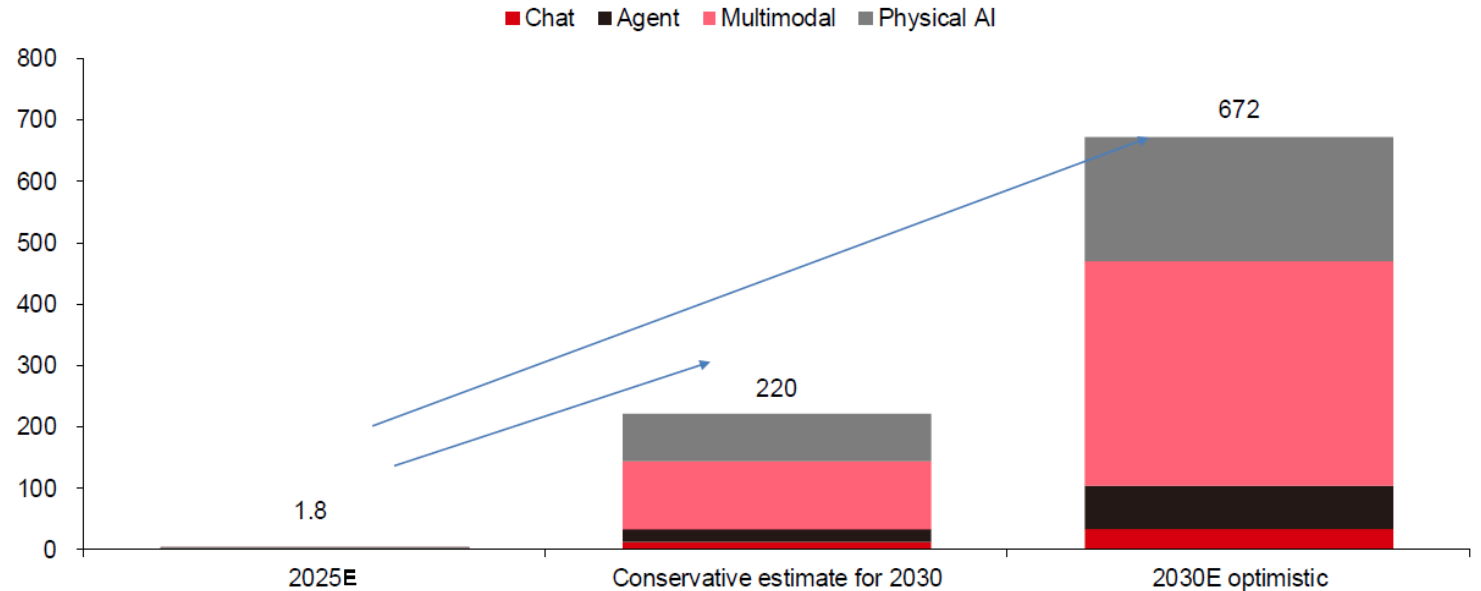


- The amount of AI tokens (units of data) consumed in China has expanded rapidly already but is still in its infancy.
- The quantity of data consumed will expand exponentially as AI spreads to images, sound, and videos and enters the physical world.
- China's AI token usage is expected to soar over the next five years, increasing between 125 and 380 times in the next five years, according to CITIC Securities estimates.
- With the best understanding of its local market and an increasingly robust climate of innovation, China is well-positioned to create and support its own ecosystem.
- We believe this environment creates many investment opportunities for Chinese companies, including across the semiconductor and hardware ecosystem, automation, autos, and consumer tech platforms.
- A global focus on reshoring and friendshoring should amplify many of these opportunities.

Room to run: AI demand provides growth fuel for Chinese companies

Monthly token consumption (Qn) for China AI Token Usage, Next Five Years



Source: CITIC Securities, XU Yingbo, "Chinese AI: Catching up, Gaps, and Supply Chain," November 2025, using CITICS research estimates.

Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. The views and strategies described may not be suitable for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations.

As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to the potential for greater economic and political instability in less developed countries.