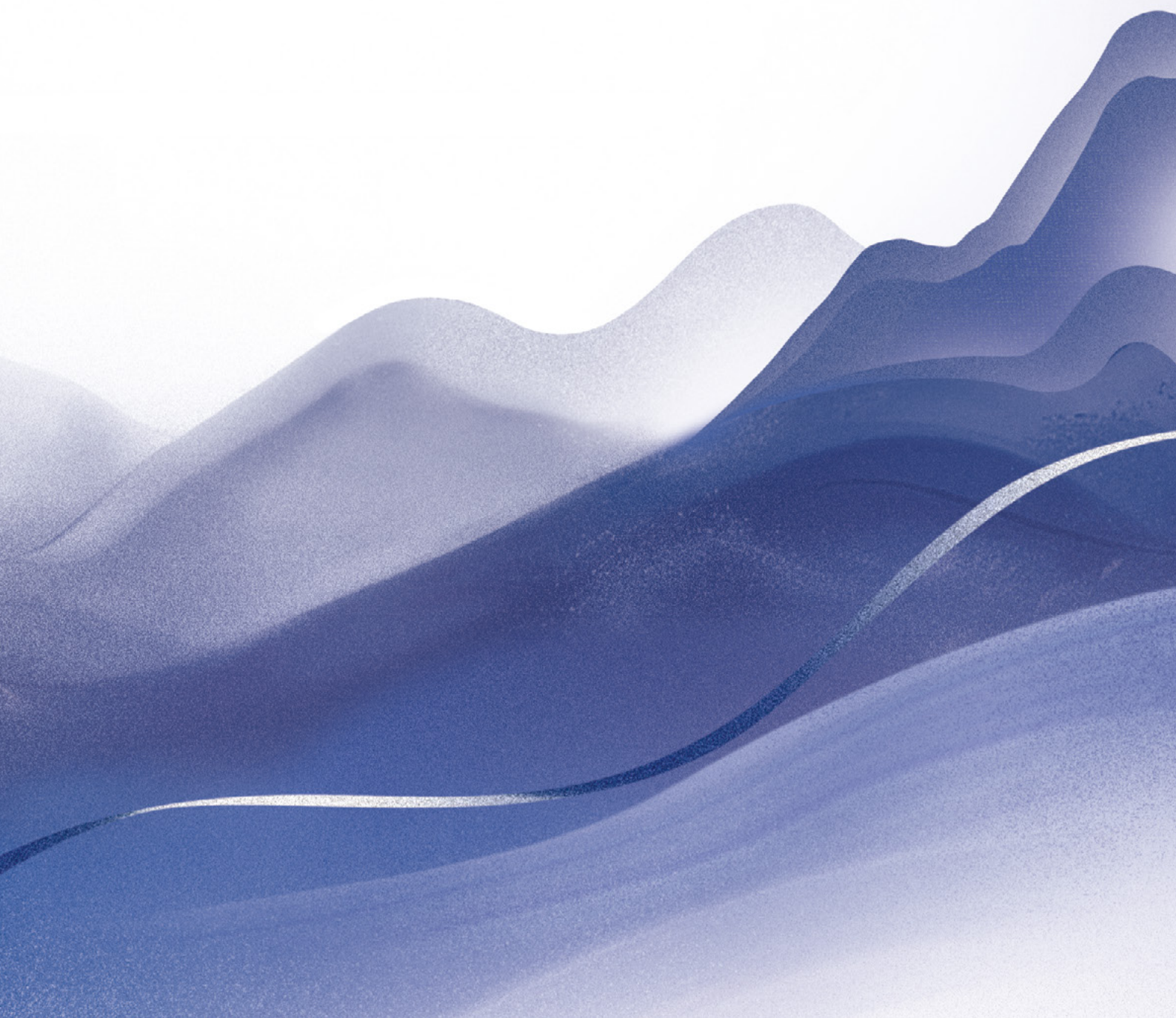


2023

ANNUAL REPORT





CHINA INVESTMENT CORPORATION

CONTENTS

MESSAGE01

Message from the Chairman and CEO	5
-----------------------------------	---

CORPORATE REVIEW02

Overview	11
Corporate Governance	12

OVERSEAS INVESTMENT03

Investment Principles and Philosophies	29
Investment Decision-making	30
Asset Allocation and Portfolio Construction	32
Investment Activities	35
Investment Performance	46
Risk Management	47

DOMESTIC EQUITY MANAGEMENT04

Governance and Structure	53
Performance	53

CORPORATE SOCIAL RESPONSIBILITY05

Green Development	57
Rural Revitalization	59
Public Service	63

CORPORATE MANAGEMENT AND DEVELOPMENT06

Human Resources	69
Global Outreach	75

2023 FINANCIALS07

Basis of Presentation	79
Summary of Accounting	79
Financial Statements	81

CORPORATE CULTURE AND CORE VALUES

Mission

To diversify China's foreign exchange holdings and seek maximum returns for its shareholder within acceptable risk tolerance.

Vision

CIC aims to grow into a world-class and respected sovereign wealth fund.

Core values

Responsibility

CIC is committed to fulfilling its mandate with a strong sense of conscientiousness.

Synergy

Teamwork, guided by a common purpose and holistic thinking, is central to CIC's sustainable development.

Professionalism

Professionalism and rigorous work ethics are fundamental to CIC's success.

Aspiration

Aspiring to excellence drives CIC forward and guarantees sustained and greater success.

MESSAGE

01

CIC stands as a staunch supporter of globalization, a strong advocate for cooperation and development, and an active participant in mutually beneficial cooperation. We consistently operate on an international, market-oriented, and professional basis as a responsible institutional investor, fostering win-win outcomes with global partners.

Message from the Chairman and CEO



“A thousand-mile journey awaits, with favorable winds; we forge ahead, our resolve strengthened.” New eras demand fresh approaches; new journeys call for heightened commitments. CIC will resolutely fulfill its mission, continually elevating our corporate governance and honing our cross-border investment capabilities. We are determined to take firm strides on our path to becoming a world-class sovereign wealth fund.

PENG Chun
Chairman and CEO

2023 marked the launch of the *CIC Strategic Plan 2023-2025 and Visionary Goals 2030*.

In 2023, global economic momentum weakened and divergence across economies widened. Geopolitical risks remained high, contributing to significant market uncertainty. The landscape for international investments grew increasingly complex and challenging.

Concurrently, a new wave of technological innovation and industrial transformation unleashed novel investment opportunities. In a volatile global environment presenting both risks and opportunities, we employed comprehensive and rigorous governance practices, steadfastly pursued China's unique path of financial development and actively contributed to strengthening China as a major financial power, advancing the nation's distinct model of modernization through our own high-quality growth.

As a long-term institutional investor, we anchored our efforts to strategic objectives, balancing development with security. We continually optimized asset allocation and investment strategies, enhanced our stewardship of state-owned financial capital, and successfully achieved our key operational targets for the year. This ensured a strong start to our new strategic plan.

As of year-end 2023, CIC's overseas investments achieved a 10-year cumulative annualized net return of 6.57%, outperforming our long-term performance benchmark by approximately 31 basis points. State-owned financial capital under Central Huijin's stewardship reached CNY 6.41 trillion, a 9.4% increase from the beginning of the year. CIC's total assets stood at USD 1.33 trillion, with net assets of USD 1.24 trillion.

We enhanced our governance framework and capabilities. Refined Board operations, delineated responsibilities across governance bodies, and empowered Board committees improved our decision-making on major issues and overall governance effectiveness. We embraced talent-centric development, cultivating our team of high-caliber financial professionals through robust training, recruitment, and exchanges. We explored ways to strengthen our data capabilities and enhance digital governance. We also leveraged our research resources to strengthen research-driven decision-making and research-investment synergies. Additionally, we bolstered our audit and oversight processes to address systemic constraints hindering high-quality development.

We strengthened our proprietary investment capabilities while adeptly navigating macroeconomic paradigm shifts. Anchored by our vision of building CIC

into a world-class sovereign wealth fund, we stayed true to our identity as a long-term investor and maintained our strategic resolve. Amid market volatility, we judiciously enhanced our capabilities across asset allocation, investment management, risk control, and operational support, further refining our investment model tailored to CIC's unique characteristics.

Closely monitoring market dynamics, we implemented innovative improvements to our portfolio management and analysis framework. This enabled us to execute more fine-grained strategies in public market investments and elevate the quality of our private market positions, reinforcing the resilience and performance of the “CIC Portfolio”. We pioneered innovative approaches for overseas investment, complementing our overseas investment activities with strategies to connect portfolio companies to Chinese markets. By expanding our global investment partner network and cultivating cross-border synergies, we reinforced the CIC brand through win-win collaborations.

As Central Huijin marked its 20th anniversary in 2023, we focused on updating the “Huijin Model” for the new era, distilling valuable insights from our two-decade journey. Emphasizing our role in capital stewardship, we innovated our approach to performing duties and exercising rights, strengthened our team of appointed directors, and expanded our equity management toolkit. These efforts positioned Central Huijin as a more effective trustee of state-owned financial assets, better equipped to meet current challenges and requirements.

As an active shareholder, we guided our portfolio institutions to excel in financial development. This created value for clients through enhanced financial services while broadening and deepening support for the real economy. Operating on a market-oriented, legal, and professional basis, we efficiently managed state-owned financial capital investments, comprehensively mitigated financial risks, and achieved preservation and appreciation of the state-owned financial assets under our management.

We persisted in strengthening risk prevention and control and firmly held the line against major risk events. We enhanced our risk management governance structure, enhancing synergies across the “three lines of defense”. We reinforced our comprehensive risk management system, ensuring that it spans all functional areas and organizational levels with clear accountability. Focusing on key areas, we strengthened risk prevention and control, integrating management of traditional and non-traditional risks to safeguard high-quality development. In our overseas investments, we bolstered geopolitical risk mitigation, maintained vigilant oversight of existing deals and portfolios' potential risks, and strengthened internal controls to ensure steady, orderly operations.

As trustee of state-owned financial capital, we refined our risk monitoring and evaluation system, implemented precision risk profiling for portfolio institutions, and strengthened our role in risk management as an active shareholder, contributing to national financial security.

As a responsible institutional investor, we continued to leverage CIC's strengths to advance global sustainable development. We developed our distinctive sustainable investment model, capitalizing on global green transition opportunities. We have embedded climate change considerations across our allocation, investment, and risk management processes, implementing high-standard sustainable practices. Our carbon neutrality action plan combines company-wide emission reduction with afforestation. We have integrated carbon peaking and carbon neutrality goals into our rural revitalization initiatives, leveraging our expertise to foster local green industries. This approach advances sustainable rural development while fulfilling our corporate social responsibility through concrete actions.

We engaged in extensive international exchanges, advancing the Global Development Initiative. Through participation in intergovernmental financial dialogues, international conferences, and peer exchanges, we built trust and consensus, promoting a more open, inclusive, and equitable international investment environment. We contributed to international financial governance through our active engagement in the International Forum of Sovereign Wealth Funds (IFSWF) and the BRICS Women's Business Alliance, amplifying CIC's voice on the global stage. We successfully held our International Advisory Council annual meeting and CIC Forum in Hong Kong for the first time, followed by our Strategic Partner Seminar. These events deepened communication with our partners and contributed to high-level opening-up.

In this era of uncertainty, the world needs more open exchange, more resilient supply chains, industrial chains, and value chains, and closer collaboration among international investors. CIC stands as a staunch supporter of globalization, a strong advocate for cooperation and development, and an active participant in mutually beneficial cooperation. We consistently operate on an international, market-oriented, and professional basis as a responsible institutional investor, fostering win-win outcomes with global partners. Looking ahead, CIC will continue to deepen cooperation with major global institutions, pooling strengths, tackling challenges, and sharing in the accruing benefits of our joint endeavors, as we contribute to global economic prosperity and sustainable development.

“A thousand-mile journey awaits, with favorable winds; we forge ahead, our resolve strengthened.” The year 2024 is set to be pivotal: for China, as it deepens reforms and advances its progress toward becoming a strong financial power; for CIC, as we embark on our new strategic plan. New eras demand fresh approaches; new journeys call for heightened commitments. CIC will resolutely fulfill its mission, continually elevating our corporate governance and honing our cross-border investment capabilities. We are determined to take firm strides on our path to becoming a world-class sovereign wealth fund.

CORPORATE REVIEW

02

CIC was established as a vehicle to diversify China's foreign exchange holdings and seek maximum returns for its shareholder within acceptable risk tolerance.

Overview

Headquartered in Beijing, China Investment Corporation (CIC) was incorporated in September 2007 under the Company Law of China with a registered capital of USD 200 billion, raised through government bond issuance of CNY 1.55 trillion. As of the end of 2023, CIC's total assets had exceeded USD 1.33 trillion.

CIC was established as a vehicle to diversify China's foreign exchange holdings and seek maximum returns for its shareholder within acceptable risk tolerance. CIC is mandated to make overseas investments and equity investments in financial institutions in China through its three subsidiaries, CIC International Co., Ltd. (CIC International), CIC Capital Corporation (CIC Capital), and Central Huijin Investment Ltd. (Central Huijin).

CIC's overseas investment activities, undertaken by CIC International and CIC Capital, include public equity and bond investments; hedge fund and multi-asset investments; industry-wide private equity and private credit investments; direct investments and fund investments in sectors such as real estate, infrastructure, resources and commodities, and agriculture; and managing bilateral and multilateral funds.

Central Huijin undertakes equity investments in state-owned financial institutions in China. Without interfering in the day-to-day operations of its portfolio companies, Central Huijin exercises its rights and performs its obligations as a shareholder to the extent of its capital contribution.

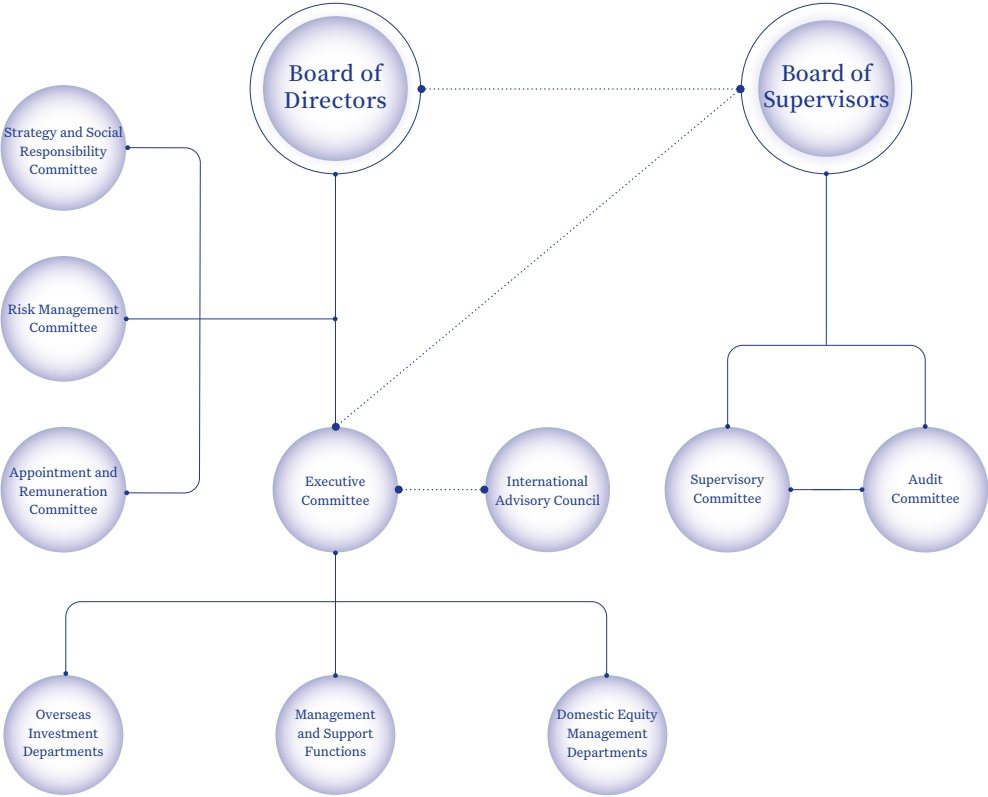
Strict firewalls separate the overseas investment activities of CIC International and CIC Capital and the domestic equity management operations of Central Huijin.

Corporate Governance

Pursuant to the Company Law of China and CIC's Articles of Association, CIC has in place a Board of Directors, a Board of Supervisors and an Executive Committee, with well-defined responsibilities and effective checks and balances.

In 2023, CIC continued to enhance the governance mechanisms of its Board of Directors and Board of Supervisors, while strengthening the role of their specialized committees. Adapting to business needs, the company refined its investment decision-making and performance evaluation systems, optimized investment management methodologies, and reinforced comprehensive risk management. These efforts elevated our institutional investment capabilities.

Organizational Chart



Board of Directors

The Board of Directors discharges its responsibilities as specified by China's Company Law and CIC's Articles of Association, including:

- Reviewing and authorizing the company's development strategies, operational guidelines, and investment plans.
- Defining major matters to be reported to shareholders.
- Formulating the annual budget and final accounts.
- Appointing and removing senior executives.
- Deciding on or authorizing the establishment of internal management bodies.

The Board of Directors comprises Executive Directors, Non-Executive Directors, Independent Directors, and an Employee Director.

In 2023, amid a complex external environment, the Board of Directors strengthened its guidance and oversight of major operational and management matters. It received timely briefings on overseas investments, operations, risk management, and implementation of strategies. The Board approved CIC's new strategic plan and carefully deliberated on key items including business plans, financial budgets and final accounts, and performance evaluations. It also provided guidance on enhancing proprietary investment capabilities and risk management. These efforts drove the orderly advancement of CIC's strategic priorities.

Members of the Board of Directors



PENG Chun

Chairman and CEO

Mr. PENG Chun is Chairman and Chief Executive Officer of CIC. Immediately prior to this, he served as Chairman and Executive Director of Bank of Communications. Previously, he was Vice Chairman, Executive Director, and President of Bank of Communications. Before that, he worked as Executive Vice President of CIC, and Executive Director and President of Central Huijin. He also held several positions with Bank of Communications, including Executive Director and Executive Vice President; Executive Vice President; Director and Assistant to the President; General Manager of Urumqi Branch, Nanning Branch and Guangzhou Branch.

Mr. PENG, born in 1962, holds a master's degree in economics from the School of Finance of People's Bank of China and a professional qualification as Senior Accountant.



LIU Haoling

Vice Chairman, President, and Chief Investment Officer

Mr. LIU Haoling is Vice Chairman, President, and Chief Investment Officer of CIC. Previously, he served as the Executive Vice President and Chief Risk Officer of CIC. Immediately prior to this, he was Member of the Executive Committee of CIC and Executive Vice President of Central Huijin. Prior to that, he held several positions at CIC and Central Huijin, including Head of Equity Management Department II of Central Huijin, Head of the Comprehensive Management Department / Banking Institutions Department II of Central Huijin, Deputy Head of Comprehensive Management Department of Central Huijin, and Senior Vice President and then Director of Legal & Compliance Department of CIC.

Mr. LIU, born in 1971, holds a master's degree of science in finance from London Business School and a LL.M. degree from the University of Iowa.



CONG Liang

Non-Executive Director

Mr. CONG Liang, Non-Executive Director of CIC, is Vice Chairman of the Development Research Center of the State Council. Previously, he served as Vice Chairman of the National Development and Reform Commission (NDRC). He has served as Non-Executive Director of CIC since he was Vice Chairman of NDRC. Prior to that, he was Vice Chairman of the National Development and Reform Commission (NDRC) and Commissioner of the National Food and Strategic Reserves Administration. In his earlier career, he held several positions at the NDRC including Secretary General, Spokesperson, and Deputy Director General and then Director General of the Comprehensive Department of National Economy.

Mr. CONG, born in 1971, holds a Ph.D. in economics from the Chinese Academy of Social Sciences.



LIAO Min

Non-Executive Director

Mr. LIAO Min, Non-Executive Director of CIC, is Vice Minister of Finance. He served as Vice Minister of the Office of the Central Commission for Finance and Economy and Vice Minister of Finance, and before that, Director General of the International Economic Department of the Office of the Central Leading Group on Financial and Economic Affairs. Prior to that, he held several positions at the China Banking Regulatory Commission (CBRC) including Director General of the Shanghai Bureau, Director General and Deputy Director General of the Executive Department.

Mr. LIAO, born in 1968, holds a master's degree in economics from Peking University and an MBA degree from University of Cambridge.



LI Fei

Non-Executive Director

Mr. LI Fei, Non-Executive Director of CIC, is Vice Minister of Commerce. Previously, he held several positions at the Ministry of Commerce including Assistant Minister of Commerce, Spokesperson, Director General of the Information Office, Director General of the General Office and Secretary General of the International Trade Representative, Director General of the Department of Foreign Affairs, and Deputy Director General of the Department of American and Oceanian Affairs.

Mr. LI, born in 1968, holds a bachelor's degree in economics from the University of International Business and economics.



LU Lei

Non-Executive Director

Mr. LU Lei, Non-Executive Director of CIC, is Deputy Governor of the PBC.

Mr. LU, born in 1970, holds a Ph.D. in economics.



LI Hongyan

Non-Executive Director

Ms. LI Hongyan, Non-Executive Director of CIC, is Deputy Administrator of the State Administration of Foreign Exchange (SAFE). Prior to that, she had served as Deputy Director General and then Director General of the SAFE Investment Center.

Ms. LI, born in 1972, holds a master's degree in science and a master's degree in public administration.



LI Jiange

Independent Director

Mr. LI Jiange, Independent Director of CIC, is the Chairman of the Board of Trustees of Sun Yefang Foundation. He was Vice Chairman of Central Huijin, Chairman of ShenYin & WanGuo Securities co., Ltd., Chairman of China International Capital Corporation Limited (CICC), Vice Minister of Development Research Center (DRC) of the State Council, Vice Minister of the State Council Office for Restructuring the Economic System, Vice Chairman and then Executive Vice Chairman of China Securities Regulatory Commission, Chief of Staff of the Securities Commission of the State Council. He had also worked as Deputy Director General and then Director General of the Department of Policy and Regulation of the State Economic and Trade Commission, Deputy Director General of Policy Research Office of the State Planning Commission.

Mr. LI, born in 1949, holds a master's degree in economics from the Chinese Academy of Social Sciences.



BAI Chong'en

Independent Director

Professor BAI, Independent Director of CIC, is Mansfield Freeman Chair Professor, Dean of the School of Economics and Management of Tsinghua University. He is also the Director of both the National Institute for Fiscal Studies of Tsinghua University and the Institute for State-Owned Enterprises of Tsinghua University. He used to serve as a member of the monetary policy committee of the People's Bank of China. Prior to that, he served as Adjunct Vice-President of Beijing State-Owned Assets Management Co., Ltd. and a non-resident Senior Fellow of the Brookings Institution.

Professor BAI, born in 1963, holds a Ph.D. in economics from Harvard University.



ZHANG Geping

Employee Director

Mr. ZHANG Geping, an Employee Director, is Head of Human Resources Department of CIC. Immediately prior to this, he held several positions at CIC, including Secretary of the Board of Directors, Deputy Head and then Head of the Administrative Office/Office of the Board of Directors/Office of the Board of Supervisors, and Head of the General Affairs Department. In his earlier career, Mr. ZHANG served as Secretary of the Discipline Inspection Commission at China Jianyin Investment Limited.

Mr. ZHANG, born in 1967, holds a Ph.D. in economics from Renmin University of China.

Former members

JU Weimin (Vice Chairman from March 2019 to January 2024)

SHEN Rujun (Executive Director from October 2018 to July 2024)

LIN Nianxiu (Non-Executive Director from August 2022 to August 2023)

REN Hongbin (Non-Executive Director from June 2019 to August 2023)

LIU Guiping (Non-Executive Director from March 2021 to August 2023)

Box 1 Targeted Measures Taken to Better Implement the *CIC Strategic Plan 2023-2025 and Visionary Goals 2030*

In February 2023, CIC launched the *CIC Strategic Plan 2023-2025 and Visionary Goals 2030*. To operationalize this framework, CIC issued detailed implementation guidelines in December 2023. These guidelines incorporate recent developments and policy updates while adhering to our long-term commitments and overarching strategic blueprint.

The new implementation guidelines sharpen our focus on CIC's vision of becoming a world-class sovereign wealth fund. They reaffirm our commitment to operating on an international, market-oriented, and professional basis. Specifically, the guidelines outline strategies to:

- Expand our overseas investment partnerships;
- Enhance our overseas investment management systems;
- Strengthen our investment capabilities;
- Innovate in our stewardship of state-owned financial capital;
- Refine our risk management framework;
- Attract and retain top-tier talent; and
- Continuously improve our management standards and operating efficiency.

The journey is long and the path challenging, yet progress comes with each step taken. As we embark on this new phase of implementing the *CIC Strategic Plan 2023-2025 and Visionary Goals 2030*, we will match long-term thinking with immediate action, ambition with execution, and determination with diligence. Step by step, we will transform our strategic aspirations into reality.

Board of Supervisors

Pursuant to the Company Law, CIC's Articles of Association, and other relevant regulations, the Board of Supervisors is responsible for monitoring the directors' and executives' business practices and professional ethics. In 2023, the Board of Supervisors diligently fulfilled its supervisory duties in performance of duties, financial management, and risk control. It monitored major decisions, oversaw the robust implementation of audit activities, and ensured compliant operations across all business lines.

Leadership Team and Executive Committee

Pursuant to its mandate from the Board of Directors, the Executive Committee is responsible for implementing Board resolutions, and for studying and taking decisions on major operational matters including the establishment and improvement of basic policies, systems, and working mechanisms, as well as performance evaluation, remuneration and incentive programmes.

In 2023, the Executive Committee diligently executed the Board's strategic decisions and drove implementation of the *CIC Strategic Plan 2023-2025 and Visionary Goals 2030*. It spearheaded systematic efforts to strengthen CIC's proprietary investment capabilities while firmly maintaining its fundamental identity as a long-term institutional investor. Under its guidance, CIC prudently navigated market volatility, innovated in overseas investment approaches, and strengthened international partnerships. The Executive Committee also led initiatives to enhance risk management and internal governance, and to advance talent management reform. These concerted efforts drove steady improvement in overall performance, stronger risk management, and substantial progress in CIC's high-quality development agenda.

CIC has a team of resident inspectors from the Central Commission for Discipline Inspection and the National Supervisory Commission to further augment the company's internal supervision framework and support the ongoing modernization of CIC's corporate governance system and capabilities.

Leadership Team and Executive Committee

- PENG Chun

Chairman and CEO
- LIU Haoling

Vice Chairman, President, and Chief Investment Officer
- GUO Xiangjun

Executive Vice President
- QI Bin

Executive Vice President and Deputy Chief Investment Officer
- PAN Yuehan

Chief Inspector

- ZHAO Haiying

Executive Vice President and Chief Strategy Officer
- LIU Jiawang

Executive Vice President
- CHEN Zhong

Executive Vice President and Chief Risk Officer
- BAO Jianmin

Member of Executive Committee



CHEN Zhong



ZHAO Haiying



QI Bin



LIU Haoling



PENG Chun



GUO Xiangjun



PAN Yuehan



LIU Jiawang



BAO Jianmin

Former members:

- JU Weimin (Vice Chairman, President, and Chief Investment Officer from March 2019 to January 2024)
- SHEN Rujun (Executive Director and Executive Vice President from October 2018 to July 2024)
- LIU Yanbin (Member of Executive Committee from August 2021 to August 2023)
- XU Zhibin (Member of Executive Committee from August 2021 to January 2024)

International Advisory Council

The International Advisory Council (IAC) was established in July 2009 as an internal advisory body with a mandate to advise CIC on its development strategy and investment business. The council also equips our executives and staff with insights on geopolitical and macro-economic issues, international financial market conditions, and global investment trends.

The IAC currently comprises 12 experts from Asia, Africa, the Americas, and Europe, representing diverse fields across politics, business, and academia. Over more than a decade, the council has developed a multi-tiered working mechanism comprising annual meetings, quarterly newsletters, and exchange visits.

IAC members leverage their expertise and networks to offer insights on global trends and key events, identify investment opportunities and risks across regions and sectors, and provide strategic advice for the company's development.

In 2023, CIC hosted the IAC's annual meeting in Hong Kong, China — its first in-person gathering since the pandemic — under the theme “Reunite in Hong Kong and Chart the Way Forward”. Members shared insights on three key topics:

- Seeking Stability and Certainty amid Divergence and Turbulence;
- Global Transition and the Way Forward for Investment and Green Development; and
- Capture new drivers for growth and opportunities arising from economic recovery.

Discussions focused on emerging global economic trends, new opportunities and challenges in cross-border investment and international industrial cooperation, and new directions in sustainable investment. Members engaged in in-depth deliberations on strategic responses for global investors and offered valuable suggestions for CIC's development and the enhancement of its institutional investment capabilities.



IAC Annual Meeting 2023

“It is vital to champion global free trade, foster international cooperation, and ensure fair competition. We must resist the pull of populism and isolationism, and focus instead on peaceful solutions to global challenges.”

“The global shift towards cleaner energy is gaining momentum across regions and sectors. To achieve lasting sustainability, nations must go beyond promoting decarbonization and invest across the entire low-carbon economy value chain.”

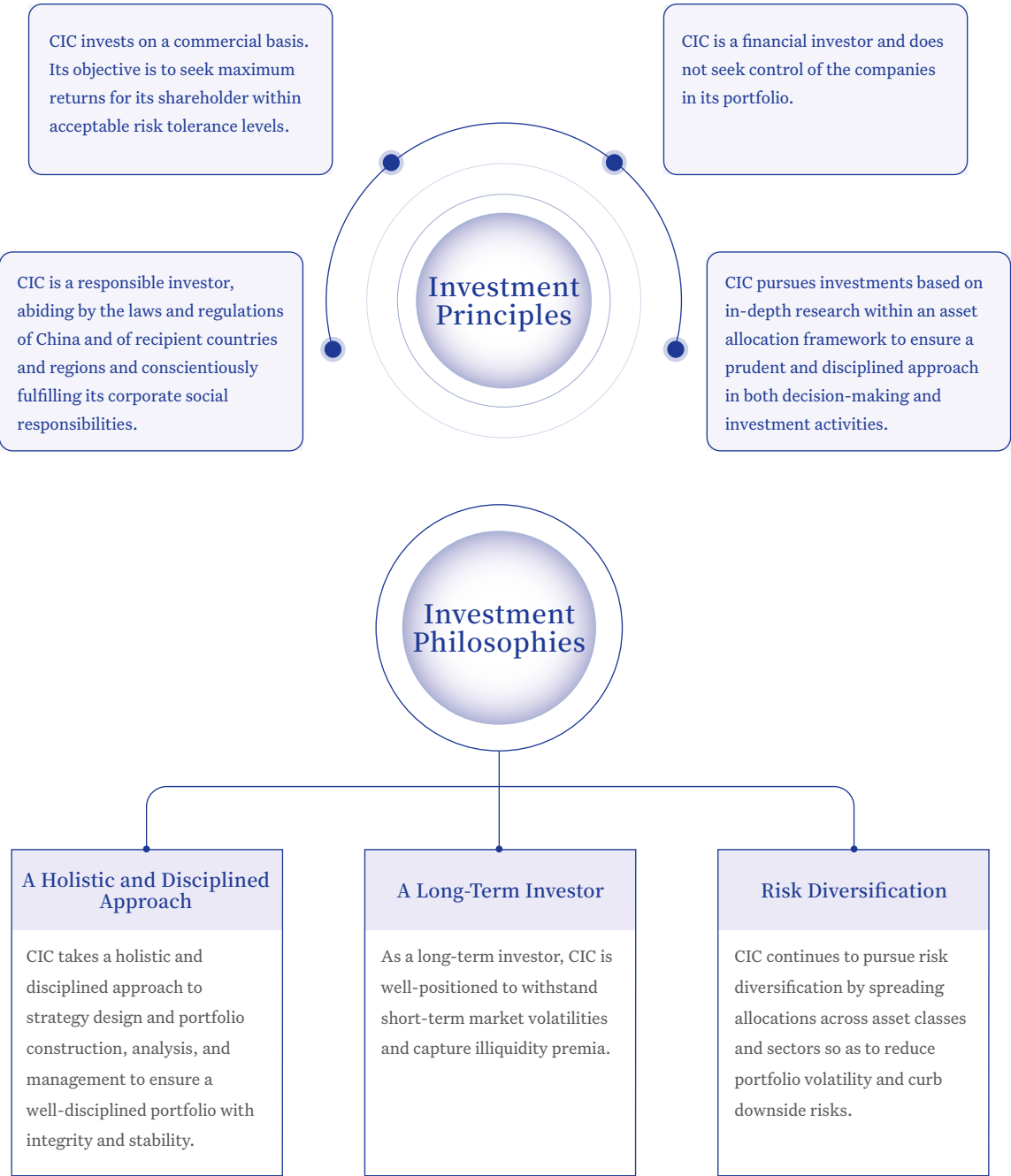
—— Remarks by council members at the IAC Annual Meeting 2023

OVERSEAS INVESTMENT 03

CIC follows the investment philosophies of holistic thinking, long horizon, and risk diversification based on its own characteristics and understanding of investment management.

Investment Principles and Philosophies

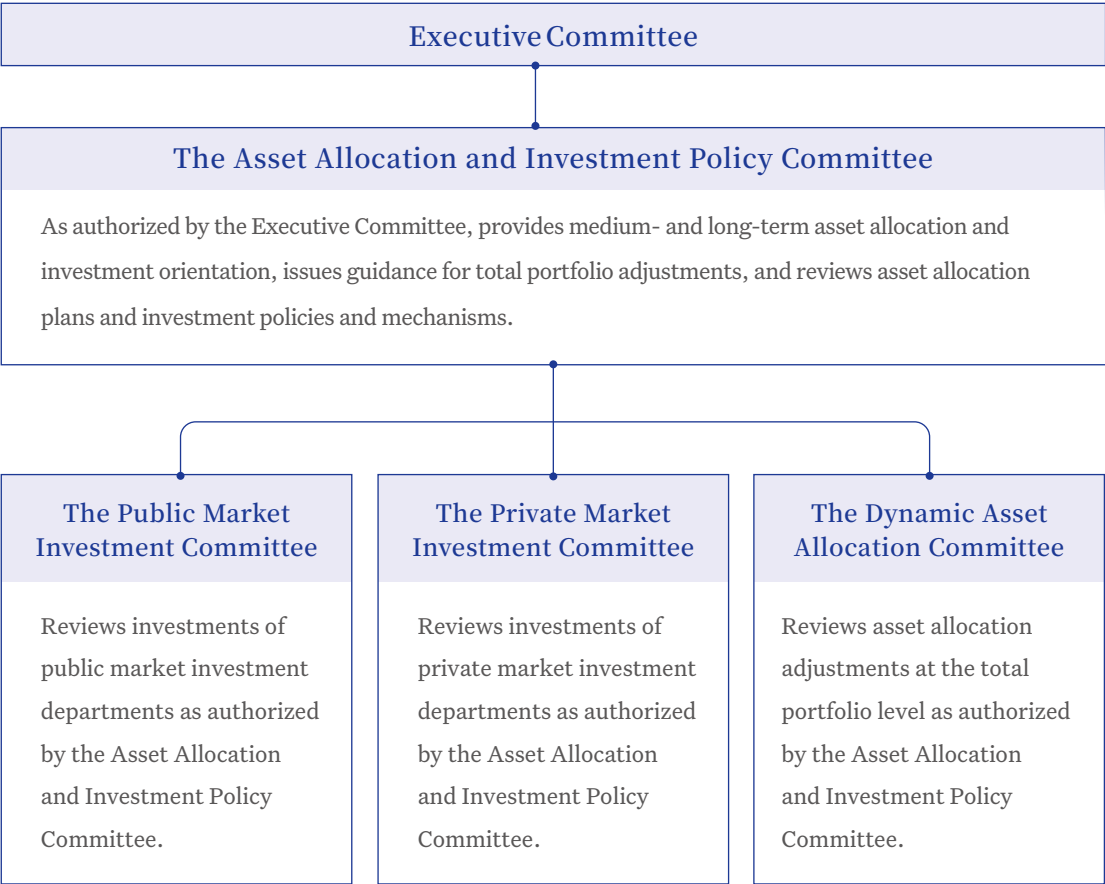
CIC is committed to its role as a prudent, professional, and responsible institutional investor operating globally with a good reputation.



Investment Decision-making

CIC's overseas investment activities are underpinned by a sophisticated, rigorous, and efficient investment decision-making system. In 2023, we further refined this system by enhancing authorization, workflow, and support mechanisms to better align investment decisions with long-term strategy, embodying our “One CIC” philosophy. As part of this refinement, our full-time investment review specialists play a crucial role, conducting rigorous deal reviews that further elevate decision quality and efficiency.

Investment Decision-Making Chart

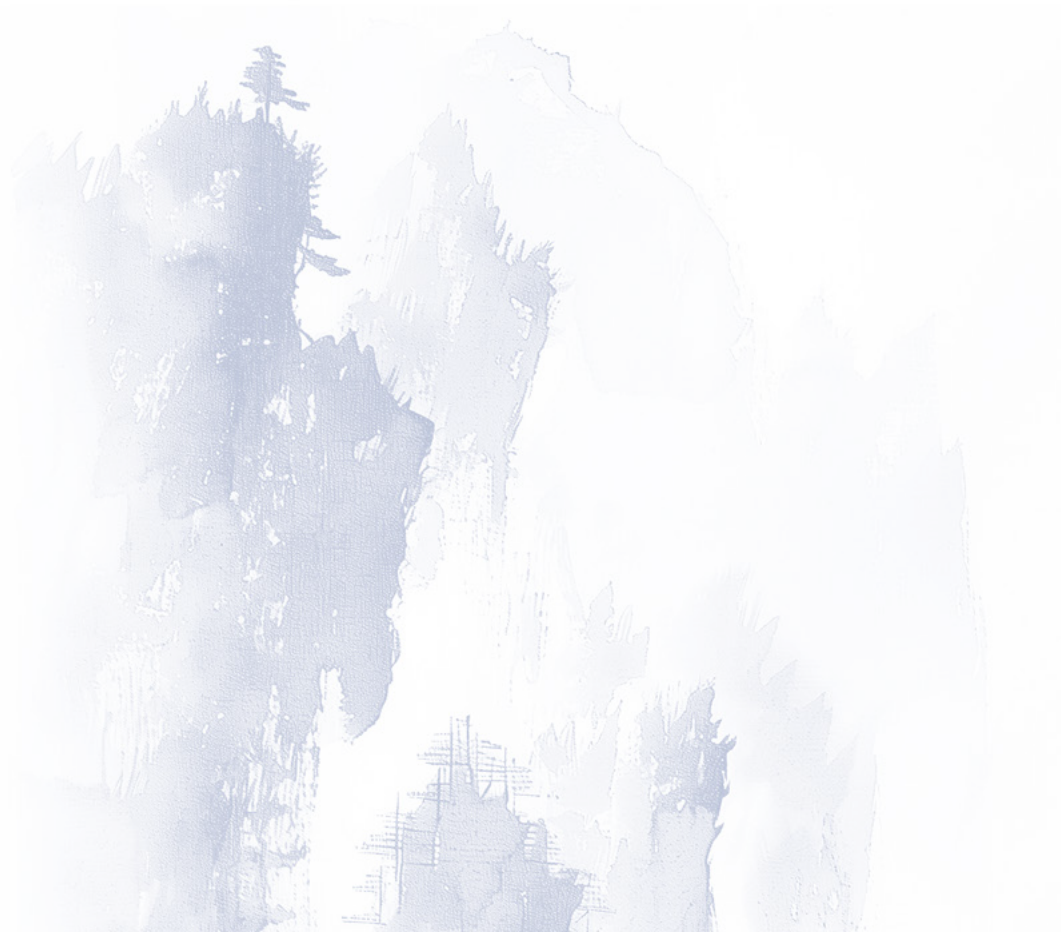


Box 2 Full-Time Investment Review Specialists: Sharpening Our Decision-Making Edge

CIC's full-time investment review specialists are professionals tasked with deal evaluation and investment decision-making responsibilities. As a crucial component of our investment process, they play a vital role in strengthening deal scrutiny and decision quality.

These seasoned professionals are involved throughout the entire decision-making process. Leveraging their extensive expertise, they conduct in-depth analyses, provide independent reviews, and vote on deals. Their invaluable input informs both investment decision-making and review meetings. To facilitate their work, CIC has established a specialized team to provide logistical support.

Launched in 2022 to innovate CIC's investment decision-making, this system has rapidly ramped up from concept to reality. The full-time investment review specialists and their support teams have leveraged their professional expertise, holistic perspective, and independent judgment to fully operationalize the system, hence enhanced rigor in project evaluation and improved overall quality of investment decisions.



Asset Allocation and Portfolio Construction

Over time, CIC has developed a total portfolio allocation management framework tailored to our institutional needs. This framework reflects our unique characteristics and investment philosophies, incorporates insights from academic and industry research, and establishes clear lines of authority and accountability.

The company has adopted a portfolio construction framework that consists of a reference portfolio, a policy portfolio, and the actual portfolio. Under this framework, total portfolio returns are determined by reference portfolio selection, policy portfolio construction, and actual portfolio management.

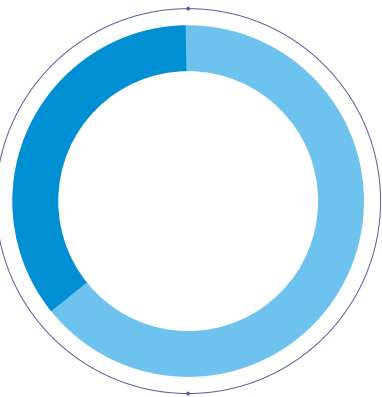


CIC has built a balanced, robust investment portfolio across different asset classes including public equities, fixed income, alternative assets, and cash products and others. In 2023, amid a complex market environment, we proactively refined our allocation management framework and strove to build a more resilient, higher-quality, and more sustainable “CIC Portfolio”.

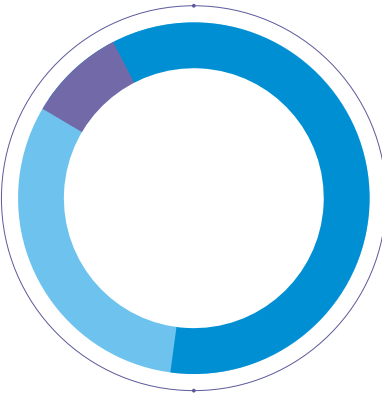


- Global Investment Portfolio Distribution ***
(as at December 31, 2023)
- 33.13% **Public Equity**
(Equity investment in listed companies)
 - 16.46% **Fixed Income**
(Bonds, including sovereign and corporate bonds)
 - 48.31% **Alternative Assets**
(Hedge funds, industry-wide private equity, private credit, real estate, infrastructure, and resources/commodities)
 - 2.10% **Cash Products and Others**
(Cash, overnight deposits, and US Treasury Bills)

*Excluding financing



- Internally-Managed Assets versus Externally-Managed Assets in the Global Investment Portfolio**
(as at December 31, 2023)
- 36.46% **Internally-managed assets**
 - 63.54% **Externally-managed assets**



- Distribution of the Global Investment Portfolio: Public Equity**
(as at December 31, 2023)
- By Geography**
- 60.29% **US**
 - 25.58% **Non-US developed markets**
 - 14.13% **Emerging markets and others**



- By Industry**
- | | | | |
|--------|----------------------------|-------|------------------|
| 21.91% | Information technology | 5.59% | Consumer staples |
| 15.02% | Financials | 4.12% | Energy |
| 12.35% | Healthcare | 3.79% | Raw materials |
| 11.34% | Consumer discretionary | 1.94% | Utilities |
| 10.32% | Industrials | 1.77% | Real estate |
| 7.85% | Telecommunication services | 4.02% | Others |

- Distribution of the Global Investment Portfolio: Fixed Income**
(as at December 31, 2023)
- 66.02% **Sovereign bonds of advanced economies**
 - 6.30% **Sovereign bonds of emerging economies**
 - 22.14% **Corporate bonds**
 - 5.54% **Structured products and others**

Investment Activities

In 2023, the global macroeconomic paradigm shift continued to evolve. Persistent high interest rates and inflation profoundly impacted market pricing. Global equity markets showed significant divergence, with gains primarily concentrated in top-tier tech stocks. The global bond market experienced wide fluctuations, while private market asset transactions generally cooled. These conditions heightened challenges in risk diversification and alpha generation for our total portfolio.

In this volatile environment, CIC maintained its strategic focus as a long-term institutional investor while prudently navigating the macro paradigm shift. Closely monitoring market developments, we continually refined our asset allocation and portfolio construction, implementing timely adjustments and optimizing our investment footprint. These efforts enhanced our total portfolio's resilience and quality.

CIC systematically bolstered its proprietary investment capabilities, focusing on enhancing our public market expertise while maintaining a measured approach to private market investments. We achieved further improvement in our investment management and support services.

Despite significantly elevated global inflation, CIC successfully achieved its main operating targets set for the year, delivering overseas investment returns above the Board's long-term target. Our total portfolio has thus maintained an upper-middle tier ranking among peers for five consecutive years.

Public Market Investments: Refining Strategies, Amplifying Results

CIC adapted nimbly to market conditions, maintaining a disciplined, selective approach. We streamlined our public market investment footprint, enhancing the rigor and coherence of portfolio construction. To enhance investment effectiveness, we strengthened coordination between active and passive strategies and refined our approach to externally managed investments.

In public equities, we enhanced our systematic approach and portfolio analysis capabilities, harmonized investment strategies, and optimized our footprint. We assessed managers' performance and adaptability to emerging paradigms, making proactive adjustments as needed. We intensified thematic research, especially in sustainable investing, and piloted new strategy construction approaches. We expanded and elevated our proprietary investment capabilities.

In fixed income and absolute return investments, we enhanced active management of our proprietary bond portfolio and refined our passive investment approach. We improved operational efficiency through targeted asset research and manager evaluations.

We enhanced our hedge fund portfolio construction to improve resilience across interest rate and inflation cycles, further strengthening our ability to generate returns with low correlation to public markets.

We comprehensively reviewed our multi-asset risk allocation strategies and steadily advanced our proprietary CIC macro factor portfolio.

Private Market Investments: Steady Growth, Enhanced Capabilities

CIC maintains a balanced portfolio, with comparable allocations to public and private markets. Responding to evolving macroeconomic conditions, we've refined our investment approach, expanding our use of collaborative investment structures including the strategic partnership accounts and co-investment accounts.

We've increased our focus on high-potential sectors including renewable energy and private credit, while cautiously exploring opportunities in emerging markets.

Despite the slowdown in fundraising and deal activity, we continue to make calculated investments in private markets while steadily enhancing our capabilities in this area.

Box 3 Expanding Our Global Investment Partner Network

CIC's global network of investment partners is one of our most valuable assets. This network, built over years, includes external managers, investment funds, financial institutions, intermediaries, and industry leaders.

In 2023, we updated our *Investment Partnership Management Guidelines* to better leverage our partners' strengths and deepen collaboration with investment managers, enhancing resource-sharing and synergies. We expanded our network, optimized partnership models, and increased co-investment and follow-on investment activities, while closely monitoring market dynamics. These efforts enhanced partnership management effectiveness.

Additionally, in 2023 we resumed our in-person Strategic Partner Network (SPN) Summit, bringing together leading global investment institutions and providing a valuable platform for exchange and engagement.

Going forward, CIC will continue to uphold the principles of mutual respect and win-win cooperation, adhering to our international, market-oriented, and professional approach. We aim to generate strong returns by leveraging complementary strengths with partners and jointly exploring global investment opportunities.

In private equity and private credit, we strategically deployed capital, onboarding new managers and re-upping selectively, while optimizing our allocations. We conducted thorough market research to identify compelling opportunities.

Our private equity investments focused on key sectors including Technology, Media and Telecommunications (TMT), healthcare, consumer services, advanced manufacturing, and technology-enabled financial and business services. We expanded our co-investment activities and deepened our sector expertise, actively pursuing thematic opportunities in climate change, renewable energy, software, etc.

In private credit, we conducted in-depth market analysis to capitalize on opportunities in the high-interest rate environment, strengthening our private credit investments and optimizing portfolio allocation. Our approach included cross-sector deal sourcing, multi-faceted due diligence, and innovative strategies such as equity-debt hybrid investments.

We further leveraged our value creation capabilities to deepen partnerships and enhance alignment with our partners. During periods of market volatility, we intensified post-investment management and enhanced portfolio monitoring granularity.

Box 4 Navigating Opportunities in the AI Era

The AI revolution is reshaping industries and creating new investment landscapes. Recent breakthroughs in mobile technology, big data, supercomputing, sensor networks, and neuroscience have accelerated the development and application of AI technology. The emergence of generative AI in 2023 has opened up exciting investment frontiers.

At CIC, we are closely monitoring AI-related investment opportunities. We are strengthening our collaborations with top-tier investment managers and tracking industry trends. We aim to strategically pace our investments to capture the growth dividends of the AI era.

In real estate, we focused on high-growth sectors such as logistics, deepening partnerships with top-tier managers, and prudently deploying capital. We optimized our portfolio across sectors and regions to enhance adaptability, resilience, and growth potential in the persistent high-interest rate environment.

In infrastructure, we maintained our dual focus on post-investment management and closing new deals. Despite high inflation, elevated interest rates, and economic deceleration, our infrastructure assets delivered stable growth and solid returns, demonstrating their resilience as inflation hedges. We conducted in-depth research on sectors with strong upside potential, refining our strategy to increase allocations to renewable energy and data centers. We also further balanced our geographic footprint to diversify investment risks.

In energy transition, we expanded our presence with a strong focus on ESG investment, while forging innovative partnerships with managers and steadily increasing our exposure to green energy.

In agribusiness, we maintained our research-driven approach, deepening our focus across the entire value chain. We cultivated our investment ecosystem through long-term partnerships with leading investors in the sector. We collaborated on multiple deals with domestic and international industry leaders, enhancing value creation and synergies while bolstering our brand recognition and competitive advantage in the sector.

Box 5 Harvesting Opportunities: CIC's Global Agribusiness Strategy

Agriculture is vital for human well-being and high-quality development.

Over the years, CIC has leveraged its global network and expertise to invest strategically in key crop- and livestock-producing regions and in countries with rich agricultural resources and advanced agricultural technologies. Our approach includes co-investments, club deals, fund participation, and platform creation.

In 2023, CIC invested in projects including fruit and vegetable preservation in South Africa. We facilitated our investees' access to the Chinese market, promoting international agricultural cooperation.

In our bilateral funds, we maintained steady investment, built cross-border ecosystems, and leveraged China's market to enhance investee company growth and boost returns. We deepened country-specific expertise to tap industrial synergies and drive high-quality investment and industry partnerships.

Box 6 Catalyzing Bilateral Synergies: the France-China Cooperation Fund

In 2020, CIC joined forces with BNP Paribas Group and Eurazeo to launch the France-China Cooperation Fund. Over four years, the fund has leveraged its cross-border platform to close multiple deals, building a robust investment ecosystem across China, France, and the broader EU.

The fund's investment in a cutting-edge European ophthalmic device maker exemplifies CIC's successful bilateral fund model. We have worked in close conjunction with our partners to facilitate the company's China entry, introducing its advanced technology to local medical centers and surgical training programs, enhancing surgical expertise. The company has also been supporting charitable sight-restoring initiatives in China. This approach has expanded the investee's global reach while creating value for all stakeholders.

Riding the Green Wave: CIC's Sustainable Investment Strategy

Green development is the foundation of high-quality growth.

As global momentum for green transition builds, CIC is enhancing its sustainable investment capabilities, leveraging our position as a sovereign wealth fund to lead and catalyze cross-border investment cooperation in this crucial area.

For several years now, CIC has been developing its own distinctive, high-standard model for sustainable investment. To ensure thorough analysis at every stage, we're integrating climate change considerations across our entire investment lifecycle — from asset allocation and risk management through project screening, due diligence, and decision-making, to post-investment management and project exits.

In terms of thesis selection, we stay closely attuned to sustainable themes while strategically targeting high-potential niche sectors. **For externally managed mandates**, we implemented customized ESG assessment frameworks across asset classes. To enhance our **carbon management capabilities**, we initiated a carbon data audit of underlying assets, launched carbon intensity analysis for public market portfolios, and evaluated carbon measurement feasibility for private market holdings. These efforts form the foundation for our portfolio-wide decarbonization roadmap.

In public markets We increased allocations to sustainable equity strategies, optimized our portfolio structure, and re-upped with sustainability-focused managers. We also updated our proprietary ESG model, completed research on carbon futures, and established positions in our proprietary global allocation portfolio.

In private markets We've also deepened our focus on sustainable opportunities. We have invested in green impact funds, climate change-focused funds, and forestry carbon sink projects. We've further honed our sustainable energy strategy, guiding investment teams to increase targeted allocations accordingly.



Box 7 Piloting a Green and Low-Carbon Public Equity Portfolio

Sustainability data is generally more robust and accessible for public market equities compared to other asset classes. Leveraging our quantitative platform, we initiated early systematic research and analyzed extensive ESG datasets. This analysis enabled us to develop a viable quantitative approach to sustainable investing. We're now piloting this strategy through a self-managed green and low-carbon portfolio, exploring equity decarbonization pathways to support sustainable investment objectives across CIC's total overseas portfolio.

Since launch, the portfolio has shown robust performance while contributing effectively to carbon reduction goals. Systematic evaluation of its philosophy, products, processes, personnel, and performance indicates readiness for scale.

Box 8 Fueling the Future: CIC Invests in Biofuel Solutions

Biofuel development is an effective solution for reducing carbon emissions. CIC, alongside partners, has invested in an innovative waste-to-biofuel company in Asia. We are now supporting its production capacity expansion and market growth across the region.

The company produces high-quality second-generation advanced biofuels, including biodiesel (hydrotreated vegetable oil), sustainable aviation fuel, and bioethanol. These fuels achieve 60-90% CO₂ reduction compared to traditional fossil fuels. Biodiesel and sustainable aviation fuel technologies are mature and highly compatible with existing vehicles and aircraft, making them a primary viable pathway for emissions reduction in transportation, especially aviation.

The company possesses core competitive advantages in R&D, operational efficiency, feedstock supply, and customer recognition. As national policies drive increased demand for biofuels, this investee is well-positioned to accelerate its growth while contributing to global carbon reduction and neutrality goals.

Global Synergies: CIC's Overseas Offices in Action

CIC International (Hong Kong) prudently manages portfolio risks in public markets while actively responding to market changes. It closely monitors global and regional dynamics leveraging Hong Kong's geographical and information advantages, and has deepened its research capabilities in green and low-carbon sectors, as well as specialized, innovative, and emerging industries. With a strategic focus on the Greater Bay Area and a reach extending across Asia-Pacific, it assists the headquarters with deal sourcing and post-investment management to form effective synergies.

The New York Representative Office serves as a crucial link for communication, outreach, and support. It actively engages with local business partners and industry peers, studies economic and investment market trends, and provides in-depth market insights. The office supports headquarters' investment teams with post-investment management and on-site due diligence for deals across the Americas, bridging global strategy with on-the-ground expertise.

Investment Support



We conducted in-depth analyses of key investment management issues, systematically evaluated macroeconomic and geopolitical developments, and closely tracked global financial markets and peer dynamics. We continued to study investment opportunities and challenges in different markets, and conducted in-depth research on priority sectors, fully leveraging the role of research in supporting and serving our investment activities.



We strengthened operational risk management, expanding our risk mitigation toolkit to effectively safeguard overseas funds, assets, and transaction security. We optimized operational systems and processes, implemented data governance, and further advanced our transformation towards greater digitalization, efficiency, and sustainability. These efforts enhanced the professionalism, standardization, and precision of back-office support.



We made improvements to our legal and compliance framework for overseas investments. Our team provided comprehensive legal, compliance, and tax support, including structuring investments, conducting negotiations, and managing regulatory filings. We mitigated legal and compliance risks through end-to-end monitoring, reviewed major operational decisions, and closely tracked regulatory developments, thereby safeguarding CIC's operational integrity and high-quality growth.



We enhanced asset-liability management and liquidity positioning. We optimized budget management to effectively support business growth. We enhanced financial information quality, reinforcing our financial oversight capabilities. We tightened financial risk controls and expense compliance. Through in-depth cost-efficiency analysis, we drove operational quality and productivity gains.



We finalized our *Enterprise IT Architecture Blueprint for 2023-2025*, detailing plans to optimize systems and data structures. Through historical data review and strengthened quality auditing, we improved data quality and refined management capabilities. Our IT infrastructure provides robust support for all investment operations, and our technical support contributes to enhanced operational efficiency and robust risk management.



We adhered to a problem-oriented, risk-centered, and goal-driven approach, while expanding audit scope and depth, with a focus on core responsibilities and key areas. We conducted extensive economic accountability audits, elevated reviews of important subsidiaries of CIC Group companies, and special-purpose audits. Based on internal and external audit findings, we guided and supervised improvements.

Post-Investment Management

As an integral part of long-term investment, post-investment management is essential to managing investment risks, achieving investment objectives, and improving investment performance. Since its inception, CIC has taken a highly granular approach to formulating and implementing differentiated post-investment management plans and assigning clear-cut post-investment management responsibilities in strict accordance with company policy, while taking into account the unique characteristics of different asset types.

In 2023, CIC effectively carried out its post-investment management activities, focusing on major deals and portfolio risk control. We implemented early risk assessment, close monitoring, and timely adjustments as needed. We conducted targeted research on key topics, held post-investment review sessions for major investments, and organized experience-sharing sessions on deal exits.

Investment Performance

CIC is a long-term institutional investor with a 10-year investment horizon that applies annualized rolling returns as its key performance metric.

As at December 31, 2023, CIC's annualized cumulative 10-year net return stood at 6.57%, beating the 10-year performance target by 31 basis points. Its annualized cumulative net return since inception stood at 6.23%. (The above figures are calculated on a USD value basis.)

Annualized cumulative
10-year net return stood at 6.57%

Beating the 10-year
performance target by 31 bps

Annualized cumulative net
return since inception stood at 6.23%

Risk Management

Effective risk management remains a constant imperative for CIC's high-quality development. In 2023, facing new challenges, demands, and exigencies in a new development stage, we balanced short-term needs with long-term planning, mitigating weaknesses and playing up strengths. We fully implemented the *CIC Strategic Plan 2023-2025 and Visionary Goals 2030*, fortifying our risk prevention and control system for greater comprehensiveness and effectiveness. Despite the complex, trying environment, we bolstered our risk management capabilities and successfully held the line against any major risk events.

Risk Governance

At the decision-making level, CIC strengthened its risk management governance structure. A Risk Management Committee was established under the Board of Directors to enhance its guidance, coordination, and oversight of major risk management issues. Under the Executive Committee, an Enterprise Risk Management Committee was formed with three specialized sub-committees, each focusing on distinct business areas, further enhancing targeted risk management capabilities.

At the execution level, CIC rigorously enforces its“ three lines of defense” under a multitiered, pan-asset class, and whole-process risk management framework.

The first line of defense	Each department takes direct responsibility for the risk management of its own business.
The second line of defense	The Risk Management Department leads the company's overall risk management efforts and works in concert with the relevant departments to develop and fine-tune the company's risk management policies, systems, and processes.
The third line of defense	The Audit Department reviews and evaluates the effectiveness of the risk management system and acts as the supervisor of risk management activities.

The Risk Management Framework	
The overall framework	The framework consists of fundamental rules, risk-specific rules, and operational procedures. This full-fledged risk framework provides a robust foundation for the company's risk and compliance culture, as well as guidance for day-to-day risk management.
Disaggregation by tier	Consistent with the company's asset allocation framework, CIC has put in place risk management guidelines for the total portfolio, for each asset class, and for specific strategies/deals to break down risk limits on a highly granular basis, covering the entire risk spectrum.
Coverage of investment processes	CIC's risk management operates as an independent, specialized function and covers all the key phases in our investment process, from pre-investment due diligence through to investment decision-making and on to post-investment management.

Risk Response

CIC has enhanced its risk management framework by improving risk committee operations at all levels, updating guidelines, and harmonizing risk prevention and control efforts across business segments. Our comprehensive framework covers twelve key risk categories: market, credit, operational, liquidity, country, strategic, legal, reputational, geopolitical, cybersecurity, compliance, and climate risks. We have continually refined risk management tools across multiple levels, from total portfolio to individual asset classes and specific portfolios or deals. These enhancements have bolstered our risk monitoring and management capabilities, keeping investment activities within defined risk tolerances.

Market Risk Management	Responding to changing market conditions, we prudently formulated asset allocation plans while continuously optimizing both asset allocation and portfolio construction. We refined our risk budgeting and risk limit frameworks. We adjusted our public market portfolio composition to capitalize on favorable opportunities. For alternative investments, we conducted granular, multi-dimensional risk assessments. Our research focused on key market topics and case studies of significant risk events.
Credit Risk Management	Our <i>Sovereign Credit Risk Report</i> provided regular analysis of global sovereign credit risk trends. We conducted debt sustainability assessments for major economies, updated sovereign credit scores, and identified key country-specific risks. We performed timely counterparty credit risk evaluations and continuously monitored credit risk developments across our portfolios.
Internal Control and Operational Risk Management	We enhanced due diligence requirements and implemented dynamic, adaptive planning of control policies and procedures. Effectiveness evaluations of control policies and procedures were strengthened, and policy manuals made more user-friendly. We conducted targeted audits and standardized post-investment monitoring practices. Through retrospective analysis of operational risk events, we reinforced our operational risk management framework.
Reputational and Compliance Risk Management	We strictly adhered to the laws and regulations of our investment destinations while respecting local community concerns. We ensured compliant information disclosure as required by law. In line with company policies, we enhanced our reputational risk management processes, improving mechanisms for issue identification, assessment, response, reporting, and coordination. These efforts reinforced our standing as a responsible corporate citizen and respected partner.

Integrity Risk Management	We conducted a targeted campaign against overseas corruption and revised our guide-lines for overseas integrity risk management. We assessed and updated the <i>Integrity Risk Management Manual</i> , with revised risk level assessments and enhanced control measures.
Geopolitical Risk Management	We formulated a three-year risk mitigation plan and refined our key risk indicators (KRIs) and consultation processes for geopolitical risks. We issued regular <i>Geopolitical Risk Report</i> , with analysis of major risk events.
Information Technology Risk Management	We comprehensively assessed security vulnerabilities in data, software, hardware, and systems. We systematically enhanced our data protection and network security defenses.

Box 9 Enhancing Climate Risk Management Capabilities	
CIC is proactively addressing climate risk by integrating it into our comprehensive risk management system. To enhance our mitigation capabilities, we will:	
Strengthen Top-Down Alignment	We're optimizing governance and developing a company-wide strategy. We are embedding climate risk in our overall risk framework and mainstreaming green principles across all business lines.
Advance Management Methods	We will develop climate risk assessment frameworks and evaluation criteria, and implement robust measurement, reporting, and early warning systems. We will formulate mitigation strategies for high climate risk exposures and integrate climate risk scenario analysis and quantitative modeling into our core operational systems.
Refine Investment Strategies	We will continually optimize asset allocation, expand our range of climate-aligned investment vehicles, and adjust sector exposures as appropriate. Through active management, we will systematically reduce our portfolio's carbon footprint. We will guide teams to incorporate climate scenarios in risk-return analyses and integrate climate risk management into our manager evaluation framework.
Strengthen Research Capabilities	We will monitor decarbonization policies and regulations, while analyzing climate risk scenarios and projections from external institutions. We will research investment strategies for high climate risk sectors such as traditional energy and resources, while also closely tracking the development of transition opportunity industries like alternative energy and low-carbon technologies.

DOMESTIC EQUITY MANAGEMENT 04

Pursuant to its mandate from its shareholder, Central Huijin undertakes equity investment in key state-owned financial institutions in China, exercising its rights and performing its obligations as a shareholder to the extent of its capital contribution, with a view to preserving and enhancing the value of state-owned financial assets.

Governance and Structure

Governance Structure of Central Huijin

Central Huijin is a wholly-owned subsidiary of CIC incorporated as a wholly state-owned company under the Company Law of China. Pursuant to its mandate from its shareholder, Central Huijin undertakes equity investment in key state-owned financial institutions in China and exercises its rights and performs its obligations as a shareholder to the extent of its capital contribution, with a view to preserving and enhancing the value of state-owned financial assets. Central Huijin does not engage in any other commercial activities and does not intervene in the day-to-day management of the state-owned financial institutions in its holdings.

Central Huijin's Board of Directors and Board of Supervisors exercise decision-making powers and supervisory duties respectively. The members of these two boards are appointed by the company's shareholder. Central Huijin's President is responsible for managing the company's day-to-day operations and for implementing resolutions of the Board of Directors.

Performance

In 2023, Central Huijin marked its 20th anniversary. We conducted a comprehensive review of our two-decade journey, maximized the role of state-owned financial capital in economic development, strengthened our capacity to fulfill our core mission, and achieved significant results in preserving and increasing the value of state-owned financial assets.

First, we strengthened the role of state-owned financial capital. As an “active shareholder”, we guided our portfolio institutions to synergize their diverse financial strengths, functioning as an integrated ecosystem and spearheading support for the real economy.




















Second, we enhanced the fiduciary management of state-owned financial capital. We strengthened our cadre of dispatched directors, innovated equity management mechanisms, and refined internal management systems, achieving higher professional effectiveness in fulfilling our mandate.

Third, we strengthened risk oversight for our portfolio companies. We helped enhance their risk monitoring frameworks, leveraging digital tools to develop more granular risk profiles. We strengthened our early warning and risk notification processes, and urged portfolio companies to implement robust risk controls and adhere strictly to established risk tolerances.

Looking ahead, Central Huijin will steadfastly support financial development while fulfilling our stewardship of state-owned financial capital. We will guide key state-owned financial institutions in deepening reforms and enhancing governance, driving the ongoing transformation of China's financial system. We will advance the five priorities of finance to support high-quality economic development. Through these efforts, we will contribute substantially to China's development as a major financial power.

As at the end of 2023, Central Huijin directly held equity interests in 19 financial institutions (including banks, securities companies, insurance companies, and others).

Central Huijin's Portfolio Companies (as at December 31, 2023)

Financial Institutions	Equity Holdings
 China Development Bank	34.68%
 Industrial and Commercial Bank of China Limited	34.79%
 Agricultural Bank of China Limited	40.14%
 Bank of China Limited	64.13%
 China Construction Bank Corporation	57.14%
 China Everbright Group Limited	63.16%
 China Export & Credit Insurance Corporation	73.63%
 China Reinsurance (Group) Corporation	71.56%
 China Jianyin Investment Limited	100.00%
 China Galaxy Financial Holding Company Limited	69.07%
 Shenwan Hongyuan Group Co., Ltd.	20.05%
 New China Life Insurance Company Ltd.	31.34%
 China International Capital Corporation Limited	40.11%
 Zhong Hui Life Insurance Co., Ltd.	80.00%
 Hengfeng Bank Co., Ltd	53.95%
 Bank of Hunan Corporation Limited	20.00%
 China Securities Co., Ltd.	30.76%
 China Galaxy Asset Management Co., Ltd.	13.30%
 Guotai Jun'an Investment Management Co., Ltd.	14.54%

CORPORATE SOCIAL RESPONSIBILITY 05

CIC has consistently acted as a responsible institutional investor, actively fulfilled its corporate social responsibilities, and continued to drive the sustainable development agenda.

Since its establishment, CIC has stayed true to its identity as a responsible institutional investor, fulfilling its corporate social responsibilities with genuine care and empathy, and contributing to the development of a better, more harmonious society.

Our commitment to green development drives continuous improvement in our internal operations, steering the company towards a sustainable future. It's also central to our rural revitalization programs, where we blend financial innovation with green development initiatives to forge new paths for rural development. In our public service efforts, we harness CIC's strengths to build greener, stronger communities.

Green Development

CIC has established a clear roadmap and timeline for achieving carbon neutrality in its own operations. From top-down planning through operations and management, we're integrating green development concepts throughout our organization. We leverage our financial innovation strengths to facilitate low-carbon transitions in our investment portfolio and beyond. CIC also actively promotes international cooperation in green finance, contributing unique solutions to the global green transformation.

Carbon-Smart, Future-Focused: CIC's Sustainability Push

CIC actively supports China's carbon peaking and carbon neutrality goals through concrete measures aligned with our sustainable investment strategy.

Building on our *Sustainable Investment Policy* and *Opinions on Implementing Dual Carbon Goals and Sustainable Investment Actions*, we formulated our *Operational Carbon Neutrality Action Plan* in 2023. Based on global industry practices and a comprehensive stock-taking of our operational emissions, this plan aims to achieve carbon neutrality primarily via company-wide emissions reduction, supplemented by carbon sequestration through afforestation. By striving to timely meet our operational carbon neutrality goals, we are contributing to the broader low-carbon transition of economy and society.

Beyond our direct operations, we're also addressing our investment portfolio's carbon footprint. Moving forward, we will enhance our approach through rigorous analysis and capacity building, working to progressively reduce both the volume and intensity of carbon emissions across our investments.

We're also making our support for China's "dual carbon" targets an integral part of our rural revitalization initiatives, by helping local partners develop green industries. Our pilot projects combine green low-carbon practices, biodiversity conservation, and rural revitalization. This approach aligns with China's philosophy that ecological protection and economic development can and should be mutually reinforcing.

In 2023, the CIC Group organized multiple tree-planting campaigns with over 500 volunteers in Tongzhou (Beijing), Yanchuan (Shaanxi), and Fengning (Hebei), putting roots down for our green development vision.



Box 10 From Forest to Finance: Creating Cash Flows with Carbon Sinks

In 2023, the CIC Group launched the “Ecological Value Carbon Sink+” project in Jianyang District, Nanping City, Fujian Province. This initiative deploys a powerful combination of innovative financial measures and diverse cooperation models. Integrating forestry carbon sink trading, tech-driven solutions, sustainability education, and financial product innovation, the project is pioneering replicable pathways for sustainable development. Its goal: forging a “Nanping Model” that channels vivifying financial flows to revitalize ecosystems and drive local prosperity.

The project transforms ecological assets into green financing solutions, leveraging forestry carbon sinks to address local economic transition challenges and amplifying impact through multi-institutional financial collaboration. Employing advanced technology, the project solves for the measurement and verification pain points inherent in forestry carbon sink development. In tandem with the Forest Ecology Bank, it is catalyzing the growth of a local ecological product ecosystem.



The project will sequester an estimated 1 million tons of carbon dioxide equivalent (CO₂e) over a 20-year period, delivering significant greenhouse gas reduction benefits. Spanning 13 townships and 124 villages, the project's full life-cycle carbon sequestration value exceeds 70 million yuan at current market prices. The project will create jobs in forest management and conservation, while equitably distributing carbon credit revenues from collective forestlands to rural households. This approach shares the value of ecological products with local communities, supporting rural revitalization.

Towards Green and Low Carbon Transition: Collaboration and Dialogues

CIC is committed to deepening cooperation in green finance, expanding related products and services, and fostering international dialogue. We partner with domestic and international organizations to explore sustainable investment strategies, promote mutual learning, and drive global development in this field.

In October 2023, the CIC Group collaborated with partners to launch a Green Bond Investment Fund for the environmental protection industry. This initiative will channel vital capital through an innovative green financial product to empower low-carbon transformation.

Rural Revitalization

In 2023, CIC effectively consolidated and expanded poverty eradication successes in Xunhua County (Qinghai Province), Shibing County (Guizhou Province), and Jingning and Huining Counties (Gansu Province). We implemented a comprehensive package of initiatives spanning livelihood protection, industrial revitalization, talent cultivation, cultural rejuvenation, and ecological conservation to holistically advance rural vitality.

Safeguarding Livelihoods, Enhancing Well-being

Throughout 2023, CIC worked hard to support our four partner counties in consolidating and building on their hard-won poverty eradication successes, always putting people at the center of rural revitalization efforts.



Protecting against poverty relapse: We continued to run our pioneering “Comprehensive Insurance Against Return to Poverty” program, extending vital coverage to over 250,000 people across the four counties. The program shields people from falling back into poverty due to illness, disasters, or accidents.

Preventing chronic disease: We further extended the success of our pilot program in Xunhua County

to tackle the “Three Highs” (high blood pressure, high cholesterol, and high blood sugar). Among the 7,500 patients being monitored, the program achieved a blood pressure control rate of over 50%.

Building better schools: We installed heating equipment and constructed new classrooms in schools across the four counties, benefiting over 15,000 students. Our rural teaching support program covered more than 55,000 teachers and students.

Box 11 Rural Teaching Support: Igniting the Future with Knowledge

The CIC Group launched a rural teaching support program in Jingning County, in partnership with an education-focused nonprofit. This initiative brought high-quality volunteer teachers and support teams to Jingning, as part of a project to promote rural education development underpinned by the synergies among the government, the civil society, and the business sector.



In 2023, our rural teaching support program, aligned with Jingning County's education development plan, sent 30 volunteer teachers to seven local schools. These graduates from top universities in China and abroad organized 54 extracurricular clubs and activities in technology, reading, arts, sports, and mental health, reaching 22,380 student participations.

Additionally, a core competency program we launched trained 58 local teachers across 8 county-level primary schools and 24 township school districts.

Rural Renaissance: Financing the Future of Farming

In 2023, we accelerated agricultural industry upgrading across the value chain in our partner counties, focusing on high-quality development.

- In Shibing County, we implemented an irrigation project to water 200 hectares of farmland.
- In Jingning County, we continued our support for apple and beef cattle industries. Our successful approaches were featured in a special publication by the National Rural Revitalization Bureau.
- In Huining County, we helped construct a livestock market, strengthening the local mutton industry.
- In Xunhua County, we helped establish an e-commerce center to support farmers as well as logistics and warehousing facilities with service to 154 administrative villages.

Nurturing Rural Talent, Revitalizing Culture and Nature

In 2023, CIC advanced talent development, cultural preservation, and ecological restoration in our partner counties, enhancing rural livelihood and environment. We conducted over 24,000 person-sessions of vocational training across the four counties, facilitating employment for more than 10,000 individuals previously lifted from poverty. In Jingning County, we established three master craftsman workshops and six entrepreneurship hubs, inspiring over 500 people to return and launch businesses in their hometowns. To promote environmental sustainability, we supported Huining County in developing ecological forests and advancing green development initiatives.

Box 12 Financial Firepower: Precision Support for Rural Prosperity

In 2023, CIC continued to actively mobilize its affiliated financial entities across insurance, securities, futures, and fund management, to provide more precisely targeted support for rural revitalization.



We sustained our Comprehensive Anti-Poverty Relapse Insurance program, providing health and accident coverage for at-risk populations across the four counties. In Xunhua County, we continued to implement our Lamian Loan program in collaboration with state-owned banks and guarantee companies to help noodle shop owners access credit. We also continued our Insurance + Futures project in Shibing, Jingning, and Huining counties, protecting producers of apples, pigs, corn, and other agricultural products against price decline risks.

Additionally, we leveraged our investment banking expertise to continue guiding Jingning County's Demei Company and Hengda Environmental Protection towards their respective Beijing Stock Exchange and NEEQ (New Third Board) listings, supporting the development of these leading enterprises in the local apple industry value chain.

Public Service

CIC actively fulfills its corporate social responsibility, integrating these commitments into our operations and contributing to society through tangible actions. In 2023, we promoted employee volunteerism across the CIC Group, encouraging participation in a wide range of community service initiatives. These included blood drives, fitness programs for people with disabilities, tree planting activities, elder care support, disaster recovery assistance, and charitable fundraising events. Through these initiatives, we strive to make a meaningful, positive impact on our communities.

Education: Laying the Foundation, Igniting Dreams



CIC is committed to fostering teacher and student development in post-poverty areas, embracing our responsibility to help build a brighter future.

CIC held a donation ceremony at the Central Primary School of Baiduo Township, Shibing County, Guizhou Province, gifting summer and winter uniforms and over 2,000 books. We also

launched a “Caring Partnership to Help the Needy” campaign across the CIC Group, through which our employees contributed over 1.6 million yuan to support more than 800 students in formerly impoverished areas.

The CIC Group organized educational tours on technological innovation and cultural heritage for over 200 students from post-poverty areas. Participants visited iconic landmarks like the Great Wall, Forbidden City, and Temple of Heaven, as well as scientific institutions including the Chinese Academy of Sciences, its affiliated university, and a museum celebrating China's aerospace achievements. Our long-standing Financial Aid + Scholarships + Study Tours model enables students from financially challenged families to complete their education while accessing diverse, high-quality learning opportunities, enhancing their overall development.

The CIC Group sponsored five exceptional teachers from Huining County, Gansu Province, to attend “River · Children 2023”, a training program in Shanghai for outstanding young teachers from rural regions, providing a valuable professional development opportunity for these educators and for the county.

Safeguarding Women's and Children's Health



Since 2023, the CIC Group has implemented several charitable initiatives focusing on women's lives, health, and entrepreneurship. These include the “Water Cellar for All”, “Mother's Entrepreneurship Fund”, “Health Express”, “Women's Empowerment Training”, and “Cervical and Breast Cancer Screening Program”. In recognition of these efforts, the China Women's Development Foundation honored us with their “2023 Outstanding Contributor to Women's Welfare” award.

For a decade, a CIC Group company has supported the “Maternal and Infant Health/Village Doctor Training Project” in the Xizang Autonomous Region. Run by the region's Maternal and Child Health Association, this initiative has raised maternal and infant health awareness among farming and herding communities while providing targeted training for village doctors. As of April 2024, the project has reached over 2,000 villages across 863 townships in 74 counties, training nearly 5,000 rural healthcare workers. These professionals now serve as vital health guardians across Xizang's most remote areas.

Giving Back to Society and Supporting Elderly Care

In 2023, the Social Wellbeing Task Force of a CIC Group company, in collaboration with the China Capital Markets Public Welfare Alliance, launched the “Million Hearts, One Purpose” First Aid Capacity Building Initiative. This program aims to enhance emergency response readiness through first aid skills training, establishing organizational response systems, and expanding volunteer networks. The initiative has delivered over 30,000 person-sessions of training.

In 2023, the CIC Group actively engaged with a Beijing community nursing home, extending heartfelt care to elderly residents. In December, employee representatives organized a “Winter Warmth” campaign at a senior care center in Beijing's Fengtai District. They delivered winter care packages and inquired about the seniors' health, daily living conditions, and special needs.

In 2023, CIC (International) Hong Kong and local offices of other CIC Group companies actively fulfilled their corporate social responsibilities. Through the “Serving the Community” initiative, they organized elderly care home visits, charitable donations, volunteer services, and environmental protection activities. These efforts focused on improving citizens' lives, demonstrating social responsibility through practical actions.



CORPORATE MANAGEMENT AND DEVELOPMENT 06

CIC aims to grow into a respected world-class sovereign wealth fund empowered by a strong talent base and extensive networks of partners.



Human Resources

Talent is the cornerstone of a company's competitiveness. The *CIC Strategic Plan 2023-2025 and Visionary Goals 2030* launched in 2023 sets two twin objectives: strengthening the organization through talent and establishing CIC as a beacon for top-tier financial professionals. In this new chapter, we will further hone our talent management and empowerment mechanisms. We aim to harness premier human capital to unlock CIC's high-quality growth potential.

Attracting Top Talent: CIC as a Beacon for Excellence

CIC places paramount importance on building a strong talent pool. We continually refine our multi-tiered recruitment approach, utilizing diverse channels to attract and recruit outstanding professionals so as to ensure lasting momentum for the company's long-term growth and success.

In 2023, guided by our strategy and business objectives, we expanded recruitment channels to strengthen our core of experienced professionals, achieving steady headcount growth. We intensified efforts to attract mid-career and senior investment professionals, especially those with sought-after expertise. We also continued to optimize our campus recruitment process, attracting top graduates from renowned universities in China and overseas, infusing our talent pool with fresh vitality.

Box 13 Talent Stream: Powering CIC's Competitiveness

CIC actively recruits top graduates globally, ensuring a robust talent pipeline for long-term growth. Our approach emphasizes:

- **Rigorous standards:** We maintain a comprehensive, multi-tiered selection process to ensure high-quality talent acquisition from the outset.
- **Balanced recruitment:** We source talent from both Chinese and international universities, maintaining a healthy equilibrium between domestic and overseas candidates.
- **Diverse expertise:** We embrace a wide variety of professional backgrounds. Our investment team includes not only economics and finance graduates, but also those from fields such as mathematics, physics, and data science. Similarly, our non-investment staff bring expertise in areas including law, management, communications, and computer science.

As at the end of June 2024, 88% of employees in the CIC head office held a postgraduate (master's or doctoral) degree. Within our overseas investment team, 66% of our employees possessed overseas education or overseas work experience and 93% held a postgraduate (master's or doctoral) degree.



Our postdoctoral program, established in early 2021, attracts top talent, promotes industry-academia collaboration, and serves as a recruitment pipeline. Since its inception, we've successfully integrated multiple high-performing postdocs into permanent roles at CIC.

Box 14 In Their Own Words:
Empowered Women, Empowering CIC

At CIC, we recognize and celebrate the power of our female workforce. We actively foster a fair, equal, and caring work environment for women, striving to ensure that every woman in the CIC family can shine with her unique brilliance.



A female employee who joined during CIC's early days

As one of the first post-80s generation female employees to join CIC, I'm grateful for the platform the company has provided to build my career, broaden my horizons, and grow professionally. I've had the privilege of experiencing many of CIC's milestones firsthand and participating in multiple strategic initiatives. Through various roles, I've expanded my knowledge, honed my management skills, and gained invaluable experience. Looking back, it's all been a prelude; now, a new journey begins.



An investment team member who has been with the company for 14 years

CIC has been the longest chapter of my career. For over a decade, my role at this major institution has frequently put me at the table with leading global private equity managers. Often, I find myself the only woman in the room. In those moments, I realize I am representing not just China's sovereign wealth fund, but also Chinese professional women. That fills me with a profound sense of responsibility and pride.



A mid-office employee who has been with the company for 13 years

In my 13 years at CIC, I've deeply appreciated the company's commitment to empowering its female employees. The CIC platform has provided me with valuable opportunities to connect with and learn from outstanding women professionals across different work contexts. My department maintains a healthy gender balance, allowing us to leverage diverse perspectives and thought processes. This has shaped a more nuanced approach to managing investment operations.



A young employee who has been with CIC for 4 years

CIC champions women's empowerment through international partnerships and dialogues, as part of its CSR commitments. As a direct participant, I feel both fortunate and deeply inspired. A Chinese proverb tells us, "Spring's splendor lies not in a single bloom, but in a garden of myriad flowers." This reflects my belief that within our organization, every woman can shine with her unique brilliance. Looking ahead, I'm excited to grow with CIC, collectively writing a beautiful chapter of women's achievements in our shared story.

Talent Cultivation:
Sowing the Seeds of Success

CIC is committed to employee empowerment, actively creating a platform for talent to grow, develop, and showcase their abilities.

Multi-Faceted Learning: Accelerating Career Growth

CIC places a strong focus on employee education and training. We continually refine our multi-tiered training system to meet the company's evolving needs and upskill our workforce. Our programs cover professional knowledge, management skills, and general competencies. By expanding our network of training partners to include business partners, universities, and industry associations, we've enriched both our training content and delivery methods. We also make full use of the "CIC Academy" online learning platform to deliver high-quality training that motivates employees and supports their development.

Broadening Horizons: Building Versatility Through Diverse Work Experiences

At CIC, we believe in developing well-rounded professionals. To this end, we continue to expand and refine our talent mobility and rotation programs to equip employees with diverse experiences across different roles and environments.

Multi-Tiered Talent Exchange and Development

First, we continue to enhance our multi-tiered talent exchange and development initiatives. These programs, tailored to diverse workforce needs, include participation in doctoral service teams, our paired assistance programs, local government secondments, and group company rotations. These varied experiences broaden professional perspectives, provide hands-on knowledge, and develop overall capabilities.

Structured Rotation Opportunities

Second, we continue to expand structured rotation opportunities within headquarters and between headquarters and CIC Group companies, with institutionalized cross-departmental, cross-functional, and cross-organizational programs. These initiatives enrich employees' career progression, aligned with our business needs.

Advanced Management and Support Systems

Third, we are enhancing our management and support systems for employees on secondment and rotation. We apply rigorous selection criteria, provide ongoing guidance and support, and attentively care for both professional and personal needs. Our aim is to ensure staff can fully immerse themselves in these developmental opportunities with full peace of mind.

Precision Positioning: Optimizing Talent Placement

At CIC, we're committed to creating clear career paths and fostering an environment where exceptional talent thrives. Our aim is to place every employee in a role that maximizes their skills and potential.

First, we continually refine our job leveling framework and career development pathways to align with strategic objectives and operational needs. This includes facilitating cross-functional moves, enabling employees to contribute more broadly to CIC's mission while advancing their careers.

Second, we've established clear criteria for talent selection and promotion, emphasizing performance and growth in current roles. Our evaluation process highly values experience in multiple roles and a strong sense of responsibility. The enabling environment where exceptional talents can stand out has helped foster a large, well-structured pool of talents.

As we strive to become a world-class sovereign wealth fund, we will intensify our talent attraction and development efforts, building CIC into a powerhouse of exceptional professionals. We aspire to grow alongside every member of our team as we collectively shape our shared future.

Global Outreach

Development and cooperation are key to addressing global challenges and achieving sustainable growth. CIC bridges China and the world, upholding the principle of win-win cooperation. As an international, market-oriented, professional, and responsible long-term institutional investor, we engage in multi-dimensional exchanges and collaborations, actively contributing to China's high-level opening-up.

Extensive exchanges, in-depth cooperation. In 2023, CIC actively participated in inter-governmental financial dialogues as well as meetings of the International Chamber of Commerce, Institute of International Finance, and various business councils. Our management attended key forums including the Bo'ao Forum for Asia, Global Wealth Management Forum, and China Development Forum. We engaged with government officials from various countries and diplomatic envoys to China, while maintaining exchanges with global sovereign wealth funds, cross-border financial institutions, and peer organizations to foster mutually beneficial partnerships.

CIC is a founding member of the International Forum of Sovereign Wealth Funds (IFSWF), and the only institution to have served continuously on its Board since inception. In 2023, CIC actively engaged in Forum activities, participating in five Board and Advisory Committee meetings and attending the IFSWF Annual Meeting for productive exchanges with global peers.

Box 15 BRICS Women: Unleashing “She Power”

The BRICS Women's Business Alliance (WBA), established in 2020, aims to amplify women entrepreneurs' role as drivers of economic growth, unlock women's business potential, and champion women's economic empowerment across member countries. Ms. Zhao Haiying, Executive Vice President and Chief Strategy Officer of CIC, chairs the WBA China Chapter.

In 2023, the China Chapter hosted the BRICS Women's Leadership Forum under the theme “Enhancing Connectivity, Expanding Practical Cooperation”. The event featured the launch of the BRICS Women's Development Report 2023. The Chapter also organized China visits for past BRICS Women's Innovation Contest winners. These initiatives injected fresh “she power” into BRICS cooperation.

CIC remains committed to actively engaging in BRICS collaboration and women's empowerment, leveraging the WBA platform to play a greater role in creating a more beautiful and diverse world.

Box 16 CIC Forum: Building Our Cross-Border Investment Ecosystem

In September 2023, CIC successfully hosted the 5th CIC Forum in Hong Kong, China. This marked our first large-scale international conference held in person since 2020, and our first high-profile event in Hong Kong. The forum made positive contributions to deepening CIC's international investment partnerships, promoting global cross-border investment, and supporting China's high-quality development and Hong Kong's continued prosperity.

The 5th CIC Forum, themed “Driving Global Cooperation and Sustainability through Cross-Border Investment”, featured a plenary session, two roundtables on cross-border investment and green investment, and four sectoral break-out sessions that covered real assets, healthcare, consumption and industry, and food and agriculture. Participants explored industry trends and investment opportunities, focusing on green investment, innovation, and enhancing quality of life.

CIC serves as a bridge between China and the world, actively fostering global exchange, collaboration, and cross-border investment. Since 2017, the CIC Forum has grown into a vital platform for building our cross-border investment ecosystem.

Advancing digital communication. In 2023, CIC continued to innovate our public communication strategies, aiming to build a more impactful and compelling brand image. We leveraged diverse content formats and channels to share company updates, investment philosophies, and progress on sustainability initiatives across our website and digital platforms. We amplified the “CIC voice” and promoted “CIC solutions”, effectively expanding our messaging reach. These efforts further enhanced our profile as a responsible, global, market-oriented, and professional institutional investor.

Collective wisdom makes all things achievable. CIC stands ready to engage in broader and deeper dialogues with all stakeholders. Together, we will forge win-win partnerships and chart a steady course toward a shared, prosperous future.

2023 FINANCIALS 07

The independent auditor has audited the consolidated financial statements of CIC, and issued an unqualified opinion.

Basis of Presentation

CIC conducts its overseas investment business through CIC International and CIC Capital, and its domestic investment business through Central Huijin. CIC prepares its consolidated financial statements in accordance with the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the PRC. These standards have achieved substantial convergence with the International Financial Reporting Standards (IFRS). The independent auditor of CIC has audited the consolidated financial statements of the Company and issued an unqualified audit report. The financial statements prepared by CIC comply with the requirements of the ASBE and give a true and fair view of the financial position of CIC as at December 31, 2023 and of the Company's operating results and cash flows for the year 2023.

The preparation of financial statements in conformity with ASBE requires management to make certain judgments, estimates, and assumptions based on historical experience and other factors that it believes to be reasonable in the circumstances. These judgments, estimates, and assumptions are mainly applied to the valuation of financial assets and the recognition of income taxes.

CIC's fiscal year runs from January 1 to December 31 on the Gregorian calendar. The accounts of CIC, CIC International, and CIC Capital are denominated in U.S. dollars; the accounts of Central Huijin are denominated in Chinese yuan.

Central Huijin mainly uses the equity method to account for long-term equity investments and does not consolidate the financial statements of its subsidiaries.

Summary of Accounting

Classification of financial instruments

The Company's financial assets are classified as financial assets at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss; its financial liabilities are classified as financial liabilities at amortized cost and financial liabilities at fair value through profit or loss. All financial instruments are classified into these categories based on their business model and contractual cash flow characteristics.

Recognition and measurement of financial instruments

On initial recognition, financial instruments are measured at fair value. On subsequent measurement, financial assets measured at amortized cost are measured at amortized cost using the effective interest method, with gains or losses arising from amortization or impairment recognized in profit or loss. Financial assets measured at fair value through other comprehensive income are subsequently measured at fair value, except for impairment losses and exchange gain or loss on foreign-currency monetary financial assets recognized in profit or loss, and changes in fair value are recognized as other comprehensive income until the cumulative gain or loss is transferred to current profit or loss upon derecognition. For financial assets designated as at fair value through other comprehensive income, only the related dividend income is recognized in current profit or loss, and changes in fair value are recognized as other comprehensive income until the cumulative gain or loss is transferred to retained earnings upon derecognition. Financial assets at fair value through profit or loss are subsequently measured at fair value, with all changes in fair value recognized in profit or loss.

Fair value is the price that market participants would receive to sell an asset or pay to transfer a liability in an orderly transaction that occurs on the measurement date. For financial instruments for which an active market exists, the fair value is determined using quoted prices in an active market. For financial instruments for which there is no active market, the fair value is estimated using valuation techniques. The main valuation techniques used include the market approach, the income approach, and the cost approach. When using valuation techniques, relevant observable inputs (inputs that can be obtained from market data and reflect the assumptions used by market participants in pricing the relevant asset or liability) are used to the maximum extent possible, and unobservable inputs are used only when relevant observable inputs are not available or not practicable to obtain. The Company regularly evaluates valuation techniques and tests their effectiveness.

Accounting for income taxes

The accounting of the Company's income taxes is based on the balance sheet liability method. Income tax expenses include current income tax and deferred income tax. Current income tax is the amount that should be calculated and paid for the transactions and events occurring in the current period, i.e. income tax payable, as calculated and determined by the company in accordance with tax regulations. The Company's deferred income tax assets and deferred income tax liabilities are recognized based on the differences between the tax bases of assets and liabilities and their carrying values (temporary differences) and the tax rates applicable to the periods in which the assets are expected to be recovered or the liabilities settled.

Financial Statements

Consolidated Balance Sheet

	(Amount in millions of US dollars)	
	2023-12-31	2022-12-31
Assets		
Cash and deposits	27,924	23,661
Financial assets at fair value through profit or loss	357,071	318,365
Buy-back financial assets	805	-
Receivables and prepayments	2,947	3,037
Long-term equity investments	911,614	859,982
Other assets	31,710	34,534
Total Assets	1,332,071	1,239,579
Liabilities		
Bank borrowing	8,478	10,778
Financial liabilities at fair value through profit or loss	1,495	1,863
Bonds payable	53,817	54,470
Deferred income tax liabilities	10,214	6,568
Other liabilities	20,224	19,795
Total Liabilities	94,228	93,474
Owner's Equity		
Paid-in capital	200,000	200,000
Capital reserves and others	1,037,843	946,105
Total Owner's Equity	1,237,843	1,146,105
Total Liabilities and Owner's Equity	1,332,071	1,239,579

Consolidated Income Statement

	(Amount in millions of US dollars)	
	2023	2022
Operating Income	116,393	43,744
Investment income	92,461	91,917
Interest income	1,780	1,812
Gain/loss on changes in fair value	22,374	(51,403)
Foreign exchange gain/loss	(303)	1,334
Other income	81	84
Operating Cost	(2,710)	(2,650)
Interest expense	(2,189)	(2,081)
Taxes and surcharges	(20)	(21)
Operating and management fees	(501)	(548)
Operating Profit	113,683	41,094
Net non-operating income and expenses	(17)	(17)
Total Profit	113,666	41,077
Less: Income tax expense	(5,809)	5,291
Net Profit	107,857	46,368

Annual Report 2023



Wechat Account



<https://www.china-inv.cn>

China Investment Corporation

New Poly Plaza, No.1 Chaoyangmen Beidajie, Dongcheng District,
Beijing, China. 100010

Tel + 86 (10) 8409 6277

CIC International (Hong Kong) Co., Limited

25F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong

Tel + 852 3550 7000

Fax + 852 2104 6995

CIC New York Representative Office

350 Park Avenue, 27th Floor New York, NY 10022, USA

Tel + 1 212 230 3100

Fax + 1 212 230 3205