Deed of Guarantee, the Fiscal Agency Agreement and the Notes. Notice of the substitution shall be given by the Substituted Obligor to the Noteholders and the Agents within 14 days of the execution of such documents and compliance with such requirements.

9.3 **Completion of Substitution**: On completion of the formalities set out in this Clause 9, the Substituted Obligor shall be deemed to be named in this Deed of Guarantee, the Fiscal Agency Agreement and the Notes as the guarantor in place of the Guarantor (or of any previous substitute), and this Deed of Guarantee, the Fiscal Agency Agreement and the Notes shall be deemed to be amended as necessary to give effect to the substitution.

This Deed of Guarantee is delivered on the date stated at the beginning.

Executed as a deed by

CITIC SECURITIES INTERNATIONAL COMPANY LIMITED 中信證券國際有限公司

By: