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**CHINA ORIENTAL GROUP COMPANY LIMITED**  
**中國東方集團控股有限公司\***  
*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 581)**

**ANNOUNCEMENT OF 2022 ANNUAL RESULTS**

**FINANCIAL HIGHLIGHTS**

	<b>Year ended 31 December</b>		
	<b>2022</b>	2021	Changes
Sales volume ( <i>tonnes</i> )			
— Self-manufactured steel products	<b>7.10 million</b>	7.97 million	(10.9%)
— Trading of steel products	<b>0.30 million</b>	0.26 million	15.4%
	<b>7.40 million</b>	8.23 million	(10.1%)
Revenue (RMB)			
— Sales of self-manufactured steel products	<b>28.22 billion</b>	35.09 billion	(19.6%)
— Sales of power equipment	<b>3.28 billion</b>	0.77 billion	325.6%
— Real estate	<b>0.30 billion</b>	0.04 billion	576.2%
— Trading of steel products, iron ore and related raw materials and others	<b>16.82 billion</b>	16.06 billion	4.7%
	<b>48.62 billion</b>	51.96 billion	(6.4%)
Gross profit (RMB)			
— Sales of self-manufactured steel products	<b>1,187 million</b>	3,653 million	(67.5%)
— Sales of power equipment	<b>228 million</b>	60 million	280.0%
— Real estate	<b>101 million</b>	21 million	381.0%
— Trading of steel products, iron ore and related raw materials and others	<b>237 million</b>	358 million	(33.8%)
	<b>1,753 million</b>	4,092 million	(57.2%)
Gross profit per tonne (RMB)			
— Sales of self-manufactured steel products	<b>167</b>	458	(63.5%)

\* For identification purposes only

	Year ended 31 December		
	2022	2021	Changes
EBITDA <sup>1</sup> (RMB)	<b>2,357 million</b>	4,340 million	(45.7%)
EBITDA margin	<b>4.8%</b>	8.4%	N/A
EBIT <sup>2</sup> (RMB)	<b>1,079 million</b>	3,209 million	(66.4%)
EBIT margin	<b>2.2%</b>	6.2%	N/A
Profit before income tax (RMB)	<b>756 million</b>	3,051 million	(75.2%)
Profit for the year (RMB)	<b>811 million</b>	2,543 million	(68.1%)
Profit attributable to owners of the Company (RMB)	<b>808 million</b>	2,493 million	(67.6%)
Basic earnings per share (RMB)	<b>0.22</b>	0.67	(67.2%)
Final dividend per share (HK\$)	–	0.06	(100.0%)
Special dividend per share (HK\$)	<b>0.03</b>	0.03	–
Total dividends per share for the year <sup>3</sup> (HK\$)	<b>0.10</b>	0.24	(58.3%)
Return on equity <sup>4</sup>	<b>3.6%</b>	11.5%	N/A
	As at 31 December		
	2022	2021	Changes
Total assets (RMB)	<b>48.02 billion</b>	52.12 billion	(7.9%)
Net assets value per share (exclude non-controlling interests) (RMB)	<b>6.07</b>	6.06	0.2%
Debt-to-capital ratio <sup>5</sup>	<b>56.7%</b>	56.7%	N/A

<sup>1</sup> China Oriental Group Company Limited (the “Company”) defines EBITDA as profit for the year before finance costs — net, income tax expense, amortisation, depreciation and non-cash non-recurring items. During the year ended 31 December 2022, there were no adjustments of non-cash non-recurring items in the calculation (2021: nil).

<sup>2</sup> The Company defines EBIT as profit for the year before finance costs — net, income tax expense and non-cash non-recurring items. During the year ended 31 December 2022, there were no adjustments of non-cash non-recurring items in the calculation (2021: nil).

<sup>3</sup> Total dividends per share for the year include interim dividend of HK\$0.07 (2021: interim dividend of HK\$0.10 and special dividend of HK\$0.05).

<sup>4</sup> Return on equity is calculated as profit attributable to owners of the Company divided by the average of the beginning and ending balances of the equity attributable to owners of the Company for that year.

<sup>5</sup> Debt-to-capital ratio is calculated as total debt divided by total capital. Total debt includes current and non-current borrowings, lease liabilities and loans from related parties. Total capital includes non-current borrowings, non-current lease liabilities and equity attributable to owners of the Company.

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2022 together with the comparative figures as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 December	
		2022	2021
	Note	RMB'000	RMB'000
Revenue	3	48,620,332	51,957,557
Cost of sales	4	(46,867,437)	(47,865,951)
<b>Gross profit</b>		<b>1,752,895</b>	4,091,606
Other income	5	237,711	223,963
Distribution costs	4	(116,215)	(152,997)
Administrative expenses	4	(933,122)	(791,971)
Research and development expenses	4	(345,899)	(166,553)
Provision for impairment of financial and contract assets, net	4	(315,048)	(70,517)
Other expenses	4	(25,495)	(26,583)
(Losses)/gains on derivative financial instruments	6	(40,502)	3,193
Other gains — net	7	861,509	109,772
<b>Operating profit</b>		<b>1,075,834</b>	3,219,913
Finance income	8	236,530	226,145
Finance costs	8	(559,673)	(384,150)
Finance costs — net		(323,143)	(158,005)
Share of results of associates and a joint venture		3,040	(10,496)
<b>Profit before income tax</b>		<b>755,731</b>	3,051,412
Income tax expense	9	55,624	(508,679)
<b>Profit for the year</b>		<b>811,355</b>	2,542,733
<b>Profit attributable to:</b>			
Owners of the Company		807,507	2,493,494
Non-controlling interests		3,848	49,239
		<b>811,355</b>	2,542,733
<b>Earnings per share for profit attributable to owners of the Company</b> (expressed in RMB per share)			
— Basic earnings per share	10	<b>RMB0.22</b>	RMB0.67
— Diluted earnings per share	10	<b>RMB0.22</b>	RMB0.67

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the year</b>	<b>811,355</b>	2,542,733
Other comprehensive income/(loss):		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Fair value gains/(losses) on debt investments at fair value through other comprehensive income	<b>1,010</b>	(1,229)
<i>Item reclassified to profit or loss</i>		
Transfer of fair value losses previously credited to reserve to statement of profit or loss upon disposal of debt investments at fair value through other comprehensive income	<b>21,769</b>	1,958
	<b>22,779</b>	729
<b>Total comprehensive income for the year</b>	<b>834,134</b>	2,543,462
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	<b>830,286</b>	2,494,223
Non-controlling interests	<b>3,848</b>	49,239
	<b>834,134</b>	2,543,462

## CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2022	2021
	Note	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	14,544,200	13,173,153
Right-of-use assets	12	913,559	384,510
Investment properties	12	196,580	100,346
Intangible assets	12	1,803,654	263,811
Investment in associates and a joint venture		178,786	1,650,512
Financial assets at fair value through other comprehensive income		359,045	325,000
Financial assets at fair value through profit or loss	19	348,208	388,687
Amounts due from related parties		10,000	10,000
Prepayments, deposits and other receivables	13	1,071,752	992,349
Long-term bank deposits		2,090,000	3,100,000
Loan receivables	17	676,998	612,347
Deferred income tax assets		518,451	365,646
<b>Total non-current assets</b>		<b>22,711,233</b>	<b>21,366,361</b>
<b>Current assets</b>			
Properties under development and held for sale	14	498,044	603,613
Inventories	15	6,089,732	4,835,588
Trade receivables	16	2,818,200	1,601,204
Contract assets	3(c), 16	642,053	91,966
Prepayments, deposits and other receivables	13	3,334,678	4,137,715
Amounts due from related parties		80,723	161,684
Prepaid current income tax		111,439	59,408
Loan receivables	17	815,565	1,061,089
Notes receivable — bank acceptance notes	18	672,516	1,322,022
Financial assets at fair value through other comprehensive income		—	14,643
Financial assets at fair value through profit or loss	19	4,480,206	6,058,175
Restricted bank balances		3,540,756	2,604,748
Cash and cash equivalents		2,124,697	4,626,779
Structured bank deposits	20	103,748	800,000
Assets classified as held for sale	21	—	2,774,183
<b>Total current assets</b>		<b>25,312,357</b>	<b>30,752,817</b>
<b>Total assets</b>		<b>48,023,590</b>	<b>52,119,178</b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

		As at 31 December	
	<i>Note</i>	2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		380,628	380,628
Share premium		3,532,234	3,532,234
Other reserves		1,852,289	1,859,817
Retained earnings		16,813,225	16,778,045
		22,578,376	22,550,724
<b>Non-controlling interests</b>		2,706,271	564,134
<b>Total equity</b>		25,284,647	23,114,858
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	22	1,322,101	2,291,000
Lease liabilities		99,897	74,507
Long-term payables		41,394	–
Deferred revenue		29,010	49,727
Deferred income tax liabilities		92,548	30,812
<b>Total non-current liabilities</b>		1,584,950	2,446,046
<b>Current liabilities</b>			
Trade payables	23	3,667,664	6,902,573
Accruals and other current liabilities		3,322,801	3,130,914
Contract liabilities	3(c)	1,406,525	1,908,615
Deposits received for disposal of a subsidiary		–	2,450,000
Amounts due to related parties		51,692	79,987
Current income tax liabilities		455,358	356,065
Lease liabilities		21,925	8,414
Derivative financial instruments		49,345	10,536
Borrowings	22	12,116,624	11,689,311
Long-term payables, current portion		32,539	–
Dividends payable		29,520	21,859
<b>Total current liabilities</b>		21,153,993	26,558,274
<b>Total liabilities</b>		22,738,943	29,004,320
<b>Total equity and liabilities</b>		48,023,590	52,119,178

## SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

China Oriental Group Company Limited (the “**Company**”) was incorporated in Bermuda on 3 November 2003 as an exempted company with limited liability under the Companies Act 1981 of Bermuda as a result of a group reorganisation.

The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 2 March 2004.

The Company together with its subsidiaries are hereinafter collectively referred to as the Group. The Group is principally engaged in the manufacturing and sales of iron and steel products, trading of steel products, iron ore and related raw materials, sales of power equipment and real estate business. The Group has major manufacturing plants in Hebei Province and Guangdong Province of the People’s Republic of China (the “**PRC**”) and sells mainly to customers located in the PRC. The Group also carries out property development business which is mainly in the PRC.

These consolidated financial statements are presented in thousands of units of RMB, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board on 31 March 2023.

### 2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

#### (a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing on 1 January 2022:

- HKAS 16 (Amendments) Property, Plant and Equipment: Proceeds before Intended Use
- HKAS 37 (Amendments) Onerous Contracts — Cost of Fulfilling a Contract
- HKFRS 3 (Amendments) Reference to the Conceptual Framework
- AG 5 (Revised) Merger Accounting for Common Control Combinations
- Annual Improvements to HKFRS Standards 2018–2020

The adoption of amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b) New standards and interpretations not yet adopted by the Group**

A number of new standards and amendments to standards and interpretations that have been published but not yet effective for the financial year beginning at 1 January 2022 and have not been early adopted by the Group are as follows:

		<b>Effective for annual periods beginning on or after</b>
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2023
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
HK Int 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The adoption of the new or amended standards and interpretation listed above are not expected to have any significant impact on the Group's significant accounting policies and presentation of these consolidated financial statements.



### 3. SALES AND SEGMENT INFORMATION

#### (a) Sales

The Group is principally engaged in the manufacturing and sales of iron and steel products, trading of steel products, iron ore and related raw materials, sales of power equipment and real estate business. Sales recognised for the years ended 31 December 2022 and 2021 were as follows:

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Sales		
— H-section steel products	15,409,767	15,616,350
— Iron ore	11,339,351	12,954,344
— Strips and strip products	9,956,595	13,620,408
— Power equipment	3,283,211	771,488
— Sheet piling	2,742,754	2,687,440
— Cold rolled sheets and galvanised sheets	1,429,907	1,781,083
— Coke	1,267,412	226,623
— Steel scrap	840,189	642,117
— Billets	267,188	2,460,110
— Real estate	296,737	43,883
— Rebar	—	122,364
— Others	1,787,221	1,031,347
	<u>48,620,332</u>	<u>51,957,557</u>

#### (b) Segment information

The chief operating decision-maker has been identified as the management committee, which comprises all executive directors and top management. The chief operating decision-maker reviews the Group's internal reporting in order to assess performance and allocate resources.

Based on these reports, the chief operating decision-maker considers the business from a business perspective. From a business perspective, the chief operating decision-maker assesses the performance of the iron and steel and the real estate segments.

- (i) Iron and steel — Manufacturing and sales of iron and steel products, trading of steel products, iron ore and related raw materials and sales of power equipment; and
- (ii) Real estate — Development and sales of properties.

The chief operating decision-maker assesses the performance of the operating segments based on a measure of revenue and operating profit. This measurement is consistent with that in these consolidated financial statements.

The segment information provided to the chief operating decision-maker for the reportable segments for the year was as follows:

	<b>Year ended 31 December 2022</b>		
	<b>Iron and steel</b>	<b>Real estate</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	<u>48,323,595</u>	<u>296,737</u>	<u>48,620,332</u>
<b>Segment results:</b>			
<b>Operating profit/(loss)</b>	1,152,565	(76,731)	1,075,834
Finance (costs)/income — net	(399,396)	76,253	(323,143)
Share of results of associates and a joint venture	<u>3,040</u>	<u>—</u>	<u>3,040</u>
Profit before income tax			755,731
Income tax expense			<u>55,624</u>
<b>Profit for the year</b>			<u><u>811,355</u></u>
<b>Other profit or loss items</b>			
Depreciation and amortisation	<u>1,276,900</u>	<u>1,345</u>	<u>1,278,245</u>
<b>Capital expenditure</b>	<u>2,656,473</u>	<u>91</u>	<u>2,656,564</u>
	<b>Year ended 31 December 2021</b>		
	<b>Iron and steel</b>	<b>Real estate</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	<u>51,913,674</u>	<u>43,883</u>	<u>51,957,557</u>
<b>Segment results:</b>			
<b>Operating profit/(loss)</b>	3,225,518	(5,605)	3,219,913
Finance (costs)/income — net	(244,288)	86,283	(158,005)
Share of results of associates and a joint venture	<u>(10,496)</u>	<u>—</u>	<u>(10,496)</u>
Profit before income tax			3,051,412
Income tax expense			<u>(508,679)</u>
<b>Profit for the year</b>			<u><u>2,542,733</u></u>
<b>Other profit or loss items</b>			
Depreciation and amortisation	<u>1,128,925</u>	<u>1,740</u>	<u>1,130,665</u>
<b>Capital expenditure</b>	<u>2,764,556</u>	<u>442</u>	<u>2,764,998</u>

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets are determined after deducting related allowance that is reported as direct offsets in the balance sheet. Segment assets consist primarily of property, plant and equipment, right-of-use assets, investment properties, intangible assets, investment in associates and a joint venture, loan receivables, properties under development and held for sale, prepayments, deposits and other receivables, inventories, trade receivables, contract assets, amounts due from related parties, notes receivable, restricted bank balances, cash and cash equivalents and assets classified as held for sale.

Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities consist primarily of long-term payables, deferred revenue, amounts due to related parties, trade payables, contract liabilities, deposits received for disposal of a subsidiary, accruals and other current liabilities and lease liabilities.

The segment assets and liabilities as at 31 December 2022 were as follows:

	<b>Iron and steel RMB'000</b>	<b>Real estate RMB'000</b>	<b>Elimination RMB'000</b>	<b>Total RMB'000</b>
<b>Segment assets</b>	<b><u>39,447,074</u></b>	<b><u>1,712,801</u></b>	<b><u>(1,147,382)</u></b>	<b><u>40,012,493</u></b>
Segment assets for reportable segments				40,012,493
<b>Unallocated:</b>				
Deferred income tax assets				518,451
Financial assets at fair value through other comprehensive income				359,045
Financial assets at fair value through profit or loss				4,828,414
Structured bank deposits				103,748
Long-term bank deposits				2,090,000
Prepaid current income tax				<u>111,439</u>
Total assets per balance sheet				<u><u>48,023,590</u></u>
<b>Segment liabilities</b>	<b><u>8,438,919</u></b>	<b><u>1,381,910</u></b>	<b><u>(1,147,382)</u></b>	<b><u>8,673,447</u></b>
Segment liabilities for reportable segments				8,673,447
<b>Unallocated:</b>				
Current income tax liabilities				455,358
Current borrowings				12,116,624
Non-current borrowings				1,322,101
Derivative financial instruments				49,345
Dividends payable				29,520
Deferred income tax liabilities				<u>92,548</u>
Total liabilities per balance sheet				<u><u>22,738,943</u></u>

The segment assets and liabilities as at 31 December 2021 were as follows:

	Iron and steel <i>RMB'000</i>	Real estate <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment assets</b>	<u>40,083,932</u>	<u>1,815,390</u>	<u>(891,703)</u>	<u>41,007,619</u>
Segment assets for reportable segments				41,007,619
<b>Unallocated:</b>				
Deferred income tax assets				365,646
Financial assets at fair value through other comprehensive income				339,643
Financial assets at fair value through profit or loss				6,446,862
Structured bank deposits				800,000
Long-term bank deposits				3,100,000
Prepaid current income tax				<u>59,408</u>
Total assets per balance sheet				<u><u>52,119,178</u></u>
<b>Segment liabilities</b>	<u>14,125,986</u>	<u>1,370,454</u>	<u>(891,703)</u>	<u>14,604,737</u>
Segment liabilities for reportable segments				14,604,737
<b>Unallocated:</b>				
Current income tax liabilities				356,065
Current borrowings				11,689,311
Non-current borrowings				2,291,000
Derivative financial instruments				10,536
Dividends payable				21,859
Deferred income tax liabilities				<u>30,812</u>
Total liabilities per balance sheet				<u><u>29,004,320</u></u>

(c) **Assets and liabilities related to contracts with customers**

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

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Contract assets attributable to:</b>		
— Iron and steel segment	<b>642,053</b>	91,966
	<b>642,053</b>	<b>91,966</b>
	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Contract liabilities attributable to:</b>		
— Iron and steel segment	<b>1,300,895</b>	1,645,414
— Real estate segment	<b>105,630</b>	263,201
	<b>1,406,525</b>	<b>1,908,615</b>

The following table shows how much of the revenue recognised for the years ended 31 December 2022 and 2021 related to contract liabilities as brought-forward:

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue recognised on:</b>		
— Iron and steel segment	<b>1,645,414</b>	1,585,535
— Real estate segment	<b>247,857</b>	8,931
	<b>1,893,271</b>	<b>1,594,466</b>

#### 4. EXPENSES BY NATURE

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Employee benefit expenses	1,318,419	1,143,522
Changes in inventories of finished goods and work in progress	(898,464)	(90,857)
Raw materials used and cost of goods sold for trading	43,542,351	44,910,692
Cost of properties sold	192,493	17,987
Energy and utility costs	1,782,502	1,367,746
Depreciation of property, plant and equipment (Note 12)	1,162,780	1,090,205
Amortisation of intangible assets (Note 12)	68,237	7,046
Depreciation of investment properties (Note 12)	13,442	7,094
Depreciation of right-of-use assets (Note 12)	33,786	26,320
Provision for/(reversal of) impairment of trade receivables and contract assets	93,706	(8,851)
Provision for impairment of inventories to net realisable value	15,452	68
Provision for impairment of properties under development (Note 14)	145,822	50,424
Provision for impairment of loan receivables	198,702	83,010
Provision for/(reversal of) impairment of prepayments, deposits and other receivables	22,640	(3,642)
Tax	202,929	185,202
Freight, storage and hoisting costs	254,958	17,862
Research and technical consulting fee		
— Materials and utility related to research and development	254,027	113,341
— Technical consulting fee	27,411	19,679
Rental expenses on short-term leases	21,754	10,450
Auditors' remuneration		
— Audit services	4,963	5,142
— Non-audit services	816	1,390
Others	144,490	120,742
Total	<u>48,603,216</u>	<u>49,074,572</u>

#### 5. OTHER INCOME

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Interest income from loan receivables	93,349	123,096
Government grants	110,057	58,991
Rental income from investment properties	25,244	17,030
Dividend income from financial assets at fair value through other comprehensive income	8,432	23,573
Interest income from financial assets at fair value through other comprehensive income	629	1,273
Total	<u>237,711</u>	<u>223,963</u>

## 6. (LOSSES)/GAINS ON DERIVATIVE FINANCIAL INSTRUMENTS

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Investment gains/(losses) on foreign currency forward contracts (a)	52,654	(13,649)
Investment (losses)/gains on iron ore, hot rolled steel coil, rebar and other products future contracts (b)	(90,635)	16,842
Investment losses on iron ore and rebar future option contracts (c)	(2,521)	–
Total	<u>(40,502)</u>	<u>3,193</u>

During the year ended 31 December 2022, the Group entered into certain foreign currency forward contracts, certain iron ore, hot rolled steel coil, rebar and other products future contracts and certain iron ore and rebar future option contracts so as to reduce the impact of the volatility of the RMB exchange rate against USD and volatility of the iron ore, hot rolled steel coil, rebar and other products prices respectively.

- (a) For the year ended 31 December 2022, realised gains amounting to approximately RMB65 million and unrealised losses amounting to approximately RMB12 million (2021: realised losses amounting to approximately RMB14 million) were recognised in foreign currency forward contracts.
- (b) For the year ended 31 December 2022, realised losses amounting to approximately RMB55 million and unrealised losses amounting to approximately RMB36 million (2021: realised gains amounting to approximately RMB27 million and unrealised losses amounting to approximately RMB11 million) were recognised on iron ore, hot rolled steel coil, rebar and other products future contracts. A derivative financial liability in respect of iron ore, hot rolled steel coil, rebar and other products future contracts, of approximately RMB36 million (2021: approximately RMB11 million) was recognised in balance sheet as at 31 December 2022.
- (c) For the year ended 31 December 2022, realised losses amounting to approximately RMB1 million (2021: nil) and unrealised losses amounting to approximately RMB1 million (2021: nil) were recognised on iron ore and rebar future option contracts. A derivative financial liability in respect of iron ore future option contracts of approximately RMB1 million (2021: nil) was recognised in balance sheet as at 31 December 2022.

## 7. OTHER GAINS — NET

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Investment income from financial assets at fair value through profit or loss	16,811	240,502
Unrealised fair value (losses)/gains of financial assets at fair value through profit or loss	(225,547)	99,985
Gains of raw materials and by-products	28,325	62,252
Investment income from structured bank deposits	19,588	39,171
Gain on disposal of an associate	73,120	19,964
Gains on disposal of property, plant and equipment (a)	490,748	19,766
Losses on disposal of financial assets at fair value through other comprehensive income	(21,769)	(1,958)
Gains on disposal of subsidiaries (b)	729,002	–
Waiver of interest of loan receivables	(56,000)	–
Other foreign exchange gains/(losses) — net	26,321	(36,777)
Losses on derecognition of notes receivable	(54,180)	(113,960)
Provision for impairment of property, plant and equipment (Note 12)	(166,893)	(224,175)
Others — net	1,983	5,002
	<u>861,509</u>	<u>109,772</u>
Total other gains — net	<u>861,509</u>	<u>109,772</u>

- (a) On 13 July 2021, a non-wholly owned subsidiary of the Group, Hebei Jinxi Iron and Steel Group Company Limited\* (河北津西鋼鐵集團股份有限公司, “**Jinxi Limited**”) entered into the capacity transfer agreement with Tangshan Ganglu Iron & Steel Co., Ltd.\* (唐山港陸鋼鐵有限公司) in relation to the transfer of the iron and steel capacity at a total consideration of approximately RMB570 million. The transfer of the iron and steel capacity was completed on 2 April 2022 and the Group recognised the gains on disposal of approximately RMB494 million.
- (b) On 23 November 2021, Jinxi Limited entered into a sale and purchase agreement (the “**FCG Disposal Agreement**”) with Guangxi Chiji Iron and Steel Company Limited\* (廣西翅冀鋼鐵有限公司, “**Guangxi Chiji**”) in relation to the disposal of Jinxi Limited’s entire 100% equity interest in Fangchenggang Jinxi Section Steel Technology Co., Ltd.\* (防城港津西型鋼科技有限公司, “**Fangchenggang Jinxi**”) to Guangxi Chiji at a consideration of RMB3.5 billion (the “**FCG Disposal**”). The FCG Disposal was completed on 2 March 2022. Considering the agreement between Jinxi Limited and relevant government authorities of Fangchenggang City entered into on 7 October 2022, the remaining receivables (primarily included a refundable deposit for land acquisition and certain cost reimbursement of RMB500 million and approximately RMB14 million respectively, which were recoverable from the relevant government authorities of the Fangchenggang City) were recognised as other receivables, and the Group recognised a gain on disposal of approximately RMB730 million regarding the FCG Disposal.



## 8. FINANCE INCOME AND COSTS

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Interest expenses		
— Borrowings and long-term payables	(510,399)	(455,486)
— Lease liabilities	(4,978)	(4,121)
Net foreign exchange (losses)/gains on borrowings and dividends payable	(115,405)	22,138
	<u>(630,782)</u>	<u>(437,469)</u>
Finance costs	(630,782)	(437,469)
Less: amounts capitalised as qualifying assets	71,109	53,319
	<u>(559,673)</u>	<u>(384,150)</u>
Total finance costs		
Interest income		
— Bank deposits	224,748	192,452
— Other receivables and amounts due from related parties	11,782	33,693
	<u>236,530</u>	<u>226,145</u>
Total finance income		
	<u>236,530</u>	<u>226,145</u>
Finance costs — net	<u>(323,143)</u>	<u>(158,005)</u>

## 9. INCOME TAX EXPENSE

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Current income tax		
— PRC enterprise income tax (the “EIT”)	178,141	551,593
— Singapore profits tax	17,524	30,303
Deferred income tax	(251,289)	(73,217)
	<u>(55,624)</u>	<u>508,679</u>

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and, accordingly, is exempted from payment of Bermuda income tax.

The subsidiaries directly held by the Company were incorporated in British Virgin Islands (“BVI”) with limited liability under the International Business Companies Act (Chapter 291) and, accordingly, are exempted from payment of BVI income tax.

No Hong Kong profits tax has been provided since the Company and the subsidiaries traded or incorporated in Hong Kong do not have assessable taxable profits during the year ended 31 December 2022 after utilising their accumulated tax losses (2021: Nil).

China Oriental Singapore Pte. Limited (“**China Oriental Singapore**”) has been awarded the “Global Trader Programme” status since 1 April 2011 and continued to be awarded from 1 January 2019 for 5 years. Income from qualifying transactions will be taxed at the concessionary corporate tax rate of 5% (2021: 10%), subject to China Oriental Singapore’s fulfilment of certain terms and conditions as stated in the letter issued by International Enterprise Singapore.

The PRC EIT is calculated based on the statutory profit of subsidiaries incorporated in the Mainland China in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items which are non-taxable or non-deductible for income tax purposes. The EIT rate applicable to the subsidiaries incorporated in the Mainland China is 25% (2021: 25%) except for Zhonghuo Finance Leasing Co., Ltd.\* (中霍融資租賃有限公司, “**Zhonghuo Leasing**”), Hebei Jinxi Iron and Steel Group Heavy Industry Science and Technology Co., Limited\* (河北津西鋼鐵集團重工科技有限公司, “**Jinxi Heavy Industry**”), Chongqing Jodear Power Equipment Co., Ltd.\* (重慶江電電力設備有限公司, “**Chongqing Jodear**”), Hebei Jinxi Sheet Piling Section Steel Technology Co., Ltd.\* (河北津西鋼板樁型鋼科技有限公司, “**Jinxi Sheet Piling**”) and Qingdao Huijintong Power Equipment Company Limited\* (青島匯金通電力設備股份有限公司, “**HJT**”).

Zhonghuo Leasing qualified as a key encouraged industry enterprise was established in an economically difficult zone. Approved by local tax authority in 2020, Zhonghuo Leasing was entitled to a five-year full EIT exemption from 2020 to 2024. Hence, the effective tax rate applicable to Zhonghuo Leasing was nil for the years ended 31 December 2022 and 2021.

Jinxi Heavy Industry, Chongqing Jodear, Jinxi Sheet Piling and HJT obtained the High-tech Enterprise Certificate and as high-tech enterprises, were subject to a preferential EIT rate of 15% from 2020 to 2022.

According to the applicable tax rate under PRC tax regulations, dividends distributed by a company established in the Mainland China to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to withholding tax (“**WHT**”) at rate of 10%. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the Mainland China and Hong Kong, the relevant rate of WHT will be reduced from 10% to 5%. During the year ended 31 December 2022, the distribution of dividends among Jinxi Limited and certain foreign subsidiaries of the Group was subject to WHT at rate of 5% and 10%.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that became effective from 1 January 2021, enterprise engaging in research and development activities are entitled to claim 200% (2021: 200%) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for the year (the “**super deduction**”).

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average applicable tax rate of 18.63% (2021: 23.16%) to respective profits of the consolidated entities for the years ended 31 December 2022 and 2021 as follows:

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit before income tax	<b>755,731</b>	3,051,412
Taxation calculated at statutory tax rates applicable in corresponding countries	<b>140,777</b>	706,681
Tax exemption of subsidiaries with preferential tax policy	<b>(85,985)</b>	(103,409)
Temporary differences and tax losses for which no deferred income tax asset was recognised	<b>64,306</b>	10,679
Withholding tax on dividends from subsidiaries	<b>16,002</b>	34,003
Utilisation of previously unrecognised tax losses and temporary differences	<b>(36,826)</b>	(55,231)
Recognition of previously unrecognised deferred income tax assets	<b>(64,883)</b>	–
Deductible investment in environmental protection equipment	<b>(9,033)</b>	–
Withholding tax of intra-group interest income	<b>276</b>	265
Effect of non-taxable income	<b>(17,726)</b>	(45,518)
Effect of non-deductible expenses	<b>5,298</b>	2,328
Additional deduction of research and development expenses and other expenses	<b>(67,830)</b>	(41,050)
Deductible value-added tax rebate	<b>–</b>	(69)
	<b>(55,624)</b>	508,679

## 10. EARNINGS PER SHARE

### Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
Profit attributable to owners of the Company ( <i>RMB'000</i> )	<b>807,507</b>	2,493,494
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	<b>3,722,569</b>	3,722,569
Basic earnings per share ( <i>RMB per share</i> )	<b>0.22</b>	0.67

### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2022 and 2021, the Company did not have any dilutive potential ordinary shares. Therefore, diluted earnings per share is same as basic earnings per share for the respective years.

## 11. DIVIDENDS

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Interim, paid (a) (b)	236,461	459,875
Final, paid (c)	–	272,347
Final, proposed (d)	97,763	–

- (a) At the Board meeting held on 31 August 2022, the Board declared an interim dividend of approximately HK\$261 million (approximately RMB236 million), representing HK\$0.07 per ordinary share in respect of the six months ended 30 June 2022. The interim dividend was paid during the year ended 31 December 2022.
- (b) At the Board meeting held on 31 August 2021, the Board declared an interim dividend of approximately HK\$372 million (approximately RMB307 million), representing HK\$0.10 per ordinary share and a special dividend of approximately HK\$186 million (approximately RMB153 million), representing HK\$0.05 per ordinary share in respect of the six months ended 30 June 2021. The interim and special dividends were paid during the year ended 31 December 2021.
- (c) At the Board meeting held on 29 March 2022, the Board proposed a final dividend of approximately HK\$223 million (approximately RMB182 million), representing HK\$0.06 per ordinary share and a special dividend of approximately HK\$112 million (approximately RMB91 million), representing HK\$0.03 per ordinary share in respect of the year ended 31 December 2021. The proposed final and special dividends were approved by the shareholders of the Company on the annual general meeting of the Company dated 8 June 2022 and were paid during the year ended 31 December 2022.
- (d) At the Board meeting held on 31 March 2023, the Board proposed a special dividend of approximately HK\$112 million (approximately RMB98 million), representing HK\$0.03 per ordinary share in respect of the year ended 31 December 2022. The proposed special dividend is subject to the approval by the shareholders of the Company in the forthcoming annual general meeting to be held on 8 June 2023. The proposed special dividend is not reflected as dividends payable in these consolidated financial statements, but will be reflected as appropriations from retained earnings for the year ending 31 December 2023.

## 12. CAPITAL EXPENDITURE

	Property, plant and equipment <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Investment properties <i>RMB'000</i>	Intangible assets <i>RMB'000</i>
<b>Year ended 31 December 2022</b>				
<b>Opening carrying amount as at</b>				
<b>1 January 2022</b>	<b>13,173,153</b>	<b>384,510</b>	<b>100,346</b>	<b>263,811</b>
Additions	2,938,853	562,835	128,786	1,608,080
Disposals	(238,133)	–	(19,110)	–
Depreciation and amortisation ( <i>Note 4</i> )	(1,162,780)	(33,786)	(13,442)	(68,237)
Impairment ( <i>a</i> )	(166,893)	–	–	–
	<u>14,544,200</u>	<u>913,559</u>	<u>196,580</u>	<u>1,803,654</u>
<b>Closing carrying amount as at</b>				
<b>31 December 2022</b>	<b>14,544,200</b>	<b>913,559</b>	<b>196,580</b>	<b>1,803,654</b>
	Property, plant and equipment <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Investment properties <i>RMB'000</i>	Intangible assets <i>RMB'000</i>
<b>Year ended 31 December 2021</b>				
<b>Opening carrying amount as at</b>				
<b>1 January 2021</b>	11,552,420	397,485	107,440	2,843,640
Additions	2,813,553	13,345	–	41,708
Transfers	170,724	–	–	(2,614,491)
Disposals	(49,164)	–	–	–
Depreciation and amortisation ( <i>Note 4</i> )	(1,090,205)	(26,320)	(7,094)	(7,046)
Impairment	(224,175)	–	–	–
	<u>13,173,153</u>	<u>384,510</u>	<u>100,346</u>	<u>263,811</u>
<b>Closing carrying amount as at</b>				
<b>31 December 2021</b>	<b>13,173,153</b>	<b>384,510</b>	<b>100,346</b>	<b>263,811</b>

- (a) For the year ended 31 December 2022, after the completion of the Group's Equipment Upsizing Project in 2020, pursuant to the sale and purchase agreements, the Group was disposing certain unused property, plant and equipment related to sintering production line. The Group thus made an impairment provision of approximately RMB167 million for these property, plant and equipment according to the difference between the fair value less cost to sale and net book value.

### 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
<b>Non-current</b>		
Prepayments for purchase of long-term assets	1,156,233	517,328
Less: impairment provision	(234,235)	(234,235)
	<u>921,998</u>	<u>283,093</u>
Prepayments for purchase of long-term assets — net		
Deposits for purchase of right-of-use assets	–	500,000
Prepaid expenses	36,056	44,626
Other receivables related to lease (a)	122,403	164,630
Less: impairment provision	(8,705)	–
	<u>113,698</u>	<u>164,630</u>
Other receivables related to lease — net		
	<u>1,071,752</u>	<u>992,349</u>
<b>Current</b>		
Prepayments for purchase of inventories	1,594,802	2,171,941
Other receivables related to disposal of a subsidiary (Note 7b)	514,199	–
Other receivables	815,784	875,936
Less: impairment provision	(182,267)	(175,731)
	<u>633,517</u>	<u>700,205</u>
Other receivables — net		
Prepaid tax	94,605	671,546
Deposits	255,963	500,275
Prepaid expenses	183,281	62,049
Other receivables related to lease (a)	62,807	31,699
Less: impairment provision	(4,496)	–
	<u>58,311</u>	<u>31,699</u>
Other receivables related to lease — net		
	<u>3,334,678</u>	<u>4,137,715</u>
	<u>4,406,430</u>	<u>5,130,064</u>

- (a) The Group conducted sale and leaseback transactions with third parties as a lessor. Since the control of the leased objects had not been transferred to the Group, the Group only recognised other receivables related to lease in the consolidated balance sheet. As a result, the Group had non-current and current other receivables related to lease of approximately RMB114 million (2021: approximately RMB165 million) and RMB58 million (2021: approximately RMB32 million) respectively.

The fair values of prepayments, deposits and other receivables approximated their carrying amounts as the impact of discounting was not significant.

#### 14. PROPERTIES UNDER DEVELOPMENT AND HELD FOR SALE

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Properties under development comprise:		
— Land use rights	337,126	383,089
— Construction costs	282,158	259,490
Less: impairment provision	(196,246)	(50,424)
	<u>423,038</u>	<u>592,155</u>
Completed properties held for sale	<u>75,006</u>	<u>11,458</u>
	<u><u>498,044</u></u>	<u><u>603,613</u></u>

The properties under development and held for sale are all located in the PRC. The related land use rights are on leases of 40 to 70 years.

#### 15. INVENTORIES

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Raw materials and materials in-transit	3,278,142	3,548,616
Work-in-progress	563,007	505,506
Finished goods	2,277,191	809,743
Less: impairment provision	(28,608)	(28,277)
Inventories — net	<u><u>6,089,732</u></u>	<u><u>4,835,588</u></u>

The cost of inventories recognised in cost of sales for the year ended 31 December 2022 amounted to approximately RMB46,675 million (2021: approximately RMB47,848 million).

## 16. TRADE RECEIVABLES AND CONTRACT ASSETS

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	<b>3,060,422</b>	1,666,434
Contract assets	<b>681,069</b>	93,322
Less: impairment provision for		
— trade receivables	<b>(242,222)</b>	(65,230)
— contract assets	<b>(39,016)</b>	(1,356)
	<hr/>	<hr/>
Trade receivables and contract assets — net	<b><u>3,460,253</u></b>	<u>1,693,170</u>

As at 31 December 2022 and 2021, the carrying amount of the Group's trade receivables and contract assets approximated their fair value.

As at 31 December 2022 and 2021, the ageing analysis of the gross amount of trade receivables and contract assets based on invoiced date was as follows:

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	<b>2,883,326</b>	1,382,167
4–6 months	<b>251,732</b>	108,706
7–12 months	<b>87,466</b>	164,466
Over 1 year	<b>518,967</b>	104,417
	<hr/>	<hr/>
	<b><u>3,741,491</u></b>	<u>1,759,756</u>

As at 31 December 2022, trade receivables amounting to approximately RMB221 million (2021: approximately RMB283 million) were pledged as security for the Group for issuance of letters of credit.

As at 31 December 2022 and 2021, no trade receivables were pledged as security for bank borrowings (Note 22) of the Group.



## 17. LOAN RECEIVABLES

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
<b>Non-current</b>		
Long-term loan receivables (a)	692,265	648,480
Less: impairment provision (c)	<u>(15,267)</u>	<u>(36,133)</u>
	<u>676,998</u>	<u>612,347</u>
<b>Current</b>		
Short-term loan receivables (b)	1,126,796	1,152,752
Less: impairment provision (c)	<u>(311,231)</u>	<u>(91,663)</u>
	<u>815,565</u>	<u>1,061,089</u>
Total loan receivables, net of provision	<u><u>1,492,563</u></u>	<u><u>1,673,436</u></u>

The Group provided loans to third parties. The details of the loans are set out below:

- (a) As at 31 December 2022, long-term loan receivable of approximately RMB348 million (2021: approximately RMB348 million) was secured by pledge of certain production capacity of the borrower, facilitated by the government department concerned, interest-free, with repayment terms of 5 years and wholly repayable in 2025.

As at 31 December 2022, long-term loan receivable of RMB344 million was borrowed by Mr. Liu Feng and Ms. Liu Yanhua, the shareholders of HJT. The loan was secured by the borrowers' pledge of listed equity shares of HJT. In 2022, the Group signed a renewal agreement with Mr. Liu Feng and Ms. Liu Yanhua, which provided for the loan to be extended until 2024, and indicated that the interest was waived since 2020.

- (b) As at 31 December 2022, short-term loan receivables of approximately RMB949 million comprised of various loans with residual repayment terms within 1 year and with individual amount ranging from RMB3 million to approximately RMB295 million. The loans were secured by the pledge of listed and unlisted equity shares of the borrowers or guarantors of the borrowers and were guaranteed by related parties of the borrowers, interest bearing at rates ranging from 8.0% to 17.0% per annum.

As at 31 December 2022, short-term loan receivable of approximately RMB178 million was borrowed by Huzhou Fenglinhuoshan Equity Investment Partnership ("**Fenglinhuoshan**"), which was secured by the borrower's pledge of listed equity shares of Jiangsu Shentong Valve Co., Ltd. ("**Jiangsu Shentong**"). Fenglinhuoshan was the second largest shareholder of Jiangsu Shentong, and Mr. Han Li was the fifth largest shareholder and the chairman of Jiangsu Shentong.

As at 31 December 2021, short-term loan receivables of approximately RMB1,153 million comprised of various loans with residual repayment terms within 1 year and with individual amount ranging from RMB21 million to approximately RMB348 million. The loans were secured by the pledge of listed and unlisted shares of the borrowers or guarantors of the borrowers and were guaranteed by related parties of the borrowers, interest bearing at rates ranging from 8.0% to 15.0% per annum.

- (c) As at 31 December 2022, provision amounting to approximately RMB45 million (2021: approximately RMB45 million) was recognised on the loan receivables given that the borrowers were in significant financial difficulty and had defaulted in scheduled payments and there was significant uncertainty of recovering the loan receivables by the enforcement of mortgage rights.

As at 31 December 2022, provision amounting to approximately RMB281 million (2021: approximately RMB83 million) was recognised on the loan receivables based on expected credit losses given that the decline in the value of underlying asset and evolving uncertainty in the recoverable amount.

The fair value of loan receivables approximated their carrying amounts as at the balance sheet date, as the impact of discounting was not significant.

#### 18. NOTES RECEIVABLE — BANK ACCEPTANCE NOTES

	<b>As at 31 December</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	<b>RMB'000</b>
Notes receivable designated as financial assets at fair value through other comprehensive income	<b>672,516</b>	1,322,022

As at 31 December 2022, no notes receivable (2021: approximately RMB916 million) was pledged as security for the Group's notes payable (Note 23) and approximately RMB14 million (2021:nil) were pledged as security for the Group's borrowings (Note 22).

The settlement of the notes receivable was guaranteed by banks with maturity dates within 1 year and the credit risks in respect of the notes receivable are considered to be low.

As at 31 December 2022 and 2021, the ageing analysis of notes receivable was as follows:

	<b>As at 31 December</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	<b>RMB'000</b>
Within 3 months	<b>531,559</b>	1,277,844
4–6 months	<b>136,348</b>	41,549
7–12 months	<b>4,609</b>	2,629
	<b>672,516</b>	1,322,022

## 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
<b>Non-current</b>		
Listed equity interests	238,605	338,687
Financial investment products	109,603	50,000
	<u>348,208</u>	<u>388,687</u>
<b>Current</b>		
Money market funds	149,928	1,797,271
Investment funds	1,233,286	1,336,450
Listed bond investments	1,541,281	1,169,260
Bond market funds	444,469	1,015,717
Financial investment products	878,316	459,640
Listed equity interests	232,926	279,837
	<u>4,480,206</u>	<u>6,058,175</u>
Total	<u>4,828,414</u>	<u>6,446,862</u>

## 20. STRUCTURED BANK DEPOSITS

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Financial assets at fair value through profit or loss	<u>103,748</u>	<u>800,000</u>

As at 31 December 2022, the structured bank deposits represented financial instruments placed by the Group in various banks in Mainland China for a term within 1 year. The interest of structured bank deposits of approximately RMB10 million was linked to BFIX EUR/USD, the interest of structured bank deposits of approximately RMB52 million was linked to BFIX EUR/CNH and the interest of structured bank deposits of approximately RMB42 million was linked to BFIX USD/CNH.

As at 31 December 2021, the structured bank deposits represented financial instruments placed by the Group in various banks in Mainland China for a term within 1 year. The interest of structured bank deposits of RMB300 million was linked to CFETS 7-day repo rate and the interest of structured bank deposits of RMB500 million was linked to BFIX EUR/USD.

As at 31 December 2022 and 2021, no structured bank deposits were pledged as security for the Group for issuance of notes payable (Note 23).

## 21. ASSETS CLASSIFIED AS HELD FOR SALE

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
<b>Assets classified as held for sale</b>		
Intangible assets ( <i>Note 12</i> )	–	2,614,491
<b>Other current assets</b>		
Prepayments, deposits and other receivables	–	159,692
	–	2,774,183

Pursuant to the FCG Disposal Agreement, Jinxi Limited agreed to dispose of its entire 100% equity interest in Fangchenggang Jinxi to Guangxi Chiji at a total cash consideration of RMB3.5 billion. Fangchenggang Jinxi was a subsidiary of the Group which held an approved iron production capacity of 2.35 million tonnes per annum and steel production capacity of 3.05 million tonnes per annum (the “**Production Capacity**”).

According to the terms as set out in the FCG Disposal Agreement, Fangchenggang Jinxi had to transfer out certain of its assets/liabilities (the “**Assets/Liabilities to be Transferred Out**”) to its parent prior to the completion of the FCG Disposal. The Assets/Liabilities to be Transferred Out comprise of Fangchenggang Jinxi’s cash and cash equivalents, other receivables (primarily including a refundable deposit for land acquisition and forest vegetation restoration fees of RMB500 million and approximately RMB14 million respectively, which are recoverable from the relevant government authorities in the Fangchenggang City), property, plant and equipment and all of its liabilities.

After the transfer of the Assets/Liabilities to be Transferred Out, the only assets to be retained by Fangchenggang Jinxi would be the intangible assets in connection with the Production Capacity and certain prepayments, deposits and other receivables with carrying amounts of approximately RMB2,615 million and RMB160 million respectively and the Group reclassified these assets as “assets classified as held for sale” as at 31 December 2021.

The Group had already received a deposit for the FCG Disposal of RMB2.45 billion by December 2021 and the FCG Disposal was eventually completed in March 2022.

## 22. BORROWINGS

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
<b>Non-current</b>		
Bank borrowings		
— Secured (a)	341,200	19,500
— Unsecured	980,901	2,271,500
	<u>1,322,101</u>	<u>2,291,000</u>
<b>Current</b>		
Bank borrowings		
— Secured (a)	7,569,096	4,183,036
— Unsecured	4,542,191	7,500,938
	<u>12,111,287</u>	<u>11,683,974</u>
Other borrowings, unsecured (b)	5,337	5,337
	<u>12,116,624</u>	<u>11,689,311</u>
Total borrowings	<u><u>13,438,725</u></u>	<u><u>13,980,311</u></u>

- (a) The secured bank borrowings as at 31 December 2022 totaling approximately RMB5,820 million were secured by property, plant and equipment (Note 12), investment property (Note 12), right-of-use assets (Note 12) and restricted bank balances of the Group; totaling approximately RMB2,090 million were secured by long-term bank deposits.

The secured bank borrowings as at 31 December 2021 totaling approximately RMB1,948 million were secured by property, plant and equipment (Note 12), right-of-use assets (Note 12) and restricted bank balances of the Group; totaling approximately RMB2,255 million were secured by long-term bank deposits.

- (b) The other unsecured borrowings of approximately RMB5 million (2021: approximately RMB5 million) represented a borrowing from a local county government without fixed term of repayment. Interest is charged at the RMB one year fixed bank deposit rate.

As at 31 December 2022 and 2021, the Group's borrowings were repayable as follows:

	<b>Bank borrowings</b>		<b>Other borrowings</b>	
	<b>As at 31 December</b>		<b>As at 31 December</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
Within 1 year	<b>12,112,487</b>	11,683,974	<b>5,337</b>	5,337
Between 1 and 2 years	<b>997,526</b>	2,224,000	–	–
Between 2 and 5 years	<b>252,375</b>	30,000	–	–
Over 5 years	<b>71,000</b>	37,000	–	–
	<b><u>13,433,388</u></b>	<u>13,974,974</u>	<b><u>5,337</u></b>	<u>5,337</u>

### 23. TRADE PAYABLES

	<b>As at 31 December</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
Account payables	<b>2,996,333</b>	2,597,242
Notes payable	<b>671,331</b>	4,305,331
	<b><u>3,667,664</u></b>	<u>6,902,573</u>

As at 31 December 2022, notes payable of approximately RMB593 million represented bank acceptance notes which were secured by certain restricted bank balances and approximately RMB78 million represented commercial acceptance notes which were secured by credit.

As at 31 December 2021, notes payable of approximately RMB4,305 million represented bank acceptance notes, of which approximately RMB916 million were secured by certain notes receivable (Note 18), approximately RMB2,629 million were secured by certain restricted bank balances, approximately RMB645 million were secured by long-term bank deposits and approximately RMB115 million were guaranteed by credit.

As at 31 December 2022 and 2021, the ageing analysis of the trade payables was as follows:

	<b>As at 31 December</b>	
	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 3 months	<b>1,757,675</b>	2,923,681
4–6 months	<b>1,452,838</b>	2,062,100
7–9 months	<b>177,990</b>	1,303,192
10–12 months	<b>34,027</b>	444,157
Over 1 year	<b>245,134</b>	169,443
	<b><u>3,667,664</u></b>	<u>6,902,573</u>

## 24. FINANCIAL GUARANTEE CONTRACTS

	<b>As at 31 December</b>	
	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Guarantee for engineering and trading	<b><u>88,219</u></b>	<u>35,736</u>

As at 31 December 2022, the Group provided guarantee for engineering and trading in favour of third parties which amounted to approximately RMB88 million (2021: approximately RMB36 million).

The Directors were of the view that such obligation would not cause an outflow of resources embodying economic benefits and hence concluded that the fair values of these financial guarantee contracts were not significant.

## 25. COMMITMENTS

### (a) Capital commitments

	<b>As at 31 December</b>	
	<b>2022</b>	2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Purchase of property, plant and equipment		
— Contracted but not provided for	<b>1,060,190</b>	1,033,673
— Authorised but not contracted for	<b>368,817</b>	359,894
	<b><u>1,429,007</u></b>	<u>1,393,567</u>

(b) **Commitments to properties under development**

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Purchase of properties under development	<u>495,554</u>	<u>516,987</u>

(c) **Operating lease commitments**

*As lessor*

The investment properties are leased to tenants under operating leases with various arrangements of rental payments. The minimum lease payments receivable on leases of investment properties are as follows:

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Within 1 year	14,197	9,195
Between 1 and 2 years	12,737	8,542
Between 2 and 3 years	7,026	6,872
Between 3 and 4 years	6,489	4,711
Between 4 and 5 years	2,676	4,181
Later than 5 years	612	3,813
	<u>43,737</u>	<u>37,314</u>

**26. POST BALANCE SHEET EVENTS**

- (a) On 13 January 2023, the Company entered into a third renewal framework agreement (the “**Third Renewal OSP Framework Agreement**”) with Oriental Sheet Piling Sdn. Bhd. (“**Oriental Sheet Piling**”) in relation to sales of certain quantities of the steel products by the Group to Oriental Sheet Piling and/or its subsidiaries, for a further term of three years commencing from 1 January 2023 and expiring on 31 December 2025, at an annual cap of RMB220,000,000. The Third Renewal OSP Framework Agreement and the transactions contemplated thereunder constituted continuing connected transactions for the Company. Please refer to the announcement of the Company dated 13 January 2023 for further details.
- (b) On 22 March 2023 and 27 March 2023, relevant subsidiaries of the Company, namely Jinxi Limited, Hebei Jinxi New Material Technology Co., Ltd.\* (河北津西新材料科技有限公司) and Jinxi Heavy Industry, entered into (i) certain bid-winning confirmation letters with an auctioneer; and (ii) certain assignment contracts with the Natural Resources and Planning Bureau of Qianxi County (the “**Vendor**”) respectively, in relation to acquisition of land use rights for a term of 50 years in respect of eight parcels of land situated in Tangshan City, Hebei Province, the PRC, with a total site area of approximately 2,102,476 square meters, at a total consideration of approximately RMB709.59 million payable to the Vendor, and an amount of RMB0.67 million payable to the auctioneer (the “**2023 Land Acquisition**”). The 2023 Land Acquisition constituted a discloseable transaction for the Company. Please refer to the announcements of the Company dated 22 March 2023 and 27 March 2023 for further details.



## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2022 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2022. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Looking back at 2022, the iron and steel industry in the PRC experienced the most challenging twists and turns for the past two decades during the second half of 2022 as it gradually entered a downward cycle. The international environment remained complicated and volatile, with geopolitical conflicts breaking out since the first quarter, triggering continued high inflation and start of interest rate-hike cycle in many countries. After a relatively stable first half of the year, the domestic iron and steel industry experienced a sharp drop in overall steel prices amidst weakening downstream demand during the second half, as a result of China's slowdown in economic growth, the prolonged weakening of the domestic real estate development, as well as supply chain disruption and rise in transportation costs due to the unstable situation of the COVID-19 pandemic. At the same time, the price trend of the major raw materials for the iron and steel industry remained strong in the second half of the year, with only a moderate decline in costs. As a result, the decrease in steel prices has been ahead of costs, with a notable slump in the profit per tonne of steel and a significantly decline in the overall profit of the industry, surpassed 2015 to a new low in nearly two decades. According to information from the National Bureau of Statistics of the PRC, the iron and steel industry in the PRC recorded a total profit of RMB36.55 billion in 2022, representing a decrease of 91.3% compared to 2021. The national production volumes of pig iron, crude steel and steel products in 2022 were 864 million tonnes, 1,018 million tonnes and 1,340 million tonnes, respectively, representing a decrease of 0.8%, a decrease of 1.7% and an increase of 0.3%, respectively, compared to 2021.

On the policy front of the iron and steel industry, the Ministry of Industry and Information Technology of the PRC in conjunction with other ministries jointly issued the "Guiding Opinions on Promoting the High Quality Development of the Iron and Steel Industry" (《關於促進鋼鐵工業高品質發展的指導意見》) and "Action Plan for Improving Industrial Energy Efficiency" (《工業能效提升行動計劃》) in February and July of 2022, respectively, which propose that by 2025, output of electric furnaces shall account for more than 15% of total crude steel production, more than 80% of steel production capacity shall be transformed to achieve ultra-low emissions, overall energy

consumption of steel per tonne shall be reduced by more than 2%, energy consumption per unit of added value of large industrial enterprises shall be reduced by 13.5% compared to 2020, and ensure carbon peaking shall be achieved by 2030. The policies also aim to attain breakthroughs in the application of technologies such as hydrogen-rich carbon cycle blast furnace smelting, hydrogen-based shaft furnace direct iron reduction and carbon capture and utilisation of storage, and raise the ratio of electric furnace steelmaking to more than 20% by 2030, etc.. In addition, the Department of Ecology and Environment of Hebei Province issued the “Implementation Plan for Synergistic Efficiency Reduction and Carbon Reduction in Hebei Province” (《河北省減污降碳協同增效實施方案》) in February 2023, proposing the complete phase-out of blast furnaces below 1,000 cubic meters, the further transformation of blast furnace-converter long process steelmaking to electric furnace short process steelmaking, and the utilisation of electric furnace steelmaking to account for 5%-10% of Hebei Province’s steel production, and also proposing that all iron and steel enterprises in Hebei Province should achieve Grade A environmental performance and 30% of production capacity reaching energy efficiency benchmark level by 2025. The iron and steel industry will continue to develop in the direction of energy efficiency improvement and green low-carbon transformation.

Against this backdrop, the Group has continued to improve efficiency, cut costs, strengthen marketing and promotion, invest in environmental protection and enhance product development, etc., thereby enhancing operational efficiency and sustainability. However, as a result of the following factors, including (i) the decrease in the average selling price and sales volume of the Group’s steel products due to the continuous sluggish downstream demand resulted from the slowdown in economic growth and the resurgence of the COVID-19 epidemic in 2022; and (ii) the price trend of the major raw materials continued to be strong during 2022, leading to the overall production costs of the Group to be remained at high level, the net profit of the Group for the year ended 31 December 2022, excluding non-recurring gain, decreased by approximately 89.6% from approximately RMB2.54 billion in 2021. Meanwhile, benefiting from the completion of the disposal of Fangchenggang Jinxi Section Steel Technology Company Limited (“**Fangchenggang Jinxi**”) (details as described below), the Group recorded a non-recurring gain of approximately RMB730 million during the year. The Group recorded a revenue of approximately RMB48.62 billion for 2022, representing a decrease of approximately 6.4% as compared to last year. The average selling price of self-manufactured steel products decreased by 9.7% to approximately RMB3,974 per tonne and gross profit decreased by approximately 67.5% to approximately RMB1,187 million as compared to 2021. To sum up, the Group’s net profit was approximately RMB811 million, representing a decrease of approximately 68.1% as compared to last year. EBITDA decreased to approximately RMB2.36 billion as compared to approximately RMB4.34 billion last year and basic earnings per share was RMB0.22 (2021: RMB0.67).

In 2022, the Company was ranked 249th among the “2022 Fortune China Top 500 Enterprises”, and in February 2023, it was listed as one of the “2022 Forbes China Top 50 Sustainable Development Industrial Enterprises”. In January 2022, Hebei Jinxi Iron and Steel Group Company Limited\* (河北津西鋼鐵集團股份有限公司, “**Jinxi Limited**”), a subsidiary of the Company, was certified by the Department of Ecological Environment of Hebei Province as an enterprise with Grade A environmental performance. In June 2022, Jinxi Limited was also certified by the China Machinery, Metallurgy and Building Materials Workers Technical Association\* (中國機械冶金建材職工技術協會) as an advanced economic and technical unit of the National Machinery, Metallurgy and Building Materials Industry Union\* (全國機械冶金建材行業工會).

Based on the annual results of 2022 and with regard to the requirements of future development, and the sharing of the results of solid financial management of the Group with the shareholders, the Board proposed the distribution of 2022 special dividend of HK\$0.03 per ordinary share.

With respect to the iron and steel business, the Group continued to invest substantially to enhance the competitiveness of its products, reduce energy consumption as well as strengthen environmental protection effort. During 2022, in view of the severe shocks in the domestic iron and steel market, the Group continued to optimise the ore blending and energy consumption to reduce costs through management methods such as KPI responsibility statements and peer group benchmarking. Meanwhile, it pushed forward various marketing models such as direct sales and direct supply to key projects and continued to develop new products and steel-related businesses, including solar photovoltaic brackets, marine steel, precast steel components and precast concrete components, steel slag road surface concrete and the processing and trading of scrap steel to open up new revenue streams and save costs. Furthermore, the Group started building branch-line railways for transportation of materials and inventories for the business of the Group in 2019 (the “**Branch-line Railway Project**”). The Branch-line Railway Project will be used to connect the Group’s facilities with the railway transportation hub system and ports nearby. As of December 2022, the Group has completed all the relevant works except those of the connecting network. The railway will be put into operation when the local government completes the capacity expansion and reconstruction work of its responsible railway. With the Group’s continuous investment in, transformation and upgrading of green operation, and its continuous reduction of emissions of particulate matters, sulfur dioxide and nitrogen oxides, the Group was certified as an enterprise with Grade A environmental performance by the Department of Ecological Environment of Hebei Province in January 2022, making it one of the few steel enterprises engaged in long process steel production in Hebei Province as an enterprise with Grade A environmental performance, as well as the first batch of private enterprises obtaining this rating, which is beneficial to the Group’s operation. In 2022, the Group sold approximately 3.8 million tonnes of self-manufactured H-section steel products and kept securing its leading position in the H-section steel market of the PRC since 2009.

In January 2022, following the completion of the changes in board structure and composition and the re-election of the board of directors of Qingdao Huijintong Power Equipment Company Limited\* (青島匯金通電力設備股份有限公司, “**HJT**”), HJT formally became an indirect non-wholly owned subsidiary of the Company, and is consolidated into the financial statements of the Group. HJT is principally engaged in the research and development, manufacturing and sales of electric power transmission facilities and it currently operates manufacturing plants in Shandong Province, Chongqing Municipality and Jiangsu Province of the PRC with an aggregate annual production capacity of approximately 450 thousand tonnes. In August 2022, Guangxi Huadian Intelligent Equipment Co., Ltd.\* (廣西華電智能裝備有限公司, “**Guangxi Huadian**”), a subsidiary of the Company and HJT, entered into an assignment contract (the “**Power Transmission Tower Plant Assignment Contract**”) with Guangxi Transmission & Substation Construction Co., Ltd.\* (廣西送變電建設有限責任公司, “**Guangxi SBD**”) to acquire Guangxi SBD’s asset bundle of power transmission tower plant with a production capacity of approximately 100 thousand tonnes located in Guangxi (the “**Acquisition of a Power Transmission Tower Plant**”), at a total consideration of RMB297 million (excluding value-added tax and certain other taxes). Upon completion of the Acquisition of a Power Transmission Tower Plant, the Company, with its strategic development footprint rooted in Nanning, Guangxi, the PRC, will be in a better position to serve its customers in Southern China, which will achieve synergy with the Group’s existing power transmission tower plants located in Qingdao, Chongqing, and Taizhou through economies of scale. For details of the Acquisition of a Power Transmission Tower Plant, please refer to the announcements of the Company dated 21 June 2022, 9 August 2022 and 30 August 2022. In 2022, HJT contributed approximately RMB3.28 billion to the Group in revenue from sales of electrical equipment.

In July 2021, Jinxi Limited entered into a capacity transfer agreement with Tangshan Ganglu Iron & Steel Co., Ltd.\* (唐山港陸鋼鐵有限公司, “**Tangshan Ganglu**”) in relation to the transfer of 475,800 tonnes per annum of iron production capacity and 284,200 tonnes per annum of steel production capacity from Jinxi Limited to Tangshan Ganglu (the “**Capacity Transfer**”) for a total consideration of RMB569,872,000 (including value-added tax). For details of the capacity transfer agreement, please refer to the announcements of the Company dated 5 August 2022 and 10 August 2022. The Capacity Transfer was completed in April 2022 and the Capacity Transfer contributed a gain on disposal of approximately RMB494 million to the Group during the year.

In September 2019, Jinxi Limited entered into an investment agreement with the Fangchenggang City Government in relation to the investment in the Fangchenggang Economic and Technological Development Zone. The terms of the investment agreement include the acquisition of land use right through the bidding process, and the land will be used by the Group for the establishment of a production base of H-section steel and sheet piling, which could be extended to the development of prefabricated steel construction building industry (the “**Fangchenggang Project**”). In light of the Chinese

government's action plan to reach carbon peak and direction to achieve carbon neutrality, there is considerable uncertainty as to whether the local government can obtain the energy consumption target within a reasonable time for the Fangchenggang Project. Thus, in November 2021, Jinxi Limited and Guangxi Chiji Iron and Steel Company Limited\* (廣西翅冀鋼鐵有限公司, “**Guangxi Chiji**”) entered into a sale and purchase agreement, pursuant to which Jinxi Limited sold the entire issued share capital of Fangchenggang Jinxi Section Steel Technology Co., Ltd.\* (防城港津西型鋼科技有限公司, “**Fangchenggang Jinxi**”) to Guangxi Chiji at the aggregate consideration of RMB3.5 billion (the “**FCG Disposal**”). The FCG Disposal excluded the RMB500 million refundable deposit for land acquisition to be recovered from the Bureau of Land and Resources of Fangchenggang City and the Finance Bureau of Fangchenggang City and the approximately RMB14 million forest vegetation restoration fees to be recovered from the Department of Forestry of Guangxi Zhuang Autonomous Region by Jinxi Limited. Fangchenggang Jinxi was a project company of the Group for the Fangchenggang Project, which had plans to establish a new production base for the purposes of manufacturing and sales of steel products in Fangchenggang City in the PRC. The FCG Disposal was completed in March 2022, and in October 2022, Jinxi Limited entered into an agreement (the “**FCG Termination Agreement**”) with the Fangchenggang City Government, the Bureau of Natural Resources of Fangchenggang City, the Finance Bureau of Fangchenggang City and Fangchenggang Jinxi. Pursuant to the FCG Termination Agreement, the investment agreement was terminated, and the Fangchenggang City Government, the Bureau of Natural Resources of Fangchenggang City and the Finance Bureau of Fangchenggang City agreed to return to Jinxi Limited the refundable deposit for land acquisition and the forest vegetation restoration fees in cash by instalments. As of February 2023, in view of the satisfactory progress of the refund, the Group fully recognised a gain of disposal of approximately RMB730 million on the FCG Disposal in 2022. For details of the FCG Disposal, please refer to the announcements dated 23 November 2021, 3 March 2022 and 7 October 2022, and the circular dated 21 December 2021 of the Company.

With respect to the real estate business, apart from developing traditional real estate projects, the Group was also dedicated in promoting green structural construction development. In various projects of the Group in Tangshan City and Suzhou, the sales and delivery of most units were completed in previous years. In 2022, revenue from the real estate business was mainly derived from the 2nd phase and 4th phase of the Donghu Bay project in Tangshan City. The 4th phase of the Donghu Bay project in Tangshan City and the Jinxi Meishu Hall project and Jinxi Xijiang Bay project in Guangxi were all under construction, while the pre-sale of the 4th phase of the Donghu Bay project and the Jinxi Meishu Hall project were progressing. In 2022, the Group recorded from its real estate business a revenue and operating loss of approximately RMB297 million and RMB77 million respectively. In addition, for prudence consideration, in 2022, the Group updated the estimated value of properties under development based on the current market selling prices and estimated development costs, and made an impairment provision of approximately RMB146 million for the Jinxi Meishu Hall project and Jinxi Xijiang Bay project.

In 2022, the revenue and gross profit arising from trading of steel products, iron ore and related raw materials of the Group were approximately RMB14.14 billion (2021: approximately RMB14.85 billion) and approximately RMB157 million (2021: approximately RMB135 million) respectively.

Finally, the Board would like to take this opportunity to express the heartfelt gratitude to the shareholders of the Company for the continuous support, as well as appreciation to the staff for the dedication and contribution. The Company will diligently create greater value for its shareholders.

## BUSINESS REVIEW

### Sales analysis on self-manufactured steel products

#### *Sales Volume*

In 2022, the total sales volume was 7,102,000 tonnes (2021: 7,973,000 tonnes), representing a decrease of approximately 10.9%.

The sales volume breakdown during the year was as follows:

	2022		2021		Changes in sales volume
	Sales volume		Sales volume		Increase/
	('000 tonnes)		('000 tonnes)		(Decrease)
H-section steel products	3,767	53.0%	3,720	46.7%	1.3%
Strips and strip products	2,587	36.4%	2,919	36.6%	(11.4%)
Billets	21	0.3%	550	6.9%	(96.2%)
Cold rolled sheets and galvanised sheets	239	3.4%	270	3.4%	(11.5%)
Sheet piling	488	6.9%	514	6.4%	(5.1%)
Total	<u>7,102</u>	<u>100%</u>	<u>7,973</u>	<u>100%</u>	<u>(10.9%)</u>

During the year of 2022, the Group's capability of steel products annual production volume was more than 10 million tonnes.

## Revenue

Revenue in 2022 was RMB28,220 million (2021: RMB35,088 million), representing a decrease of approximately 19.6%. Export to foreign countries contributed revenue of RMB795 million (2021: RMB242 million), representing approximately 2.8% (2021: 0.7%) of revenue from sales of self-manufactured steel products.

The sales breakdown and average selling price by product (excluding value-added tax) during the year were as follows:

	2022		2021		Changes	
	Revenue (RMB million)	Average selling price (RMB/ tonne)	Revenue (RMB million)	Average selling price (RMB/ tonne)	Revenue Increase/(Decrease)	Average selling price
H-section steel products	15,023	3,989	15,577	4,187	(3.6%)	(4.7%)
Strips and strip products	9,693	3,748	13,144	4,504	(26.3%)	(16.8%)
Billets	81	3,789	2,137	3,886	(96.2%)	(2.5%)
Cold rolled sheets and galvanised sheets	1,214	5,082	1,544	5,711	(21.4%)	(11.0%)
Sheet piling	2,209	4,526	2,686	5,227	(17.8%)	(13.4%)
Total/combined	<u>28,220</u>	<u>3,974</u>	<u>35,088</u>	<u>4,401</u>	<u>(19.6%)</u>	<u>(9.7%)</u>

The decrease in revenue from self-manufactured steel products was primarily due to the decrease in sales volume by 10.9% from approximately 8.0 million tonnes in 2021 to approximately 7.1 million tonnes in 2022 and the decrease in average selling price of the Group's steel products by 9.7% from RMB4,401 per tonne in 2021 to RMB3,974 per tonne in 2022. The decrease in the sales volume and average selling price of steel products of the Group was due to continuous sluggish downstream demand resulted from slowdown in economic growth and resurgence of the COVID-19 epidemic in 2022.

### *Cost of Sales and Gross Profit*

The consolidated gross profit in 2022 was RMB1,187 million (2021: RMB3,653 million), representing a decrease of approximately 67.5%.

Average unit cost, gross profit per tonne and gross profit margin during the year were as follows:

	2022			2021		
	Average unit cost (RMB/tonne)	Gross profit/(loss) per tonne (RMB)	Gross profit/(loss) margin	Average unit cost (RMB/tonne)	Gross profit per tonne (RMB)	Gross profit margin
H-section steel products	3,740	249	6.2%	3,770	417	10.0%
Strips and strip products	3,690	58	1.5%	3,953	551	12.2%
Billets	3,992	(203)	(5.4%)	3,424	462	11.9%
Cold rolled sheets and galvanised sheets	4,858	224	4.4%	5,639	72	1.3%
Sheet piling	4,417	109	2.4%	4,800	427	8.2%
Combined	<u>3,807</u>	<u>167</u>	<u>4.2%</u>	<u>3,943</u>	<u>458</u>	<u>10.4%</u>

In 2022, gross profit per tonne of the Group's steel products decreased from RMB458 in 2021 to RMB167, reflecting a decrease of 63.5%. In 2022, gross profit margin decreased from 10.4% in 2021 to 4.2%. The decrease in gross profit margin for the year ended 31 December 2022 was primarily due to the decrease in the average selling price and the price trend of the major raw materials continued to be strong during 2022, leading to the overall production costs of the Group to be remained at high level. As a result, the Group recorded a notable decrease in gross profit for the year ended 31 December 2022.



## ***Property Development***

In 2022, the Group completed Gross Floor Area (“GFA”) of 108,000 m<sup>2</sup>. The status of the completed GFA by project is set out as follow:

No.	City	Property project	Phase of project	Total GFA (m <sup>2</sup> )	Effective interest owned
1	Tangshan	Donghu Bay	Phase 4	43,000	97.6%
2	Fangchenggang	Jinxi Meishu Hall	–	65,000	97.6%

For the year ended 31 December 2022, the revenue from real estate business of the Group amounted to approximately RMB297 million. The GFA of properties delivered was approximately 39,700 m<sup>2</sup>. The average selling price of properties delivered was approximately RMB6,100 per m<sup>2</sup>.

As at 31 December 2022, the Group had the following projects under construction with a GFA approximately 274,000 m<sup>2</sup>:

No.	City	Property project	Phase of project	GFA under construction (m <sup>2</sup> )	Estimated time of completion	Effective interest owned
1	Tangshan	Donghu Bay	Phase 4	19,000	2023	97.6%
2	Fangchenggang	Jinxi Meishu Hall	Main Structure	7,000	2023	97.6%
3	Fangchenggang	Jinxi Xijiang Bay	Main Structure	248,000	2029	97.6%

The above projects are expected to be completed from 2023 to 2029 and will contribute stable revenue and profits to the Group.

## **FUTURE PROSPECTS**

Looking into 2023, it is expected that the international environment will remain complicated and volatile. The ongoing geopolitical tension, high inflation and increasing interest rates have imposed uncertainty on the global economy, and downward pressure on the global economy persists. On the other hand, since January 2023, the prevention and control of the COVID-19 pandemic in China has shifted to a new phase of “protecting people’s health and preventing severe cases”, while border entry restrictions are relaxed and the economy operation is back to normal. Coupled with the Chinese government’s continued use of infrastructure investment as a counter-cycle adjustment tool, and the successive introduction of policies to support the real estate sector to improve the financing environment for real estate enterprises, the demand for long products are expected to recover. Therefore, it is expected that the overall steel demand

will gradually improve in 2023. Against this backdrop, the iron and steel industry in China is still facing capacity reduction and replacement, coupled with the constraints arising from low carbon development and implementation of utmost energy efficiency, and thus crude steel production volume is expected to continue to decline slightly. Overall, the Group expects the business environment for the iron and steel industry to remain relatively volatile in 2023, but it is expected to gradually recover from the trough in the second half of 2022. Therefore, the Group is cautiously optimistic about the outlook.

In this context, the Group will continue to actively follow the PRC government's policies, commit to low carbon and energy consumption development, enhance its competitiveness and strive for a leading position in the industry by reducing costs, developing and increasing high value-added products, expanding sales channels and continuously enhancing its facilities and environmental protection efforts. In 2022, the Group completed various projects such as the 135MW blast furnace gas self-generating unit, the upgrading of the 450 square meter sintering machine, the 299,000 cubic meters gas cabinet and automated closed stockyards, so as to create a green and low carbon factory. The capital expenditure in 2023 is expected to be mainly for regular maintenance. In addition, the Group will continue to push forward the development of products such as H-section steel, marine angle steel, sheet piling, etc., and strengthen the upstream and downstream linkages and integration with HJT's power transmission equipment business in 2023. Apart from focusing on the steel manufacturing business, the Group will continue to actively expand its steel products and raw materials trading business, downstream of steel-related precast steel components and precast concrete components for prefabricated construction business, as well as developing steel slag pavement concrete and processing and trading of steel scrap business, all of which create opportunities for the Group's in various aspects.

To achieve the objectives of carbon peak and carbon neutrality for the iron and steel industry and adhere to the commitment to green and sustainable development, the Group is closely following policy development and exploring the feasibility of different technical solutions for carbon reduction to conduct studies and deployment for emission reduction at an earlier stage. The Group has set a target of achieving carbon peaking by 2025 and aims to be carbon neutral by 2050. Meanwhile, the Group continues to invest in various projects on equipment upgrades and environmental protection equipment in order to achieve further emission reduction and improve cost efficiency. As at 31 December 2022, the Group has deployed a total of over 600 new energy trucks, with a clean transportation ratio of over 80%.

Currently, the Group retains a relatively large amount of cash and resources in order to cope with the needs of the future development. Aside from its focus on the manufacturing and sales of steel products, the Group will continue to actively explore business opportunities in line with its corporate strategy, including those opportunities of horizontal and vertical (in particular, downstream) corporate merger and acquisition, associates and joint ventures, etc., in order to broaden the Group's revenue sources and enhance its profitability, realising the sustainable growth and enhancing its corporate value. In addition, the Group will also, from time to time, evaluate the possibility to increase dividend distributions under appropriate circumstances to reward the shareholders of the Company for their support to the Group.

Since the Company's listing in 2004, the Group has been expanding its business scale and broadening its steel product range and business portfolio. In the past 19 years (since the Company's listing), the Group's overall capability of annual steel production increased from approximately 3.1 million tonnes at the time of the listing to more than 10 million tonnes at present, with steel products ranging from H-sections steel, steel pilings, strips and strip related products, billets and cold rolled sheets and galvanised sheets. The Group continues to develop products in different series and with various specifications to meet market needs. In addition, the H-section steel products manufactured by the Group maintain a leading position in the PRC. The Group will continue to develop its business along the road towards the world's largest section steel production base, exploring upstream and downstream expansion in the industry to become a sizable enterprise with distinctive products. The Group will strive to make effective use of its existing sound financial position and efficient management model to promote the green and sustainable development of the Group, create value for shareholders and maximise business growth opportunities through effective capital and asset allocation, while remaining robust and resilient in the ever-changing business environment, so as to maximise shareholders' value.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

In order to sustain a stable financial status, the Group closely monitors its liquidity and financial resources.

As at 31 December 2022, the Group had unutilised banking facilities of approximately RMB13.6 billion (2021: approximately RMB9.3 billion).

As at 31 December 2022, the current ratio of the Group, representing current assets divided by current liabilities, was 1.2 times (2021: 1.2 times) and the gearing ratio, representing total liabilities divided by total assets, was 47.3% (2021: 55.6%).

As at 31 December 2022, the cash and cash equivalents of the Group amounted to approximately RMB2,125 million (2021: approximately RMB4,627 million).

After considering its cash and cash equivalents as well as the banking facilities currently available to the Group, it is believed that the Group has sufficient capital to fund its future operations and for general business expansion and development.

### **Capital Structure**

As at 31 December 2022, borrowings of approximately RMB11,976 million of the Group bore fixed interest rates ranging from 1.20% to 6.54% per annum and borrowings of approximately RMB1,463 million of the Group bore floating rates ranging from 3.75% to 5.60% per annum. The Group's exposure to changes in market interest rates was considered to be limited. During the year ended 31 December 2022, the Group also entered into certain foreign currency forward contracts to manage its exposure to foreign currency exchange rates fluctuation. As at 31 December 2022, the notional amounts of these derivative instruments amounted to nil.

The Group monitors its capital on the basis of the debt-to-capital ratio. This ratio is calculated as total debt divided by total capital. Total debt includes current and non-current borrowings, lease liabilities and loans from related parties. The Group regards its non-current borrowings, non-current lease liabilities and equity attributable to owners of the Company as its total capital. As at 31 December 2022, the debt-to-capital ratio of the Group was 56.7% (2021: 56.7%).

The consolidated interest expenses and capitalised interest in 2022 amounted to approximately RMB515 million (2021: approximately RMB460 million). The interest coverage (dividing profit for the year before finance costs — net and income tax expense by total interest expenses) was 2.1 times (2021: 7.0 times).

## **Commitments**

As at 31 December 2022, the Group had total commitments of approximately RMB1,925 million (2021: approximately RMB1,911 million). It is estimated the commitments will be financed by the Group's internal resources and available banking facilities.

## **Guarantee and Contingent Liabilities**

As at 31 December 2022, the Group's contingent liabilities amounted to approximately RMB88 million (2021: approximately RMB36 million), which was the provision of guarantee for engineering and trading in favour of third parties.

## **Pledge of Assets**

As at 31 December 2022, the net book value of the Group's leasehold land and land use rights amounting to approximately RMB305 million (2021: approximately RMB136 million), property, plant and equipment amounting to approximately RMB712 million (2021: approximately RMB337 million), investment property amounting to RMB32 million (2021: nil), properties under development and held for sale amounting to nil (2021: approximately RMB96 million), trade receivables amounting to approximately RMB221 million (2021: approximately RMB283 million), notes receivable amounting to approximately RMB14 million (2021: approximately RMB916 million), long-term bank deposits amounting to approximately RMB2,090 million (2021: approximately RMB2,900 million) and restricted bank balances amounting to approximately RMB3,417 million (2021: approximately RMB2,531 million) had been pledged as securities for the Group's notes payable issuing, bank borrowings, letters of credit issuing and letters of guarantee issuing.

## **Exchange Risks**

Foreign exchange risk is the risk to the Group's financial conditions and results of operations arising from movements of foreign exchange rates. The Group mainly operates in the Mainland China with most of the transactions denominated and settled in RMB. The Group's foreign exchange risk primarily arises from the procurement of iron ore and the relevant products from overseas suppliers and the Group's foreign currency borrowings, which are denominated and settled in USD. Foreign exchange rates fluctuate in reaction to the macro-economic performance of different countries and fund flows between countries arising from trade or capital commitments. In view of the continuous fluctuation of the RMB exchange rate against USD, during the year ended 31 December 2022, the Group entered into certain foreign currency forward contracts so as to reduce the impact of the volatility of the RMB exchange rate against USD. The Group also reviewed and rearranged its monetary assets to mitigate the impact from the change of RMB to USD exchange rate.

## **Steel Products, Iron Ore and Related Raw Materials Derivative Financial Instruments**

In view of the significant fluctuation of steel products, iron ore and related raw materials prices during the year ended 31 December 2022, the Group entered into certain steel products, iron ore and related raw materials future or future option contracts so as to reduce the impact of the volatility of the steel products, iron ore and related raw materials prices on the Group. The Group used a combination of steel products, iron ore and related raw materials derivatives to achieve the above purpose. The investment losses from steel products, iron ore and related raw materials derivative financial instruments amounted to approximately RMB93 million (2021: investment gains of approximately RMB17 million) for the year ended 31 December 2022.

## **Dividend**

The Board proposed a special dividend of approximately HK\$112 million (approximately RMB98 million), representing HK\$0.03 per ordinary share in respect of the year ended 31 December 2022 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Wednesday, 21 June 2023. The special dividend, payable on or around Friday, 18 August 2023 is subject to approval of the shareholders of the Company at the forthcoming annual general meeting of the Company (the “AGM”) to be held on Thursday, 8 June 2023.

## **Material Acquisitions and Disposals**

- (a) Since September 2021, the Group holds in aggregate approximately 40.5% of the issued share capital of HJT and is the major shareholder of HJT. On 4 January 2022, HJT held a special general meeting in which the election proposal of the chairman, vice chairman, director and the appointment of senior management were approved. According to the resolutions passed at the meeting, the Group accounted for 5 out of the 9 board members of HJT. The Group de facto controls HJT since 4 January 2022 and HJT became an indirect non-wholly owned subsidiary of the Group and started to be consolidated into the financial statements of the Group.
- (b) On 23 November 2021, Jinxi Limited entered into a sale and purchase agreement (the “FCG Disposal Agreement”) with Guangxi Chiji in relation to the FCG Disposal which was completed on 2 March 2022. Considering the FCG Termination Agreement between Jinxi Limited and relevant government authorities of

Fangchenggang City entered into on 7 October 2022, the remaining receivables (primarily included a refundable deposit for land acquisition and certain cost reimbursement of RMB500 million and approximately RMB14 million respectively, which were recoverable from the relevant government authorities of the Fangchenggang City) were recognised as other receivables, and the Group recognised a gain on disposal of approximately RMB730 million regarding the FCG Disposal.

Save as disclosed above, the Group did not have any other material acquisitions and disposals during the year ended 31 December 2022.

### **Post Balance Sheet Events**

- (a) On 13 January 2023, the Company entered into a third renewal framework agreement (the “**Third Renewal OSP Framework Agreement**”) with Oriental Sheet Piling Sdn. Bhd. (“**Oriental Sheet Piling**”) in relation to sales of certain quantities of the steel products by the Group to Oriental Sheet Piling and/or its subsidiaries, for a further term of three years commencing from 1 January 2023 and expiring on 31 December 2025, at an annual cap of RMB220,000,000. The Third Renewal OSP Framework Agreement and the transactions contemplated thereunder constituted continuing connected transactions for the Company. Please refer to the announcement of the Company dated 13 January 2023 for further details.
- (b) On 22 March 2023 and 27 March 2023, relevant subsidiaries of the Company, namely Jinxi Limited, Hebei Jinxi New Material Technology Co., Ltd.\* (河北津西新材料科技有限公司) and Hebei Jinxi Iron and Steel Group Heavy Industry Science and Technology Co., Ltd.\* (河北津西鋼鐵集團重工科技有限公司), entered into (i) certain bid-winning confirmation letters with an auctioneer; and (ii) certain assignment contracts with the Natural Resources and Planning Bureau of Qianxi County (the “**Vendor**”) respectively, in relation to acquisition of land use rights for a term of 50 years in respect of eight parcels of land situated in Tangshan City, Hebei Province, the PRC, with a total site area of approximately 2,102,476 square meters, at a total consideration of approximately RMB709.59 million payable to the Vendor, and an amount of RMB0.67 million payable to the auctioneer (the “**2023 Land Acquisition**”). The 2023 Land Acquisition constituted a discloseable transaction for the Company. Please refer to the announcements of the Company dated 22 March 2023 and 27 March 2023 for further details.

Save as disclosed above, there are no events to cause material impact on the Group from the balance sheet date to the date of this announcement that should be disclosed.

## Financial Assets at Fair Value Through Profit or Loss

As at 31 December 2022, the Group held financial assets at fair value through profit or loss of approximately RMB4,828 million, accounting for 10.1% of total assets, particulars of which are set out below:

### Money Market Funds

Name of the financial assets	Number of units	Investment	Fair value	Realised	Fair value
	held as at	cost as at	as at	investment	to the total
	31 December	31 December	31 December	income/(loss)	assets of
	2022	2022	2022	for the year	the Group
	('000)	(RMB'000)	(RMB'000)	ended	as at
				31 December	31 December
				2022	2022
				(RMB'000)	
<b>Harvest Fund Management Company Limited</b>					
嘉實基金管理有限公司					
Harvest Express Monetary Market Fund*					
嘉實快線貨幣市場基金	21,431	21,431	21,431	6,229	0.04%
Harvest HuoQiBao Monetary Market Fund*					
嘉實活期寶貨幣市場基金	-	-	-	229	-
Harvest Monetary Market Fund*					
嘉實貨幣市場基金	10,400	10,400	10,400	3,522	0.02%
<b>Bosera Asset Management Company Limited</b>					
博時基金管理有限公司					
Bosera Hehui Money Market Fund					
博時合惠貨幣市場基金	-	-	-	1,194	-
Bosera Cash Pot Money Market Fund					
博時現金寶貨幣市場基金	-	-	-	1,386	-
<b>China Minsheng Banking Corp., Ltd.</b>					
中國民生銀行股份有限公司					
HwaBao Cash Pot Monetary Market Fund*					
華寶現金寶貨幣市場基金	-	-	-	1,121	-
Minsheng JiaYin Cash Pot Monetary Market Fund*					
民生加銀現金寶貨幣市場基金	-	-	-	109	-
China Southern TianTianLi Monetary Market Fund*					
南方天天利貨幣市場基金	-	-	-	328	-
Aegon-Industrial Monetary Market Securities					
Investment Fund*					
興全貨幣市場證券投資基金	-	-	-	323	-
Others	-	-	-	79	-
<b>Bank of Communications Co., Ltd.</b>					
交通銀行股份有限公司					
Aegon-Industrial Monetary Market Securities					
Investment Fund*					
興全貨幣市場證券投資基金	-	-	-	801	-



Name of the financial assets	Number of units	Investment	Fair value	Realised	Fair value
	held as at	cost as at	as at	investment	to the total
	31 December	31 December	31 December	income/(loss)	assets of
	2022	2022	2022	for the year	the Group
	(’000)	(RMB’000)	(RMB’000)	ended	as at
				31 December	31 December
				2022	2022
				(RMB’000)	
<b>ZhongRong Fund Management Company Limited</b>					
中融基金管理有限公司					
ZhongRong Cash ZengLi Monetary Market Fund*					
中融現金增利貨幣市場基金	–	–	–	2,108	–
<b>China Southern Asset Management Company Limited</b>					
南方基金管理股份有限公司					
China Southern TianTianLi Monetary Market Fund*					
南方天天利貨幣市場基金	11,416	11,416	11,416	1,969	0.02%
China Southern Cash ZengLi Fund*					
南方現金增利基金	–	–	–	25	–
Others	–	–	–	43	–
<b>Aegon-Industrial Fund Management Company Limited</b>					
興証全球基金管理有限公司					
Aegon-Industrial Monetary Market Securities Investment Fund*					
興全貨幣市場證券投資基金	11,012	11,012	11,012	2,562	0.02%
<b>HwaBao WP Fund Management Company Limited</b>					
華寶基金管理有限公司					
HwaBao Cash Pot Monetary Market Fund*					
華寶現金寶貨幣市場基金	23,410	23,410	23,410	856	0.05%
Others	–	–	–	(4)	–
<b>HFT Investment Management Co., Ltd.</b>					
海富通基金管理有限公司					
HFT TianYi Money Market Fund*					
海富通添益貨幣市場基金	–	–	–	996	–
<b>China Merchants Bank Co., Ltd.</b>					
招商銀行股份有限公司					
E Fund Daily Income Money Market Fund*					
易方達天天增利貨幣市場基金	–	–	–	344	–
E Fund Day Wealth Management Money Market Fund					
易方達天天理財貨幣市場基金	–	–	–	226	–
E Fund Swift Wealth Management Money Market Fund					
易方達財富快綫貨幣市場基金	–	–	–	451	–
Others	–	–	–	30	–

Name of the financial assets	Number of units	Investment	Fair value	Realised	Fair value
	held as at	cost as at	as at	investment	to the total
	31 December	31 December	31 December	for the year	assets of
	2022	2022	2022	ended	the Group
	('000)	(RMB'000)	(RMB'000)	31 December	as at
				2022	31 December
				(RMB'000)	2022
<b>Minsheng Royal Fund Management Co., Ltd.</b>					
民生加銀基金管理有限公司					
Minsheng JiaYin Cash Pot Monetary Market Fund*					
民生加銀現金寶貨幣市場基金	-	-	-	234	-
<b>HuaAn Fund Management Co., Ltd.</b>					
華安基金管理有限公司					
HuaAn Cash Pot Money Market Fund*					
華安現金寶貨幣市場基金	-	-	-	439	-
<b>UBS SDIC Fund Management Co., Ltd.</b>					
國投瑞銀基金管理有限公司					
UBS SDIC QianDuoBao Money Market Fund					
國投瑞銀錢多寶貨幣市場基金	-	-	-	975	-
<b>China Construction Bank Corporation and CCB Principal Asset Management Co., Ltd.</b>					
中國建設銀行股份有限公司及 建信基金管理有限責任公司					
E Fund Day Wealth Management Money Market Fund					
易方達天天理財貨幣市場基金	-	-	-	57	-
E Fund Daily Income Money Market Fund*					
易方達天天增利貨幣市場基金	-	-	-	56	-
China Southern TianTianLi Monetary Market Fund*					
南方天天利貨幣市場基金	-	-	-	47	-
CCB Principal Tiantianyi Money Market Fund*					
建信天添益貨幣市場基金	-	-	-	641	-
CCB Principal Cash Enhance Money Market Fund*					
建信現金增利貨幣市場基金	-	-	-	1,032	-
CCB Principal Money Market Fund*					
建信貨幣市場基金	-	-	-	61	-
<b>YinHua Fund Management Co., Ltd.</b>					
銀華基金管理股份有限公司					
YinHua Trading Money Market Fund*					
銀華交易型貨幣市場基金	181	18,361	18,147	(1,830)	0.04%
<b>CSC Financial Co., Ltd.</b>					
中信建投證券股份有限公司					
CSC Financial ZhiDuoXin Monetary Type Assembled Asset Management Plan*					
中信建投智多鑫貨幣型集合資產管理計劃	21,445	21,445	21,445	100	0.04%

Name of the financial assets	Number of units	Investment	Fair value	Realised	Fair value
	held as at	cost as at	as at	investment	to the total
	31 December	31 December	31 December	income/(loss)	assets of
	2022	2022	2022	for the year	the Group
	(’000)	(RMB’000)	(RMB’000)	ended	as at
				31 December	31 December
				2022	2022
				(RMB’000)	
<b>ICBC Credit Suisse Asset Management Co., Ltd.</b>					
工銀瑞信基金管理有限公司					
ICBC Credit Suisse Salary Money Market Fund*					
工銀瑞信薪金貨幣市場基金	-	-	-	1,088	-
<b>ABC-CA Fund Management Co., Ltd.</b>					
農銀匯理基金管理有限公司					
ABC-CA Monetary Market Securities Investment					
Fund					
農銀匯理貨幣市場證券投資基金	-	-	-	298	-
<b>E Fund Management (HK) Co., Limited</b>					
E Fund (HK) US Dollar Money Market Fund					
	43	31,328	32,667	73	0.07%
<b>Total</b>		<u>148,803</u>	<u>149,928</u>	<u>28,198</u>	<u>0.31%</u>

## Investment strategies of money market funds

Unless otherwise specified, money market funds are funds generally investing in money market instruments with security and high liquidity. As the investment targets are mainly concentrated in short-term money market instruments, money market funds possess characteristics of high liquidity, low risk and relatively low return (but higher than deposits). The terms of investment targets generally are less than 1 year, and the investment scope mainly include cash, bank fixed deposits, certificates of deposits, bonds with a remaining term of within 397 days, central bank notes with a term of within 1 year, bond repurchases, as well as other money market instruments with good liquidity approved by the China Securities Regulatory Commission (“CSRC”) and the People’s Bank of China.

## E Fund Management (HK) Co., Limited

E Fund (HK) US Dollar Money Market Fund’s sole objective is to invest in short-term deposits and high quality money market instruments. The fund seeks to achieve a return in US Dollars in line with prevailing money market rates, with primary considerations of both capital security and liquidity. The indicative asset allocation of the fund is as follows: 70%–100% of the net asset value of the fund (“NAV”): US Dollars-denominated and settled short-term deposits and high quality money market instruments; 0%–30% of the NAV: Non-US Dollars-denominated and settled short-term deposits and high quality money market instruments. The fund seeks to achieve its investment objective by investing primarily (i.e. not less than 70% of its NAV) in US Dollars-denominated and settled short-term deposits and high quality money market instruments issued by governments, quasi-governments, international organisations and financial institutions. The fund may invest up to 30% of its NAV in non USD-denominated deposits and high quality money market instruments. High quality money market instruments include debt securities, commercial notes, certificates of deposits and commercial bills. Debt securities invested by the fund include but are not limited to government bonds, fixed and floating rate bonds. The fund will only invests in debt securities rated investment grade or above by an independent rating agency or onshore China bonds with a minimum credit rating of BBB- as rated by one of the credit rating agencies in China.

## Financial Investment Products

Name of the financial assets	Number of units held as at 31 December 2022 (’000)	Investment cost as at 31 December 2022 (RMB’000)	Fair value as at 31 December 2022 (RMB’000)	Realised	Fair value
				investment income/(loss) for the year ended 31 December 2022 (RMB’000)	to the total assets of the Group as at 31 December 2022
<b>China Construction Bank Corporation and CCB Wealth Management Co., Ltd.</b>					
中國建設銀行股份有限公司及建信理財有限責任公司					
QianYuan — RiXinYueYi (Daily) Open-end RMB Financial Investment Product*					
乾元 — 日鑫月溢 (按日) 開放式資產組合型人民幣理財產品	– <sup>1</sup>	11,445	11,445	67	0.02%
“QianYuan RiRiXinGao” (Daily) Open-end Assembled Assets RMB Financial Investment Product*					
「乾元日日鑫高」(按日) 開放式資產組合型人民幣理財產品	–	–	–	287	–
CCB “QianYuan-Private” (Daily) Open-end Private Banking RMB Financial Investment Product*					
中國建設銀行「乾元 — 私享」(按日) 開放式私人銀行人民幣理財產品	–	–	–	344	–
CCB Wealth Management “HuiZhong” (RiShenYueShu) Open-end Net Worth RMB Financial Investment Product*					
建信理財「惠眾」(日申月贖) 開放式淨值型人民幣理財產品	–	–	–	241	–

Name of the financial assets	Number of	Investment	Fair value	Realised	Fair value
	units held	cost as at	as at	investment	to the total
	as at			income/(loss)	assets of
	31 December	31 December	31 December	for the year	the Group
	2022	2022	2022	ended	as at
	('000)	(RMB'000)	(RMB'000)	2022	31 December
				(RMB'000)	2022
CCB Wealth Management “HengYing” (Corporate) (Daily) Open-end Net Worth RMB Financial Investment Product* 建信理財「恒贏」(法人版)按日開放式淨值型人民幣理財 產品	-	-	-	5	-
Others	- <sup>1</sup>	1,000	1,000	26	< 0.01%
<b>China Merchants Bank Co., Ltd. and China Merchants Wealth Asset Management Co., Ltd.</b>					
招商銀行股份有限公司及招商財富資產管理有限公司 China Merchants Bank — ZhaoZhaoJin (Multi-Stable) Financial Investment Plan*					
招商銀行 — 朝招金 (多元穩健型) 理財計劃	- <sup>1</sup>	50	50	45	< 0.01%
CM Wealth — Multi-Linked — ZhaoLi No. 54 Single Asset Management Plan*	50,000	50,000	40,080	-	0.08%
招商財富 — 多元掛鉤 — 招利54號單一資產管理計劃					
CM Wealth — Multi-Linked — ZhaoLi No. 66 Single Asset Management Plan*	-	-	-	2,956	-
招商財富 — 多元掛鉤 — 招利66號單一資產管理計劃					
CM Wealth — Multi-Linked — ZhaoLi No. 96 Assembled Asset Management Plan*	20,000	20,000	19,302	-	0.04%
招商財富 — 多元掛鉤 — 招利96號集合資產管理計劃					
<b>Bank of Communications Co., Ltd.</b>					
交通銀行股份有限公司 “YunTong Fortune • JiuJiuYangLao” RiYing* 「蘊通財富•久久養老」日盈					
	-	-	-	517	-
BOCOM Wealth Management Guaranteed Cash TianLi Wealth Management Product* 交銀理財穩享現金添利理財產品					
	-	-	-	464	-
<b>CSC Financial Co., Ltd.</b>					
中信建投證券股份有限公司 CSC Financial Snowball ZengLi VIP No. 11 Assembled Assets Management Plan*					
中信建投雪球增利貴賓11號集合資產管理計劃	50,001	50,000	40,301	-	0.08%
<b>China International Capital Corporation Limited</b>					
中國國際金融股份有限公司 ZhongJin XinYi Collective Asset Management Plan* 中金鑫益集合資產管理計劃					
	-	-	-	1,096	-
<b>Industrial and Commercial Bank of China Limited and ICBC Wealth Management Co., Ltd.</b>					
中國工商銀行股份有限公司及工銀理財有限責任公司 ICBC “Tianlibao” No. 2 Net Value Financial Investment Product for Corporate* 中國工商銀行法人「添利寶」2號淨值型理財產品					
	- <sup>1</sup>	90,000	90,000	1,013	0.19%

Name of the financial assets	Number of	Investment	Fair value	Realised	Fair value
	units held	cost as at	as at	investment	to the total
	as at			income/(loss)	assets of
	31 December	31 December	31 December	for the year	the Group
	2022	2022	2022	ended	as at
	(’000)	(RMB’000)	(RMB’000)	31 December	31 December
				2022	2022
				(RMB’000)	
ICBC Wealth•Tiantianxin Core Selects Interbank Certificates of Deposit and Deposit Fixed-income Open-end Wealth Management Product*					
工銀理財•天天鑫核心優選同業存單及存款固收類開放式理財產品	69,562	70,000	70,000	–	0.15%
<b>Xiamen International Trust Co., Ltd.</b>					
廈門國際信託有限公司					
Xiamen Trust — Suijin No. 1 Assembled Funds Trust Plan*					
廈門信託 — 穗金1號集合資金信託計劃	–	–	–	1,178	–
<b>Tebon Securities Co., Ltd.</b>					
德邦證券股份有限公司					
Tebon Securities Jinrui No. 1 Sole Asset Management Plan*					
德邦證券津瑞1號單一資產管理計劃	–	–	–	1,994	–
Tebon Assets Management XingRui Weekly Gain No. 1 Assembled Assets Management Plan*					
德邦資管星瑞周周盈1號集合資產管理計劃	46,909	50,000	49,770	679	0.10%
Tebon Securities XinLianXin HongTong No. 1 Assembled Assets Management Plan*					
德邦證券心連心鴻潼1號集合資產管理計劃	19,656	20,000	18,870	–	0.04%
Others	–	–	–	769	–
<b>Minsheng Securities Co., Ltd.</b>					
民生證券股份有限公司					
Minsheng Securities Qinyuan Chunruili No. 2 Assembled Assets Management Plan*					
民生證券沁園春瑞利2號集合資產管理計劃	–	–	–	196	–
<b>AVIC Trust Company Limited</b>					
中航信託股份有限公司					
AVIC Trust • TianYuan No. 21A218 Property Development Equity Investment Assembled Funds Trust Plan*					
中航信託•天垣21A218號房地產開發股權投資集合資金信託計劃	47,020	47,020	47,020	–	0.10%
AVIC Trust • TianQi No. [2020]552 Sunac Qingdao One Sino Park Equity Investment Assembled Funds Trust Plan*					
中航信託•天啟[2020]552號融創青島壹號院股權投資集合資金信託計劃	37,814	37,814	37,814	–	0.08%
<b>Huaan Securities Co. Ltd.</b>					
華安證券股份有限公司					
Huaan Securities Monthly Gain Assembled Assets Management Plan*					
華安證券月月贏集合資產管理計劃	–	–	–	3,722	–

Name of the financial assets	Number of units held as at 31 December 2022 ( <i>'000</i> )	Investment cost as at 31 December 2022 ( <i>RMB'000</i> )	Fair value as at 31 December 2022 ( <i>RMB'000</i> )	Realised	Fair value
				investment income/(loss) for the year ended 31 December 2022 ( <i>RMB'000</i> )	to the total assets of the Group as at 31 December 2022
<b>CITIC Securities Co., Ltd.</b>					
中信證券股份有限公司					
CITIC Securities Co., Ltd. Strategy DianJin Series Phase 2509 Income Certificate*					
中信證券股份有限公司策略點金系列2509期收益憑證	50,000	50,000	50,000	–	0.10%
<b>China Fortune International Trust Co., Ltd.</b>					
華鑫國際信託有限公司					
China Fortune Trust • XinYiJian No. 1 Assembled Assets Management Plan*					
華鑫信託•信益嘉1號集合資金信託計劃	100,000	100,000	102,500	2	0.21%
<b>Guangdong Finance Trust Co., Ltd.</b>					
廣東粵財信託有限公司					
HongWei 2022 Phase 7 Micro-Enterprise Loan Circulating Financial Rights Trust*					
鴻微2022年第七期微小企業貸款流轉財產權信託	– <sup>1</sup>	50,000	50,000	–	0.10%
<b>Capital Securities LLC.</b>					
首創證券股份有限公司					
Capital Securities Chuang Hui Flexible Choice Assembled Assets Management Plan*					
首創證券創惠靈活優選集合資產管理計劃	144,287	150,000	150,335	1,205	0.31%
<b>Industrial Bank Co., Ltd.</b>					
興業銀行股份有限公司					
CIB Golden Snowball Speed Line Net Worth Financial Investment Product*					
興業銀行金雪球添快線淨值型理財產品	–	–	–	23	–
<b>PSBC Wealth Management Co., Ltd.</b>					
中郵理財有限責任公司					
PSBC Wealth Management • Wealth Management RMB Investment Product*					
中郵理財郵銀財富•理財寶人民幣理財產品	– <sup>1</sup>	25,273	25,273	273	0.05%
<b>Ping An Finance Co., Ltd.</b>					
平安理財有限責任公司					
Ping An Finance — Tiantian Growth No. 3 Cash Management RMB Net Value Wealth Management Product*					
平安理財 — 天天成長3號現金管理類人民幣淨值型理財 產品	50,011	50,011	50,011	11	0.10%
<b>Harvest Fund Management Company Limited</b>					
嘉實基金管理有限公司					
Harvest Fund Jinxi No. 1 Single Asset Management Plan (QDII)*					
嘉實基金津西1號單一資產管理計劃(QDII)	1,000	100,000	101,899	2,201	0.21%

Name of the financial assets	Number of	Investment	Fair value	Realised	Fair value
	units held	cost as at	as at	investment	to the total
	as at			income/(loss)	assets of
	31 December	31 December	31 December	for the year	the Group
	2022	2022	2022	ended	as at
	('000)	(RMB'000)	(RMB'000)	31 December	31 December
				2022	2022
				(RMB'000)	
Others	32,249	32,249	32,249	4,528	0.07%
Total		1,004,862	987,919	23,842	2.06%

Note:

- The investment is presented by way of fair value instead of units.

### Investment strategies of financial investment products

Unless otherwise specified, financial investment products are generally bank wealth management products issued by certain PRC reputable banking institutions. The investment strategies are with security and liquidity in priority, while pursuing appropriate level of returns. They mainly invest in cash assets, money market instruments, money market funds, standardised fixed income assets, non-standardised debt assets and other regulatory-compliant assets portfolios. On this basis, they may conduct reasonable allocations of debt assets, equity assets, other assets or asset combinations that comply with regulatory requirements, so as to further increase the return level.

*China Construction Bank Corporation and CCB Wealth Management Co., Ltd. (中國建設銀行股份有限公司及建信理財有限責任公司)*

CCB Wealth Management “HuiZhong” (RiShenYueShu) Open-end Net Worth RMB Financial Investment Product\* (建信理財「惠眾」(日申月贖)開放式淨值型人民幣理財產品) is a non-principal protected floating return wealth management product. The funds raised by this product are invested in cash assets, money market instruments, money market funds, standardised fixed-income assets and other assets that meet regulatory requirements, as follows: 1. cash assets; 2. money market instruments; 3. money market funds; 4. standardised fixed-income assets; and 5. other assets that meet regulatory requirements. The investment proportion of each type of asset is 80%–100% for cash assets, money market instruments, money market funds and standardised fixed income assets, and 0%–20% for other assets that meet regulatory requirements.

CCB Wealth Management “HengYing” (Corporate) (Daily) Open-end Net Worth RMB Financial Investment Product\* (建信理財「恒贏」(法人版)按日開放式淨值型人民幣理財產品) is a fixed income product with no principal guarantee and has floating returns. Its investment scope includes: 1. cash; 2. bank deposits within 1 year (including 1 year), bond repurchases, central bank notes and interbank certificates of deposit; 3.



bonds with a remaining maturity of 397 days or less (including 397 days), asset-backed securities issued in the interbank market and stock exchange market; 4. other money market instruments with high liquidity approved by the China Banking and Insurance Regulatory Commission (the "CBIRC") and the People's Bank of China; and 5. other assets that meet regulatory requirements. The investment share of each type of assets shall aggregate to 100%. The product shall not invest in the following financial instruments: (1) stocks; (2) convertible bonds and exchangeable bonds; (3) floating rate bonds with time deposit interest rate as the prime rate, except for those that have entered the last interest rate adjustment period; (4) bonds and asset-backed securities with credit rating below AA+; and (5) other financial instruments prohibited from investment by the CBIRC and the People's Bank of China.

*China Merchants Bank Co., Ltd. and China Merchants Wealth Asset Management Co., Ltd. (招商銀行股份有限公司及招商財富資產管理有限公司)*

CM Wealth — Multi-Linked — ZhaoLi No. 54 Single Asset Management Plan\* (招商財富 — 多元掛鉤 — 招利54號單一資產管理計劃), CM Wealth — Multi-Linked — ZhaoLi No. 66 Single Asset Management Plan\* (招商財富 — 多元掛鉤 — 招利66號單一資產管理計劃) and CM Wealth — Multi-Linked — ZhaoLi No. 96 Assembled Asset Management Plan\* (招商財富 — 多元掛鉤 — 招利96號集合資產管理計劃) are commodity and financial derivative products. The asset manager will, in compliance with laws and regulations and the relevant provisions of the investment agreement, carry out investment to seek risked return for asset principals under the premise of risk control. These plans primarily invest in over-the-counter derivatives such as option contracts and income swaps issued by dealers with over-the-counter derivatives trading licenses; securities dealer income certificates; bank deposits, monetary funds and other money market instruments; publicly offered securities investment funds and other financial products and varieties as permitted by laws and regulations or regulatory authorities. The proportion of the plans' position value invested in commodities and financial derivatives shall not be less than 80% of the plan's total assets, and the interest in the derivatives account shall exceed 20% of the plan's total assets.

*CSC Financial Co., Ltd. (中信建投證券股份有限公司)*

CSC Financial Snowball ZengLi VIP No. 11 Assembled Assets Management Plan\* (中信建投雪球增利貴賓11號集合資產管理計劃) invests primarily in commodities and financial derivative-based financial instruments striving to realise investment returns for the plan's assets under the premise of strict risk control. The assembled plan has an investment scope that covers fixed income assets as well as commodities and financial derivatives. Fixed income assets include bank deposits, money market funds, while commodities and financial derivatives include over-the-counter options, returns swaps and non-principal protected income certificates with a snowball structure. The investment proportion includes: (1) investment in fixed income assets shall represents 0%–20% of its total assets; and (2) investment in commodities and financial derivatives shall represents 80%–100% of its total assets.

*China International Capital Corporation Limited (中國國際金融股份有限公司)*

ZhongJin XinYi Collective Asset Management Plan\* (中金鑫益集合資產管理計劃) aims at stable return. Under the premises of strictly controlling risk and securing liquidity safety, the plan pursues continuous and steady appreciation of the entrusted asset during the entrusted period. The plan is a fixed income category. The plan invests not less than 80% of the fund assets in debt assets such as deposits and bonds. The investment scope: (1) fixed income assets: national debts, regular bonds of local governments, central bank notes, policy financial bonds, debentures, corporate bonds, medium-term notes, short-term financing bonds, ultra short-term financing bonds, asset-backed securities (not including subordinated tranche), and asset-backed notes (not including subordinated tranche) listed in the exchange and interbank market; bond repurchases, bond reverse repurchases; and (2) cash type assets: cash, bank deposits, interbank deposits, money market funds, etc..

*Industrial and Commercial Bank of China Limited and ICBC Wealth Management Co., Ltd. (中國工商銀行股份有限公司及工銀理財有限責任公司)*

ICBC Wealth • Tiantianxin Core Selects Interbank Certificates of Deposit and Deposit Fixed-income Open-end Wealth Management Product\* (工銀理財•天天鑫核心優選同業存單及存款固收類開放式理財產品) is a wealth management product with fixed income and non-principal-guaranteed floating returns. Its investment scope covers varies assets that meet regulatory requirements, which include but not limited to: deposit assets, monetary funds, interbank loans, bond repurchases, bond borrowings, pledges of certificates of deposit and other money market instruments, interest rate bonds, interbank certificates of deposit, domestic bonds with credit ratings of AA+ and above, and other assets with high liquidity. The percentage of each class of assets invested to the total assets of the plan is as follows: fixed income assets: deposits, money market instruments, bonds and other debt assets that meet regulatory requirements: 100%.

*Xiamen International Trust Co., Ltd. (廈門國際信託有限公司)*

The investment scope of Xiamen Trust — Suijin No. 1 Assembled Funds Trust Plan\* (廈門信託 — 穗金1號集合資金信託計劃) is exchange-traded and interbank bonds, including but not limited to national debts, local government bonds, central bank notes, financial bonds, corporate bonds, public corporate bonds, (ultra) short-term financing bonds, medium-term notes, subordinated financial bonds, non-public corporate bonds, private placement notes, convertible bonds, exchangeable bonds, income certificates; trust plans; asset securitisation products, including but not limited to asset-backed securities and asset-backed notes listed on interbank, the Shenzhen Stock Exchange, the Shanghai Stock Exchange, inter-institutional private placement products quotation and service system, China Credit Assets Registry & Exchange Co., Ltd., Beijing Financial Assets Exchange, etc., private asset securitisation products (including but not limited to asset securitisation products issued under trust plans, asset management plans and special asset management plans). Idle funds may be used for bank deposits, interbank certificates of deposit, bond repurchases, money market funds, bank wealth management products and other low-risk and highly liquid financial products.

*Tebon Securities Co., Ltd. (德邦證券股份有限公司)*

Tebon Securities Jinrui No. 1 Sole Asset Management Plan\* (德邦證券津瑞1號單一資產管理計劃) strives to preserve and enhance the value of the entrusted assets and provide stable investment returns for the asset trustees under the premise of effective control of investment risks. The plan adopts an active management investment strategy to determine and dynamically adjust the allocation ratio of credit assets, non-credit assets and bank deposits based on the analysis and diagnosis of macroeconomic conditions and financial market trends; determine the duration and class allocation of the bond portfolio from the top down; and select targets from the bottom up on the basis of rigorous and in-depth credit analysis in an effort to achieve steady growth of entrusted assets. Investment ratios of this asset management plan are: (1) the allocation of debt assets such as the priority of investment in asset-backed securities, asset-backed notes, bonds and bank deposits in the total assets of the plan shall not be less than 80%; and (2) the bond issuers or debts or guarantors of the debentures, corporate bonds, medium-term notes and other credit bonds are rated AA or above, and the AA bonds issued by a single issuer account makes up not more than 10% of the total assets of the plan; the debt rating of short-term financing bonds is grade A-1.

Tebon Assets Management XingRui Weekly Gain No. 1 Assembled Assets Management Plan\* (德邦資管星瑞周周盈1號集合資產管理計劃) is designed to achieve a steady appreciation of entrusted assets under the premises of strict risk control. The assembled plan mainly invests in the following areas: 1. asset-backed securities, asset-backed notes, debentures, subordinated bonds of financial institutions, corporate bonds, national debts, local government bonds, financial bonds, central bank notes, short-term financing bonds, ultra short-term financing bonds, interbank certificates of deposit, medium-term notes, project income bonds, PPNs, bond repurchases, publicly issued convertible bonds, publicly issued exchangeable bonds which are issued domestically in accordance with laws as well as fixed-income securities permitted by laws and regulations; 2. other cash management tools such as bond reverse repurchase, bank demand deposits and money market funds. The allocation proportion of the above categories of assets is as follows: 1. the proportion of fixed-income assets invested by the assembled plan shall not be less than 80% of the total assets of the assembled plan; 2. the proportion of PPNs, non-public issued debentures, subordinated bonds of financial institutions, asset-backed securities and asset-backed notes invested by the assembled plan shall not be more than 60% of the total assets of the assembled plan, of which the total proportion of investment in asset-backed securities and asset-backed notes shall not exceed 20% of the net assets.

Tebon Securities XinLianXin HongTong No. 1 Assembled Assets Management Plan\* (德邦證券心連心鴻潼1號集合資產管理計劃) is designed to achieve stable income in the medium to long term by constructing a spot investment portfolio consisting of equity and fixed income securities while managing systematic risk with hedging instruments such as stock index futures. The investment scope of the assembled plan includes all kinds of equity assets, debt assets, commodities and financial derivative assets, hybrid securities investment funds and money market funds issued domestically in accordance with laws, as well as other investment varieties permitted by the CSRC. The assembled plan can engage in the securities repurchase business. In addition to the restrictions of investment

proportion set forth in the investment scope, the plan is subject to the following restrictions: 1. the shares issued by a single listed company held by the manager under all asset management plans managed shall not exceed 30% of the outstanding shares of the listed company; 2. the funds invested in the same asset shall not exceed 25% of the net asset value of the plan; the funds invested in the same asset by the manager under all the assembled asset management plans shall not exceed 25% of such asset; except for bank demand deposits, national debts, central bank notes, policy financial bonds and local government bonds and other investment varieties permitted by the CSRC.

*Minsheng Securities Co., Ltd. (民生證券股份有限公司)*

Minsheng Securities Qinyuan Chunruili No. 2 Assembled Assets Management Plan\* (民生證券沁園春瑞利2號集合資產管理計劃) strives to enhance the value of the entrusted assets. The financial instruments allowed to be invested under the plan include: fixed income instruments which include but not limited to national debts, financial bonds, local government bonds, central bank notes, corporate bonds, ultra short-term financing bonds, short-term financing bonds, medium-term notes, private placement financing debt instruments, subordinated bonds, short-term bonds of securities companies, hybrid capital bonds, asset-backed securities (excluding subordinated securities), asset-backed notes, debentures, convertible bonds, detachable bonds, interbank deposit certificates, bank deposits, bond repurchases, agreed repurchases, interbank deposits, monetary funds and publicly offered bond funds circulated in interbank/exchange markets, etc.. The market value ratio of the entrusted assets invested in the above fixed income products shall not be less than 80% of the total assets of the plan.

*AVIC Trust Company Limited (中航信託股份有限公司)*

AVIC Trust • TianYuan No. 21A218 Property Development Equity Investment Assembled Funds Trust Plan\* (中航信託•天垣21A218號房地產開發股權投資集合資金信託計劃) is limited to the amount of funds raised under the trust plan, and will pay to Chongqing Lexujia Real Estate Development Co., Ltd.\* (重慶樂旭嘉房地產開發有限公司, “**Chongqing Lexujia**”) based on the actual amount of funds raised under the trust plan, after the transfer of 70% equity interest in Chongqing Lexujia from Chongqing Linnan Real Estate Development Co., Ltd.\* (重慶霖楠房地產開發有限公司, “**Chongqing Linnan**”). These shareholder contributions will be fully credited to Chongqing Lexujia’s capital reserve. Chongqing Lexujia used the shareholder’s funds paid by AVIC Trust for the replacement of Chongqing Lexujia’s previous shareholder’s investment, the development and construction of the project on the land parcel in Yubei District, Chongqing Municipality (the “**Chongqing Subject Project**”), and for other purposes as agreed by the Trustee, ultimately realising the Trust’s shareholder’s interest in Chongqing Lexujia and the investment interest in the Subject Project. The Chongqing Subject Project is a residential project located in the eastern part of Chongqing Central Park, which belongs to the core development area of Chongqing Municipality. The project is developed by Sunac China while AVIC Trust is responsible for its supervision. It is pledged with the project company’s equity interest.

AVIC Trust • TianQi No. [2020]552 Sunac Qingdao One Sino Park Equity Investment Assembled Funds Trust Plan\* (中航信託•天啟[2020]552號融創青島壹號院股權投資集合資金信託計劃) is limited to the amount of funds raised under the trust plan, and will contribute capital to Beijing Sunac Jiamao Information Consulting Co., Limited\* (北京融創嘉茂信息諮詢有限公司, “**Beijing Sunac**”) on a 70%:30% basis with Sunac (Qingdao) Real Estate Co., Limited\* (融創(青島)置地有限公司, “**Sunac Qingdao**”), after the transfer of 70% equity interest in Beijing Sunac from Sunac Qingdao. Beijing Sunac shall use the entire contribution to acquire from Sunac Qingdao a 50% equity interest in Qingdao Haozhong Real Estate Co., Limited\* (青島浩中房地產有限公司) which is held by Qingdao Haiyue Wenhua Industrial Co., Limited\* (青島海悅文華實業有限公司, “**Haiyue Wenhua**”) on Sunac Qingdao’s behalf, who is the effective holder, so that AVIC Trust can ultimately enjoy the investment income from the real estate projects to be developed and constructed on the land parcels in Laoshan District, Qingdao (the “**Qingdao Subject Project**”), through its indirect equity interest in Haiyue Wenhua by virtue of its shareholdings in Beijing Sunac. The Qingdao Subject Project is a luxury residential project located in Laoshan District, Qingdao, which lies within 3 km from the service area of the planned “Qingdao Jinjialing Financial Zone”. The project is developed by Sunac China while AVIC Trust is responsible for its supervision. It is pledged with the project company’s equity interest.

*Huaan Securities Co., Ltd. (華安證券股份有限公司)*

Huaan Securities Monthly Gain Assembled Assets Management Plan\* (華安證券月月贏集合資產管理計劃) primarily invests in low-risk financial products such as bonds and other financial products with fixed income on the basis of strict risk control, so as to grasp market investment opportunities to achieve stable revenue for the assembled plan. The assembled plan invests in national debts, various financial bonds, central bank notes, corporate bonds, debentures, convertible bonds, exchangeable bonds, bond funds, premium class of tiered fund, asset securitisation products, cash, bond reverse repurchases, bank deposits, interbank certificates of deposit, ultra-short-term financing bonds, short-term financing bonds, medium-term notes, non-public debt-financing instruments and money market funds, in each case, issued domestically in accordance with laws, as well as other fixed-income products the assembled plan is allowed to invest by the CSRC. It may also participate in bond repurchases. In particular, the issuer (or debt) of the corporate bonds, debentures, detachable bonds, medium-term notes and other credit bonds shall have a credit rating not lower than AA, the debt of short-term financing bonds shall have a credit rating not lower than A-1, and the average remaining maturity of the portfolio bonds shall not exceed 397 days.

*CITIC Securities Co., Ltd. (中信證券股份有限公司)*

CITIC Securities Co., Ltd. Strategy DianJin Series Phase 2509 Income Certificate\* (中信證券股份有限公司策略點金系列2509期收益憑證) are non-principal protected floating income certificates. The product's contracted knock-out and knock-in prices will be compared with the performance of targets in the CSI Small Cap 500 Index on the observation date, so as to determine whether a knock-out or knock-in event is triggered, as well as the final gains or losses of the product. The closing prices of the linked targets are based on the closing price of the CSI Small Cap 500 Index quoted on the Shanghai Stock Exchange. The knock-out price and knock-in price are prices agreed between the investor and the securities brokerage, and the setting of which would affect directly the probability of the investor to receive the contracted return. If a knock-in is triggered, the return is determined by the actual increase or decrease of the index on the maturity date, if a knock-out is triggered, a fixed interest up to the knock-out date will be received on an annualized rate of 16%, and if neither a knock-in nor knock-out is triggered, an interest for the entire year will be received on an annualised rate of 16%.

*China Fortune International Trust Co., Ltd. (華鑫國際信託有限公司)*

China Fortune Trust • XinYiJian No. 1 Assembled Assets Management Plan\* (華鑫信託•信益嘉1號集合資金信託計劃) may invest in exchange-traded and interbank bonds, including but not limited to national debts, local government bonds, central bank notes, financial bonds, corporate bonds, public debentures, (ultra) short-term financing bonds, medium-term notes, subordinated financial bonds, non-public corporate bonds, PPNs, convertible bonds, exchangeable bonds; income certificates; publicly offered funds; asset securitisation products, including but not limited to asset-backed securities and asset-backed notes listed on interbank, the Shenzhen Stock Exchange, the Shanghai Stock Exchange, inter-institutional private placement products quotation and service system, China Credit Assets Registry & Exchange Co., Ltd., Beijing Financial Assets Exchange, etc., private asset securitisation products; non-standardised assets, including but not limited to trust schemes, trust beneficiary rights, etc.; idle funds can be used for bank deposits, interbank certificates of deposit, bonds repurchase, money market funds, bank wealth management products and other low-risk, high-liquidity financial products, and subscribe to the trust industry protection fund in accordance with relevant regulations. Investment ratios includes: (1) investment in fixed-income products in deposits, bonds and other debt assets shall not be less than 80%; (2) investment in the same bond shall not exceed 25% of the total issue size of the target bond; for asset-backed securities, investment in the same asset-backed security shall not exceed 25% of the ongoing size of the target; (3) investment in a single credit bond shall not exceed 25% of the net assets of the trust; (4) the total value of trust property/net property of the trust shall not exceed 200% when the bond repurchase business is initiated.

*Guangdong Finance Trust Co., Ltd. (廣東粵財信託有限公司)*

The underlying assets of HongWei 2022 Phase 7 Micro-Enterprise Loan Circulating Financial Rights Trust\* (鴻微2022年第七期微小企業貸款流轉財產權信託) are loans for production and business granted by Zhejiang E-Commerce Bank Co., Ltd., which are granted to small enterprises, micro-enterprises, individual entrepreneurs, small and micro-enterprise owners and other individuals. The “Trust unit holders” are entitled to the “Trust benefits” corresponding to the type and amount of the “Trust units” held by them, and to participate in the relevant distribution of “Trust benefits”. The “Trust units” are categorised into “Preferential trust units” and “Subordinate trust units”. “Preferential trust units” include “Preferential A trust units” and “Preferential B trust units”. “Preferential A1 trust units” account for 70% of all “Trust units” and “Preferential A2 trust units” account for 20% of all “Trust units”. The credit rating is AAAsf. “Preferential B trust units” account for 3% of all “Trust units” and have a credit rating of AA+sf. “Subordinate trust units” account for 7% of all “Trust units”.

*Capital Securities LLC. (首創證券股份有限公司)*

Capital Securities Chuang Hui Flexible Choice Assembled Assets Management Plan\* (首創證券創惠靈活優選集合資產管理計劃) seeks to achieve stable investment returns by investing in medium, long and short-term financial instruments while effectively controlling investment risks. Investment scope, ratio and restrictions include: (1) fixed income and cash assets: 80%–100% of the plan’s total assets, including national debts, local government bonds, central bank notes, financial bonds, interbank certificates of deposit, corporate bonds, debentures, asset-backed securities, short-term financing bonds, ultra short-term financing bonds, medium-term notes, and other exchange-traded and interbank instruments, bond repurchases, bond reverse repurchases, bond funds, money market funds, bank deposits, cash, etc.. The credit rating of investment in corporate bonds, debentures, medium-term notes and other credit bonds is AA or above, and the rating of short-term bonds is not lower than A-1; the issuer’s rating of private placement debt financing instruments is not lower than AA; the rating of asset-backed securities is not lower than AA (long-term)/A-1 (short-term), and only investment in senior asset-backed securities is allowed, and shall not invest in asset-backed securities with its managed products or usufructs as underlying assets; the number of single subject bonds invested in the plan shall not exceed 25% of the total size of the bonds issued; at cost, not more than 25% of the net assets of the plan; (2) bond repurchase: the funds balance of bond repurchase or bond reverse repurchase funds shall not exceed 100% of the net assets of the plan as of the previous day; (3) the total assets of the plan shall not exceed 200% of the net assets of the plan; (4) the investment of this assembled assets management plan in same assets other than bonds shall not exceed 25% of the net assets of the plan, nor shall it exceed 25% of such assets.

PSBC Wealth Management • Wealth Management RMB Investment Product\* (中郵理財郵銀財富•理財寶人民幣理財產品) strives to achieve investment return exceeding performance benchmarks under the premises of maintaining low risks and high liquidity of wealth management assets. The scope and restrictions of investment include: 1. the proceeds raised from the product are invested either directly or indirectly through asset management products in the following types of assets that meet regulatory requirements: (1) money market instrument assets such as cash and demand deposits, placements with banks, reverse repurchase agreements, money market funds; (2) bonds and debt financing instrument assets such as national debts, local government bonds, central bank notes, policy financial bonds, government supported institution bonds, commercial financial bonds, corporate bonds, debentures, corporate debt financing instruments, asset-backed securities, interbank certificates of deposit; and (3) other debt assets recognised by laws, regulations or regulatory authorities, such as interbank deposits; 2. for the product, the proportion of investment in cash and assets with high liquidity such as demand deposits, placements with banks, reverse repurchases, money market funds, interest rate bonds, local government bonds, central bank notes and certificates of deposit shall not be less than 30%; the proportion of investment in commercial financial bonds such as commercial bank financial bonds and bonds of securities companies shall not exceed 40%; the proportion of investment in government supported institution bonds, corporate bonds, debentures, corporate debt financing instruments and asset-backed securities shall not exceed 50%; the proportion of investment in other debt assets shall not exceed 40%; 3. all types of bond assets in which the product is invested, with a credit rating of AA+ or above for credit bonds and A-1 or above for short-term financing bonds. For the interbank financing assets in which the product is invested, the internal rating graded by the financier is at BBB+ or above.



*Ping An Finance Co., Ltd. (平安理財有限責任公司)*

Ping An Finance — Tiantian Growth No. 3 Cash Management RMB Net Value Wealth Management Product\* (平安理財 — 天天成長3號現金管理類人民幣淨值型理財產品) is a cash management product with high liquidity and low risks, and strives to provide investors with stable income under the premises of strict risk control. The proceeds raised from this wealth management product are invested in financial instruments permitted by laws and regulations for investment, including cash, bank deposits with a maturity within 1 year (including 1 year), bond repurchases, central bank bonds, interbank certificates of deposit, bonds with a remaining maturity within 397 days (including 397 days), asset-backed securities issued in the interbank market and stock exchange market, and other financial products and financial instruments with good liquidity approved by the CBIRC and the People's Bank of China. For the investment of this wealth management product, the proportion in deposits, bonds and other debt assets to the total assets of the portfolio shall not be less than 80%. This wealth management product shall not be invested in the following financial instruments: stocks; convertible bonds, exchangeable bonds; floating rate bonds with the fixed deposit interest rate as the benchmark interest rate; bonds and asset-backed securities with a credit rating below AA+; and other financial instruments prohibited from investment by the CBIRC and the People's Bank of China.

*Harvest Fund Management Company Limited (嘉實基金管理有限公司)*

Harvest Fund Jinxi No. 1 Single Asset Management Plan (QDII)\* (嘉實基金津西1號單一資產管理計劃(QDII)) is a management plan for a single asset with fixed income. Its objective is to seek considerable investment return for investors with effective investment risk control. The foreign assets invested in this plan must comply with the relevant laws and regulations such as the QDII Trial Measures\* (QDII試行辦法) and the Notice on QDII Trial Measures\* (QDII試行辦法通知) and the requirements of the CSRC regarding QDII investments. The particular varieties it invests in, and the investment scope includes: (1) fixed income assets: its overseas fixed income assets include: bank deposits, transferrable certificates of deposit, bank acceptance bills, bank notes, commercial notes, repurchase agreements, short-term government bonds and other money market instruments; overseas government bonds, debentures, housing-mortgage-backed securities, asset-backed securities, bank capital debts, structured investment products linked to fixed income assets, public bond funds registered with the securities regulator of a country and region that have signed a bilateral memorandum of understanding on regulatory cooperation with the CSRC, and other fixed income financial instruments approved by the CSRC for asset management plans to invest. Its domestic fixed income assets include: money market instruments, national debts, local government bonds, corporate bonds, debentures, various types of financial bonds, central bank notes, bond funds, various types of debt financing instruments, and other financial instruments approved by the CSRC for asset management plans to invest; and (2) interest rate swaps for financial derivative assets, national debts futures listed on overseas

exchanges approved by the CSRC and other interest rate derivatives, including but not limited to forward contracts, swap contracts, futures, options and other foreign exchange derivatives listed on overseas exchanges approved by the CSRC. The asset management plan's investment in fixed income assets shall not account for less than 80% of its total assets, and the asset management plan's investment in financial derivatives shall not account for more than 20% of its total assets.

## Listed Bond Investments

Name of the financial assets	Number of units held as at 31 December 2022 ( <i>'000</i> )	Investment cost as at 31 December 2022 ( <i>RMB'000</i> )	Fair value as at 31 December 2022 ( <i>RMB'000</i> )	Realised investment income/(loss) for the year ended 31 December 2022	Fair value to the total assets of the Group as at 31 December 2022
				( <i>RMB'000</i> )	
<b>Beijing LeRui Asset Management Co., Ltd.</b>					
北京樂瑞資產管理有限公司					
LeRuiQiangZhai No. 27 Securities Investment Private Equity Fund*					
樂瑞強債27號證券投資私募基金	–	–	–	(2,185)	–
<b>Shanghai Longlife Investment Co., Ltd.</b>					
上海久期投資有限公司					
Longlife Jinxi Pure Bond No. 1 Private Equity Investment Fund*					
久期津西純債1號私募證券投資基金	1,487	141,840	127,278	(5,940)	0.27%
<b>Shanghai JunXi Investment Management Co., Ltd.</b>					
上海君犀投資管理有限公司					
JunXi XiZhou No. 8 Private Equity Investment Fund*					
君犀犀舟8號私募證券投資基金	3,312	267,814	239,165	6,976	0.50%
<b>China International Capital Corporation Limited</b>					
中國國際金融股份有限公司					
ZhongJinDingYi No. 10 Sole Asset Management Plan*					
中金鼎益10號單一資產管理計劃	1,718	193,448	189,699	(5,887)	0.40%
<b>China Futures Co., Ltd.</b>					
中信建投期貨有限公司					
China Futures JinYing No. 1 Sole Asset Management Plan*					
中信建投期貨津盈1號單一資產管理計劃	2,911	299,457	297,580	9,279	0.62%
<b>PingAn Trust Co., Ltd.</b>					
平安信託有限責任公司					
PingAn Trust JinYing No. 2 Sole Fund Trust*					
平安信託津盈2號單一資金信託	2,719	281,530	280,129	9,503	0.58%
<b>Shanghai Hesheng Asset Management Co., Ltd.</b>					
上海合晟資產管理股份有限公司					
MingSheng No. 1 Private Investment Fund*					
明晟1號私募投資基金	2,578	184,029	184,473	6,853	0.38%

Name of the financial assets	Number of units held as at 31 December 2022 (’000)	Investment cost as at 31 December 2022 (RMB’000)	Fair value as at 31 December 2022 (RMB’000)	Realised	Fair value
				investment income/(loss) for the year ended 31 December 2022 (RMB’000)	to the total assets of the Group as at 31 December 2022
<b>Harvest Fund Management Company Limited</b>					
嘉實基金管理有限公司					
Harvest Fund Jinxi No. 1 Single Asset Management Plan (QDII)*					
嘉實基金津西1號單一資產管理計劃(QDII)	124	102,319	102,325	2,252	0.21%
<b>Tebon Securities Co., Ltd.</b>					
德邦證券股份有限公司					
Tebon Securities Jinrui No. 1 Sole Asset Management Plan*					
德邦證券津瑞1號單一資產管理計劃	650	67,240	66,908	–	0.14%
<b>Ningbo GuanShi Investment Management Company Limited*</b>					
寧波觀石投資管理有限公司					
Ningbo GuanShi ShunShi No. 19 Private Securities Investment Fund*					
寧波觀石順時19號私募證券投資基金	514	50,000	50,366	–	0.10%
<b>Others</b>	22	3,325	3,358	110	0.01%
<b>Total</b>		<u>1,591,002</u>	<u>1,541,281</u>	<u>20,961</u>	<u>3.21%</u>

## Investment strategies of listed bond investments

*Beijing LeRui Asset Management Co., Ltd. (北京樂瑞資產管理有限公司)*

LeRuiQiangZhai No. 27 Securities Investment Private Equity Fund\* (樂瑞強債27號證券投資私募基金) adopts a fixed income category allocation strategy to gain stable return, and through certain proportion of equity and derivative products asset allocation to enhance return. It uses fixed income assets such as good quality debentures as core assets to provide a safety cushion through stable return from bond interests. On this basis, it starts to implement “large scale asset allocation strategy”, and further extends portfolio assets to more risky asset categories of equity, derivative products, etc.. According to the risk-return profile of the targeted assets it intended to invest in and the changes in market conditions, it dynamically adjusts the investment ratio within a range to strive for realisation of continuous stable profit of account. The investment strategy considers the macroeconomic situation, financial market environment, market structure changes as well as financial instruments available for investment, supported by quantitative models, and it comprehensively analyses market interest rate trend, capital market demand and supply, credit risk situation as well as stock market trend, and

estimates each asset class's risk-reward characteristics in long, medium and short term. It carefully chooses large scale assets with a relatively better risk-reward profile, constructs an allocation strategy which reflects large scale asset rotation characteristics. Calculated by cost, the fund invests not less than 80% of the total value of fund's asset in fixed income category assets and cash category assets, and not more than 20% of the total value of fund's asset in equity category assets. Using the higher of issuer or debt rating as basis, it cannot invest in debentures with rating lower than AA or short-term financing bonds with rating lower than A-1.

*Shanghai Longlife Investment Co., Ltd. (上海久期投資有限公司)*

Longlife Jinxi Pure Bond No. 1 Private Equity Investment Fund\* (久期津西純債1號私募證券投資基金) uses bonds as major investment subject. During different economic cycles, from the three dimensions of interest rate (duration), credit, and fixed income to carry out asset allocation, it strives to obtain steady return independent of economic cycle. In the aspect of risk control and strengthening return, it calculates the basic return from bond interest income. It sets a strict risk limit according to basic return level, so as to control drawdown risk. Within the risk limit, it adopts the approach of adjusting the duration of bonds, searching for wrongly priced debentures and fixed income assets' equity attributes, etc. to obtain excess return over basic return. The restrictions of the fund include: 1. it must not invest the fund assets in small to medium enterprises' private placement debts; and 2. debt or issuer ratings of corporate debts, debentures, convertible bonds, detachable convertible bond must be AA or above; debt rating of short-term financing bonds of A-1 and issuer rating must be A+ or above; private exchangeable bonds can be without rating.

*Shanghai JunXi Investment Management Co., Ltd.\* (上海君犀投資管理有限公司)*

JunXi XiZhou No. 8 Private Equity Investment Fund\* (君犀犀舟8號私募證券投資基金) constructs its investment portfolio on the basis of in-depth research. Under the premises of strictly controlling the investment risks, it strives to obtain long-term stable investment return. The fund will carry out top-down approach asset allocation according to macroeconomic analysis and changes in the overall market valuation level, lowering market risk and pursuing higher return at the same time. The investment scope includes stocks issued and listed on the Shanghai or Shenzhen stock exchanges (limited to shares issued from the conversion of convertible bonds or exchangeable bonds only), bonds and asset-backed securities issued and traded in the Shanghai or Shenzhen stock exchanges or interbank market, asset-backed notes issued and traded in interbank market, fixed income securities of securities companies, bond repurchases, pledge-style quoted repurchase agreement in the Shanghai or Shenzhen stock exchanges, cash, bank deposits, publicly offered funds, bank financial investment products, asset management plans of securities companies, insurance companies and future companies, asset management plans for specific clients of fund managers, privately offered funds issued by privately offered securities investment fund manager who are registered and published on the

official website of the Asset Management Association of China (“AMAC”). The investment restrictions of the fund include: 1. it must not invest in funds without custodian or safekeeping financial institutions (commercial banks, securities companies); 2. it must not invest in partnership shares without filings in the AMAC; 3. it must not invest in inferior share of structured financial product, and the priority rating of invested asset-backed securities and asset-backed notes shall be AAA; 4. the fund’s total fund asset value shall not exceed 160% of fund net asset value; 5. it must not participate in the subscription of non-public issued shares in stock exchange; and 6. the debt rating of invested debentures must be AA or above. If the invested debentures do not have a debt rating or their debt ratings do not reach AA or above, their issuer ratings shall be AA or above. Rate securities such as national debts, policy financial bonds, local debts, etc., are not restricted by ratings.

*China International Capital Corporation Limited (中國國際金融股份有限公司)*

ZhongJinDingYi No. 10 Sole Asset Management Plan\* (中金鼎益10號單一資產管理計劃) aims at stable return. Under the premises of strictly controlling risk and securing liquidity safety, the plan pursues continuous and steady appreciation of the entrusted asset during the entrusted period. The plan is a sole asset management plan in fixed income category. The investment scope of entrusted assets covers: (1) fixed income assets: national debts, regular bonds of local governments, central bank notes, policy financial bonds, debentures (including non-public issued debentures), corporate debts, medium-term notes, short-term financing bonds, ultra short-term financing bonds, asset-backed securities (not including subordinated tranche), asset-backed notes (not including subordinated tranche), private placement financing debt instruments, convertible bonds, exchangeable bonds listed in the exchange and interbank market; bond repurchases, bond reverse repurchases; and (2) cash type assets: cash, bank deposits, interbank deposits, money market funds, etc.. The plan’s investment restrictions include: 1. the bond issuer or debt rating shall not be lower than AA+; short-term financing bonds of issuer rating shall not be lower than AA+; if there is no rating for ultra short-term financing bonds, the issuer rating shall not be lower than AA+; and 2. interbank deposits issuers rating shall not be lower than AA+.

*China Futures Co., Ltd. (中信建投期貨有限公司)*

China Futures JinYing No. 1 Sole Asset Management Plan\* (中信建投期貨津盈1號單一資產管理計劃) seeks to achieve long-term and stable returns under the premise of effective risk control. The plan invests in: fixed-income products including national debts, central bank notes, financial bonds, local government bonds, corporate bonds, debentures, short-term financing bonds, ultra-short-term financing bonds, medium-term notes, project income notes, private placement note, subordinated bonds of securities companies, subordinated bonds of commercial banks, hybrid capital bonds, other financial institution bonds, insurance debentures, convertible bonds (including private placement), exchangeable bonds (including private placement), interbank certificates of

deposit, publicly listed securitisation products of corporate/credit asset (excluding subordinated products), asset-backed notes (excluding subordinated products), each of which includes sustainable instruments; money market instruments and depositary instruments including negotiated deposits, interbank deposits, bond repurchases, bond reverse repurchases, money market funds and public bond funds; and derivatives including national debts futures and margin offsetting business of government bonds on various Futures Exchanges. The issuer and debt (if any) of the bonds invested by the plan shall have a credit rating not lower than AA.

*PingAn Trust Co., Ltd. (平安信託有限責任公司)*

PingAn Trust JinYing No. 2 Sole Fund Trust\* (平安信託津盈2號單一資金信託) is an assembled funds trust with fixed income, which selects appropriate fixed income assets in accordance with the approach to use the entrusted properties as stipulated in the trust agreement, so as to build an investment portfolio that realises a long term and stable appreciation for the assets. The trust invests in those varieties including: 1. fixed income varieties: national debts, central bank notes, financing bonds, local government bonds, corporate bonds, debentures, short-term financing bonds, ultra short-term financing bonds, medium-term notes, project revenue notes, private placement financing debt instruments, subordinated bonds of securities companies, subordinated bonds of commercial banks, hybrid capital bonds, bonds of other financial institutions, bonds of insurance companies, convertible bonds (including private placement), exchangeable bonds, interbank certificates of deposits, publicly listed securitisation products of corporate/trusted assets (excluding subordinated), asset-backed notes (excluding subordinated), each of which includes permanent varieties; 2. money market instruments, publicly offered funds and deposits instruments: negotiated deposits, interbank deposits, bond repurchases, money market funds and publicly offered debt funds; 3. derivatives: national debt, futures and margin offsetting business of national debts on various futures exchanges; and 4. guaranteed funds in the trust business.

*Shanghai Hesheng Asset Management Co., Ltd. (上海合晟資產管理股份有限公司)*

MingSheng No. 1 Private Investment Fund\* (明晟1號私募投資基金) realises long-term, continuous and stable appreciation for the assets of its clients under the premise of controlled risk. The fund deploys its assets with a top-down approach based on macro-economy analysis and changes in overall market valuation, aiming for higher returns with minimised market risks. The investment scope covers: 1. bonds and asset-backed securities (including subordinated tranche) issued and traded in domestic stock exchanges or interbank market, asset-backed notes (including subordinated tranche) issued and traded in interbank market, standardised notes traded in interbank bond market, securities repurchases, pledge-style quoted repurchase in domestic stock exchanges; 2. publicly-offered funds; and 3. cash, bank deposits (including time deposits, demand deposits, negotiated deposit, structured deposits and other bank deposits), financial investment products from bank and interbank certificates of deposits.

*Harvest Fund Management Company Limited (嘉實基金管理有限公司)*

Harvest Fund Jinxi No. 1 Single Asset Management Plan (QDII)\* (嘉實基金津西1號單一資產管理計劃(QDII)) is a management plan for a single asset with fixed income. Its objective is to seek considerable investment return for investors with effective investment risk control. The foreign assets invested in this plan must comply with the relevant laws and regulations such as the QDII Trial Measures\* (QDII試行辦法) and the Notice on QDII Trial Measures\* (QDII試行辦法通知) and the requirements of the CSRC regarding QDII investments. The particular varieties it invests in, and the investment scope includes: (1) fixed income assets: its overseas fixed income assets include: bank deposits, transferrable certificates of deposit, bank acceptance bills, bank notes, commercial notes, repurchase agreements, short-term government bonds and other money market instruments; overseas government bonds, debentures, housing-mortgage-backed securities, asset-backed securities, bank capital debts, structured investment products linked to fixed income assets, public bond funds registered with the securities regulator of a country and region that have signed a bilateral memorandum of understanding on regulatory cooperation with the CSRC, and other fixed income financial instruments approved by the CSRC for asset management plans to invest. Its domestic fixed income assets include: money market instruments, national debts, local government bonds, corporate bonds, debentures, various types of financial bonds, central bank notes, bond funds, various types of debt financing instruments, and other financial instruments approved by the CSRC for asset management plans to invest; and (2) interest rate swaps for financial derivative assets, national debts futures listed on overseas exchanges approved by the CSRC and other interest rate derivatives, including but not limited to forward contracts, swap contracts, futures, options and other foreign exchange derivatives listed on overseas exchanges approved by the CSRC. The asset management plan's investment in fixed income assets shall not account for less than 80% of its total assets, and the asset management plan's investment in financial derivatives shall not account for more than 20% of its total assets.

*Tebon Securities Co., Ltd. (德邦證券股份有限公司)*

Tebon Securities Jinrui No. 1 Sole Asset Management Plan\* (德邦證券津瑞1號單一資產管理計劃) strives to preserve and enhance the value of the entrusted assets and provide stable investment returns for the asset trustees under the premise of effective control of investment risks. The plan adopts an active management investment strategy to determine and dynamically adjust the allocation ratio of credit assets, non-credit assets and bank deposits based on the analysis and diagnosis of macroeconomic conditions and financial market trends; determine the duration and class allocation of the bond portfolio from the top down; and select targets from the bottom up on the basis of rigorous and in-depth credit analysis in an effort to achieve steady growth of entrusted assets. Investment ratios of this asset management plan are: (1) the allocation of debt assets such as the priority of investment in asset-backed securities, asset-backed notes, bonds and bank deposits in the total assets of the plan shall not be less than 80%; and (2) the bond issuers or debts or guarantors of the debentures, corporate bonds, medium-term notes and other credit bonds are rated AA or above, and the AA bonds issued by a single issuer account makes up not more than 10% of the total assets of the plan; the debt rating of short-term financing bonds is grade A-1.

*Ningbo GuanShi Investment Management Company Limited\* (寧波觀石投資管理有限公司)*

Ningbo GuanShi ShunShi No. 19 Private Securities Investment Fund\* (寧波觀石順時19號私募證券投資基金) builds its investment portfolio on the basis of in-depth research and aims to achieve sustainable and stable investment returns on its assets. The investment scope includes: exchange-traded bonds, interbank bonds, publicly-offered securities investment funds, bonds repurchases, bonds reverse repurchases, purchase and redemption of listed open-ended Fund (LOF), depositary receipts listed on the Shanghai or Shenzhen stock exchanges, monetary market fund, cash, bank deposits, interbank certificates of deposits, wealth management products for cash management, exchange-traded and asset-backed securities, asset-backed notes, fixed income securities of securities companies. The investment restrictions include: 1. the depositary receipts held in the fund shall not exceed 100% of the fund's net asset value by market value in aggregate; and 2. the fund's total assets shall not exceed 200% of its net assets.



## Investment Funds

Name of the financial assets	Number of units held as at 31 December 2022 ( '000)	Investment cost as at 31 December 2022 (RMB'000)	Fair value as at 31 December 2022 (RMB'000)	Realised investment income/(loss) for the year ended 31 December 2022 (RMB'000)	Fair value to the total assets of the Group as at 31 December 2022
<b>Shanghai QiuSheng Assets Management Co., Ltd.*</b>					
上海秋晟資產管理有限公司					
QiuSheng Asset YanXi No. 1 Macro Hedging Private Equity Fund*					
秋晟資產言蹊1號宏觀對沖私募基金	172,872	176,406	121,702	760	0.25%
<b>Bosera Asset Management Company Limited</b>					
博時基金管理有限公司					
Bosera New Strategy Flexible-configuration Hybrid Fund					
博時新策略靈活配置混合型證券投資基金	—	—	—	(8)	—
<b>HFT Investment Management Co., Ltd.</b>					
海富通基金管理有限公司					
HFT Retirement Income Balanced Fund					
海富通安頤收益混合型證券投資基金	—	—	—	(5,008)	—
<b>Beijing Yuhua Fund Management Co., Ltd.</b>					
北京譽華基金管理有限公司					
Yuhua Key & Core Technology (Tangshan) Equity Investment Fund (Limited Partnership)*					
譽華硬科技（唐山）股權投資基金（有限合夥）	— <sup>1</sup>	20,000	20,000	—	0.04%
<b>Beijing Huilong Capital Management Co., Ltd.</b>					
北京惠隆資本管理有限責任公司					
Huilong Quantitative Exclusive No. 3 Private Securities Investment Fund*					
惠隆量化專享三號私募證券投資基金	30,453	30,962	32,767	47	0.07%
<b>Value Partners Limited</b>					
Value Partners Intelligent Funds — Chinese Mainland Focus Fund					
	107	65,128	45,164	—	0.09%
<b>Ningbo High-Flyer Quant Investment Management Partnership (Limited Partnership)</b>					
寧波幻方量化投資管理合夥企業（有限合夥）					
High-Flyer 500 Enhanced Index Xinxiang No. 18 Private Equity Securities Investment Fund*					
幻方500指數增強欣享18號私募證券投資基金	49,243	57,565	48,598	(7,133)	0.10%

Name of the financial assets	Number of units held as at 31 December 2022 (‘000)	Investment cost as at 31 December 2022 (RMB‘000)	Fair value as at 31 December 2022 (RMB‘000)	Realised	Fair value
				investment income/(loss) for the year ended 31 December 2022 (RMB‘000)	to the total assets of the Group as at 31 December 2022
<b>Yanfu Investments, LLC.</b>					
上海衍複投資管理有限公司					
Yanfu 300 Enhanced Index No. 1 Private Securities Investment Fund*					
衍複300指增一號私募證券投資基金	59,076	58,919	55,213	(2,602)	0.11%
Yanfu New Power Enhanced No. 1 Private Securities Investment Fund*					
衍複新動力增強一號私募證券投資基金	–	–	–	2,580	–
<b>Shenzhen Faner Investment Management Partnership (Limited Partnership)*</b>					
深圳凡二投資管理合夥企業(有限合夥)					
Faner Yinghuo No. 5 Private Securities Investment Fund*					
凡二英火五號私募證券投資基金	–	–	–	(3,965)	–
Faner Quantitative CSI Top 500 Enhanced No. 5 Private Securities Investment Fund*					
凡二量化中證500增強5號私募證券投資基金	–	–	–	(8,708)	–
<b>Beijing iVolution Capital Co., Ltd.</b>					
北京天演資本管理有限公司					
iVolution Capital Yijun Phase 12 Private Securities Investment Fund*					
天演邑君12期私募證券投資基金	30,000	30,030	29,130	1,920	0.06%
iVolution GaoJie Private Securities Investment Fund*					
天演高節私募證券投資基金	35,055	36,517	36,013	–	0.07%
<b>Shanghai Wenbo Investment Management Co., Ltd.</b>					
上海穩博投資管理有限公司					
Wenbo 300 Enhanced Index No. 1 Private Securities Investment Fund*					
穩博300指數增強1號私募證券投資基金	–	–	–	(4,208)	–
<b>Qilin Investment Management (Shanghai) Co., Ltd.</b>					
上海啟林投資管理有限公司					
Qilin Quantitative Hedge Multi-Strategy No. 6 Private Securities Investment Fund*					
啟林量化對沖多策略6號私募證券投資基金	–	–	–	586	–
<b>Guotai Junan Securities Asset Management Co., Ltd.</b>					
上海國泰君安證券資產管理有限公司					
Guotai Junan CSI 500 Enhanced Index Securities Investment Fund*					
國泰君安中證500指數增強型證券投資基金	33,316	30,009	29,978	(2,494)	0.06%

Name of the financial assets	Number of units held as at 31 December 2022 ( '000)	Investment cost as at 31 December 2022 (RMB'000)	Fair value as at 31 December 2022 (RMB'000)	Realised	Fair value
				investment income/(loss) for the year ended 31 December 2022 (RMB'000)	to the total assets of the Group as at 31 December 2022
<b>Shenzhen Bishuo Asset Management Co., Ltd.*</b>					
深圳碧燦資產管理有限公司					
Bishuo ChangYuan No. 5 Private Securities Investment Fund*					
碧燦長遠五號私募證券投資基金	-	-	-	(13,537)	-
Bishuo JiaTai Private Securities Investment Fund*					
碧燦嘉泰私募證券投資基金	31,130	67,156	102,573	-	0.21%
Bishuo HengChi No. 4 Private Securities Investment Fund*					
碧燦恒馳四號私募證券投資基金	18,203	19,173	21,206	-	0.04%
Others	-	-	-	(1,575)	-
<b>Wellspring Capital</b>					
北京清和泉資本管理有限公司					
Wellspring Value Stable Phase 7A Private Securities Investment Fund*					
清和泉價值穩健7期A私募證券投資基金	93	9,320	9,183	(1,796)	0.02%
<b>Harvest Fund Management Company Limited</b>					
嘉實基金管理有限公司					
Harvest Excellent Choice of Strategy and Flexible Configuration Combined Securities Investment Fund*					
嘉實策略優選靈活配置混合型證券投資基金	-	-	-	(556)	-
Harvest Theme New Power Hybrid Securities Investment Fund*					
嘉實主題新動力混合型證券投資基金	5,164	20,000	17,190	-	0.04%
<b>China Asset Management Co., Ltd.</b>					
華夏基金管理有限公司					
ChinaAMC PanLi One-year Fixed Term Open-end Combined Securities Investment Fund*					
華夏磐利一年定期開放混合型證券投資基金	-	-	-	(5,609)	-
<b>Lombarda China Fund Management Co., Ltd.</b>					
中歐基金管理有限公司					
Lombarda China JinShang Combined Securities Investment Fund*					
中歐瑾尚混合型證券投資基金	-	-	-	(5,351)	-
<b>Ningbo GuanShi Investment Management Company Limited*</b>					
寧波觀石投資管理有限公司					
Ningbo GuanShi ShunShi No. 2 Private Securities Investment Fund*					
寧波觀石順時2號私募證券投資基金	48,685	50,000	49,562	-	0.10%
Ningbo GuanShi ShunShi No. 15 Private Securities Investment Fund*					
寧波觀石順時15號私募證券投資基金	-	-	-	3,237	-

Name of the financial assets	Number of units held as at 31 December 2022 ( <i>'000</i> )	Investment cost as at 31 December 2022 ( <i>RMB'000</i> )	Fair value as at 31 December 2022 ( <i>RMB'000</i> )	Realised	Fair value
				investment income/(loss) for the year ended 31 December 2022 ( <i>RMB'000</i> )	to the total assets of the Group as at 31 December 2022
<b>Shanghai Ruitian Investment LLC.</b>					
上海銳天投資管理有限公司					
Ruitian Standard 300 Enhanced Index No. 1 Private Securities Investment Fund*					
銳天標準300指數增強1號私募證券投資基金	29,297	30,000	30,059	–	0.06%
<b>Derivatives China (Hainan) (formerly known as Derivatives China)*</b>					
衍盛私募證券投資基金管理(海南)有限公司(前稱 為深圳市衍盛資產管理有限公司)					
Derivatives Enhanced Index No. 1 Private Investment Fund*					
衍盛指數增強1號私募投資基金	19,881	30,000	29,781	–	0.06%
Derivatives Enhanced Index No. 5 Private Securities Investment Fund*					
衍盛指數增強5號私募證券投資基金	16,559	20,000	18,021	–	0.04%
<b>Shanghai LanXi Asset Management Co., Ltd.*</b>					
上海瀾熙資產管理有限公司					
LanXi Arbitrage No. 2 Private Securities Investment Fund*					
瀾熙套利二號私募證券投資基金	–	–	–	(613)	–
<b>Shanghai Xuanling Asset Management Co., Ltd.</b>					
上海懸鈴私募基金管理有限公司					
Xuanling No. C Private Fund*					
懸鈴C號私募基金	20,703	24,752	25,815	(247)	0.05%
<b>Tsingtao Stone Asset Management Co., Ltd.</b>					
青島青石資產管理有限公司					
Stone YingSheng No. 3 Private Securities Investment Fund*					
青石盈升三號私募證券投資基金	–	–	–	(168)	–
<b>Nanjing Shengquan Hengyuan Investment Co., Ltd.</b>					
南京盛泉恒元投資有限公司					
Shengquan Hengyuan Multi-strategy Quantitative Hedging No. 2 Fund*					
盛泉恒元多策略量化對沖2號基金	12,391	30,000	31,540	–	0.07%
<b>Beijing Ren Bridge Asset Management Co., Ltd.</b>					
仁橋(北京)資產管理有限公司					
Ren Bridge JinXuanZeYuan Phase 11 Private Securities Investment Fund*					
仁橋金選澤源11期私募證券投資基金	40,469	40,000	43,246	–	0.09%

Name of the financial assets	Number of units held as at 31 December 2022 ( '000)	Investment cost as at 31 December 2022 (RMB'000)	Fair value as at 31 December 2022 (RMB'000)	Realised investment income/(loss) for the year ended 31 December 2022 (RMB'000)	Fair value to the total assets of the Group as at 31 December 2022
<b>Wisdomshire Asset Management Co., Ltd.</b>					
上海睿郡資產管理有限公司					
Wisdomshire JinSheng Private Securities Investment Fund*					
睿郡津晟私募證券投資基金	50,000	50,000	50,600	–	0.11%
<b>Shanghai Liangpai Investment Management Co., Ltd.</b>					
上海量派投資管理有限公司					
Liangpai 300 Enhanced No. 2 Private Securities Investment Fund*					
量派300增強2號私募證券投資基金	30,300	30,000	29,800	–	0.06%
Liangpai Multi-core No. 5 Private Securities Investment Fund*					
量派多核5號私募證券投資基金	26,711	30,000	30,203	–	0.06%
<b>Y2 Capital Partners Limited</b>					
Y2 ESG Opportunity Fund — Offshore	3	19,381	22,857	–	0.05%
<b>Shanghai Leaderway Investment Management Co., Ltd.</b>					
上海利位投資管理有限公司					
Leaderway XingYi No. 1 Private Fund*					
利位星熠1號私募基金	11,719	30,000	28,090	–	0.06%
<b>Chengdu Progene Zhong Yang Investment Management Center (Limited Partnership)</b>					
成都朋錦仲陽投資管理中心（有限合夥）					
Zhong Yang Tengxiang Caihe Private Securities Investment Fund*					
仲陽騰驤財和私募證券投資基金	55,036	60,000	55,669	–	0.12%
<b>Yian (Shanghai) Investment Co., Ltd.</b>					
翊安（上海）投資有限公司					
Yian Investment Convertible Bond No. 8 Private Securities Investment Fund*					
翊安投資可轉債8號私募證券投資基金	21,914	30,000	28,488	–	0.06%
Yian Investment Convertible Bond No. 9 Private Securities Investment Fund*					
翊安投資可轉債9號私募證券投資基金	29,910	30,000	29,551	–	0.06%
<b>Two Sigma China Co., Ltd.</b>					
騰勝投資管理（上海）有限公司					
Two Sigma China Accumulative Macro Strategy No. 1 Private Securities Investment Fund*					
騰勝中國聚量宏觀策略1號私募證券投資基金	20,750	30,000	30,641	–	0.06%

Name of the financial assets	Number of units held as at 31 December 2022 (‘000)	Investment cost as at 31 December 2022 (RMB‘000)	Fair value as at 31 December 2022 (RMB‘000)	Realised	Fair value
				investment income/(loss) for the year ended 31 December 2022 (RMB‘000)	to the total assets of the Group as at 31 December 2022
<b>Shanghai Hesheng Asset Management Co., Ltd.</b>					
上海合晟資產管理股份有限公司					
Hesheng Tonghui No. 72 Private Securities Investment Fund*					
合晟同暉72號私募證券投資基金	16,029	20,000	20,532	–	0.04%
<b>Shanghai Jiaqi Investment Management Co., Ltd.</b>					
上海佳期投資管理有限公司					
Jiaqi Interstellar Private Securities Investment Fund (Phase 6)*					
佳期星際私募證券投資基金六期	22,693	30,000	29,773	–	0.06%
<b>Others</b>	50,231	<u>81,470</u>	<u>80,341</u>	<u>1,336</u>	<u>0.17%</u>
<b>Total</b>		<u>1,286,788</u>	<u>1,233,286</u>	<u>(53,112)</u>	<u>2.57%</u>

Note:

- The investment is presented by way of fair value instead of units.

## Investment strategies of investment funds

*Shanghai QiuSheng Assets Management Co., Ltd.\* (上海秋晟資產管理有限公司)*

QiuSheng Asset YanXi No. 1 Macro Hedging Private Equity Fund\* (秋晟資產言蹊1號宏觀對沖私募基金) constructs its investment portfolio based on in-depth research, striving to realise continuous steady appreciation of the fund assets. Regarding the investment strategies, (i) for futures: through three dimensions of time, room and volatility, it addresses the issues of strategic term, strategic room for profit and volatility during the term respectively. First, according to macroeconomic analysis model, considering information in currency, investment, financing, interest rate, inflation, treasury, consumption, industry operation, import and export trade, etc., it carries out long cycle time series analysis, builds up co-integration model of each of the macroeconomic indicators under different economic cycles, studies and judges the macroeconomic operation situation. Second, according to own industry fixed asset investment, production output level as well as middle and downstream industries’ output, sales, inventory situation of different commodities, it carries out evaluation to each of the commodities’ supply and demand status and analyses strengths and weaknesses. At the same time, it makes an evaluation on the trade indicators such as future basis, monthly price difference, contract volume, margin deposit changes, etc., at transaction level, and finally it establishes arbitrage and hedging transaction model; (ii) for equities:

through analysing factors such as company's industry policy direction, industry concentration, industry competition threshold, company technology level in the industry, company financial status, company product market share, company research and development expense, etc., it seeks equity targets having product price bargaining power, production cost competitive advantages or having relatively higher development potential.

*Bosera Asset Management Company Limited (博時基金管理有限公司)*

Bosera New Strategy Flexible-configuration Hybrid Fund (博時新策略靈活配置混合型證券投資基金) strives to obtain long-term continuous stable investment return for fund holders, through organic combination of multiple investment strategies, under the premises of effective risk controls. The fund's investment targets are financial instruments with good liquidity, including equity financial instruments such as domestic legally issued and listed stocks (including Small and Medium Enterprise Board, ChiNext and other stocks approved for listing by the CSRC), warrants, stock index futures, etc., as well as fixed income financial instruments such as bonds, etc., and other financial instruments approved by laws and regulations or the CSRC for fund investment (must comply with the CSRC's relevant regulations). The fund's investment portfolio ratio is stock assets contributing 0%–95% of fund asset. The small to medium enterprises' private debts contributes not higher than 20% of the fund's net asset value. The fund's stock investment uses qualitative and quantitative analysis as basis, carrying out investment with the fundamental analysis.

*HFT Investment Management Co., Ltd. (海富通基金管理有限公司)*

HFT Retirement Income Balanced Fund (海富通安頤收益混合型證券投資基金) insists on flexible asset allocation. Based on strict control of downside risk, it actively grasps investment opportunities in the stock market, ensuring asset protection and appreciation, realising the objective of beating absolute return benchmarks and providing a steady pension wealth management instrument for investors. The fund's investment scope covers financial instruments with good liquidity, including domestic legally issued and listed stocks (including Small and Medium Enterprise Board, ChiNext and other stocks approved for listing by the CSRC), bonds, bank deposits, money market instruments, warrants, stock index futures as well as other financial instruments approved by laws and regulations or the CSRC for fund investment (must comply with the CSRC's relevant regulations). The fund comprehensively utilises flexible and disciplined asset allocation strategies, segment allocation and individual stock selection strategies, return management and stop-loss strategies, etc., dynamically controlling the portfolio risk by utilising derivative products such as stock index futures, etc. at the same time. The fund's investment portfolio ratio is stock investment contributing 0%–95% of the fund assets.

*Beijing Yuhua Fund Management Co., Ltd. (北京譽華基金管理有限公司)*

Yuhua Key & Core Technology (Tangshan) Equity Investment Fund (Limited Partnership)\* (譽華硬科技(唐山)股權投資基金(有限合夥)) realises capital appreciation of the fund and creates satisfactory investment return for investors by carrying out equity or equity related investments. The fund gives priority to investing in enterprises in Tangshan and enterprises importing related technology industry to Tangshan, and mainly invests in emerging industry with large development potential such as new generation information technology, high-end equipment manufacturing, new materials, etc..

*Beijing Huilong Capital Management Co., Ltd. (北京惠隆資本管理有限責任公司)*

Huilong Quantitative Exclusive No. 3 Private Securities Investment Fund\* (惠隆量化專享三號私募證券投資基金) strives to achieve steady growth in its assets under the equity fund under the premise of risk control. The Fund's investment scope includes: 1. stocks issued and listed in the PRC under the laws, companies' shares listed and traded in the National Equities Exchange and Quotations ("NEEQ"), depositary receipts, securities issued by the Hong Kong Stock Exchange and various overseas exchanges that are approved by regulatory authorities for investment by domestic investors, public securities investment funds, bonds and different types of fixed income instruments, asset-backed securities, asset-backed notes, money market instrument, repurchase and reverse repurchase agreements, margin trading and short selling, refinancing, futures, exchange-traded options, warrants, returns swap (including cross-border returns swap), other standardised trading products traded on trading venues agreed by the State Council and other standardised trading products recognised by other regulatory bodies, contracts and products listed on the Shanghai Gold Exchange; 2. private financial products: trust schemes, asset management schemes of securities companies and their subsidiaries on fund management, asset management schemes of fund managers and their subsidiaries, asset management schemes of insurance companies and their subsidiaries, private equity investment funds issued by private fund management institutions and managed by custodians (including private securities investment funds issued by fund managers). The fund focuses on quantitative investment strategies such as quantitative equity hedging and high-frequency statistical arbitrage on derivatives as its primary strategy. The risk-return profile would be evaluated based on various products' liquidities and the changes in the volatility rate in different markets. Under certain risk conditions, it seeks for allocation to maximise its expected return.

*Value Partners Limited*

Value Partners Intelligent Funds — Chinese Mainland Focus Fund is a sub-fund of Value Partners Intelligent Funds. The sub-fund aims to achieve medium to long-term capital appreciation by investing primarily in investments which are related to Mainland China. The sub-fund will focus primarily on Mainland China and at least 70% of the sub-fund's latest available net asset value will be on investments related to Mainland



China at all times. The sub-fund may also invest, on an ancillary basis (up to 30% of the sub-fund's latest available net asset value), in other markets where opportunities can be identified. It is the current intention of the manager that the sub-fund invests at least 70% of its latest net asset value in equity securities. Also, the sub-fund may invest less than 30% of its latest net asset value in debt securities. The investment targets of the sub-fund may include RMB-denominated corporate and government bonds, listed or unlisted shares issued by companies whose assets and/or revenues are principally denominated in RMB and/or whose costs or liabilities are principally denominated in US dollars. Investment targets may also include A Shares whether directly through the QFII Holder's QFII Quota and the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively the "**Stock Connects**"), or indirectly through China A Shares Access Products ("**CAAPs**"), B Shares and H Shares. The investment targets of the sub-fund may also include shares of companies listed in Hong Kong or on stock exchanges elsewhere whose shares may not be denominated in RMB but whose business is closely linked with Mainland China (in that they are considered by the manager to be companies which have the majority of their assets situated in, or the majority of their income derived from operations in, Mainland China).

*Ningbo High-Flyer Quant Investment Management Partnership (Limited Partnership)*  
(寧波幻方量化投資管理合夥企業(有限合夥))

High-Flyer 500 Enhanced Index Xinxiang No. 18 Private Equity Securities Investment Fund\* (幻方500指數增強欣享18號私募證券投資基金) aim to pursue long-term, sustainable and stable appreciation of clients' assets under the premise of risk control. Based on a large amount of market data, the funds use artificial intelligence algorithms to construct and repeatedly compute strategy models to build a basket of stock portfolios, benchmark with the underlying indices to adjust style and balance, and implement organic combination of multiple strategies under a unified strategy framework to optimise the return-to-risk ratio of the strategy portfolios and pursue investment returns that outperform the indices. The funds' investment scopes include the varieties listed and traded on the Shanghai or Shenzhen stock exchanges (i.e. stocks, preferred stocks, warrants, depositary receipts), bonds (including exchange-traded bonds, convertible bonds, exchangeable bonds, but excluding small and medium enterprise private placement bonds and non-public corporate bonds), national debt reverse repurchases, deposits, publicly-offered securities investment funds, futures, and exchange-traded options. The funds may participate in financing and securities financing transactions, Stock Connect for Southbound Trading transactions, and new shares subscriptions, and may also utilise their holding securities as underlying of short sale lending to securities finance companies. The market value of the funds' investment in depositary receipts listed and traded on the Shanghai or Shenzhen stock exchanges shall account for 0%–80% of the funds' total assets.

*Yanfu Investments, LLC. (上海衍複投資管理有限公司)*

Yanfu 300 Enhanced Index No. 1 Private Securities Investment Fund\* (衍複300指增一號私募證券投資基金) strives to achieve long-term stable investment returns under the premise of stringent control of investment risks. The fund seeks to reduce market risk while pursuing higher returns by conducting top-down approach asset allocation based on macroeconomic analysis and changes in overall market valuation levels. The fund invests mainly in stocks issued and listed on the Shanghai or Shenzhen stock exchanges (including new shares subscriptions), stocks within the scope of Stock Connect for Southbound Trading, depositary receipts issued and listed on the Shanghai or Shenzhen stock exchanges, preferred stocks issued and listed on the Shanghai or Shenzhen stock exchanges, bonds issued and traded on the Shanghai or Shenzhen stock exchanges or in the interbank market (including convertible bonds and exchangeable bonds, but excluding small and medium enterprise private placement bonds and non-public debentures) and asset-backed securities (excluding subordinated securities), asset-backed notes issued and traded in the interbank market (excluding subordinated notes), fixed income securities of securities companies, bond repurchases, pledge-style quoted repurchase agreements in the Shanghai or Shenzhen stock exchanges, bank deposits (including time deposits, negotiated deposits, structured deposits and other bank deposits), bank financial investment products, interbank deposit certificates, margin trading and short selling, refinancing securities lending, stock index futures, commodity futures, national debt futures, stock options listed on the Shanghai or Shenzhen stock exchanges and futures exchange, warrants listed on the stock exchanges, contracts listed on the Shanghai Gold Exchange, returns swaps and over-the-counter options (subject to the permission of the regulatory authorities, and the trading counterparties are limited to securities companies and their subsidiaries, and futures companies and their subsidiaries) and publicly offered securities investment funds.

Yanfu New Power Enhanced No. 1 Private Securities Investment Fund\* (衍複新動力增強一號私募證券投資基金) aims for stable investment returns under the premise of controlled risks. The investment scope covers: stocks issued and listed domestically in accordance to laws (including those on the Shanghai Stock Exchange Sci-Tech Innovation Board Market), new share subscriptions (including those on the Shanghai Stock Exchange Sci-Tech Innovation Board Market), exchange-traded bonds, publicly offered securities investment funds, pledge-style repurchases of stocks, bond repurchases, bond reverse repurchases, financing options, commodity options, margin trading and short selling, refinancing securities lending, exchange-traded options, returns swaps or over-the-counter options with securities companies or futures companies or futures companies' subsidiaries specific for risk management as counterparties, money market funds, cash, bank deposits, interbank certificates of deposits, asset management plans for cash management, exchange-traded and asset-backed securities, asset-backed notes, fixed income securities of securities companies, warrants and others, the fund shall not invest in subordinated/inferior shares (excluding publicly offered funds) from structured financial products (including securitisation products).

*Shenzhen Faner Investment Management Partnership (Limited Partnership)\* (深圳凡二投資管理合夥企業(有限合夥))*

Faner Yinghuo No. 5 Private Securities Investment Fund\* (凡二英火五號私募證券投資基金) strives for creating steady investment return for fund investors under the premises of strict risk control. The fund adopts quantitative hedging strategy, with its investment scope of: 1. equities: domestic stocks legally issued and listed (including those listed on the Main Board, the Small and Medium Enterprise Board and ChiNext, and including new share subscriptions), margin trading and short selling and transactions under the Stock Connect for Southbound Trading transactions; 2. debt: exchange-traded bonds, interbank bonds, bond reverse repurchases, asset-backed securities, asset-backed notes and bank deposits; 3. commodities and financial derivatives: depositary receipts issued and listed on the Shanghai or Shenzhen stock exchanges, fixed income securities issued by securities companies, commodity futures, stock index futures, national debt futures, exchange-traded options, refinancing securities lending; 4. various financial products: publicly-offered securities investment funds, commercial banks' financial investment products, trust schemes, asset management schemes of securities companies and their subsidiaries, asset management schemes of futures companies, asset management schemes of insurance companies, asset management schemes of fund managers and their subsidiaries, as well as private equity funds issued by private equity fund managers who are registered with the AMAC and entrusted by custodian institutions, or those in the comprehensive custody of securities companies having the qualification for engagement in the comprehensive custody business of private equity funds on a pilot basis (no investment in intermediate or subordinated share of various abovementioned financial products is allowed); 5. other investment products permitted by laws and regulations or the CSRC.

Faner Quantitative CSI Top 500 Enhanced No. 5 Private Securities Investment Fund\* (凡二量化中證500增強5號私募證券投資基金) constructs an investment portfolio based on in-depth research. It seeks to achieve long-term and stable investment returns under the premise of strict control of investment risks. The fund invests in varieties listed and traded on the Shanghai or Shenzhen stock exchanges (being stocks, depositary receipts, preferred stocks and warrants), bonds, securities repurchases, deposits, public-offered securities investment funds, futures, exchange-traded options, standardised notes traded in the interbank bond market, asset-backed securities and asset-backed notes issued between exchanges or banks (but excluding subordinated), income certificates of securities companies, income swaps and over-the-counter options (subject to regulatory permission, and the counterparties are limited to securities companies and their subsidiaries and subsidiaries of futures companies). The fund may participate in financing notes transactions, Stock Connect for Southbound Trading transactions and IPO subscriptions, and may also lend its security holdings to securities finance companies as underlying securities for financing. The fund may invest in asset management plans of securities companies, asset management plans and entrust plan of futures companies, asset management plans of fund companies, asset management plans of insurance companies, bank wealth management products, private securities registered

in the AMAC, and contractual private investment funds issued by investment fund managers and managed by institutions qualified to custody securities investment fund or provided with comprehensive private fund services by institutions with relevant qualifications. The fund may not invest in the inferior shares of the above-mentioned products.

*Beijing iVolution Capital Co., Ltd. (北京天演資本管理有限公司)*

Ivolution Capital Yijun Phase 12 Private Securities Investment Fund\* (天演邑君12期私募證券投資基金) aims to construct an investment portfolio based on in-depth research and to achieve long-term stable investment returns under the premise of strict control of investment risks. The scope of investment is stocks (including new share subscriptions) listed on the Shanghai or Shenzhen stock exchanges, bond reverse repurchases, cash, bank demand deposits, margin trading and short selling, stock options and stock index options listed on the Shanghai or Shenzhen stock exchanges and Futures Exchanges, stock index futures, convertible bonds and public offered funds. The fund is a hybrid multi-strategy product with a market-neutral strategy as the primary focus, supplemented by quantitative strategies for assets of other classes.

Ivolution GaoJie Private Securities Investment Fund\* (天演高節私募證券投資基金) constructs its investment portfolio on the basis of in-depth research. Under the premises of strictly controlling the investment risks, it strives to obtain long-term stable investment return. The fund will carry out top-down approach asset allocation according to macroeconomic analysis and changes in the overall market valuation level, lowering market risk and pursuing higher return at the same time. The investment scope of the fund includes stocks issued and listed on the Shanghai or Shenzhen stock exchanges (including new shares subscriptions), stocks within the scope of the Stock Connect for Southbound Trading, depositary receipts issued and listed on the Shanghai or Shenzhen stock exchanges, preference shares issued and traded on the Shanghai or Shenzhen stock exchanges, bond reverse repurchases, cash, bank demand deposits, margin trading and short selling, refinancing securities lending, options and futures listed on the Shanghai or Shenzhen stock exchanges and Futures Exchanges, publicly-offered funds, convertible bonds, over-the-counter derivatives on the securities and futures market with securities companies/futures companies/banks and their subsidiaries as counterparties (including only return swap and over-the-counter options).

*Shanghai Wenbo Investment Management Co., Ltd. (上海穩博投資管理有限公司)*

Wenbo 300 Enhanced Index No. 1 Private Securities Investment Fund\* (穩博300指數增強1號私募證券投資基金) achieves long-term, continuous and steady appreciation of customers' assets under the premises of risk control. The investment scope of the fund includes instruments listed and traded on the Shanghai or Shenzhen stock exchanges (i.e. stocks, warrants and preferred shares), instruments listed on the NEEQ (including stocks, convertible corporate bonds and other securities products), bonds, securities repurchases,

deposits, publicly-offered securities investment funds (excluding structured fund B), futures, exchange-traded options, asset-backed securities and asset-backed notes listed on the exchanges or the interbank market (but excluding subordinated ones), return swaps and over-the-counter options (limited to those with securities companies and their subsidiaries and futures companies and their subsidiaries as counterparties as permitted by regulatory authorities). The fund may participate in margin trading and short selling, Southbound Trading transactions and new shares subscriptions, and securities held in the fund may also be lent to securities finance companies as underlying of short sale. The fund may invest in trust schemes, asset management schemes of securities companies, asset management schemes of fund managers, asset management schemes of futures companies, asset management schemes of insurance companies, bank financial investment products, contractual private investment funds issued by private securities investment fund managers who are registered with the AMAC and entrusted by institutions with qualification in custodian business for securities investment funds, or those provided with comprehensive private equity fund services by institutions with relevant qualifications. The fund, however, may not invest in inferior share of the abovementioned products.

*Qilin Investment Management (Shanghai) Co., Ltd. (上海啟林投資管理有限公司)*

Qilin Quantitative Hedge Multi-Strategy No. 6 Private Securities Investment Fund\* (啟林量化對沖多策略6號私募證券投資基金) constructs its investment portfolio on the basis of in-depth research. Under the premises of strictly controlling the investment risks, it strives to obtain long-term stable investment return. The fund will carry out top-down approach asset allocation according to macroeconomic analysis and changes in the overall market valuation level, lowering portfolio risk and pursuing a higher return at the same time. The investment scope of the fund includes stocks issued and listed on the Shanghai or Shenzhen stock exchanges (including new shares subscriptions), stocks within the scope of Southbound Trading, preference shares issued and traded on the Shanghai or Shenzhen stock exchanges, bond reverse repurchases, cash, bank deposits, margin trading and short selling, options and futures listed on the Shanghai or Shenzhen stock exchanges and Futures Exchanges, warrants traded on stock exchanges, over-the-counter derivatives on the securities and futures market with securities companies/ futures companies and their subsidiaries as counterparties (including but not limited to return swap and over-the-counter options) and publicly offered funds.

*Guotai Junan Securities Asset Management Co., Ltd. (上海國泰君安證券資產管理有限公司)*

Guotai Junan CSI 500 Enhanced Index Securities Investment Fund\* (國泰君安中證500指數增強型證券投資基金) is an enhanced equity index fund. With a quantitative investment approach and strict investment discipline, it seeks to control the absolute daily tracking deviation between the growth rate of the fund's net value and the performance benchmark by no more than 0.5% and the annualised tracking error by no more than 7.75%, while striving to achieve outperformance of the underlying index and

pursues long-term appreciation of the fund's assets. The fund invests in financial instruments with high liquidity, including constituent securities (including depositary receipts) of the underlying index, alternate constituent securities (including depositary receipts), other domestic stocks and depositary receipts issued and listed in accordance with laws (including the Main Board, ChiNext and other stocks and depositary receipts the fund is allowed to invest by the CSRC), bonds (including national debts, central bank notes, financial bonds, corporate bonds, debentures, convertible bonds (including convertible bonds with attached warrants), exchangeable bonds, subordinated bonds, short-term financing bonds, ultra-short-term financing bonds, government-backed agency bonds, government-supported bonds, medium-term notes, etc.), bond repurchases, interbank certificates of deposit, bank deposits, money market instruments, asset-backed securities, stock index futures, national debts futures and other financial instruments permitted for fund investment by laws and regulations or the CSRC (subject to the relevant regulations of the CSRC). The fund may participate in financing and refinancing securities borrowing. The fund's investment portfolio shall have the following proportions: the fund invests not less than 80% of its assets in equities and depositary receipts, and not less than 80% of its non-cash assets in CSI 500 Index constituent securities and their alternate constituent securities.

*Shenzhen Bishuo Asset Management Co., Ltd.\* (深圳碧燦資產管理有限公司)*

Bishuo ChangYuan No. 5 Private Securities Investment Fund\* (碧燦長遠五號私募證券投資基金) strives for creating steady income and return for fund investors under the premises of strictly controlling risks. The fund's investment scope includes: 1. domestic legally issued and listed stocks, shares listed and traded in the NEEQ, depositary receipts, securities issued by the Hong Kong Stock Exchange and various overseas exchanges that are approved by regulatory authorities for investment by domestic investors, public securities investment funds, bonds and different types of fixed income instruments, asset-backed securities, asset-backed notes, money market instrument, bond pledged repurchases, repurchase and reverse repurchase agreements, margin trading and short selling, refinancing, futures, exchange-traded options, over-the-counter options, warrants, returns swap, other standardised trading products traded on trading venues agreed by the State Council and other standardised trading products recognised by other regulatory bodies; 2. private financial products: trust schemes, asset management schemes of securities companies, asset management schemes of fund managers, asset management schemes of insurance companies, asset management schemes of futures companies, private equity investment funds issued by private fund management institutions and managed by custodians.

Bishuo JiaTai Private Securities Investment Fund\* (碧燦嘉泰私募證券投資基金) aims to create stable profits and returns for the fund's investors under the premise of strict control of investment risks. The investment scope covers: 1. stocks issued and listed domestically in accordance with laws, stocks of companies listed on and traded in the NEEQ, depositary receipts, securities issued by the Hong Kong Stock Exchange and

other overseas exchanges to which domestic investors are allowed by regulatory bodies to invest in, publicly offered securities investment funds, bonds and different types of fixed income varieties (including but not limited to national debts, central bank notes, financing bonds, local government bonds, corporate bonds, debentures, convertible bonds, exchangeable bonds, detachable convertible bonds, private placement bonds of small to medium enterprises, subordinated bonds, medium-term bills, short-term financing bonds, ultra short-term financing bonds, interbank certificates of deposits, private placement financing debt instruments and other), asset-backed securities, asset-backed notes, money market instruments (money market funds, asset management plans for cash management and others), repurchases and reverse repurchase, margin trading and short selling, refinancing, futures, exchange-traded options, over-the-counter options, warrants, returns swaps, other standardised trading products traded on trading venues approved by the State Council and other standardised trading products recognised by other regulatory bodies; and 2. private financial products: trust plans, asset management plans of securities companies and their subsidiaries for asset management, asset management plans of funds companies and their subsidiaries, asset management plans of insurance companies and their subsidiaries, asset management plans of futures companies and their subsidiaries, and private equity investment funds issued by private fund management institutions and managed by custodians.

Bishuo HengChi No. 4 Private Securities Investment Fund\* (碧燦恒馳四號私募證券投資基金) aims to achieve long-term, sustainable and stable appreciation of clients' assets under the premise of risk control. Its investment scope includes stocks, depositary receipts, preferred stocks and warrants listed and traded on domestic stock exchanges, stocks listed and traded on the NEEQ, bonds, securities repurchases, deposits, public securities investment funds, futures, exchange-traded options, standardised notes traded in the interbank bond market, asset-backed securities and asset-backed notes (excluding subordinated) issued on exchanges or interbank market, securities company income certificates, income swaps and over-the-counter options. The funds may participate in financing and securities financing transactions, Stock Connect for Southbound Trading transactions, and new shares subscriptions, and may also utilise their holding securities as underlying of short sale lending to securities finance companies. The fund may invest in asset management plans of securities companies, asset management plans of futures companies, bank financial investment products, and contractual private investment funds issued by investment fund managers who are registered in the AMAC, which is entrusted to institutions qualified to custody securities investment fund, or under the comprehensive private fund services of institutions with relevant qualifications. The fund may not invest in the subordinated shares of the above-mentioned products.

*Wellspring Capital (北京清和泉資本管理有限公司)*

Wellspring Value Stable Phase 7A Private Securities Investment Fund\* (清和泉價值穩健7期A私募證券投資基金) constructs an investment portfolio based on in-depth research, and seeks to achieve long-term and stable investment returns under the premise of strict control of investment risks. The fund's investment scope includes cash, bank deposits, bank wealth management products and money market funds. The portfolio of the fund's investment assets shall be subject to the following restrictions: 1. the fund shall not invest in subordinated/inferior shares of structured financial products (inclusive of asset securitisation products); 2. the fund's total assets value shall not exceed 200% of its net asset value; 3. the fund shall not invest in private equity funds that are not entrusted by an institution qualified to custody securities investment fund.

*Harvest Fund Management Company Limited (嘉實基金管理有限公司)*

Harvest Excellent Choice of Strategy and Flexible Configuration Combined Securities Investment Fund\* (嘉實策略優選靈活配置混合型證券投資基金) strives to achieve long-term stable appreciation of the fund's assets under the premise of strict control of investment risks through proactive allocation. The fund invests in legally issued and listed financial instruments such as stocks and bonds as well as other financial instruments approved by laws and regulations or the CSRC for fund investment. In particular, they include: stocks, stock index futures, warrants, bonds, fixed income assets such as asset-backed securities, bond repurchases, large-denomination certificates of deposit and bank deposits, as well as cash and other financial instruments approved by laws and regulations or the CSRC for fund investment (but must comply with the CSRC's relevant regulations). The fund's investment portfolio shall have the following proportions: equity assets contributing 0%–95% of the fund assets; cash held in the fund or government bonds with a maturity of less than 1 year shall not be less than 5% of the fund's net assets after deducting the trading deposits required to be paid for stock index futures contracts, and such cash does not include settlement reserves, deposits with stock and futures exchanges and subscription monies receivables, etc. The investment proportion of stock index futures, warrants and other financial instruments complies with the requirements of laws and regulations and regulatory authorities.

Harvest Theme New Power Hybrid Securities Investment Fund\* (嘉實主題新動力混合型證券投資基金) aims to fully grasp the thematic investment opportunities arising from China's economic development and structural transformation, and to select listed companies with high growth potential under the guidance of such theme, with a view to obtaining long-term, sustainable and stable excess returns. The fund invests in financial instruments such as stocks and bonds issued or listed in accordance with laws as well as other financial instruments approved by laws and regulations or the CSRC for fund investment. Specifically, the investment targets of the fund include stocks, derivatives, fixed income assets such as bonds, asset-backed securities, bond repurchases, as well as other financial instruments approved by laws and regulations or the CSRC for fund investment. The asset allocation of the fund is as follows: equity assets shall contribute 60%–95% of the fund assets, with no less than 80% of the fund's equity assets being



investments in equities benefiting from the theme of emerging drivers; fixed income assets such as bonds and other financial instruments approved by the CSRC for fund investment shall contribute 0%–40% of the fund assets, with no less than 5% of the fund’s net assets being cash and government bonds with a maturity of less than 1 year; the market value of warrants shall not be higher than 3% of the fund’s net assets.

*China Asset Management Co., Ltd. (華夏基金管理有限公司)*

ChinaAMC PanLi One-year Fixed Term Open-end Combined Securities Investment Fund\* (華夏磐利一年定期開放混合型證券投資基金) strives to achieve long-term stable appreciation of the fund’s assets under the premise of strict control of investment risks. The fund’s investment scope includes financial instruments with good liquidity, including domestic legally issued and listed shares, bonds, money market instruments (including interbank certificates of deposit), asset-backed securities and other financial instruments approved by laws and regulations or the CSRC for investment (but must comply with the CSRC’s relevant regulations). The fund’s investment portfolio shall have the following proportions: stock assets contributing 50%–95% of the fund’s assets (not subject to this proportion from 1 month before the beginning of the open period to 1 month after the end of the open period).

*Lombarda China Fund Management Co., Ltd. (中歐基金管理有限公司)*

Based on a scientific and rigorous framework for major asset allocation, Lombarda China JinShang Combined Securities Investment Fund\* (中歐瑾尚混合型證券投資基金) seeks long-term stable appreciation of net assets by capturing investment opportunities in bond and equity markets with the premise of portfolio risk control. The fund invests in financial instruments with good liquidity, including domestic legally issued and listed stocks, eligible securities of the Stock Connect for Southbound Trading, bonds, asset-backed securities, bond repurchases, bank deposits, interbank certificates of deposit, cash, derivatives (including national debt futures, stock index futures, stock options), credit derivatives (excluding contractual credit derivatives), and other financial instruments approved by laws and regulations or the CSRC for fund investment (but must comply with the CSRC’s relevant regulations). The fund may participate in financing business. The fund’s investment portfolio shall have the following proportions: 0%–40% of the fund’s assets are invested in equities in the fund’s investment portfolio; the proportion of investment in the eligible securities of the Stock Connect for Southbound Trading shall not exceed 50% of all equity assets; at the end of each trading day, the investment proportion of cash (excluding settlement reserves, deposits with stock and futures exchanges and subscription monies receivables, etc.) or government bonds with a maturity of less than one year in aggregate shall not be less than 5% of the fund’s net assets after deducting the trading deposits required to be paid for stock index futures, national debt futures and stock options contracts. The proportion of the fund’s investment in interbank certificates of deposit shall not exceed 20% of the fund’s assets. The proportion of the fund’s investment in convertible bonds (including bonds with detachable warrants) and exchangeable bonds shall not exceed 20% of the fund’s assets.

*Ningbo GuanShi Investment Management Company Limited\** (寧波觀石投資管理有限公司)

Ningbo GuanShi ShunShi No. 2 Private Securities Investment Fund\* (寧波觀石順時2號私募證券投資基金) and Ningbo GuanShi ShunShi No. 15 Private Securities Investment Fund\* (寧波觀石順時15號私募證券投資基金) aim to create stable profits and returns for the funds' investors under the premise of rigid control of investment risks. The funds invest in: 1. stocks issued and listed domestically in accordance to laws, CDR, securities on the Hong Kong Stock Exchange, London Stock Exchange and other stock exchanges to which domestic investors are allowed to invest in by the CSRC, publicly offered securities investment funds, bonds and other types of fixed income instruments, asset-backed securities, asset-backed notes, money market instruments, repurchases and reverse repurchases, futures, exchange-traded options and warrants; 2. private financial products: trust schemes, asset management schemes of securities companies and their asset management subsidiaries, asset management schemes of fund managers and their subsidiaries, asset management schemes of insurance companies and their subsidiaries, asset management schemes of futures companies and their subsidiaries, private securities investment funds issued by private fund management institutions and managed by custodians.

*Shanghai Ruitian Investment LLC.* (上海銳天投資管理有限公司)

Ruitian Standard 300 Enhanced Index No. 1 Private Securities Investment Fund\* (銳天標準300指數增強1號私募證券投資基金) aims to build a investment portfolio based on in-depth research, so as to achieve long-term and stable investment returns under the premise of rigid control of investment risks. The investment scope covers stocks issued and listed on the Shanghai or Shenzhen stock exchanges (including subscription of new shares), stocks within the scope of Stock Connect for Southbound Trading, preference shares issued and listed on stock exchanges, bonds issued and traded in the Shanghai or Shenzhen stock exchanges or interbank market, income certificates of securities companies, bonds reverse repurchases, bonds repurchases, cash, bank deposits, interbank certificates of deposits, margin trading and short selling, refinancing securities lending, options and futures, listed on stock exchanges and futures exchanges, publicly offered funds and wealth management products of banks. The fund shall not invest in the subordinated/inferior shares (excluding publicly offered funds) of structured financial products.

*Derivatives China (Hainan) (formerly known as Derivatives China)\* (衍盛私募證券投資基金(海南)有限公司) (前稱為深圳市衍盛資產管理有限公司)*

Derivatives Enhanced Index No. 1 Private Investment Fund\* (衍盛指數增強1號私募投資基金) aims to structure its investment portfolio based on in-depth researches. It seeks for long-term and stable investment returns under the premise of rigid risk control. The fund invests by an enhanced index strategy, which employs quantified model to choose from an index a basket of stocks with high probability to outperform the index in profits within a period of time in the future, so as to realise returns higher than that of the index. The investment scope covers: (1) stocks, options, bonds, traded in the Shanghai Stock Exchange and Shenzhen Stock Exchange, bond repurchases, bond reverse repurchases and other financial products; (2) stocks traded through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect; (3) futures, option products and other financial products listed on and traded in the China Financial Futures Exchange, Shanghai Futures Exchange, Dalian Commodity Exchange, Zhengzhou Commodity Exchange, Shanghai International Energy Exchange and other institutions; (4) financial products listed in and traded in interbank market; (5) central bank notes; (6) financial products listed on and traded in the Shanghai Gold Exchange; (7) margin trading and short selling; (8) refinancing securities lending; (9) wealth management products from banks, bank deposits, cash, money market funds; (10) fixed income securities issued by securities companies; and (11) investment funds for publicly offered securities.

Derivative Enhanced Index No. 5 Private Securities Investment Fund\* (衍盛指數增強5號私募證券投資基金) constructs its investment portfolio based on in-depth research and strives for long-term and stable investment returns under strict risk control. Its investment scope includes: 1. stocks issued and listed domestically in accordance with laws, participation in margin trading and short selling, Stock Connect for Southbound Trading transactions, depositary receipts, exchange-traded bonds, interbank bonds, bond reverse repurchases, asset-backed securities, asset-backed notes, commodity futures, stock index futures, national debt futures, and exchange-traded options; 2. publicly-offered securities investment funds, commercial banks' financial investment products, trust schemes, asset management plans of securities companies and their subsidiaries, asset management plans of futures companies, asset management plans of fund companies and their subsidiaries, asset management plans of insurance companies, and private funds issued by private fund managers registered with the AMAC, which are under the custody of custodians or under the collective custody of securities companies with the pilot qualification for collective private fund custody business; and 3. cash, bank deposits, monetary funds and other varieties approved by laws and regulations or regulatory authorities for fund investment. The fund's investment in bonds (excluding national debts, central bank notes, convertible bonds and exchangeable bonds) and asset-backed securities, when calculated in aggregation at cost, shall not exceed 20% of its net asset.

*Shanghai LanXi Asset Management Co., Ltd.\* (上海瀾熙資產管理有限公司)*

LanXi Arbitrage No. 2 Private Securities Investment Fund\* (瀾熙套利二號私募證券投資基金) structures its investment portfolio based on in-depth researches. It seeks for long-term and stable investment returns under the premise of rigid risk control. The investment scope covers: stocks traded in stock exchanges (including but not limited to the subscription of new shares, preference shares, non-publicly offered shares of listed companies), securities (including but not limited to stocks, bonds, depositary receipts and others) allowed for investment under the Connect Arrangement of the Domestic and Overseas Securities Markets (境內與境外證券市場互聯互通機制), depositary receipts traded in stock exchanges, bonds traded in stock exchanges or interbank market, asset-backed securities traded in stock exchanges or interbank market, asset-backed notes and standardised notes traded in interbank market, fixed income securities of securities companies, bond reverse repurchases, pledge-style quoted repurchase in stock exchanges, cash, bank deposits, interbank certificates of deposits, margin trading and short selling, refinancing securities lending, derivatives traded in stock exchanges and futures exchanges (including but not limited to futures, options, warrants and others), contract varieties traded in the Shanghai Gold Exchange, over-the-counter derivatives (including but not limited to income swaps and over-the-counter options) in the securities and futures market with securities companies/futures companies/banks and their subsidiaries as counterparties only, public offered funds, wealth management products from banks, trust schemes, asset management schemes of securities companies and their subsidiaries, asset management schemes of insurance companies and their subsidiaries, asset management schemes of future companies and their subsidiaries, asset management schemes of fund managers and their subsidiaries, private investment funds issued by private securities investment fund managers who are shown as registered on the website of the AMAC. The fund is subject to the following restrictions: 1. the fund shall not invest in private funds entrusted to an institution without the qualification to custody securities investment funds; and 2. the fund shall not invest in subordinated/inferior shares from structured financial products (including securitisation products).

*Shanghai Xuanling Asset Management Co., Ltd. (上海懸鈴私募基金管理有限公司)*

Xuanling No. C Private Fund\* (懸鈴C號私募基金) aims to realise stable appreciation for the fund's assets under the premise of rigid risk control. The investment scope covers stocks listed on and traded in domestic stock exchanges, bonds, preference shares, securities repurchases, deposits, public offered securities investment funds (including structured fund B), futures, exchange-traded options, warrants, asset-backed securities, fixed income securities of securities companies, returns swaps and over-the-counter options. The fund may participate in margin trading and short selling, Stock Connect for Southbound Trading transactions, subscription of new shares, subscription of new bonds, and may also utilise its holding securities as underlying of short sale lending to securities finance companies. The fund may invest in asset management plans of securities companies, asset management plans of futures companies, wealth management products

from banks, contractual private investment funds issued by private securities investment fund managers who are registered with the AMAC and entrusted to institutions with qualification to custody securities investment funds, or those provided with comprehensive private equity fund services by institutions with relevant qualifications. It may also invest in the inferior shares of the above products.

*Tsingtao Stone Asset Management Co., Ltd. (青島青石資產管理有限公司)*

Stone YingSheng No. 3 Private Securities Investment Fund\* (青石盈升三號私募證券投資基金) aims to realise stable investment returns based on in-depth researches, taken full considerations of the trends in macro-economy and the market, and under the premise of rigid risk control. The investment scope covers varieties (i.e., stocks, preference shares and warrants) listed on and traded in the Shanghai or Shenzhen stock exchanges, bonds, securities repurchases, deposits, publicly offered securities investment funds, futures, exchange-traded options, asset-backed securities issued on exchanges and interbank market, fixed income securities of securities companies, returns swaps and over-the-counter options. The fund may participate in margin trading and short selling, Stock Connect for Southbound Trading transactions, subscription of new shares, and may also utilise its holding securities as underlying of short sale lending to securities finance companies. The fund may invest in asset management plans of securities companies, asset management plans of futures companies, wealth management products from banks, contractual private investment funds issued by private securities investment fund managers who are registered with the AMAC and entrusted to institutions with qualification to custody securities investment funds, or those provided with comprehensive private equity fund services by institutions with relevant qualifications. It may also invest in the inferior shares of the above products.

*Nanjing Shengquan Hengyuan Investment Co., Ltd. (南京盛泉恒元投資有限公司)*

Under the premise rigid risk control, Shengquan Hengyuan Multi-strategy Quantitative Hedging No. 2 Fund\* (盛泉恒元多策略量化對沖2號基金) employs a market neutral strategy to realise long-term and stable absolute profits with low risks and high liquidity. The investment scope covers: (1) cash management varieties: cash, bank deposits, monetary-based and short-term wealth management plans of banks, national debts reverse repurchases, money market funds, cash management products from securities dealer and others; (2) equity varieties: stocks listed on exchanges (including subscription of new shares, subscription of additional shares in public offering and others), securities investment funds and stocks in the Hong Kong Stocks Exchange allowed for investment through Shanghai Connect and Shenzhen Connect; (3) fixed income varieties: national debts, financial bonds, corporate bonds, debentures, subordinated bonds, central bank notes, medium-term notes, convertible bonds (including those with detachable warrants), exchangeable bonds (including those privately offered), asset-backed securities, private bonds of small to medium enterprises, bond repurchases, bond reverse repurchases, bond-based securities investment bonds and others; (4) derivatives: stock index futures

and national debt futures listed on the China Financial Futures Exchange, shares options, stock index options and over-the-counter options listed on the Shanghai Futures Exchange, Dalian Commodity Exchange, Zhengzhou Commodity Exchange and other institutions, margin trading and short selling, warrants, returns swaps issued by licensed financial institutions, QDII securities investment funds and others; and (5) others: various precious metals on the Shanghai Gold Exchange, refinancing (including securities lending), asset management plans of securities companies, asset management plans of futures companies, wealth management plans from commercial banks, asset management plans of fund companies and subsidiaries of fund companies, trust plans, private fund products issued by entities with the qualification of private fund manager, and other financial products approved by the CSRC.

*Beijing Ren Bridge Asset Management Co., Ltd. (仁橋(北京)資產管理有限公司)*

Ren Bridge JinXuanZeYuan Phase 11 Private Securities Investment Fund\* (仁橋金選澤源11期私募證券投資基金) constructs investment portfolios based on in-depth research and seeks to achieve long-term stable investment returns under the premise of strict control of investment risks. The investment scope includes: (1) stocks issued and listed on the Shanghai or Shenzhen stock exchanges, stock/hybrid publicly offered funds, and stocks within the scope of Stock Connect for Southbound Trading; (2) bonds traded on the stock exchange and in the interbank market (including only national debts, financial bonds, corporate bonds, debentures, convertible bonds, and exchangeable bonds), repurchases and reverse repurchases of bonds traded on the stock exchange and in the interbank market, and publicly offered bond funds; (3) cash, bank deposits, money market funds; (4) options and futures listed on stock exchanges and futures exchanges, margin trading and short selling; and (5) income swaps traded only with China International Capital Corporation Limited or China CICC Wealth Management Securities Company Limited as counterparty, over-the-counter options traded only with China International Capital Corporation Limited or China CICC Wealth Management Securities Company Limited as counterparty. The fund shall not invest in subordinated/inferior shares of structured financial products.

*Wisdomshire Asset Management Co., Ltd. (上海睿郡資產管理有限公司)*

Wisdomshire JinSheng Private Securities Investment Fund\* (睿郡津晟私募證券投資基金) aims to build an investment portfolio based on in-depth research striving for solid investment returns. The fund invests mainly in Class B shares of “Wisdomshire No. 5 Private Securities Investment Fund\* (睿郡5號私募證券投資基金)” issued by Wisdomshire Asset Management Co., Ltd. The investment scope covers: 1. domestic legally issued and listed stocks, new shares subscriptions, publicly-offered securities investment funds; 2. bonds, bond reverse repurchases and other fixed income financial products; 3. bond repurchases; 4. stock index futures, national debt futures, over-the-counter options; 5. cash financial products, including cash, monetary funds directly offered by Aegon-Industrial Fund and monetary funds distributed by Industrial

Securities, assembled cash wealth management products of securities firms distributed by Industrial Securities and exchange-traded monetary funds; 6. margin trading and short selling, investments in HKEX-listed securities through Stock Connect for Southbound Trading; 7. securities investment financial products issued by Industrial Securities and its asset management subsidiaries, Aegon-Industrial Fund, GTS Fund and its subsidiaries, Industrial Securities Futures and its subsidiaries, China Industrial International Trust and its subsidiaries, and the manager of this private equity fund; and 8. brokerage income certificates and fixed income insurance asset management products managed by Ping An Asset Management Co., Ltd. The ratio of total assets to net assets of the fund shall not exceed 200%.

*Shanghai Liangpai Investment Management Co., Ltd. (上海量派投資管理有限公司)*

Liangpai 300 Enhanced No. 2 Private Securities Investment Fund\* (量派300增強2號私募證券投資基金) aims to identify a stock pool as the best choice to achieve long-term, sustainable and stable appreciation of clients' assets. The fund's investment scope includes instruments listed and traded on the Shanghai or Shenzhen stock exchanges (i.e. stocks, depositary receipts, preferred shares and warrants), bonds, securities repurchases, deposits, publicly-offered securities investment funds (excluding structured fund B), futures, exchange-traded options, standardised notes traded in the interbank bond market, asset-backed securities and asset-backed notes listed on the exchanges or the interbank market (but excluding subordinated ones), income certificates of securities companies, return swaps and over-the-counter options. The fund may participate in margin trading and short selling, Stock Connect for Southbound Trading transactions and new shares subscriptions, and securities held in the fund may also be lent to securities finance companies as underlying of short sale. The fund may invest in asset management schemes of securities companies, asset management schemes of futures companies, bank wealth management products, contractual private investment funds issued by private securities investment fund managers who are registered with the AMAC and entrusted by institutions with qualification in custodian business for securities investment funds, or those provided with comprehensive private equity fund services by institutions with relevant qualifications. The fund, however, may not invest in inferior share of the abovementioned products. The fund is subject to the following investment proportions and investment restrictions: 1. the market value of the funds' investment in depositary receipts listed and traded on the Shanghai or Shenzhen stock exchanges shall account for 0%–90% of the funds' total assets; and 2. the market value of cash securities assets shall not exceed 40% of the fund's net assets.

Liangpai Multi-core No. 5 Private Securities Investment Fund\* (量派多核5號私募證券投資基金) aims to achieve long-term, sustainable and stable appreciation of clients' assets under the premise of control of investment risks. The fund's investment scope includes instruments listed and traded on the Shanghai or Shenzhen stock exchanges (i.e. stocks, depositary receipts, preferred shares and warrants), bonds, securities repurchases, deposits, publicly-offered securities investment funds (including structured fund B), futures, exchange-traded options, standardised notes traded in the interbank bond market, asset-backed securities and asset-backed notes listed on the exchanges or the interbank market (but excluding subordinated ones), income certificates of securities companies, return swaps and over-the-counter options. The fund may participate in margin trading and short selling, Stock Connect for Southbound Trading transactions and new shares subscriptions, and securities held in the fund may also be lent to securities finance companies as underlying of short sale. The fund may invest in asset management schemes of securities companies, asset management schemes of futures companies, bank wealth management products, contractual private investment funds issued by private securities investment fund managers who are registered with the AMAC and entrusted by institutions with qualification in custodian business for securities investment funds, or those provided with comprehensive private equity fund services by institutions with relevant qualifications. The fund, however, may not invest in subordinated share of the abovementioned products. The market value of the funds' investment in depositary receipts listed and traded on the Shanghai or Shenzhen stock exchanges shall account for 0%–90% of the fund's total assets.

#### *Y2 Capital Partners Limited (“Y2 Capital”)*

Y2 ESG Opportunity Fund — Offshore strives to generate consistent risk adjusted returns for investors through exploiting fundamental mispricing with a resilient portfolio of stocks in China/Asia, riding on their ESG transformation and scaling up the subsequent impacts. Y2 Capital employs a deep-dive fundamental equity long/short strategy integrating ESG risks/opportunities and potential regulations in the investment process. The fund's investment scope includes: 1. Focus on diversified sector verticals that are impacted by climate transition and demographic change; 2. Long-term structural winners and misunderstood/overlooked stocks with fundamental mispricing but ESG/regulation resilience; 3. Short companies that are on the wrong side of sustainability transition or regulation. Tactical shorts to hedge macro/sector risks; 4. Moderate/low net exposure to protect downside and preserve capital; and 5. Responsible ownership/engagement to lower risks and catalyse ESG improvement to maximise return.



*Shanghai Leaderway Investment Management Co., Ltd. (上海利位投資管理有限公司)*

Leaderway XingYi No. 1 Private Fund\* (利位星熠1號私募基金) constructs its investment portfolio based on in-depth research and seeks to achieve long-term and stable investment returns under strict risk control. The fund invests mainly in stocks issued and listed domestically in accordance with laws and other listed stocks approved by the CSRC, new share subscriptions, bonds, income certificates issued by the CITIC Securities Investment Co., Ltd., securities investment funds, bond repurchases, warrants, money market instruments, participation in margin trading and short selling, lending securities held in the fund as underlying of short sale to securities finance companies, Shanghai-Hong Kong Connect, Shenzhen-Hong Kong Stock Connect, financial derivatives, cross-border investment financial instruments approved by the financial regulatory authorities, and other varieties approved by laws and regulations or the CSRC for fund investment. The fund's investment portfolio shall be subject to the following restrictions: 1. The private investment funds in which the fund invests must have a custodian; 2. The fund shall not invest in non-securities financial products, including but not limited to non-securities private investment funds, and non-securities asset management plans, trust plans and other varieties managed/issued by subsidiaries of fund companies, futures companies, securities companies and trust companies.

*Chengdu Progene Zhong Yang Investment Management Center (Limited Partnership) (成都朋錦仲陽投資管理中心(有限合夥))*

Zhong Yang Tengxiang Caihe Private Securities Investment Fund\* (仲陽騰驤財和私募證券投資基金) seeks stable asset appreciation by pooling the funds invested by fund investors for professional management and application of the assets. Its investment scope includes: 1. stocks and depositary receipts issued and listed domestically in accordance with laws, preferred shares convertible into ordinary shares, and stocks subject to the Stock Connect for Southbound Trading and Shanghai-London Stock Connect; 2. bonds and asset-backed securities issued and traded on the Shanghai, Shenzhen and Beijing Stock Exchanges or interbank market, asset-backed notes issued and traded on the interbank market, income certificates of securities companies, and bond reverse repurchases; 3. cash, bank deposits, interbank certificates of deposit, and transferable certificates of large amount deposit; 4. margin trading and short selling, futures and options issued and listed domestically in accordance with laws, warrants on the Shanghai and Shenzhen Stock Exchanges, credit protection instruments on the Shanghai and Shenzhen Stock Exchanges, financial derivatives in the interbank market, contract varieties listed on the Shanghai Gold Exchange, and over-the-counter derivatives with securities companies/futures companies/banks and their subsidiaries as counterparties only; 5. refinancing securities lending; and 6. publicly offered securities investment funds. The fund's investment portfolio shall be subject to the following restrictions: (1) the fund shall not invest in funds that are not under the custody of or entrusted to financial institutions such as commercial banks and securities companies; (2) the fund shall not invest in the subordinated/inferior shares (except for public offered funds) of

structured financial products (including asset securitisation products); (3) the fund shall not invest, either directly or indirectly, in unlisted equity, unlisted debentures or entrusted loans; (4) in case of the fund's investment in asset management products, such asset management products shall not be invested in the following items: non-standardised debt assets, equity interests in unlisted enterprises, other asset management products (except for public securities investment funds), private equity funds and various types of earning assets; (5) the fund shall not participate in bond repurchase.

*Yian (Shanghai) Investment Co., Ltd. (翊安(上海)投資有限公司)*

Yian Investment Convertible Bond No. 8 Private Securities Investment Fund\* (翊安投資可轉債8號私募證券投資基金) constructs its investment portfolio based on in-depth research and strive to achieve sustainable and stable appreciation of the fund's assets. Its investment scope includes: stocks issued and listed domestically in accordance with laws, new shares subscriptions, non-public traded shares of companies listed on the Shanghai and Shenzhen Stock Exchanges, stocks of companies listed on the selected tier under the NEEQ, preferred shares, Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect, depositary receipts, public offered equity funds, public offered balanced funds, participation in margin trading and short selling, lending securities held in the fund as underlying of short sale to securities finance companies, bonds, bond repurchases, publicly offered bond funds, cash, bank deposits, interbank certificates of deposit, transferable certificates of large amount time deposit, money market funds, spot deferred settlement contracts listed and traded on the Shanghai Gold Exchange, exchange-listed derivatives, income swaps, cross-border income swaps and over-the-counter options with institutional counterparties possessing corresponding business qualifications, interest rate swaps, asset-backed securities, asset-backed notes, income certificates issued by securities companies, and other varieties approved by laws and regulations or the CSRC for fund investment. The fund shall not invest in private investment funds issued by private equity fund managers of non-security types.

Yian Investment Convertible Bond No. 9 Private Securities Investment Fund\* (翊安投資可轉債9號私募證券投資基金) builds its investment portfolio on the basis of in-depth research and aims to achieve stable investment returns. The investment scope includes: convertible bonds issued and listed domestically in accordance to laws, exchangeable bonds, bonds reverse repurchases, bonds repurchases, cash, national debts, bank deposits, publicly offered securities investment funds. The investment restrictions include: 1. the fund shall not proactively buy stocks issued and listed domestically in accordance to laws, except for shares issued from the conversion of convertible bonds and exchangeable bonds. 2. the fund's total assets shall not exceed 200% of its net assets.

*Two Sigma China Co., Ltd. (騰勝投資管理(上海)有限公司)*

Two Sigma China Accumulative Macro Strategy No. 1 Private Securities Investment Fund\* (騰勝中國聚量宏觀策略1號私募證券投資基金) seeks to achieve absolute returns denominated in RMB with the investment risks managed to the greatest extent. Its investment scope includes: (1) cash and fixed income assets: cash, reverse repurchases, bank deposits, negotiated deposits, transferable certificates of large amount deposit, interbank certificates of deposit, money market funds, national debts and policy financial bonds and their pledged repurchases, etc.; and (2) derivative assets: various derivatives listed on domestic exchanges, including China Financial Futures Exchange, Shanghai Futures Exchange, Dalian Commodity Exchange, Zhengzhou Commodity Exchange, Shanghai International Energy Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Guangzhou Futures Exchange, Shanghai Gold Exchange, and other exchanges established under the permission of the State Council. The fund's investment portfolio shall be subject to the following restrictions: (A) the fund shall not invest in private equity funds under the custody of institutions that are not qualified to be entrusted with securities investment funds; (B) the fund shall not invest in equity interests of partnerships that are not registered with the AMAC; and (C) the fund shall not invest in the subordinated/inferior shares (except for public offered funds) of structured financial products.

*Shanghai Hesheng Asset Management Co., Ltd. (上海合晟資產管理股份有限公司)*

Hesheng Tonghui No. 72 Private Securities Investment Fund\* (合晟同暉72號私募證券投資基金) constructs its investment portfolio based on in-depth research and strives for long-term and stable investment returns under strict investment risk control. Its investment scope includes “Hesheng TongHui No. 7 Private Securities Investment Fund”\* (合晟同暉7號私募證券投資基金) managed by Shanghai Hesheng Asset Management Co., Ltd., cash, bank deposits and money market funds. The fund's investment portfolio shall be subject to the following restrictions: 1. the fund shall not invest in private equity funds that are not under the custody of institutions qualified to be entrusted with securities investment funds; and 2. the fund shall not invest in the subordinated/inferior shares (except for public offered funds) of structured financial products.

*Shanghai Jiaqi Investment Management Co., Ltd.\* (上海佳期投資管理有限公司)*

Jiaqi Interstellar Private Securities Investment Fund (Phase 6)\* (佳期星際私募證券投資基金六期) seeks to create long-term and stable investment returns through diversified investments and strict risk control. Its investment scope includes: stocks issued and listed on the Shanghai and Shenzhen stock exchanges, stocks within the scope of the Stock Connect for Southbound Trading, preferred shares, bonds, asset-backed securities, asset-backed notes, income certificates of securities companies, bond repurchases, cash, bank deposits, large-denomination certificates of deposit, interbank certificates of

deposit, margin trading and short selling, stock index futures, commodity futures, national debt futures, exchange-listed standardised option contracts, warrants, returns swap with securities companies as counterparties and options with securities companies as counterparties. The fund is also allowed to invest in the following asset management products: public funds, asset management schemes issued by securities companies and their subsidiaries, asset management schemes for specific clients of fund companies, asset management schemes of futures companies, trust schemes, asset management schemes of insurance companies, wealth management products of banks and private funds issued by entities with the qualification of private fund manager as an asset custodian or safekeeper. The investment portfolio of the fund's properties shall be subject to the following restrictions: 1. the fund shall not invest in asset management products that are not under the custody or safekeeping of financial institutions (commercial banks or securities companies); and 2. the fund shall not invest in shares of partnerships that have not been registered with the AMAC.

### Listed Equity Interests

Name of the financial assets	Number of units held as at 31 December 2022 ('000)	Investment cost as at 31 December 2022 (RMB'000)	Fair value as at 31 December 2022 (RMB'000)	Realised investment income/(loss) for the year ended 31 December 2022 (RMB'000)	Fair value to the total assets of the Group as at 31 December 2022
<b>China Risun Group Limited</b>	approximately 97.09 million shares	170,560	264,506	18,097	0.55%
<b>Vanho Securities Co., Ltd.</b> 萬和證券股份有限公司 Hunan Valin Steel Co., Ltd. 湖南華菱鋼鐵股份有限公司	15,697	57,285	73,777	4,667	0.15%
Daqin Railway Co., Ltd. 大秦鐵路股份有限公司	–	–	–	849	–
<b>Beijing LeRui Asset Management Co., Ltd.</b> 北京樂瑞資產管理有限公司 LeRuiQiangZhai No. 27 Securities Investment Private Equity Fund* 樂瑞強債27號證券投資私募基金	–	–	–	(398)	–
<b>Beijing Integrated Asset Management Co., Ltd.</b> 北京積露資產管理有限公司 Jilu No. 12 Private Securities Investment Fund* 積露12號私募證券投資基金	70	2,335	2,206	(6,437)	<0.01%
<b>China Asset Management Co., Ltd.</b> 華夏基金管理有限公司 ChinaAMC Future XinShi SiXiang No. 2 Private Securities Investment Fund* 華夏未來鑫時私享2號私募證券投資基金	4,496	38,825	37,981	(7,988)	0.08%

Name of the financial assets	Number of	Investment	Fair value	Realised	Fair value
	units held	cost as at	as at	investment	to the
	as at			income/(loss)	total assets
	31 December	31 December	31 December	for the year	of the Group
	2022	2022	2022	ended	as at
	( <i>'000</i> )	( <i>RMB'000</i> )	( <i>RMB'000</i> )	31 December	31 December
				2022	2022
				( <i>RMB'000</i> )	
<b>Shenzhen Bishuo Assets Management Co., Ltd.*</b>					
深圳碧燦私募證券基金管理有限公司					
Bishuo ChangYuan No. 7 Private Securities Investment					
Fund*					
碧燦長遠七號私募證券投資基金	-	-	-	(10,381)	-
Others	-	-	-	(2,192)	-
<b>CSC Financial Co., Ltd.</b>					
中信建投證券股份有限公司					
China Vanke Co., Ltd.					
萬科企業股份有限公司	550	9,682	10,010	2,029	0.02%
Poly Developments and Holdings Group Co., Ltd.					
保利發展控股集團股份有限公司	-	-	-	3,528	-
Others	150	3,238	3,150	707	0.01%
<b>Shanghai Longlife Investment Co., Ltd.</b>					
上海久期投資有限公司					
Longlife Jinxi Pure Bond No. 1 Private Equity					
Investment Fund					
久期津西純債1號私募證券投資基金	2,311	24,439	24,084	(1,623)	0.05%
<b>Others<sup>1</sup></b>	2,097	59,401	55,817	(10,007)	0.12%
<b>Total</b>		365,765	471,531	(9,149)	0.98%

*Note:*

- The number of shares held by the Group in each of the companies represents less than 1% of their issued shares.

## Investment strategies of listed equity interests

### *China Risun Group Limited (“Risun Group”)*

During the year ended 31 December 2018, the Company subscribed for approximately 24.80 million shares of Risun Group, representing approximately 2.58% of its enlarged registered capital, at a cash consideration of approximately RMB128 million. During the year ended 31 December 2021 and 31 December 2022, the Company further acquired 7.50 million shares and 2.01 million shares respectively of Risun Group from the open market on the exchange, representing approximately 0.17% and 0.05% of its registered share capital. As at 31 December 2022, the Company held approximately 2.19% of the registered capital of Risun Group. Risun Group was incorporated in 1995. It is a large scale enterprise group with principal business of manufacturing, and domestic and foreign trading of coal chemical products. It is a leading enterprise in China’s coke and coal chemicals, also being one of the major suppliers of coke of the Group. Risun Group was listed on Main Board of the Stock Exchange on 15 March 2019 with stock code 1907. During the year ended 31 December 2022, there was dividend income of approximately RMB18.1 million received from Risun Group, which is classified as realised investment income.

### *Vanho Securities Co., Ltd. (萬和證券股份有限公司)*

Since 2020, the Group made direct short-term equity investments on the stock exchange, with a cap of RMB100 million, to acquire shares of individual listed companies with competitive advantages in the steel or related industries and with relatively attractive stock prices. The major investment targets included Hunan Valin Steel Co., Ltd. (“**Valin Steel**”) (湖南華菱鋼鐵股份有限公司) and a number of other companies listed on the A-share market in the PRC.

During the year ended 31 December 2022, the Group acquired shares of Valin Steel, a company listed on the Shenzhen Stock Exchange (stock code: 000932), directly from the open market on the exchange as equity investment. As at 31 December 2022, the shares of Valin Steel held by the Group represented approximately 0.23% of its registered share capital. Valin Steel is principally engaged in the production and sale of steel products with production bases established in Xiangtan, Loudi and Hengyang in Hunan Province and Yangjiang City in Guangdong Province. It processes technical equipment for the entire process of coking, sintering, ironmaking, steelmaking, rolling mill and steel deep processing, etc.. It is one of the top ten steel enterprises in the PRC with leading primary equipment and production technology. According to its published information, Valin Steel produced 26.57 million tonnes of steel in 2022, an increase of 3.91% year-on-year. During the year ended 31 December 2022, there was dividend income of approximately RMB3.2 million received from Valin Steel, which is classified as realised investment income.

During the year ended 31 December 2022, the Group acquired the shares of Daqin Railway Co., Ltd. (“**Daqin Railway**”) (大秦鐵路股份有限公司) directly from the open market on the exchange as equity investment. Daqin Railway is listed on the Shanghai Stock Exchange (stock code: 601006). As at 31 December 2022, on share of Daqin Railway held by the Group. Daqin Railway is principally engaged in the railway passenger and freight transport business, and also provides services to other railway transportation enterprises in the PRC. The company mainly transports thermal coal for export from regions including Shanxi Province, Inner Mongolia, Shaanxi Province, etc.. Other transported products include commodities such as coke, steel and ore, as well as containerized and bulk cargo. During the year ended 31 December 2022, there was dividend income of approximately RMB0.7 million received from Daqin Railway.

*Beijing LeRui Asset Management Co., Ltd. (北京樂瑞資產管理有限公司)*

LeRuiQiangZhai No. 27 Securities Investment Private Equity Fund\* (樂瑞強債27號證券投資私募基金) adopts a fixed income category allocation strategy to gain stable return, and through certain proportion of equity and derivative products asset allocation to enhance return. It uses fixed income assets such as good quality debentures as core assets to provide a safety cushion through stable return from bond interests. On this basis, it starts to implement “large scale asset allocation strategy”, and further extend portfolio assets to more risky asset categories of equity, derivative products, etc.. According to the risk-return profile of the targeted assets it intended to invest in and the changes in market conditions, it dynamically adjusts the investment ratio within a range to strive for realisation of continuous stable profit of account. The investment strategy considers the macroeconomic situation, financial market environment, market structure changes as well as financial instruments available for investment, supported by quantitative models, and it comprehensively analyses market interest rate trend, capital market demand and supply, credit risk situation as well as stock market trend, and estimates each asset class’s risk-reward characteristics in long, medium and short term. It carefully chooses large scale assets with a relatively better risk-reward profile, constructs an allocation strategy which reflects large scale asset rotation characteristics. Calculated by cost, the fund invests not less than 80% of the total value of fund’s asset in fixed income category assets and cash category assets, and not more than 20% of the total value of fund’s asset in equity category assets. Using the higher of issuer or debt rating as basis, it cannot invest in debentures with rating lower than AA or short-term financing bonds with rating lower than A-1.

*Beijing Integrated Asset Management Co., Ltd. (北京積露資產管理有限公司)*

Jilu No. 12 Private Securities Investment Fund\* (積露12號私募證券投資基金) pursues reasonable investment returns and strive to achieve long-term steady growth in fund assets through the flexible application of a variety of investment strategies under the premises of stringent risk control and securing fund asset liquidity. In keeping with the structural changes and trends in the economy and society of the PRC, the fund adopts a top-down approach to invest in domestic legally issued and listed stocks. At the same time, in order to manage the fund's asset portfolio, it will analyse and judge the interest rate trend on the basis of in-depth research of domestic and foreign macroeconomic trend, monetary policy changing trend, capital market supply and demand status to comprehensively consider the profitability, liquidity and risk traits of different investment products. The fund's investment scope includes: (1) stocks; (2) bonds; (3) publicly offered funds (close-end funds, open-end funds, stock funds, bond funds, money market funds and hybrid funds); (4) repurchases; (5) futures (commodity futures, stock index futures and interest rate futures); (6) options; (7) asset management products (bank wealth management products, trust plans, asset management products of securities companies, asset management products of fund managers, asset management products of futures companies, asset management products of insurance companies, and private equity investment funds); and (8) others (bank deposits, warrants, PRC depository receipts, asset-backed securities, returns swaps, fixed income securities, margin trading and short selling, and refinancing).

*China Asset Management Co., Ltd. (華夏基金管理有限公司)*

ChinaAMC Future XinShi SiXiang No. 2 Private Securities Investment Fund\* (華夏未來鑫時私享2號私募證券投資基金) constructs an investment portfolio based on in-depth research. It seeks to achieve stable and long-term investment returns under the premise of strict control of investment risks. The fund invests in stocks issued and listed on the Shanghai or Shenzhen stock exchanges, stocks of companies listed on the selected tier under the NEEQ, stocks within the underlying scope of Stock Connect for Southbound Trading, depository receipts issued and listed on the Shanghai or Shenzhen stock exchanges, preference stocks issued and traded on the Shanghai or Shenzhen stock exchanges, bonds issued and traded on the Shanghai or Shenzhen stock exchanges or in the interbank market, asset-backed securities issued and traded on the Shanghai or Shenzhen stock exchanges or in the interbank market, asset-backed notes issued and traded in the interbank market, income certificates of securities companies, bond reverse repurchases, cash, bank deposits, interbank certificates of deposit, financing bill transactions, securities lending through transfer facilities (i.e. the fund lends its holding of securities to securities finance companies as the underlying securities for financing), futures listed on the Shanghai or Shenzhen stock exchanges and Futures Exchange, options listed on the Shanghai or Shenzhen stock exchanges and Futures Exchange, contractual products listed on the Shanghai Gold Exchange, over-the-counter derivatives (including but not limited to income swaps and over-the-counter options) in the securities and futures market with only securities companies/futures companies/banks



and their subsidiaries as counterparties, public-offered fund and bank wealth management products. The fund's investment portfolio shall be subject to the following restrictions: 1. the fund shall not invest in subordinated/inferior shares of structured financial products (inclusive of asset securitisation products); and 2. the fund shall not participate in the subscription of non-public; 3. The fund shall not invest in shares of ST, \*ST, S, SST, S\*ST.

*Shenzhen Bishuo Assets Management Co., Ltd.\* (深圳碧燦私募證券基金管理有限公司)*

Bishuo ChangYuan No. 7 Private Securities Investment Fund\* (碧燦長遠七號私募證券投資基金) strives to generate stable income and returns for fund investors under the premise of strict control of investment risks. The scope of investment includes: 1. stocks issued and listed domestically in accordance to the laws, stocks of companies listed and traded on the NEEQ, depositary receipts, securities issued by the Hong Kong Stock Exchange and various overseas exchanges permitted by the regulatory authorities for investment by domestic investors, public securities investment funds, bonds and various fixed-income products (including but not limited to national debts, central bank notes, financial bonds, local government bonds, debentures, corporate bonds, convertible bonds, exchangeable bonds, separately traded convertible bonds, private placement bonds of small and medium-sized enterprises, subordinated bonds, medium-term notes, short-term financing notes, ultra-short-term financing notes, interbank certificates of deposit, private placement debt financing instruments, etc.), asset-backed securities, asset-backed notes, money market instruments (money market funds, cash management asset management plans, etc.), repurchases and reverse repurchases, bond pledged repurchases, margin trading and short selling, refinancing, futures, exchange-traded options, over-the-counter options, warrants, returns swap, other standardised trading products traded on trading venues agreed by the State Council and other standardised trading products recognised by other regulatory bodies; and 2. private financial products: trust plans, asset management plans of securities companies and their subsidiaries, asset management plans of fund companies and their subsidiaries, asset management plans of insurance companies and their subsidiaries, asset management plans of futures companies and their subsidiaries, private securities investment funds issued by private equity fund management institutions and managed by fund custodians (including private equity investment funds issued by fund managers).

*CSC Financial Co., Ltd. (中信建投證券股份有限公司)*

In 2022, the Group made direct short-term equity investments on the stock exchange to acquire shares of individual listed companies with competitive advantages in the real estate-related industry and with relatively attractive stock prices. The major investment targets included companies listed on the A-share market in the PRC, such as China Vanke Co., Ltd.\* (“**Vanke**”) (萬科企業股份有限公司) and Poly Developments and Holdings Group Co., Ltd. (“**Poly Developments**”) (保利發展控股集團股份有限公司).

During the year ended 31 December 2022, the Group acquired shares of Vanke, a company listed on the Shenzhen Stock Exchange (stock code: 000002), directly from the open market on the exchange as an equity investment. As at 31 December 2022, the number of shares held by the Group in Vanke accounted for less than 1% of its issued shares. Vanke is one of the largest property developers in the PRC, principally engaging in the business of residential development and property services, logistics and warehousing services, rental housing, commercial development and operation, standard office and industrial parks, hotels and resorts, education and food, etc..

During the year ended 31 December 2022, the Group acquired shares of Poly Developments, a company listed on the Shanghai Stock Exchange (stock code: 600048), directly from the open market on the exchange as an equity investment. As at 31 December 2022, no share held by the Group in Poly Developments. Poly Developments is a leading enterprise in the real estate industry, principally engaging in real estate development and sales. It has also built a real estate ecological platform covering property services, territorial management, sales agency, commercial management and real estate finance on this basis. Poly Developments has been ranking top five in the industry and first among the central enterprises for many years. In 2021, Poly Developments ranked 201st in the world by Forbes and among the top three leading brands in the industry.

During the year ended 31 December 2022, there was dividend income of approximately RMB1.1 million and approximately RMB0.6 million received from Vanke and Poly Developments respectively.

*Shanghai Longlife Investment Co., Ltd. (上海久期投資有限公司)*

Longlife Jinxi Pure Bond No. 1 Private Equity Investment Fund\* (久期津西純債1號私募證券投資基金) uses bonds as major investment subject. During different economic cycles, from the three dimensions of interest rate (duration), credit, and fixed income to carry out asset allocation, it strives to obtain steady return across the economic cycle. In the aspect of risk control and strengthening return, it calculates the basic return from bond interest income. It sets a strict risk limit according to basic return level, so as to control downside risk. Within the risk limit, it adopts the approach of adjusting the duration of bonds, searching for wrongly priced debentures and fixed income assets' equity attributes, etc. to obtain excess return over basic return. The restrictions of the fund include: 1. it must not invest the fund assets in small to medium enterprises' private placement debts; and 2. debt or issuer ratings of corporate bonds, debentures, convertible bonds, detachable convertible bond must be AA or above; debt rating of short-term financing bonds of A-1 and issuer rating must be A+ or above; private exchangeable bonds can be without rating.

## Bond Market Funds

Name of the financial assets	Number of units held as at 31 December 2022 ( '000)	Investment cost as at 31 December 2022 (RMB'000)	Fair value as at 31 December 2022 (RMB'000)	Realised investment income/(loss) for the year ended 31 December 2022 (RMB'000)	Fair value to the total assets of the Group as at 31 December 2022
<b>Prudence Investment Management (Hong Kong) Limited</b>					
Prudence Enhanced Income Fund	25	137,934	154,325	–	0.32%
<b>China Universal Asset Management Company Limited</b>					
匯添富基金管理股份有限公司					
China Universal XinRui Bond Securities Investment Fund*					
匯添富鑫瑞債券型證券投資基金	39,226	40,811	42,046	581	0.09%
China Universal ShuangLi Bond Securities Investment Fund*					
匯添富雙利債券型證券投資基金	–	–	–	(3,404)	–
China Universal ShuangLi Enhanced Bond Securities Investment Fund*					
匯添富雙利增強債券型證券投資基金	126,858	150,453	133,327	14,969	0.28%
<b>Shanghai Huaxia Fortune CCI Capital Ltd.</b>					
上海華夏財富投資管理有限公司					
Huaxia Short Term Bond Securities Investment Fund*					
華夏短債債券型證券投資基金	–	–	–	22	–
ChinaAMC Bond Investment Fund*					
華夏債券投資基金	36,028	47,828	46,043	(1,392)	0.10%
<b>Da Cheng Fund Management Co., Ltd.</b>					
大成基金管理有限公司					
Da Cheng JingAn Short Term Financing Bond Securities Investment Fund*					
大成景安短融債券型證券投資基金	–	–	–	1,445	–
Da Cheng JingYou Medium-Short Term Bond Securities Investment Fund*					
大成景優中短債債券型證券投資基金	38,719	44,186	41,836	3,596	0.09%
<b>Lombarda China Fund Management Co., Ltd.</b>					
中歐基金管理有限公司					
Lombarda China Short Term Bond Securities Investment Fund*					
中歐短債債券型證券投資基金	–	–	–	1,632	–
Lombarda China FengLi Bond Securities Investment Fund*					
中歐豐利債券型證券投資基金	–	–	–	(335)	–

Name of the financial assets	Number of	Investment	Fair value	Realised	Fair value
	units held	cost as at	as at	investment	to the
	as at			income/(loss)	total assets
	31 December	31 December	31 December	for the year	of the Group
	2022	2022	2022	ended	as at
	('000)	(RMB'000)	(RMB'000)	31 December	31 December
				2022	2022
				(RMB'000)	
<b>E Fund Management (HK) Co., Ltd. &amp; E Fund Management Co., Ltd.</b>					
易方達資產管理(香港)有限公司及易方達基金管理有限公司					
E Fund (HK) Asia High Yield Bond Fund	438	31,962	26,892	-	0.06%
E Fund YuFeng Return Bond Securities Investment Fund*					
易方達裕豐回報債券型證券投資基金	-	-	-	(2,064)	-
E Fund FengHe Bond Securities Investment Fund*					
易方達豐和債券型證券投資基金	-	-	-	(1,610)	-
<b>Harvest Fund Management Company Limited</b>					
嘉實基金管理有限公司					
Harvest Stable Gain Bond Securities Investment Fund*					
嘉實穩固收益債券型證券投資基金	-	-	-	(4,808)	-
<b>China Southern Asset Management Company Limited</b>					
南方基金管理股份有限公司					
China Southern BaoYuan Bond Fund*					
南方寶元債券型基金	-	-	-	(3,941)	-
<b>Bosera Asset Management Company Limited</b>					
博時基金管理有限公司					
Bosera China Bond 1-3 Years China Development Bank Bond Index Securities Investment Fund*					
博時中債1-3年國開行債券指數證券投資基金	-	-	-	1,380	-
<b>Total</b>		<u>453,174</u>	<u>444,469</u>	<u>6,071</u>	<u>0.93%</u>

## Investment strategies of bond market funds

### *Prudence Investment Management (Hong Kong) Limited*

Prudence Enhanced Income Fund pursues stable income as well as capital appreciation, by mainly investing in corporate bonds, convertible bonds and listed equities issued by companies in Asia, with a focus on companies with significant business exposure to Greater China. The fund manager will focus on opportunities when the security is mis-priced and when the fund manager has a well-defined edge. The fund manager will make investment decisions aiming to achieve attractive absolute return within acceptable risk limits, through a flexible combination of sub-strategies. The fund manager will implement an effective investment process including research, trading, risk management and operations. The fund manager will enforce strict risk management to protect investors in the fund. Net borrowing is limited to less than or equal to 50% of assets under management of the fund.

China Universal XinRui Bond Securities Investment Fund\* (匯添富鑫瑞債券型證券投資基金) strives to generate higher than performance benchmark returns with the premise of scientific and strict risk management. The fund invests in financial instruments with good liquidity, including fixed income products such as national debts, financial bonds, government supported bonds, government supported institution bonds, local government bonds, corporate bonds, debentures, central bank notes, medium-term notes, short-term financing bonds, ultra short-term financing bonds, asset-backed securities, subordinated bonds, private placement bonds for small to medium enterprises, convertible bonds, exchangeable debentures, bonds with detachable warrants, bond repurchases, interbank certificates of deposit, money market instruments and bank deposits, as well as national debt futures and other financial instruments approved by laws and regulations or the CSRC for fund investment (but must comply with the CSRC's relevant regulations). The fund does not invest in stocks or warrants and does not directly purchase convertible bonds and exchangeable debentures from the secondary market, but may participate in the subscription of convertible bonds and exchangeable debentures in the primary market and sell them within 10 trading days after they are listed and traded. Warrants from investment in bonds with detachable warrants shall be sold within 10 trading days after they become available for listing and trading. The investment proportions of each type of assets in the fund are as follows: the proportion of the fund's investment in bond assets shall not be less than 80% of the fund's assets; the cash or government bonds with a maturity of less than 1 year held in the fund shall not be less than 5% of the fund's net assets.

China Universal ShuangLi Bond Securities Investment Fund\* (匯添富雙利債券型證券投資基金) invests mainly in fixed income bond products, and seeks long-term stable asset appreciation for the fund unit holders on the basis of strict investment risk management and maintaining asset liquidity. Based on macro analysis and credit analysis, the fund seeks to construct a portfolio comprising primarily high-quality fixed income bond assets according to the characteristics of different stages of economic development, and continuously optimises it in order to achieve long-term stable and higher than performance benchmark returns through exploration. The fund invests mainly in fixed income financial instruments such as domestic legally issued and listed national debts, central bank notes, financial bonds, corporate bonds, debentures, convertible bonds, bonds with detachable warrants, bond repurchases, short-term financing bonds, asset-backed securities and other fixed income financial instruments approved by laws and regulations or the CSRC for investment. More than 80% of the fund's assets are invested in fixed income financial instruments, where the investment proportion of non-national credit bonds such as debentures, corporate bonds, convertible bonds, financial bonds, asset-backed securities and short-term financing bonds held in the fund shall not be less than 30% of such fixed income assets. The fund may also invest in the subscription of new shares in the primary market, hold assets such as shares issued from the conversion of convertible bonds, invest in stocks in the secondary

market, depositary receipts and other financial instruments such as warrants approved by the CSRC for fund investment, but the total investment proportion of the above non-fixed income financial instruments shall not exceed 20% of the fund's assets.

China Universal ShuangLi Enhanced Bond Securities Investment Fund\* (匯添富雙利增強債券型證券投資基金) invests mainly in bond assets. By selecting quality credit bonds and making appropriate participation in equity investments, the fund seeks to achieve a long-term and stable asset appreciation while taking reasonable risks and maintaining asset liquidity. Its investment scope includes financial instruments with high liquidity, which covers shares issued and listed domestically in accordance with laws, depositary receipts, bonds and other financial instruments approved by laws and regulations or the CSRC for fund investment. The fund invests mainly in fixed income financial instruments, including national debts, financial bonds, central bank notes, debentures, corporate bonds, local government bonds, convertible bonds, detachable bonds, short-term financing bonds, medium-term notes, private placement bonds for small and medium-sized enterprises, asset-backed securities, bond repurchases, bank deposits, and other fixed income financial instruments approved by laws and regulations or the CSRC for investment. The fund may invest in new stock subscriptions in the primary market, held shares derived from conversion of convertible bonds, warrants distributed from stock holdings and warrants arising from investments in detachable bonds, and may also purchase shares, depositary receipts and warrants directly from the secondary market. The fund's investment in bonds assets shall not less than 80% of its assets, of which, the asset investment in credit bonds shall not less than 60% of its assets, and the total investment in equity assets and depositary receipts shall not exceed 20% of the fund's assets.

*Shanghai Huaxia Fortune CCI Capital Ltd. (上海華夏財富投資管理有限公司)*

Huaxia Short Term Bond Securities Investment Fund\* (華夏短債債券型證券投資基金) pursues continuous and steady return under the premises of maintaining good liquidity of assets. The fund's investment scope covers financial instruments with good liquidity, including domestic legally issued and listed bonds (national debts, central bank notes, financial bonds, public issued subordinated bonds, local government bonds, corporate bonds, debentures, medium-term notes, short-term financing bonds, ultra short-term financing bonds, the pure debt component of detachable convertible bonds), asset-backed securities, bond repurchases, bank deposits, interbank deposits, money market instruments, national debt futures, as well as other financial instruments allowed for fund investment approved by the related laws and regulations or the CSRC (but must comply with the CSRC's relevant regulations). The fund invests not less than 80% of the fund assets in bonds, in which the investment in short-term bonds shall not be less than 80% of non-cash assets.

ChinaAMC Bond Investment Fund\* (華夏債券投資基金) is a high credit rating bond fund with an investment objective of pursuing higher current income and total return with the premise of emphasising the security of the principal amount. The fund invests mainly in fixed income financial instruments, including domestic legally issued and listed bonds such as national debts, central bank notes, financial bonds, corporate bonds (debentures) (including convertible bonds), asset-backed securities and other financial instruments approved by the CSRC for fund investment. The fund may also participate in the subscription of new shares in the primary market and hold assets such as shares and share distributions from the conversion of convertible bonds or warrants from bonds with detachable warrants, but the total investment proportion of non-fixed income financial instruments shall not exceed 20% of the fund's assets. Assets such as stocks and warrants held for the above reasons in the fund will be sold within 60 trading days from the date they become tradable. The fund does not purchase shares or warrants through the secondary market.

*Da Cheng Fund Management Co., Ltd. (大成基金管理有限公司)*

Da Cheng JingAn Short Term Financing Bond Securities Investment Fund\* (大成景安短融債券型證券投資基金) strives to achieve higher investment return while maintaining the characteristic of principal safety and high liquidity with great effort at the same time, through appropriate extending the duration of the fund's investment portfolio, higher ratio of investment in short-term financing bonds as well as debenture bonds of shorter terms. The fund's investment scope covers financial instruments with good liquidity, including fixed income assets of national debts, central bank notes, local government debts, financial bonds, corporate bonds, short-term financing bonds, ultra short-term financing bonds, medium-term notes, debentures, asset-backed securities, bond reverse repurchases, bank deposits, etc., as well as other financial instruments allowed for fund investment approved by the related laws and regulations or the CSRC, but must comply with the CSRC's relevant regulations. The fund invests not less than 80% of the fund assets in bond assets, and the aggregate investment in short-term bonds and ultra short-term financing bonds as well as medium-term notes, debentures and corporate bonds with a remaining term of within 1 year shall not be less than 80% of non-cash fund assets.

Da Cheng JingYou Medium-Short Term Bond Securities Investment Fund\* (大成景優中短債債券型證券投資基金) strives to achieve steady appreciation of fund assets in long-term through proactive investment management on the basis of strictly controlling investment risks. Under the premises of strictly controlling risk and maintaining relatively high liquidity, the fund pursues long-term steady investment return by focusing on investing in medium-short term bonds. It mainly invests in domestic national debts, policy financial bonds, central bank notes, financial bonds, bond repurchases, bank deposits (including agreement deposits and time deposits etc.), interbank certificates of deposit legally issued, listed and traded, and other financial instruments approved by laws and regulations or the CSRC for fund investment (subject to compliance with the CSRC's relevant regulations). The fund shall not invest in stocks, exchangeable bonds, convertible bonds, debentures (except financial bonds) and national debt futures. The fund's investment portfolio ratio is as follows: the fund invests not less than 80% of the fund assets in bond assets, in which the investment in short to medium term bonds shall not be less than 80% of non-cash fund assets. Cash of not less than 5% of the net asset value of the fund or government bonds with maturities of less than one year shall be maintained for the fund.

*Lombarda China Fund Management Co., Ltd. (中歐基金管理有限公司)*

Lombarda China Short Term Bond Securities Investment Fund\* (中歐短債債券型證券投資基金) utilises multiple strategies to carry out investment in bond asset portfolio. It determines bond portfolio duration allocation according to forecasted future market interest rate level and interest rate curve shape by basic valuation, economic environment and market risks evaluation. It carries out adjustment on portfolio terms allocation on the basis of determination of portfolio duration. Through research and related financial and non-financial analysis on macroeconomy and industry, it performs class allocation between different kinds of bond assets by “top-down approach”, and picks individual security by “bottom-up approach”. During the change of market return and individual security return, it utilises riding strategy, carry trade strategy, spread strategy, etc. flexibly to enhance portfolio return. The fund invests in financial instruments with good liquidity, including bonds (including national debts, local government bonds, government-backed corporate bonds, financial bonds, corporate bonds, debentures, central bank notes, medium-term notes, short-term financing bonds (including ultra short-term financing bonds), subordinated bonds, the pure debt component of detachable convertible bonds, etc.), asset-backed securities, bond repurchases, bank deposits, interbank deposits, etc., and other financial instruments allowed for fund investment approved by the related laws and regulations or the CSRC (but must comply with the CSRC's relevant regulations). The fund invests not less than 80% of the fund assets in bonds, and the investment in short-term bonds shall not be less than 80% of non-cash fund assets.



Lombarda China FengLi Bond Securities Investment Fund\* (中歐豐利債券型證券投資基金) strives to achieve higher than performance benchmark investment returns for the fund unit holders with the premise of strict portfolio risk control. The fund invests in financial instruments with good liquidity, including domestic legally issued and listed stocks (including ChiNext, other stocks approved to be issued and listed by the CSRC and depositary receipts), eligible securities of the Stock Connect for Southbound Trading, bonds, asset-backed securities, bond repurchases, bank deposits, interbank certificates of deposit, cash, national debt futures, credit derivatives (excluding contractual credit derivatives), and other financial instruments approved by laws and regulations or the CSRC for fund investment (but must comply with the CSRC's relevant regulations). The proportion of investment of the fund in bond assets shall not be less than 80% of the fund's assets; the proportion of investment in equities shall not exceed 20% of the fund's assets; the proportion of investment in the eligible securities of the Stock Connect for Southbound Trading shall not exceed 50% of equity assets; cash or government bonds with a maturity of less than 1 year in aggregate shall not be less than 5% of the fund's net assets.

*E Fund Management (HK) Co., Ltd. and E Fund Management Co., Ltd. (易方達資產管理(香港)有限公司及易方達基金管理有限公司)*

E Fund (HK) Asia High Yield Bond Fund is the sub-fund of E Fund Unit Trust Fund. The investment objective of the sub-fund is to achieve long term capital growth through investing globally in a portfolio consisting primarily of high yield debt securities issued by or fully guaranteed by corporations with an Asia focus, which aim to generate a steady flow of income in addition to capital appreciation for the fund, including debt securities issued in emerging markets. The sub-fund will invest 70% to 100% of its net asset value in a portfolio of high yield debt securities, which may be USD, EUR or HKD denominated or offshore RMB denominated ("Dim Sum" bonds, i.e. bonds issued outside China but denominated in RMB), issued by or fully guaranteed by listed or unlisted corporations which have their main operations (or majority of assets) in or have their majority of their income derived from Asia. Up to 100% of the net asset value may be invested in debt securities which are unrated or rated below investment grade by Fitch or Moody's or Standard and Poor's, including (but not limited to) listed and unlisted bonds, government bonds, convertible and non-convertible bonds, fixed and floating rate bonds or other similar securities. Up to 100% of the sub-fund's net asset value may be invested in convertible bonds (issued and/or guaranteed by issuers such as corporations, financial institutions and banks). The sub-fund will not invest more than 10% of its net asset value in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade and/or unrated. The sub-fund may also invest up to 30% of the net asset value in investment grade debt securities. Onshore China exposure will be up to 20% of the net asset value, which may include investments in debt securities issued by or fully guaranteed by the PRC government and/or government related entities and urban investment bonds.

E Fund YuFeng Return Bond Securities Investment Fund\* (易方達裕豐回報債券型證券投資基金) invests mainly in bond assets and strictly manages the proportion of investments in equity products, striving to achieve long-term stable appreciation of the fund's assets on the basis of controlling fluctuations in the fund's net assets. The fund's investment scope covers financial instruments with good liquidity, including bond assets such as national debts, central bank notes, local government bonds, financial bonds, corporate bonds, short-term financing bonds, medium-term notes, debentures, convertible bonds (including bonds with detachable warrants), asset-backed securities, bond repurchases, bank deposits, stocks, equity products such as warrants and other financial instruments approved by laws and regulations or regulatory authorities for fund investment (but must comply with the CSRC's relevant regulations). If the fund is allowed to invest in other products by laws and regulations or regulatory authorities in the future, they may be included in the fund's investment scope. The investment proportions of each type of the assets in the fund are as follows: the fund invests not less than 80% of the fund's assets in bond assets; not more than 20% of the fund's assets in equity assets; the cash and government bonds with a maturity of less than 1 year in aggregate shall not be less than 5% of the fund's net assets.

E Fund FengHe Bond Securities Investment Fund\* (易方達豐和債券型證券投資基金) is a bond securities investment fund which invests mainly in bond assets and strictly manages the proportion of investments in equity products, striving to achieve long-term stable appreciation of the fund's assets on the basis of controlling fluctuations in the fund's net assets. The fund's investment scope includes domestic legally issued and listed national debts, central bank notes, local government bonds, financial bonds, subordinated bonds, corporate bonds, short-term financing bonds, medium-term notes, debentures, convertible bonds (including bonds with detachable warrants), exchangeable bonds, short-term corporate bonds of securities companies, private placement bonds of small and medium-sized enterprises, asset-backed securities, bond repurchases, bank deposits, interbank certificates of deposit, stocks (including stocks traded in the ChiNext, Small and Medium Enterprise Board and other legally issued and listed stocks and depositary receipts), warrants, national debt futures and other financial instruments approved by laws and regulations or the CSRC for fund investment. The fund's investment portfolio shall have the following proportions: the fund invests not less than 80% of the fund's assets in bond assets; not more than 20% of the fund's assets in equity assets.

*Harvest Fund Management Company Limited (嘉實基金管理有限公司)*

Harvest Stable Gain Bond Securities Investment Fund\* (嘉實穩固收益債券型證券投資基金) strives to achieve a consistent and stable return which is above the deposit rate while maintaining the safety of the principal and effective risk control. The fund invests in legally issued and listed financial instruments such as bonds and stocks as well as other financial instruments approved by laws and regulations or the CSRC for fund investment, including fixed income securities products such as national debts, financial bonds, corporate bonds (debentures), subordinated bonds, convertible bonds (including

bonds with detachable warrants), asset-backed securities, central bank notes, short-term financing bonds, bond repurchases and bank deposits. The fund may also invest in legally issued or listed stocks, warrants and other financial instruments approved by laws and regulations or the CSRC for fund investment. The asset allocation of the fund's investment portfolio is as follows: the investment proportion of bond assets shall not be less than 80% of the fund's assets, the investment proportion of equity assets shall not exceed 20% of the fund's assets, cash held in the fund or government bonds with a maturity of less than 1 year shall not be less than 5% of the fund's net assets.

*China Southern Asset Management Company Limited (南方基金管理股份有限公司)*

China Southern BaoYuan Bond Fund\* (南方寶元債券型基金) is an open-ended bond fund, which focuses on bond investment and is supplemented by equity investment to ensure the safety of the fund and pursue long-term stable asset appreciation with the premise of maintaining a low-risk investment portfolio and satisfying liquidity. The fund's investment scope covers financial instruments with good liquidity, including domestic legally and publicly issued bonds, stocks (including depositary receipts (the same below)) of various types and other financial instruments approved by the CSRC. As a bond fund, the fund invests mainly in various types of bonds, including national debts, financial bonds, corporate bonds and convertible bonds. The minimum percentage of bond investment in the asset portfolio is 45% and the maximum percentage is 95%; the percentage of equity investment (including depositary receipts) in the asset portfolio is not more than 35%.

*Bosera Asset Management Company Limited (博時基金管理有限公司)*

Bosera China Bond 1-3 Years China Development Bank Bond Index Securities Investment Fund\* (博時中債1-3年國開行債券指數證券投資基金) is an index fund which adopts a sampling and dynamic optimisation approach to select bonds with better liquidity among the underlying index components and alternative components, and constructs a portfolio of assets with similar risk-return characteristics to the underlying index to achieve effective tracking of the underlying index. The fund strives to achieve an average daily tracking deviation of no more than 0.25% and an annualised tracking error of 3% or less. The fund invests primarily in the constituent securities and alternate constituent securities of the underlying index. To better achieve the fund's investment objective, the fund may also invest in other policy financial bonds, bond repurchases, bank deposits and other financial instruments that the CSRC allows (subject to the relevant regulations of the CSRC). The proportion of the fund's investment portfolio shall be as follows: the investment of the fund in bond asset shall not be less than 80% of the fund's assets; the investment in constituent securities and alternative constituent securities of underlying index shall not be less than 80% of the fund's non-cash fund assets; and the fund shall maintain cash or government bonds with maturity within 1 year of not less than 5% of the fund's net assets at the end of each trading day.

## **Investment Strategy and Future Prospects**

The Group's investments in financial assets at fair value through profit or loss have been conducted on the premises that such investments would not affect the working capital of the Group or the daily operation of the Group's principal business. Such investments are conducive to improving the capital usage efficiency and generating investment returns from the Group's temporarily idle funds. Giving top priority to prevention of excessive risk, the Company implemented control and made prudent decisions in respect of such investments on the principle of protecting the interests of its shareholders as a whole and the Company. On one hand, the Company is able to generate a relatively higher return from such investments than fixed-term bank deposits, while at the same time the Company is still able to retain flexibility in redeeming the investments whenever it foresees there is a cash need.

Subject to any unforeseeable changes in China's and global economic, political and social conditions, the Company currently expects that the Group will continue to make such investments as and where appropriate pursuant to the investment strategy mentioned above. It is currently expected that barring any unforeseeable circumstances, such investments would continue to generate additional returns for the Group.

## **ACCREDITATION FOR THE COMPANY AND ITS MANAGEMENT**

During the year ended 31 December 2022, the Company was ranked 249th among the "2022 Fortune China Top 500 Enterprises" and in February 2023, it was listed as one of the "2022 Forbes China Top 50 Sustainable Development Industrial Enterprises". In January 2022, Jinxi Limited, a subsidiary of the Company, was certified by the Department of Ecological Environment of Hebei Province as an enterprise with Grade A environmental performance. In June 2022, Jinxi Limited was also certified by the China Machinery, Metallurgy and Building Materials Workers Technical Association (中國機械冶金建材職工技術協會) as an advanced economic and technical unit of the National Machinery, Metallurgy and Building Materials Industry Union\* (全國機械冶金建材行業工會). In January 2022, Hebei Jinxi International Trade Co., Ltd.\* (河北津西國際貿易有限公司), another subsidiary of the Company, was awarded the "2021 National Exemplary Unit of Business Integrity" on the "2022 Integrity Development Forum of Chinese Enterprises and the 13th Integrity and Trust Award" organised by the China Enterprise Reform and Development Society and the China Cooperative Trade Enterprises Association.

## **HUMAN RESOURCES AND REMUNERATION POLICIES**

As at 31 December 2022, the Group had a workforce of approximately 11,500 and temporary staff of approximately 100. The staff cost included basic salaries and benefits. Staff benefits included discretionary bonus, medical insurance plans, pension scheme, unemployment insurance plan, maternity insurance plan and the fair value of the share options, etc.. Effective from April 2021, the Group implemented a workers' injury insurance scheme and contributed 2.09% of the workers' wages to the relevant government authorities. According to the Group's remuneration policy, employees' package is based on productivity and/or sales performance, and is consistent with the Group's quality control and cost control targets.

## **PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2022.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company acknowledges the importance of good corporate governance practices and believes that it is essential to the development of the Group and to safeguard the interests of the equity holders. The Directors are of the opinion that the Company has complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the year ended 31 December 2022, save for the following deviations:

Under code provision C.2.1 of the CG Code, the role of chairman and chief executive should be separate and should not be performed by the same individual. Currently, Mr. HAN Jingyuan serves as the Chairman of the Board and the Chief Executive Officer of the Company. The Board believes that there is no immediate need to segregate the roles of the Chairman of the Board and the Chief Executive Officer of the Company because the role of chief executive officer/general manager of the Company's major operating subsidiaries are performed by other persons. The Board will consider the segregation of the roles of the Chairman of the Board and the Chief Executive Officer of the Company in light of the future development of the operating activities or businesses of the Group.

Under code provision D.2.5 of the CG Code and the related notes, the Company should have an internal audit function which generally carries out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. While the PRC internal audit function of the Company was established since January 2018, other internal audit function is merged with the finance function during the year ended 31 December 2022. During the year, the Group conducted a review on the need for setting up an independent internal audit department. Taking into

account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and the close supervision of the management could provide sufficient internal control and risk management for the Group. The audit committee of the Board and the Board regularly review the effectiveness of the internal control systems and the risk management of the Group. The Board will review the need to set up an independent internal audit function on an annual basis.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. The Company has made specific enquiry of all Directors and all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 December 2022.

## **AUDIT COMMITTEE**

During the year ended 31 December 2022, the audit committee of the Company (“**Audit Committee**”) comprised three Independent Non-executive Directors, namely Mr. WONG Man Chung, Francis as the Chairman of the Audit Committee and Mr. WANG Tianyi and Mr. WANG Bing as the members of the Audit Committee.

The Audit Committee has reviewed the Group’s consolidated financial statements for the year ended 31 December 2022 and has also discussed the internal control, the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that the consolidated financial statements of the Group have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory requirements and that adequate disclosures will be made in the 2022 annual report of the Company.

## **ANNUAL GENERAL MEETING**

The forthcoming AGM will be held on Thursday, 8 June 2023. For the details, please refer to the notice of the AGM which will be published and dispatched to the shareholders of the Company as soon as practicable in accordance with the bye-laws of the Company and the Listing Rules.

## **CLOSURE OF REGISTER OF MEMBERS**

### **(a) For determining the entitlement to attend and vote at the forthcoming AGM**

The register of members of the Company will be closed from Monday, 5 June 2023 to Thursday, 8 June 2023 (both days inclusive), during which no transfer of shares of the Company may be registered, for the purposes of ascertaining shareholders' entitlement to attend and vote at the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 2 June 2023.

### **(b) For determining the entitlement to the special dividend**

The register of members of the Company will be closed from Monday, 19 June 2023 to Wednesday, 21 June 2023 (both days inclusive), during which period no transfer of shares of the Company may be registered, for the purposes of ascertaining shareholders' entitlement for the proposed special dividend. The record date for the proposed special dividend shall be Wednesday, 21 June 2023. In order to qualify for the proposed special dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 16 June 2023.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT FOR 2022**

The annual results announcement of the Company for the year ended 31 December 2022 is published on both the websites of the Company ([www.chinaorientalgroup.com](http://www.chinaorientalgroup.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the year ended 31 December 2022 will be dispatched to the shareholders of the Company and published on the aforesaid websites in due course.

## **APPRECIATION**

The Board would like to extend its heartfelt gratitude to all of its staff for their hard work and dedication to the Group, and to its shareholders for their continuous support and trust in the Company.

By Order of the Board  
**China Oriental Group Company Limited**  
**HAN Jingyuan**  
*Chairman and Chief Executive Officer*

Hong Kong, 31 March 2023

*As at the date of this announcement, the Board comprises Mr. HAN Jingyuan, Mr. ZHU Jun, Mr. SHEN Xiaoling, Mr. HAN Li and Mr. Sanjay SHARMA being the Executive Directors, Mr. Ondra OTRADOVEC and Mr. ZHU Hao being the Non-executive Directors and Mr. WONG Man Chung, Francis, Mr. WANG Tianyi, Mr. WANG Bing and Dr. TSE Cho Che, Edward being the Independent Non-executive Directors.*