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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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS

| | For the six months ended 30 June | | Changes |
|--|----------------------------------|---------------|---------|
| | 2023 | 2022 | |
| Sales volume (<i>tonnes</i>) | | | |
| – Self-manufactured steel products | 3.88 million | 3.32 million | 16.8% |
| – Trading of steel products | 0.10 million | 0.21 million | (52.4%) |
| | 3.98 million | 3.53 million | 12.7% |
| Revenue (<i>RMB</i>) | | | |
| – Sales of self-manufactured steel products | 13.97 billion | 14.64 billion | (4.6%) |
| – Sales of power equipment | 1.62 billion | 1.50 billion | 8.1% |
| – Real estate | 0.08 billion | 0.03 billion | 159.7% |
| – Trading of steel products, iron ore and related raw materials and others | 6.39 billion | 8.83 billion | (27.6%) |
| | 22.06 billion | 25.00 billion | (11.8%) |
| Gross profit (<i>RMB</i>) | | | |
| – Sales of self-manufactured steel products | 562 million | 1,354 million | (58.5%) |
| – Sales of power equipment | 93 million | 140 million | (33.6%) |
| – Real estate | 45 million | 29 million | 55.2% |
| – Trading of steel products, iron ore and related raw materials and others | 19 million | 253 million | (92.5%) |
| | 719 million | 1,776 million | (59.5%) |
| Gross profit per tonne (<i>RMB</i>) | | | |
| – Sales of self-manufactured steel products | 145 | 407 | (64.4%) |

* For identification purposes only

| | For the six months ended 30 June | | |
|--|----------------------------------|---------------|---------|
| | 2023 | 2022 | Changes |
| EBITDA ¹ (RMB) | 1,050 million | 2,273 million | (53.8%) |
| EBITDA ¹ margin | 4.8% | 9.1% | N/A |
| EBIT ² (RMB) | 401 million | 1,659 million | (75.8%) |
| EBIT ² margin | 1.8% | 6.6% | N/A |
| Profit before income tax (RMB) | 266 million | 1,490 million | (82.1%) |
| Profit for the period (RMB) | 276 million | 1,230 million | (77.6%) |
| Profit for the period attributable to owners of the Company (RMB) | 282 million | 1,199 million | (76.5%) |
| Basic earnings per share (RMB) | 0.08 | 0.32 | (75.0%) |
| Interim dividend per share (HK\$) | — | 0.07 | (100%) |
| Return on equity ³ | 1.2% | 5.2% | N/A |
| | As at | | |
| | 30 June | 31 December | |
| | 2023 | 2022 | Changes |
| Total assets (RMB) | 49.46 billion | 48.02 billion | 3.0% |
| Net assets value per share (exclude non-controlling interests) (RMB) | 6.12 | 6.07 | 0.8% |
| Debt-to-capital ratio ⁴ | 57.6% | 56.7% | N/A |

¹ China Oriental Group Company Limited (the “Company”) defines EBITDA as profit for the period before finance costs — net, income tax expense, amortisation, depreciation and non-cash non-recurring items. During the six months ended 30 June 2023, there were no adjustments of non-cash non-recurring items in the calculation (2022 corresponding period: nil).

² The Company defines EBIT as profit for the period before finance costs — net, income tax expense and non-cash non-recurring items. During the six months ended 30 June 2023, there were no adjustments of non-cash non-recurring items in the calculation (2022 corresponding period: nil).

³ 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 period.

⁴ 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 unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2023 together with the comparative figures for the corresponding period in 2022.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | <i>Note</i> | Six months ended 30 June | |
|--|-------------|--------------------------|----------------|
| | | 2023 | 2022 |
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | | Unaudited | |
| Revenue | 4 | 22,058,731 | 24,998,775 |
| Cost of sales | | (21,339,463) | (23,222,470) |
| Gross profit | | 719,268 | 1,776,305 |
| Distribution costs | | (58,022) | (53,501) |
| Administrative expenses | | (365,597) | (439,721) |
| Research and development expenses | | (167,238) | (156,171) |
| Reversal of/(provision for) impairment of financial and contract assets, net | | 17,137 | (40,624) |
| Other expenses | | (11,392) | (20,310) |
| (Losses)/gains from derivative financial instruments | 6 | (21,912) | 10,594 |
| Other income | 6 | 72,533 | 105,567 |
| Other gains – net | 6 | 217,092 | 478,680 |
| Operating profit | 6 | 401,869 | 1,660,819 |
| Finance income | 7 | 110,666 | 115,880 |
| Finance costs | 7 | (245,955) | (284,780) |
| Share of results of associates and a joint venture | | (578) | (1,822) |
| Profit before income tax | | 266,002 | 1,490,097 |
| Income tax expense | 8 | 10,133 | (260,077) |
| Profit for the period | | 276,135 | 1,230,020 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(continued)*

| | | Six months ended 30 June | |
|--|-------------|---------------------------------|-------------------------|
| | | 2023 | 2022 |
| | <i>Note</i> | RMB'000 | RMB'000 |
| | | Unaudited | |
| Other comprehensive income: | | | |
| <i>Item that may be reclassified subsequently to profit or loss</i> | | | |
| Fair value gains on debt investments at fair value through other comprehensive income | | 3,896 | – |
| <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 | | 16 | 23,291 |
| Total comprehensive income for the period | | <u>280,047</u> | <u>1,253,311</u> |
| Profit for the period attributable to: | | | |
| – Owners of the Company | | 282,255 | 1,199,141 |
| – Non-controlling interests | | (6,120) | 30,879 |
| | | <u>276,135</u> | <u>1,230,020</u> |
| Total comprehensive income attributable to: | | | |
| – Owners of the Company | | 286,167 | 1,222,432 |
| – Non-controlling interests | | (6,120) | 30,879 |
| | | <u>280,047</u> | <u>1,253,311</u> |
| Earnings per share for profit attributable to owners of the Company for the period | | | |
| <i>(express in RMB per share)</i> | | | |
| – Basic earnings per share | <i>9</i> | <u>RMB0.08</u> | <u>RMB0.32</u> |
| – Diluted earnings per share | <i>9</i> | <u>RMB0.08</u> | <u>RMB0.32</u> |

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

| | | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|--|-------------|---|---|
| | <i>Note</i> | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 14,549,225 | 14,544,200 |
| Right-of-use assets | | 1,573,579 | 913,559 |
| Investment properties | 11 | 180,620 | 196,580 |
| Intangible assets | 11 | 1,772,327 | 1,803,654 |
| Investment in associates and a joint venture | | 187,308 | 178,786 |
| Financial assets at fair value through other comprehensive income | | 418,744 | 359,045 |
| Financial assets at fair value through profit or loss | 16 | 387,894 | 348,208 |
| Amount due from a related party | | 10,000 | 10,000 |
| Prepayments, deposits and other receivables | 15 | 1,074,145 | 1,071,752 |
| Long-term bank deposits | | 1,590,000 | 2,090,000 |
| Loan receivables | 17 | 430,737 | 676,998 |
| Deferred income tax assets | | 530,148 | 518,451 |
| Total non-current assets | | 22,704,727 | 22,711,233 |
| Current assets | | | |
| Properties under development and held for sale | 12 | 559,291 | 498,044 |
| Inventories | 13 | 4,704,751 | 6,089,732 |
| Trade receivables | 14 | 3,188,592 | 2,818,200 |
| Contract assets | 14 | 881,514 | 642,053 |
| Prepayments, deposits and other receivables | 15 | 3,171,462 | 3,334,678 |
| Financial assets at fair value through profit or loss | 16 | 4,456,376 | 4,480,206 |
| Amounts due from related parties | | 92,865 | 80,723 |
| Prepaid current income tax | | 135,797 | 111,439 |
| Loan receivables | 17 | 1,073,104 | 815,565 |
| Notes receivable - bank acceptance notes | 18 | 530,741 | 672,516 |
| Derivative financial instruments | | 180 | – |
| Restricted bank balances | | 3,092,999 | 3,540,756 |
| Cash and cash equivalents | | 4,666,094 | 2,124,697 |
| Structured bank deposits | 19 | 200,789 | 103,748 |
| Total current assets | | 26,754,555 | 25,312,357 |
| Total assets | | 49,459,282 | 48,023,590 |

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET *(continued)*

| | | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|---|-------------|---|---|
| | <i>Note</i> | | |
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | | 380,628 | 380,628 |
| Share premium | | 3,532,234 | 3,532,234 |
| Other reserves | | 1,856,705 | 1,852,289 |
| Retained earnings | | <u>16,993,959</u> | <u>16,813,225</u> |
| | | 22,763,526 | 22,578,376 |
| Non-controlling interests | | <u>2,684,039</u> | <u>2,706,271</u> |
| Total equity | | <u>25,447,565</u> | <u>25,284,647</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 20 | 2,694,482 | 1,322,101 |
| Lease liabilities | | 23,665 | 99,897 |
| Long-term payables | | 22,285 | 41,394 |
| Deferred revenue | | 28,337 | 29,010 |
| Deferred income tax liabilities | | <u>98,958</u> | <u>92,548</u> |
| Total non-current liabilities | | <u>2,867,727</u> | <u>1,584,950</u> |
| Current liabilities | | | |
| Trade payables | 21 | 4,365,585 | 3,667,664 |
| Accruals and other current liabilities | | 2,788,313 | 3,322,801 |
| Contract liabilities | | 1,326,167 | 1,406,525 |
| Amounts due to related parties | | 58,621 | 51,692 |
| Current income tax liabilities | | 471,990 | 455,358 |
| Lease liabilities | | 12,111 | 21,925 |
| Derivative financial instruments | | 34,913 | 49,345 |
| Borrowings | 20 | 11,909,633 | 12,116,624 |
| Long-term payables, current portion | | 35,334 | 32,539 |
| Dividends payable | | <u>141,323</u> | <u>29,520</u> |
| Total current liabilities | | <u>21,143,990</u> | <u>21,153,993</u> |
| Total liabilities | | <u>24,011,717</u> | <u>22,738,943</u> |
| Total equity and liabilities | | <u>49,459,282</u> | <u>48,023,590</u> |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Six months ended 30 June | |
|--|--------------------------|-------------------------|
| | 2023 | 2022 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | Unaudited | |
| Net cash generated from operating activities | 598,770 | 563,267 |
| Net cash generated from/(used in) investing activities | 544,320 | (632,498) |
| Net cash generated from financing activities | 1,370,715 | 1,163,405 |
| Net increase in cash and cash equivalents | 2,513,805 | 1,094,174 |
| Effect of foreign exchange rate changes | 27,592 | 47,500 |
| Cash and cash equivalents, beginning of period | 2,124,697 | 4,626,779 |
| Cash and cash equivalents, end of period | <u>4,666,094</u> | <u>5,768,453</u> |

SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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 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.

This condensed consolidated interim financial information is presented in thousands of units of RMB unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board on 31 August 2023.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2023 has been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim Financial Reporting”. This condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) except for the adoption of new and amended standards as disclosed in Note 3.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements of the Group for the year ended 31 December 2022, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

(a) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards except HKAS 12 (Amendments).

| | | Effective for annual periods beginning on or after |
|---|--|---|
| HKAS 1 and HKFRS Practice Statement 2 (Amendments) | Disclosure of Accounting Policies | 1 January 2023 |
| HKAS 8 (Amendments) | Definition of Accounting Estimates | 1 January 2023 |
| HKAS 12 (Amendments) | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| HKFRS 17 | Insurance Contracts | 1 January 2023 |

The amendments to HKAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- i. right-of-use assets and lease liabilities; and
- ii. decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments as of 31 December 2022 was not material and hence no adjustment was made to the beginning retained earnings, or another component of equity.

- (b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2023 and have not been early adopted by the Group:

| | | Effective for annual periods beginning on or after |
|--------------------------------------|--|---|
| HKAS 1 (Amendments) | Classification of Liabilities as Current or Non-current | 1 January 2024 |
| HKAS 1 (Amendments) | Non-current Liabilities with Covenants | 1 January 2024 |
| HKFRS 16 (Amendments) | Lease liability in Sale and Leaseback | 1 January 2024 |
| 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 2024 |
| HKFRS 10 and HKAS 28 (Amendments) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined |

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

4. REVENUE

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 six months ended 30 June 2023 and 2022 were as follows:

| | Six months ended 30 June | |
|--|--------------------------|----------------|
| | 2023 | 2022 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | Unaudited | Unaudited |
| Sales: | | |
| – H-section steel products | 7,055,205 | 8,422,123 |
| – Strips and strip products | 5,130,934 | 5,248,204 |
| – Iron ore | 4,570,854 | 6,182,948 |
| – Power equipment | 1,620,604 | 1,499,825 |
| – Sheet piling | 1,223,352 | 1,344,061 |
| – Cold rolled sheets and galvanised sheets | 734,530 | 720,729 |
| – Coke | 491,072 | 431,876 |
| – Billets | 274,532 | 54,649 |
| – Steel scrap | 216,968 | 442,093 |
| – Real estate | 83,623 | 32,206 |
| – Others | 657,057 | 620,061 |
| | 22,058,731 | 24,998,775 |

5. 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 the consolidated financial statements for the year ended 31 December 2022.

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

| | Six months ended 30 June 2023 | | |
|---|---|---|--------------------------------|
| | Iron and steel <i>RMB'000</i> | Real estate <i>RMB'000</i> Unaudited | Total <i>RMB'000</i> |
| Revenue | <u>21,975,108</u> | <u>83,623</u> | <u>22,058,731</u> |
| Segment results: | | | |
| Operating profit | 370,306 | 31,563 | 401,869 |
| Finance (costs)/income – net | (137,804) | 2,515 | (135,289) |
| Share of results of associates and a joint venture | (578) | – | <u>(578)</u> |
| Profit before income tax | | | 266,002 |
| Income tax expense | | | <u>10,133</u> |
| Profit for the period | | | <u><u>276,135</u></u> |
| Other profit or loss items | | | |
| Depreciation and amortisation | <u>647,880</u> | <u>340</u> | <u>648,220</u> |
| Capital expenditure | <u>1,341,295</u> | <u>3</u> | <u>1,341,298</u> |
| | | | |
| | Six months ended 30 June 2022 | | |
| | Iron and steel <i>RMB'000</i> | Real estate <i>RMB'000</i> Unaudited | Total <i>RMB'000</i> |
| Revenue | <u>24,966,569</u> | <u>32,206</u> | <u>24,998,775</u> |
| Segment results: | | | |
| Operating profit | 1,660,696 | 123 | 1,660,819 |
| Finance (costs)/income – net | (211,509) | 42,609 | (168,900) |
| Share of results of associates and a joint venture | (1,822) | – | <u>(1,822)</u> |
| Profit before income tax | | | 1,490,097 |
| Income tax expense | | | <u>(260,077)</u> |
| Profit for the period | | | <u><u>1,230,020</u></u> |
| Other profit or loss items | | | |
| Depreciation and amortisation | <u>613,538</u> | <u>743</u> | <u>614,281</u> |
| Capital expenditure | <u>1,358,070</u> | <u>47</u> | <u>1,358,117</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, properties under development and held for sale, inventories, trade receivables, contract assets, prepayments, deposits and other receivables, loan receivables, amounts due from related parties, notes receivable - bank acceptance notes, restricted bank balances and cash and cash equivalents.

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

The segment assets and liabilities as at 30 June 2023 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> |
|---|---|--------------------------------------|--------------------------------------|--------------------------------|
| | Unaudited | | | |
| Segment assets | <u>41,272,986</u> | <u>1,842,973</u> | <u>(1,376,605)</u> | <u>41,739,354</u> |
| Segment assets for reportable segments | | | | 41,739,354 |
| Unallocated: | | | | |
| Deferred income tax assets | | | | 530,148 |
| Financial assets at fair value through other comprehensive income | | | | 418,744 |
| Financial assets at fair value through profit or loss | | | | 4,844,270 |
| Derivative financial instruments | | | | 180 |
| Structured bank deposits | | | | 200,789 |
| Long-term bank deposits | | | | 1,590,000 |
| Prepaid current income tax | | | | <u>135,797</u> |
| Total assets per balance sheet | | | | <u><u>49,459,282</u></u> |
| Segment liabilities | <u>8,553,247</u> | <u>1,483,776</u> | <u>(1,376,605)</u> | <u>8,660,418</u> |
| Segment liabilities for reportable segments | | | | 8,660,418 |
| Unallocated: | | | | |
| Current income tax liabilities | | | | 471,990 |
| Current borrowings | | | | 11,909,633 |
| Non-current borrowings | | | | 2,694,482 |
| Derivative financial instruments | | | | 34,913 |
| Dividends payable | | | | 141,323 |
| Deferred income tax liabilities | | | | <u>98,958</u> |
| Total liabilities per balance sheet | | | | <u><u>24,011,717</u></u> |

The segment assets and liabilities as at 31 December 2022 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> |
|---|----------------------------------|-------------------------------|-------------------------------|--------------------------|
| | | Audited | | |
| Segment assets | <u>39,447,074</u> | <u>1,712,801</u> | <u>(1,147,382)</u> | <u>40,012,493</u> |
| Segment assets for reportable segments | | | | 40,012,493 |
| Unallocated: | | | | |
| 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> |
| Segment liabilities | <u>8,438,919</u> | <u>1,381,910</u> | <u>(1,147,382)</u> | <u>8,673,447</u> |
| Segment liabilities for reportable segments | | | | 8,673,447 |
| Unallocated: | | | | |
| 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> |

6. OPERATING PROFIT

The operating profit of the Group has been derived after crediting/(charging) the following items:

| | Six months ended 30 June | |
|---|---------------------------------|-----------|
| | 2023 | 2022 |
| | RMB'000 | RMB'000 |
| | Unaudited | Unaudited |
| Depreciation of property, plant and equipment (<i>Note 11</i>) | (579,902) | (561,066) |
| Depreciation of right-of-use assets | (23,834) | (13,037) |
| Amortisation of intangible assets (<i>Note 11</i>) | (37,366) | (33,611) |
| Depreciation of investment properties (<i>Note 11</i>) | (7,118) | (6,567) |
| Provision for impairment of prepayments, deposits and other receivables | (3,410) | (6,276) |
| Reversal of/(provision for) impairment of loan receivables | 40,988 | (6,913) |
| Provision for impairment of trade receivables and contract assets | (20,441) | (27,435) |
| Reversal of/(provision for) impairment of properties under development and held for sale | 19,633 | (22,195) |
| (Provision for)/reversal of impairment of inventories to net realisable value | (2,482) | 30,552 |
| Other income | | |
| – Interest income from loan receivables | 6,394 | 51,466 |
| – Government grants | 31,754 | 31,876 |
| – Dividend income from financial assets at fair value through other comprehensive income | 17,038 | 8,432 |
| – Rental income from investment properties | 16,174 | 13,396 |
| – Interest income from financial assets at fair value through other comprehensive income | 1,173 | 397 |
| Other gains – net | | |
| – Fair value gains/(losses) from financial assets at fair value through profit or loss | 112,665 | (99,896) |
| – Other foreign exchange gains/(losses) – net | 64,829 | (41,275) |
| – Investment income/(losses) from financial assets at fair value through profit or loss | 59,986 | (1,052) |
| – Gains on disposal of investment properties | 8,474 | – |
| – Gains on early termination of lease contracts | 5,585 | – |
| – Gains on disposal of property, plant and equipment | 552 | 1 |
| – Investment income from structured bank deposits | 136 | 6,089 |
| – Losses on derecognition of notes receivable | (49,276) | (108,996) |
| – Gains on disposal of production capacities | – | 493,808 |
| – Gains on disposal of an associate | – | 73,119 |
| – Gains on disposal of subsidiaries | – | 212,070 |
| – Waiver of interest of loan receivables | – | (56,000) |
| – Others | 14,141 | 812 |
| (Losses)/gains from derivative financial instruments | | |
| – Investment (losses)/gains from foreign currency forward contracts | (12,598) | 37,027 |
| – Investment losses from rebar, hot-rolled coil and other products future contracts | (8,429) | (28,253) |
| – Investment (losses)/gains from rebar, hot-rolled coil and other products future option contracts | (885) | 1,820 |

7. FINANCE INCOME AND COSTS

| | Six months ended 30 June | |
|---|--------------------------|------------------|
| | 2023 | 2022 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | Unaudited | Unaudited |
| Interest expenses on borrowings | (240,403) | (239,923) |
| Interest expenses on lease liabilities | (960) | (2,942) |
| Net foreign exchange losses on borrowings and dividends payable | (28,319) | (77,248) |
| | <u>(269,682)</u> | <u>(320,113)</u> |
| Finance costs | (269,682) | (320,113) |
| Less: amounts capitalised as qualifying assets | 23,727 | 35,333 |
| | <u>(245,955)</u> | <u>(284,780)</u> |
| Total finance costs | (245,955) | (284,780) |
| Finance income – interest income | 110,666 | 115,880 |
| | <u>(135,289)</u> | <u>(168,900)</u> |

For the six months ended 30 June 2023, a capitalisation rate of 3.49% (2022 corresponding period: 4.42%) was used, representing the average borrowing cost of the loans relating to financing the construction of property, plant and equipment.

8. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|-----------------------------|--------------------------|----------------|
| | 2023 | 2022 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | Unaudited | Unaudited |
| Current income tax | | |
| – PRC enterprise income tax | (5,608) | 303,243 |
| – Singapore profits tax | 1,179 | 7,371 |
| | <u>(4,429)</u> | <u>310,614</u> |
| Deferred income tax | | |
| – PRC enterprise income tax | (5,704) | (50,537) |
| | <u>(10,133)</u> | <u>260,077</u> |

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 19.43% (2022 corresponding period: 22.78%) to respective profits of the consolidated entities for the six months ended 30 June 2023 and 2022 as follows:

| | Six months ended 30 June | |
|--|---------------------------------|-----------|
| | 2023 | 2022 |
| | RMB'000 | RMB'000 |
| | Unaudited | Unaudited |
| Profit before income tax | 266,002 | 1,490,097 |
| Taxation calculated at statutory tax rates applicable in corresponding countries and regions | 51,681 | 339,450 |
| Tax exemption of subsidiaries with preferential tax policy | (22,016) | (35,951) |
| Temporary differences and tax losses for which no deferred income tax asset was recognised | 20,464 | 14,348 |
| Utilisation of previously unrecognised tax losses and temporary differences | (26,732) | (9,375) |
| Withholding tax of intra-group dividends income and interest income | 18,586 | 16,037 |
| Additional deduction of research and development expenses and other expenses | (35,002) | (35,067) |
| Effect of non-taxable income | (18,768) | (29,811) |
| Effect of non-deductible expenses | 1,654 | 446 |
| | (10,133) | 260,077 |

9. 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 period.

| | Six months ended 30 June | |
|---|---------------------------------|-----------|
| | 2023 | 2022 |
| | Unaudited | Unaudited |
| Profit attributable to owners of the Company (RMB'000) | 282,255 | 1,199,141 |
| Weighted average number of ordinary shares in issue (thousands of shares) | 3,722,569 | 3,722,569 |
| Basic earnings per share (RMB per share) | 0.08 | 0.32 |

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 30 June 2023, the diluted earnings per share was the same as basic earnings per share since share options would have an anti-dilutive effect for the six months ended 30 June 2023.

As at 30 June 2022, the Group did not have any dilutive potential ordinary share. Therefore, diluted earnings per share was the same as basic earnings per share.

10. DIVIDENDS

| | Six months ended 30 June | |
|-------------------|--------------------------|----------------|
| | 2023 | 2022 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | Unaudited | Unaudited |
| Final, paid (a) | 101,521 | 284,532 |
| Interim, paid (b) | — | 228,758 |

- (a) At the Board meeting held on 31 March 2023, the Board proposed a special dividend of approximately HK\$112 million, representing HK\$0.03 per ordinary share for the year ended 31 December 2022. The proposed special dividend of approximately HK\$112 million (approximately RMB102 million) was approved by the shareholders of the Company at the annual general meeting of the Company on 8 June 2023 and was paid on 18 August 2023.

At the Board meeting held on 29 March 2022, the Board proposed a final dividend of approximately HK\$223 million, representing HK\$0.06 per ordinary share and a special dividend of approximately HK\$112 million, representing HK\$0.03 per ordinary share for the year ended 31 December 2021. The proposed final and special dividends of approximately HK\$335 million (approximately RMB285 million) were approved by the shareholders of the Company at the annual general meeting of the Company on 8 June 2022 and were paid on 4 July 2022.

- (b) At the Board meeting held on 31 August 2023, the Board did not recommend the distribution of an interim dividend for the six months ended 30 June 2023.

At the Board meeting held on 31 August 2022, the Board proposed an interim dividend of approximately HK\$261 million (approximately RMB229 million), representing HK\$0.07 per ordinary share for the six months ended 30 June 2022 and was paid on 24 October 2022.

11. CAPITAL EXPENDITURE

| | Property, plant and equipment <i>RMB'000</i> | Investment properties <i>RMB'000</i> Unaudited | Intangible assets <i>RMB'000</i> |
|---|---|---|--|
| Six months ended 30 June 2023 | | | |
| Opening carrying amount as at 1 January 2023 | 14,544,200 | 196,580 | 1,803,654 |
| Additions | 585,523 | 1,788 | 6,039 |
| Disposals | (596) | (10,630) | – |
| Depreciation and amortisation (<i>Note 6</i>) | (579,902) | (7,118) | (37,366) |
| | <u>14,549,225</u> | <u>180,620</u> | <u>1,772,327</u> |
| Six months ended 30 June 2022 | | | |
| Opening carrying amount as at 1 January 2022 | 13,173,153 | 100,346 | 263,811 |
| Acquisition of subsidiaries | 575,333 | 100,460 | 1,563,170 |
| Additions | 1,349,666 | 1,229 | 7,222 |
| Disposals | (84,124) | – | – |
| Depreciation and amortisation (<i>Note 6</i>) | (561,066) | (6,567) | (33,611) |
| | <u>14,452,962</u> | <u>195,468</u> | <u>1,800,592</u> |

12. PROPERTIES UNDER DEVELOPMENT AND HELD FOR SALE

| | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|--|---|---|
| Properties under development comprise: | | |
| – Land use rights | 214,765 | 337,126 |
| – Construction costs | 218,190 | 282,158 |
| Less: impairment provision | <u>(113,541)</u> | <u>(196,246)</u> |
| | 319,414 | 423,038 |
| Completed properties held for sale | 302,949 | 75,006 |
| Less: impairment provision | <u>(63,072)</u> | <u>–</u> |
| | <u>559,291</u> | <u>498,044</u> |

13. INVENTORIES

| | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|--|---|---|
| Raw materials and materials in-transit | 2,788,402 | 3,278,142 |
| Work-in-progress | 627,760 | 563,007 |
| Finished goods | 1,319,679 | 2,277,191 |
| Less: impairment provision | (31,090) | (28,608) |
| | <u>4,704,751</u> | <u>6,089,732</u> |

14. TRADE RECEIVABLES AND CONTRACT ASSETS

| | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|--|---|---|
| Trade receivables | 3,433,874 | 3,060,422 |
| Contract assets | 936,548 | 681,069 |
| Less: impairment provision for trade receivables | (245,282) | (242,222) |
| impairment provision for contract assets | (55,034) | (39,016) |
| | <u>4,070,106</u> | <u>3,460,253</u> |

As at 30 June 2023 and 31 December 2022, the carrying amount of the Group's trade receivables and contract assets approximated their fair values.

As at 30 June 2023 and 31 December 2022, the ageing analysis of the gross amount of trade receivables and contract assets based on invoice date was as follows:

| | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|-----------------|---|---|
| Within 3 months | 3,225,576 | 2,883,326 |
| 4–6 months | 455,249 | 251,732 |
| 7–12 months | 216,494 | 87,466 |
| Over 1 year | 473,103 | 518,967 |
| | <u>4,370,422</u> | <u>3,741,491</u> |

As at 30 June 2023, trade receivables amounting to approximately RMB276 million (31 December 2022: approximately RMB221 million) were pledged as security for the Group for issuance of letters of credit.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|---|--|---|
| Non-current | | |
| Prepayments for purchase of long-term assets | 938,662 | 1,156,233 |
| Less: impairment provision | – | (234,235) |
| | <hr/> | <hr/> |
| Prepayments for purchase of long-term assets – net | 938,662 | 921,998 |
| Prepaid expenses | 36,158 | 36,056 |
| Other receivables related to lease | 107,212 | 122,403 |
| Less: impairment provision | (7,887) | (8,705) |
| | <hr/> | <hr/> |
| Other receivables related to lease – net | 99,325 | 113,698 |
| | <hr/> | <hr/> |
| | 1,074,145 | 1,071,752 |
| | <hr/> | <hr/> |
| Current | | |
| Prepayments for purchase of inventories | 1,666,724 | 1,594,802 |
| Other receivables related to disposal of a subsidiary | 414,199 | 514,199 |
| | <hr/> | <hr/> |
| Other receivables | 595,238 | 815,784 |
| Less: impairment provision | (186,379) | (182,267) |
| | <hr/> | <hr/> |
| Other receivables – net | 408,859 | 633,517 |
| | <hr/> | <hr/> |
| Deposits | 316,550 | 255,963 |
| Prepaid expenses | 169,613 | 183,281 |
| Prepaid tax | 128,233 | 94,605 |
| Other receivables related to lease | 72,598 | 62,807 |
| Less: impairment provision | (5,314) | (4,496) |
| | <hr/> | <hr/> |
| Other receivables related to lease – net | 67,284 | 58,311 |
| | <hr/> | <hr/> |
| | 3,171,462 | 3,334,678 |
| | <hr/> | <hr/> |
| | 4,245,607 | 4,406,430 |
| | <hr/> <hr/> | <hr/> <hr/> |

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|-------------------------------|---|---|
| Non-current | | |
| Listed equity interests | 293,888 | 238,605 |
| Financial investment products | 94,006 | 109,603 |
| | <u>387,894</u> | <u>348,208</u> |
| Current | | |
| Listed bond investments | 1,504,343 | 1,541,281 |
| Investment funds | 1,240,166 | 1,233,286 |
| Financial investment products | 826,394 | 878,316 |
| Bond market funds | 513,995 | 444,469 |
| Listed equity interests | 273,375 | 232,926 |
| Money market funds | 98,103 | 149,928 |
| | <u>4,456,376</u> | <u>4,480,206</u> |
| Total | <u><u>4,844,270</u></u> | <u><u>4,828,414</u></u> |

17. LOAN RECEIVABLES

| | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|--|--|---|
| Non-current | | |
| Long-term loan receivables (a) | 440,670 | 692,265 |
| Less: impairment provision (c) | (9,933) | (15,267) |
| | 430,737 | 676,998 |
| Current | | |
| Short-term and current portion of long-term loan receivables (b) | 1,348,681 | 1,126,796 |
| Less: impairment provision (c) | (275,577) | (311,231) |
| | 1,073,104 | 815,565 |
| Total loan receivables, net of provision | 1,503,841 | 1,492,563 |

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

- (a) As at 30 June 2023, long-term loan receivable of approximately RMB348 million (31 December 2022: 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 30 June 2023, long-term loan receivable of approximately RMB93 million (31 December 2022: nil) was secured by certain properties in Hong Kong, interest bearing at 10% per annum and repayable in 2 years.

- (b) As at 30 June 2023, short-term loan receivables of approximately RMB917 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 0.0% to 10.0% per annum.

As at 30 June 2023, short-term loan receivable of approximately RMB178 million was borrowed by Huzhou Fenglin Volcanic Equity Investment Partnership (Limited Partnership) (“**Fenglin Volcanic**”), which was secured by the borrower’s pledge of listed equity shares of Jiangsu Shentong Valve Co., Ltd. (“**Jiangsu Shentong**”), interest bearing at rate of 8% per annum. Fenglin Volcanic was the second largest shareholder of Jiangsu Shentong, and Mr. Han Li was the largest shareholder and the chairman of Jiangsu Shentong.

As at 30 June 2023, short-term loan receivable of approximately RMB254 million was borrowed by Mr. Liu Feng and Ms. Liu Yanhua, the shareholders of Qingdao Huijintong Power Equipment Company Limited (“**HJT**”). The loan was secured by the borrowers’ pledge of listed equity shares of HJT, interest free and repayable on 10 January 2024.

As at 31 December 2022, short-term loan receivables of approximately RMB1,127 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.

- (c) As at 30 June 2023, provisions amounting to approximately RMB45 million (31 December 2022: approximately RMB45 million) were 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 30 June 2023, provisions amounting to approximately RMB241 million (31 December 2022: approximately RMB282 million) were recognised on the loan receivables based on expected credit losses given that the decline in the value of underlying assets and evolving uncertainty in the recoverable amounts. For the six months ended 30 June 2023, a reversal of impairment of loan receivables of approximately RMB41 million was made in view of improved market conditions of the underlying assets.

The fair values 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

| | As at 30 June 2023 RMB'000 Unaudited | As at 31 December 2022 RMB'000 Audited |
|--|---|---|
| Notes receivable designated as financial assets at fair value through other comprehensive income | 530,741 | 672,516 |

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 were considered to be low.

As at 30 June 2023, notes receivable amounting to approximately RMB117 million (31 December 2022: nil) was pledged as security for issuing notes payable (Note 21) and approximately RMB30 million (31 December 2022: approximately RMB14 million) was pledged as security for the Group's bank borrowing (Note 20).

As at 30 June 2023 and 31 December 2022, the ageing analysis of notes receivable was as follows:

| | As at 30 June 2023 RMB'000 Unaudited | As at 31 December 2022 RMB'000 Audited |
|-----------------|---|---|
| Within 3 months | 356,240 | 531,559 |
| 4-6 months | 174,401 | 136,348 |
| 7-12 months | 100 | 4,609 |
| | 530,741 | 672,516 |

19. STRUCTURED BANK DEPOSITS

| | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|---|---|---|
| Financial assets at fair value through profit or loss | <u>200,789</u> | <u>103,748</u> |

As at 30 June 2023, the structured bank deposits represented financial instruments placed by the Group in various banks in the Mainland China for a term within 1 year. The interest of structured bank deposits of RMB200 million (31 December 2022: approximately RMB10 million) was linked to BFIX EUR/USD and the interest of structured bank deposits of approximately RMB1 million (31 December 2022: approximately RMB42 million) was linked to BFIX USD/CNH. No interest of structured bank deposits was linked to BFIX EUR/CNH (31 December 2022: approximately RMB52 million).

20. BORROWINGS

| | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|----------------------------------|---|---|
| Non-current | | |
| Bank borrowings | | |
| – Secured (i) | 843,400 | 341,200 |
| – Unsecured | 1,851,082 | 980,901 |
| | <u>2,694,482</u> | <u>1,322,101</u> |
| Current | | |
| Bank borrowings | | |
| – Secured (i) | 7,438,183 | 7,569,096 |
| – Unsecured | 4,466,113 | 4,542,191 |
| | <u>11,904,296</u> | <u>12,111,287</u> |
| Other borrowings, unsecured (ii) | 5,337 | 5,337 |
| | <u>11,909,633</u> | <u>12,116,624</u> |
| Total borrowings | <u>14,604,115</u> | <u>13,438,725</u> |

The borrowings of the Group as at 30 June 2023 were composed of the following:

- (i) The secured bank borrowings as at 30 June 2023, totaling approximately RMB6,692 million were secured by property, plant and equipment, investment properties, right-of-use assets, notes receivable - bank acceptance notes (Note 18) and restricted bank balances of the Group, while totaling approximately RMB1,590 million were secured by long-term bank deposits.

The secured bank borrowings as at 31 December 2022, totaling approximately RMB5,820 million were secured by property, plant and equipment, investment properties, right-of-use assets, notes receivable - bank acceptance notes (Note 18) and restricted bank balances of the Group, while totaling approximately RMB2,090 million were secured by long-term bank deposits.

- (ii) The other unsecured borrowings of approximately RMB5 million (31 December 2022: approximately RMB5 million) represented a borrowing from a local county government without fixed term of repayment. Interest is charged at the one year fixed bank deposit rate of RMB.

As at 30 June 2023 and 31 December 2022, the Group's borrowings were repayable as follows:

| | Bank borrowings | | Other borrowings | |
|-----------------------|---|---|---|---|
| | As at 30 June 2023 RMB'000 Unaudited | As at 31 December 2022 RMB'000 Audited | As at 30 June 2023 RMB'000 Unaudited | As at 31 December 2022 RMB'000 Audited |
| Within 1 year | 11,904,296 | 12,112,487 | 5,337 | 5,337 |
| Between 1 and 2 years | 1,537,414 | 997,526 | – | – |
| Between 2 and 5 years | 673,068 | 252,375 | – | – |
| Over 5 years | 484,000 | 71,000 | – | – |
| | <u>14,598,778</u> | <u>13,433,388</u> | <u>5,337</u> | <u>5,337</u> |

21. TRADE PAYABLES

| | As at 30 June 2023 RMB'000 Unaudited | As at 31 December 2022 RMB'000 Audited |
|------------------|---|---|
| Account payables | 3,161,936 | 2,996,333 |
| Notes payable | 1,203,649 | 671,331 |
| | <u>4,365,585</u> | <u>3,667,664</u> |

As at 30 June 2023, notes payable of approximately RMB1,204 million represented bank acceptance notes (31 December 2022: approximately RMB593 million represented bank acceptance notes and approximately RMB78 million represented commercial acceptance notes), of which approximately RMB117 million (31 December 2022: nil) were secured by certain notes receivable - bank acceptance notes (Note 18), approximately RMB1,087 million (31 December 2022: approximately RMB593 million) were secured by certain restricted bank balances, and nil (31 December 2022: approximately RMB78 million of commercial acceptance notes) was guaranteed by credit.

As at 30 June 2023 and 31 December 2022, the ageing analysis of the trade payables was as follows:

| | As at 30 June 2023 RMB'000 Unaudited | As at 31 December 2022 RMB'000 Audited |
|-----------------|---|---|
| Within 3 months | 3,361,517 | 1,757,675 |
| 4–6 months | 609,822 | 1,452,838 |
| 7–9 months | 174,858 | 177,990 |
| 10–12 months | 55,838 | 34,027 |
| Over 1 year | 163,550 | 245,134 |
| | <u>4,365,585</u> | <u>3,667,664</u> |

22. FINANCIAL GUARANTEE CONTRACTS

| | As at 30 June 2023 RMB'000 Unaudited | As at 31 December 2022 RMB'000 Audited |
|---------------------------------------|---|---|
| Guarantee for engineering and trading | <u>14,506</u> | <u>88,219</u> |

As at 30 June 2023, the Group provided guarantee for engineering and trading in favour of third parties amounting to approximately RMB15 million (31 December 2022: approximately RMB88 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 value of these financial guarantee contracts was not significant.

23. CAPITAL COMMITMENTS

| | As at 30 June 2023 <i>RMB'000</i> Unaudited | As at 31 December 2022 <i>RMB'000</i> Audited |
|---|--|---|
| Purchase of property, plant and equipment | | |
| – Contracted but not provided for | 730,587 | 1,060,190 |
| – Authorised but not contracted for | 366,817 | 368,817 |
| | 1,097,404 | 1,429,007 |
| Purchase of properties under development | 461,062 | 495,554 |

24. POST BALANCE SHEET EVENT

On 24 August 2023, 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 non-wholly owned subsidiary of the Company, entered into the capacity transfer agreement with Tangshan Guotang Iron & Steel Co., Ltd.* (唐山國堂鋼鐵有限公司) in relation to the transfer of annual iron production capacity of 1.08 million tonnes at a total consideration of RMB810 million (including VAT). For details, please refer to the announcement of the Company dated 24 August 2023.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Looking back at the first half of 2023, the downward trend of the global economy slowed down, with inflation in major economies continuing to fall. However, the recovery was increasingly characterised by divergence. The global service sector recovered steadily, while the manufacturing and commodities trading sectors recovered more sluggishly and geopolitical conflicts persisted. In respect of the People's Republic of China (the “**PRC**”), economic growth during the period fell short of expectations. The overall supply and demand in the iron and steel industry was lean to loose and investment in infrastructure increased by 7.2% year-on-year, still maintaining a relatively fast growth rate. The decline in the new construction area of real estate sector widened to a year-on-year decline of 24.9%. The demand for steel used in the real estate sector remained relatively weak, while the sales and production volume of automobile saw rebound. Affected by the unfavourable condition of the real estate sector, the demand for engineering machinery remained dull. The recovery momentum in downstream demand for steel as a whole was relatively fragile, and the performance of the iron and steel industry improved slightly from the low level in the second half of 2022. In summary, due to the strong expectation of the iron and steel industry for the recovery of downstream demand, the crude steel production output in the PRC still recorded growth in the first half of 2023. According to the National Bureau of Statistics of the PRC, the national production volumes of pig iron, crude steel and steel products in the first half of 2023 amounted to 452 million tonnes, 536 million tonnes and 677 million tonnes respectively, representing an increase of 2.7%, 1.3% and 4.4% respectively, compared to the corresponding period in 2022.

With regard to the policies of the iron and steel industry, in February 2023, the National Development and Reform Commission of the PRC (the “**NDRC**”) issued the “Guiding Opinions on Coordinating Energy Conservation and Carbon Reduction and Recycling to Accelerate the Replacement and Improvement of Products and Equipment in Key Areas (《關於統籌節能降碳和回收利用加快重點領域產品設備更新改造的指導意見》)”, which stated that efforts will be made to promote the recycling of major renewable resources such as steel scrap, non-ferrous scrap, etc. up to 450 million tonnes by 2025. In July 2023, the NDRC, together with the Ministry of Industry and Information Technology (the “**MIIT**”) and the Ministry of Ecology and Environment and other ministries, released the “Benchmarking and Baseline Levels for Energy Efficiency in Industry Key Areas (2023 Edition) (《工業重點領域能效標杆水平和基準水平 (2023年版)》)”, which required that for the existing projects with energy efficiency below the baseline level, the transformation and upgrade and

phase-out time for projects should be identified nationwide, annual transformation and phase-out plans should be formulated, and enterprises should be guided to carry out energy-saving and carbon-reduction technical transformation or phase-out in an orderly manner and the energy efficiency transformation should be upgraded to the baseline level or above within the prescribed time limit, and projects with transformation could not be completed on time should be phased out. The iron and steel industry policy continued to focus on energy efficiency improvement and green and low-carbon transformation for development.

Against this backdrop, the Group has continued to reduce costs and improve efficiency, increase investment in marketing promotion and environmental protection, and strengthen product research and development, etc., so as to enhance operational efficiency and sustainability. However, affected by the above factors, among others (i) a decrease in the average selling price of steel products of the Group due to a continuous sluggish downstream demand of the iron and steel industry and the recovery of downstream demand during the traditional peak season fell below the industry expectation; and (ii) despite a certain decrease of prices of the major raw materials and steel products were observed, the decreasing price trend of the major raw materials was slower than that of the steel products, leading to the overall production costs of the Group being remained at a relatively high level. The Group's net profit for the six months ended 30 June 2023 recorded a decrease of approximately 72.9% as compared to the Group's net profit (excluding the after tax effect of the non-recurring gain on disposal of Fangchenggang Jinxi Section Steel Technology Company Limited* (防城港津西型鋼科技有限公司) of approximately RMB212 million) of approximately RMB1.02 billion for the corresponding period in 2022. The Group recorded a revenue of approximately RMB22.06 billion for the six months ended 30 June 2023, representing a decrease of approximately 11.8% as compared to the corresponding period last year. The average selling price of self-manufactured steel products decreased by 18.3% to approximately RMB3,599 per tonne and the gross profit decreased by approximately 58.5% to approximately RMB562 million as compared to the corresponding period in 2022. The Group's interim net profit was approximately RMB276 million, representing a decrease of approximately 77.6% as compared with the net profit of approximately RMB1.23 billion for the corresponding period last year. EBITDA decreased from approximately RMB2.27 billion for the corresponding period last year to approximately RMB1.05 billion. Basic earnings per share was RMB0.08 (the corresponding period in 2022: RMB0.32).

In February and July 2023, the Company was listed as one of the “2022 Forbes China Top 50 Sustainable Development Industrial Enterprises” and ranked 309th among the “2023 Fortune China Top 500 Enterprises”. Besides, in July 2023, 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 awarded six innovation achievement awards 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). Qingdao Huijintong Power Equipment Company Limited* (青島匯金通電力設備股份有限公司, “**HJT**”), another subsidiary of the Company, was accredited as the “National Enterprise Technology Centre” by the NDRC in July 2023.

Given the performance for the first half of 2023 and taking into account the current challenges in the iron and steel industry, the Board did not recommend the distribution of an interim dividend for 2023 and would like to consider the dividend arrangement for the 2023 whole year at the year-end results.

In respect of the iron and steel business, focusing on the overall goal of cost reduction and efficiency improvement and on the basis of Grade A environmental performance, the Group strived to build a first-class enterprise in the industry through measures such as peer benchmarking, process upgrading, technology introduction, equipment transformation and innovative breakthroughs. In the first half of 2023, in view of the continuous weakness of the domestic iron and steel market, in order to raise the awareness of cost reduction and efficiency improvement among all units, the Group formulated a process cost reduction plan from procurement, logistics, production and other aspects, and integrated it into the KPI responsibility statements of every unit head, so as to incorporate the cost reduction and efficiency enhancement initiatives into the corporate culture. In the meantime, the Group continued to develop new products, including products complied with international specifications, European standards, American standards, British standards, marine angle steel and marine steel, etc. as well as promoted prefabricated residential steel, photovoltaic brackets and steel for building structure, etc.. It also continued to promote the new materials business of recycling and sales of residual solid waste in production to further expand the market. In addition, the Group commenced the construction of branch-line railways (the “**Branch-line Railway Project**”) in 2019 for transportation of materials and inventories for the business of the Group. The Branch-line Railway Project will be used to connect the Group’s facilities with the railway transportation hub system and ports nearby. The Group has completed all works of the Branch-line Railway Project in 2022, which will be put into operation when the local government completes the capacity expansion and transformation of its responsible “Zunxiao Railway”. In the first half of 2023, the Group sold approximately 1.95 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.

During the first half of 2023, the Group continued to strengthen the upstream and downstream linkage and integration with HJT's power transmission equipment business. HJT is principally engaged in the research and development, manufacturing and sales of power transmission equipment and it currently operates production plants in the PRC with an aggregate annual production capacity of approximately 450,000 tonnes. On 13 June 2023, Qingdao Huadian Marine Equipment Company Limited* (青島華電海洋裝備有限公司, “**Qingdao Huadian**”), a direct wholly-owned subsidiary of HJT and HJT respectively passed the resolutions of the capital injection of RMB450 million to Chongqing Jodear Power Equipment Co., Ltd.* (重慶江電電力設備有限公司, “**Chongqing Jodear**”) and RMB150 million to Chongqing Deyang International Trading Co., Ltd.* (重慶德揚國際貿易有限公司, “**Chongqing Deyang**”) to strengthen the capital structure of Chongqing Jodear and Chongqing Deyang, and would enable Chongqing Jodear and Chongqing Deyang to expand their respective scale of operation. For details, please refer to the announcement of the Company dated 13 June 2023. Currently, HJT has developed into an industry-leading private power transmission equipment manufacturer in the PRC.

In October 2022, Jinxi Limited entered into an agreement with Fangchenggang City Government and related authorities (please refer to the announcement of the Company dated 7 October 2022 for details). Since the signing of the agreement, the Fangchenggang City Government has been sincere and committed to overcome the epidemic and various unfavorable factors, and has fulfilled its obligations as of 31 August 2023. The Company would like to express gratitude to the Fangchenggang City Government for its continuous efforts in overcoming the difficulties and challenges as well as fulfilling the obligations in accordance with the time schedule of the agreement.

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 located in Tangshan City and Suzhou City, the sales and delivery of most units have been completed in the past years. In the first half of 2023, the 4th phase of the Donghu Bay project in Tangshan City and the Jinxi Meishu Hall project in Guangxi Province have completed the first batch of delivery and the Group recorded revenue and operating profit from real estate business of approximately RMB84 million and RMB32 million, respectively. In addition, benefiting from the improvement of the real estate market, the Group updated the appraised value of the Jinxi Meishu Hall project and Jinxi Xijiang Bay project in properties under development and held for sale in the first half of 2023 based on the prevailing market selling price, and therefore a reversal of impairment of approximately RMB20 million was recorded for the Jinxi Meishu Hall project.

In the first half of 2023, the Group's revenue and gross loss generated from the trading of steel products, iron ore and related raw materials amounted to approximately RMB5.73 billion (the corresponding period in 2022: approximately RMB7.77 billion) and approximately RMB34 million (the corresponding period in 2022: gross profit of approximately RMB46 million), respectively.

Last but not least, the Board would like to take this opportunity to express the heartfelt gratitude to the Shareholders 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

For the six months ended 30 June 2023, the Group's total sales volume was approximately 3.88 million tonnes (2022 corresponding period: approximately 3.32 million tonnes), representing an increase of approximately 16.8%.

The sales volume breakdown during the period was as follows:

| | For the six months ended 30 June | | | | Changes in sales volume <i>Increase</i> |
|--|--|-------------|--|-------------|--|
| | 2023 | | 2022 | | |
| | Sales volume (<i>'000 tonnes</i>) | | Sales volume (<i>'000 tonnes</i>) | | |
| H-section steel products | 1,945 | 50.1% | 1,826 | 54.9% | 6.5% |
| Strips and strip products | 1,442 | 37.2% | 1,194 | 35.9% | 20.8% |
| Cold rolled sheets and galvanised sheets | 122 | 3.1% | 112 | 3.4% | 8.9% |
| Billets | 62 | 1.6% | 2 | 0.1% | 3,000.0% |
| Sheet piling | 310 | 8.0% | 189 | 5.7% | 64.0% |
| Total | <u>3,881</u> | <u>100%</u> | <u>3,323</u> | <u>100%</u> | <u>16.8%</u> |

Revenue

Revenue for the six months ended 30 June 2023 was RMB13,969 million (2022 corresponding period: RMB14,644 million), representing a decrease of approximately 4.6%. Export to foreign countries contributed RMB280 million (2022 corresponding period: RMB674 million) to the revenue, representing approximately 2.0% (2022 corresponding period: approximately 4.6%) of revenue from sales of self-manufactured steel products.

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

| | For the six months ended 30 June | | | | Changes in | |
|--|----------------------------------|-----------------------|----------------------|-----------------------|----------------------------|-----------------------|
| | 2023 | | 2022 | | | |
| | Revenue | Average selling price | Revenue | Average selling price | Revenue | Average selling price |
| | <i>(RMB million)</i> | <i>(RMB/tonne)</i> | <i>(RMB million)</i> | <i>(RMB/tonne)</i> | <i>Increase/(Decrease)</i> | |
| | Unaudited | | Unaudited | | | |
| H-section steel products | 6,979 | 3,588 | 8,083 | 4,426 | (13.7%) | (18.9%) |
| Strips and strip products | 4,986 | 3,457 | 5,022 | 4,207 | (0.7%) | (17.8%) |
| Cold rolled sheets and galvanised sheets | 572 | 4,677 | 624 | 5,562 | (8.3%) | (15.9%) |
| Billets | 209 | 3,375 | 10 | 4,279 | 1,990.0% | (21.1%) |
| Sheet piling | 1,223 | 3,952 | 905 | 4,786 | 35.1% | (17.4%) |
| Total/Combined | <u>13,969</u> | <u>3,599</u> | <u>14,644</u> | <u>4,406</u> | <u>(4.6%)</u> | <u>(18.3%)</u> |

The decrease in revenue from self-manufactured steel products was primarily due to the decrease in average selling price of the Group's steel products by 18.3% to RMB3,599 per tonne for the six months ended 30 June 2023 from RMB4,406 per tonne for the corresponding period in 2022. The decrease in average selling price of the Group's steel products was mainly because a continuous sluggish downstream demand of the iron and steel industry and the recovery of downstream demand during the traditional peak season fell below the industry expectation for the six months ended 30 June 2023.

Cost of Sales and Gross Profit

The gross profit for the six months ended 30 June 2023 was approximately RMB562 million (2022 corresponding period: approximately RMB1,354 million), representing a decrease of approximately 58.5%. Gross profit margin was 4.0% (2022 corresponding period: 9.2%).

Average unit cost, gross profit/(loss) per tonne and gross profit/(loss) margin during the period were as follows:

| | For the six months ended 30 June | | | | | |
|---|-------------------------------------|--|----------------------------------|-------------------------------------|------------------------------------|------------------------|
| | 2023 | | | 2022 | | |
| | 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 | 3,434 | 154 | 4.3% | 3,998 | 428 | 9.7% |
| Strips and strip products | 3,297 | 160 | 4.6% | 3,807 | 400 | 9.5% |
| Cold rolled sheets and galvanised sheets | 4,774 | (97) | (2.1%) | 5,526 | 36 | 0.7% |
| Billets | 3,419 | (44) | (1.3%) | 3,929 | 350 | 8.2% |
| Sheet piling | 3,804 | 148 | 3.7% | 4,313 | 473 | 9.9% |
| Combined | <u>3,454</u> | <u>145</u> | <u>4.0%</u> | <u>3,999</u> | <u>407</u> | <u>9.2%</u> |

Gross profit per tonne of the Group's steel products decreased to RMB145 for the six months ended 30 June 2023 from RMB407 for the corresponding period in 2022, reflecting a decrease of 64.4%. Gross profit margin decreased to 4.0% for the six months ended 30 June 2023 from 9.2% for the corresponding period in 2022. The decrease in gross profit margin was primarily because despite a certain decrease in prices of the major raw materials and steel products were observed during the six months ended 30 June 2023, the decreasing price trend of the major raw materials was slower than that of the steel products, leading to the overall production costs of the Group being remained at a relatively high level.

Property Development

For the six months ended 30 June 2023, the Group had completed Gross Floor Area (“GFA”) of approximately 26,000 m². The status of the completed GFA by project is set out as follows:

| No. | City | Property project | Phase of project | Total GFA (m ²) | Effective interest owned |
|-----|---------------|-------------------|------------------|--------------------------------|--------------------------|
| 1 | Tangshan | Donghu Bay | Phase 4 | 19,000 | 97.6% |
| 2 | Fangchenggang | Jinxi Meishu Hall | – | 7,000 | 97.6% |

For the six months ended 30 June 2023, the revenue from sales of properties of the Group amounted to approximately RMB60 million. The GFA of properties delivered was approximately 7,300 m². The average selling price of properties delivered was approximately RMB8,300 per m².

As at 30 June 2023, the Group had the following project under construction with a GFA of approximately 248,000 m²:

| No. | City | Property project | Phase of project | GFA under construction (m ²) | Estimated time of completion | Effective interest owned |
|-----|---------------|-------------------|------------------|---|------------------------------|--------------------------|
| 1 | Fangchenggang | Jinxi Xijiang Bay | Main structure | 248,000 | 2025 to 2029 | 97.6% |

The above project is expected to be completed in 2025 to 2029 and will contribute stable revenue and profits to the Group.

FUTURE PROSPECTS

Entering July 2023, the international environment remains complex and volatile. Factors such as the slowdown of economic growth, the pressure from core inflation and geopolitical conflicts still bring uncertainties to the global economy. It is expected that the global economic growth will further slow down. The domestic economy of the PRC has shown signs of slowing down. Under the deleveraging of the real estate market and local government financing platform, capital expenditure has decelerated, which has a knock-on effect on the consumer market, resulting in the decline of the overall economic activities. On the other hand, as the PRC government continues to actively expand demand and the cumulative effect of policies to stimulate economic vitality has been observed, it is expected that infrastructure

construction will continue to gear up. The downturn of real estate industry will gradually stabilise, while the manufacturing industry will maintain stable development. It is expected that there will be no risk of significant decline in overall steel consumption in 2023. Therefore, both steel supply and demand are expected to have a slight drop in 2023. In general, the Group expects that the business environment of the iron and steel industry will still face various uncertainties in the second half of 2023. The iron and steel industry will fluctuate at a low level, but the overall development trend will gradually improve. Therefore, the Group is cautiously optimistic about the outlook.

Against this backdrop, the Group will continue to actively keep abreast of the PRC government's policies, focus on low-carbon and energy consumption development, and enhance its core competitiveness by improving efficiency and reducing costs, developing and increasing high value-added products, expanding sales channels, continuously upgrading equipment and increasing investment in environmental protection, with a view to secure a leading position in the industry. In the first half of 2023, the Group has completed various projects such as the residual heat transformation of sintering machine and ring cooler, the construction of a new slag powder plant with a capacity of 1.2 million tonnes of milling equipment and the third phase of solar grid-connected power generation system. In the second half of 2023, the Group will continue to invest in projects such as comprehensive utilisation of solid waste as new materials and 150MW mountainous centralised photovoltaic power stations to further save energy and reduce emissions, accelerate the realisation of green manufacturing and achieve better cost efficiency. In addition, in the second half of 2023, the Group will continue to promote the development of H-section steel, marine angle steel, sheet piling, power angle steel, etc., and strengthen the upstream and downstream linkage and integration with HJT's power transmission equipment business. In addition to focusing on the steel manufacturing business, the Group will also continue to actively expand its steel products, photovoltaic 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 will gradually bring new opportunities for the Group 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 the policy development and exploring the feasibility of different technology solutions for carbon reduction to conduct studies and deployment for emission reduction at the earlier stage. Meanwhile, the Group continues to invest in various projects on equipment upgrades and environmental protection equipment, including projects of comprehensive utilisation of solid waste as new materials and 150MW mountainous centralised photovoltaic power station mentioned above, in a bid to further reduce emissions and achieve better cost efficiency. Currently, the Group has deployed a total of over 650 new energy trucks, with a clean transportation ratio of over 80%.

Currently, the Group continues to accumulate a relatively large amount of cash and resources to meet its future development needs. In addition to focusing on the manufacturing and sales of steel products, the Group also continues to actively explore business opportunities in line with its corporate strategies, 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 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.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2023, the Group had a workforce of approximately 11,100 permanent staff and approximately 100 temporary staff. 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.

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 30 June 2023, the Group had unutilised banking facilities of approximately RMB15.2 billion (31 December 2022: approximately RMB13.6 billion).

As at 30 June 2023, the current ratio of the Group, representing current assets divided by current liabilities, was 1.3 times (31 December 2022: 1.2 times) and the gearing ratio, representing total liabilities divided by total assets, was 48.5% (31 December 2022: 47.3%).

As at 30 June 2023, the cash and cash equivalents of the Group amounted to approximately RMB4,666 million (31 December 2022: approximately RMB2,125 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 Structures

As at 30 June 2023, borrowings of approximately RMB12,280 million of the Group bore fixed interest rates ranging from 1.39% to 6.54% per annum and borrowings of approximately RMB2,324 million of the Group bore floating rates ranging from 2.70% to 5.60% per annum. The Group's exposure to changes in market interest rates was considered to be limited. During the six months ended 30 June 2023, the Group also entered into certain foreign currency forward contracts to manage its exposure to foreign currency exchange rates fluctuation. As at 30 June 2023, the notional amounts of these derivative instruments amounted to approximately USD36 million (equivalent to approximately RMB263 million).

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 30 June 2023, the debt-to-capital ratio of the Group was 57.6% (31 December 2022: 56.7%).

The consolidated interest expenses and capitalised interest for the six months ended 30 June 2023 amounted to approximately RMB241 million (2022 corresponding period: approximately RMB243 million). The interest coverage ratio (dividing profit for the period before finance costs – net and income tax expense by total interest expenses) was 1.7 times (2022 corresponding period: 6.8 times).

Capital Commitments

As at 30 June 2023, the Group had capital commitments of approximately RMB1,558 million (31 December 2022: approximately RMB1,925 million). It is estimated that the capital commitments will be financed by the Group's internal resources and available banking facilities.

Guarantees and Contingent Liabilities

As at 30 June 2023, the Group's contingent liabilities amounted to approximately RMB15 million (31 December 2022: approximately RMB88 million), which was the provision of guarantee for engineering and trading in favour of third parties.

Pledge of Assets

As at 30 June 2023, the net book value of the Group's right-of-use assets amounting to approximately RMB325 million (31 December 2022: approximately RMB305 million), property, plant and equipment amounting to approximately RMB700 million (31 December 2022: approximately RMB712 million), investment properties amounting to approximately RMB22 million (31 December 2022: approximately RMB32 million), trade receivables amounting to approximately RMB276 million (31 December 2022: approximately RMB221 million), notes receivable - bank acceptance notes amounting to approximately RMB147 million (31 December 2022: approximately RMB14 million), long-term bank deposits amounting to approximately RMB1,590 million (31 December 2022: approximately RMB2,090 million) and restricted bank balances amounting to approximately RMB3,001 million (31 December 2022: approximately RMB3,417 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 ores 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 continuous fluctuation of the RMB exchange rate against USD, during the six months ended 30 June 2023, 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 six months ended 30 June 2023, the Group entered into certain steel products, iron ore and related raw materials future and 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 RMB9 million (2022 corresponding period: approximately RMB26 million) for the six months ended 30 June 2023.

Dividend

The Board did not recommend the distribution of an interim dividend for the six months ended 30 June 2023.

The Board proposed a special dividend of approximately HK\$112 million, representing HK\$0.03 per ordinary share for the year ended 31 December 2022. The proposed dividend of approximately HK\$112 million (approximately RMB102 million) was approved by the Shareholders at the annual general meeting of the Company on 8 June 2023 and was paid on 18 August 2023.

Post Balance Sheet Event

On 24 August 2023, Jinxi Limited entered into the capacity transfer agreement with Tangshan Guotang Iron & Steel Co., Ltd.* (唐山國堂鋼鐵有限公司) in relation to the transfer of annual iron production capacity of 1.08 million tonnes at a total consideration of RMB810 million (including VAT). For details, please refer to the announcement of the Company dated 24 August 2023.

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 30 June 2023, the Group held financial assets at fair value through profit or loss of approximately RMB4,844 million, accounting for 9.8% of total assets, particulars of which are set out below:

Money Market Funds

| Name of the financial assets | Number of units held as at 30 June 2023 (<i>'000</i>) | Investment cost as at 30 June 2023 (<i>RMB'000</i>) | Fair value as at 30 June 2023 (<i>RMB'000</i>) | Realised investment income/(loss) for the six months ended 30 June 2023 (<i>RMB'000</i>) | Fair value to the total assets of the Group as at 30 June 2023 |
|--|--|--|---|---|--|
| Harvest Fund Management Company Limited | | | | | |
| 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 | 6,622 | 6,616 | 6,622 | 120 | 0.01% |
| Harvest Monetary Market Fund* | | | | | |
| 嘉實貨幣市場基金 | 10,581 | 10,581 | 10,581 | 161 | 0.02% |
| China Southern Asset Management Company Limited | | | | | |
| 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 | 5,041 | 5,041 | 5,041 | 60 | 0.01% |
| Aegon-Industrial Fund Management Company Limited | | | | | |
| 興證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 | 726 | 726 | 726 | 70 | <0.01% |
| HwaBao WP Fund Management Company Limited | | | | | |
| 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 | 18,558 | 18,558 | 18,558 | 148 | 0.04% |

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|---|--|--|---|---|--|
| Yinhua Fund Management Co., Ltd. | | | | | |
| 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 | 96 | 9,701 | 9,693 | (99) | 0.02% |
| CSC Financial Co., Ltd. | | | | | |
| 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 | 392 | 392 | 392 | – | <0.01% |
| 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 Cash Money Market Fund* | | | | | |
| 國泰君安現金管家貨幣市場基金 | 15,261 | 18,260 | 18,163 | (7,093) | 0.04% |
| E Fund Management (HK) Co., Limited | | | | | |
| E Fund (HK) US Dollar Money Market Fund | 35 | 31,329 | 28,327 | 314 | 0.06% |
| Total | | <u>101,204</u> | <u>98,103</u> | <u>(6,319)</u> | <u>0.20%</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 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|--|--|--|---|---|--|
| 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 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 | -1 | 9,235 | 9,235 | 62 | 0.02% |
| 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 | - | - | - | 8 | - |
| 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 | - | - | - | 98 | - |
| CCB Wealth Management “TianTianLi” (Daily) Open-end Investment Product* 建信理財「天天利」按日開放式理財產品 | -1 | 409 | 409 | 136 | <0.01% |
| Others | - | - | - | 6 | - |

| Name of the financial assets | Number of units held as at 30 June 2023 (<i>'000</i>) | Investment cost as at 30 June 2023 (<i>RMB'000</i>) | Fair value as at 30 June 2023 (<i>RMB'000</i>) | Realised investment income/(loss) for the six months ended 30 June 2023 (<i>RMB'000</i>) | Fair value to the total assets of the Group as at 30 June 2023 |
|--|---|--|---|---|---|
| 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 | | | | | |
| 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 | — | — | — | 2 | — |
| 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 | 50,000 | 50,000 | 40,370 | 2 | 0.08% |
| 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 | — | — | — | 1,750 | — |
| 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 | 50,001 | 50,000 | 44,006 | — | 0.09% |
| ICBC Wealth Management Co., Ltd. | | | | | |
| 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 | — | — | — | 43 | — |

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|---|--|--|---|---|--|
| Tebon Securities Co., Ltd. | | | | | |
| 德邦證券股份有限公司 | | | | | |
| 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 | 49,770 | 50,000 | 51,243 | – | 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 | 18,606 | – | 0.04% |
| 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 | 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 | 36,525 | 36,525 | 36,525 | – | 0.07% |
| Huaan Securities Co., Ltd. | | | | | |
| 華安證券股份有限公司 | | | | | |
| Huaan Securities Monthly Gain No. 14 Assembled Assets Management Plan* | | | | | |
| 華安證券月月贏14號集合資產管理計劃 | 17,562 | 20,000 | 20,009 | – | 0.04% |
| Huaan Securities Monthly Gain No. 25 Assembled Assets Management Plan* | | | | | |
| 華安證券月月贏25號集合資產管理計劃 | 26,464 | 30,000 | 30,101 | – | 0.06% |
| CITIC Securities Co., Ltd. | | | | | |
| 中信証券股份有限公司 | | | | | |
| CITIC Securities Co., Ltd. Strategy DianJin Series Phase 2509 Income Certificate* | | | | | |
| 中信証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% |

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|--|--|--|---|---|--|
| 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 | 100,000 | 100,000 | 104,230 | - | 0.21% |
| Guangdong Finance Trust Co., Ltd. | | | | | |
| 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 | - | - | - | 3,528 | - |
| 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 | - | - | - | 2,228 | - |
| Industrial Bank Co., Ltd. | | | | | |
| 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 | - | - | - | 287 | - |
| PSBC Wealth Management Co., Ltd. | | | | | |
| 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 | -1 | 292 | 292 | 18 | <0.01% |
| 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 | - | - | - | 181 | - |

| Name of the financial assets | Number of units held as at 30 June 2023 (<i>'000</i>) | Investment cost as at 30 June 2023 (<i>RMB'000</i>) | Fair value as at 30 June 2023 (<i>RMB'000</i>) | Realised investment income/(loss) for the six months ended 30 June 2023 (<i>RMB'000</i>) | Fair value to the total assets of the Group as at 30 June 2023 |
|---|--|--|---|---|--|
| 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) | | | | | |
| | 1,000 | 100,000 | 103,289 | (2,959) | 0.21% |
| China Foreign Economy and Trade Trust Co., Ltd. 中國對外經濟貿易信託有限公司 | | | | | |
| Yucheng 2022 Fifth Phase Credit Asset Income Rights Assembled Fund Trust Plan* 玉誠2022年第五期信貸資產收益權集合資金信託計劃 | | | | | |
| | 100,000 | 100,000 | 100,000 | 1,342 | 0.20% |
| Guotong Trust Co., Ltd. 國通信託有限責任公司 | | | | | |
| Guotong Trust • Zhongsheng No. 1 Single Fund Trust* 國通信託•中勝1號單一資金信託 | | | | | |
| | 99,493 | 100,000 | 118,894 | – | 0.24% |
| Guotong Trust • Changyuan No. 1 Single Fund Trust* 國通信託•昌源1號單一資金信託 | | | | | |
| | 69,136 | 70,000 | 64,976 | – | 0.13% |
| Others | 80,347 | 80,556 | 81,195 | 871 | 0.16% |
| Total | | <u>914,037</u> | <u>920,400</u> | <u>7,603</u> | <u>1.86%</u> |

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 “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 benchmark interest 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.

CCB Wealth Management “TianTianLi” (Daily) Open-end Investment Product* (建信理財「天天利」按日開放式理財產品) adopts active management investment strategy, and strives to improve product returns on the premise of controlling interest rate risk, minimising the fluctuation risk of net asset value of products and satisfying liquidity. The investment scope of this product is as follows: 1. cash; 2. bank deposits within 1 year (including 1 year), bond repurchases, central bank notes, interbank deposits; 3. bonds with a remaining term of within 397 days (including 397 days), asset-backed securities issued in the interbank market and the stock exchange market; and 4. other monetary market instruments with good liquidity approved by the CBIRC and the People’s Bank of China. The product shall not invest in the following financial instruments: (1) stocks; (2) convertible bonds and exchangeable bonds; (3) floating rate bonds with fixed deposit interest rate as the benchmark interest 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 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) 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 plans' total assets, and the interest in the derivatives account shall exceed 20% of the plans' 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 represent 0%–20% of its total assets; and (2) investment in commodities and financial derivatives shall represent 80%–100% of its total assets.

ICBC Wealth Management Co., Ltd. (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 various 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%.

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

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; and 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; and 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; and 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.

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 shareholders’ contributions will be fully credited to Chongqing Lexujia’s capital reserve. Chongqing Lexujia used the shareholders’ funds paid by AVIC Trust for the replacement of Chongqing Lexujia’s previous shareholders’ 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 shareholders’ 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’s developer is 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’s developer is 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 No. 14 Assembled Assets Management Plan* (華安證券月月贏14號集合資產管理計劃) and Huaan Securities Monthly Gain No. 25 Assembled Assets Management Plan* (華安證券月月贏25號集合資產管理計劃) primarily invest in bonds and other fixed-income financial products on the basis of strict risk control, so as to grasp market investment opportunities to achieve stable gain for the assembled plans. The assembled plans invest in national debts, various financial bonds, central bank notes, corporate bonds, debentures, convertible bonds, exchangeable bonds, publicly offered bond funds, asset securitisation products, cash, bond repurchases, 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 that the assembled plans are allowed to invest by the CSRC. 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 and the debt of short-term financing bonds shall have a credit rating not lower than A-1.

CITIC Securities Co., Ltd. (中信証券股份有限公司)

CITIC Securities Co., Ltd. Strategy DianJin Series Phase 2509 Income Certificate* (中信証券股份有限公司策略點金系列2509期收益憑證) is non-principal protected floating income certificate. 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, bond repurchases, 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; and (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 repurchases: 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; and (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 Co., Ltd. (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) 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%; and 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.

China Foreign Economy and Trade Trust Co., Ltd. (中國對外經濟貿易信託有限公司)

Yucheng 2022 Fifth Phase Credit Asset Income Rights Assembled Fund Trust Plan* (玉誠2022年第五期信貸資產收益權集合資金信託計劃) is a fixed-income assembled fund trust plan, which invests trust funds in credit asset income rights. The trustee manages, utilises, and distributes the trust property resulting from the credit asset income right as a source of trust benefits, and distributes the trust benefits to the beneficiaries. The risk level of the trust plan is [R3] for preferred beneficiaries and [R5] for subordinated beneficiaries. The total size of the trust plan shall not exceed RMB1 billion, with the amount of funds raised from the preferred trust unit not exceeding RMB750 million and the amount of funds raised from the subordinated trust unit not less than RMB250 million, of which the ratio of the preferred and the subordinated shall not exceed 3:1.

Guotong Trust Co., Ltd. (國通信託有限責任公司)

Guotong Trust • Zhongsheng No. 1 Single Fund Trust* (國通信託 • 中勝1號單一資金信託) and Guotong Trust • Changyuan No. 1 Single Fund Trust* (國通信託 • 昌源1號單一資金信託) manage, utilise and distribute the trust properties for the benefits of the beneficiary in accordance with the wishes of the trustee, so as to preserve and enhance the value of the trust properties. Both trust funds will principally invest in: 1. publicly offered funds (e.g. equity funds, bond funds, hybrid funds, money market funds, LOF funds, ETF funds, etc.); 2. securities investment private equity funds registered with Asset Management Association of China (“AMAC”); 3. trust protection funds; and 4. others (bank deposits, money market funds, wealth management products offered by the banks under cash management category).

Listed Bond Investments

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|--|--|--|---|---|--|
| 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 | 1,796 | 196,958 | 185,114 | 15,954 | 0.37% |
| 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 | 2,308 | 218,368 | 208,048 | 28,528 | 0.42% |
| China International Capital Corporation Limited | | | | | |
| 中國國際金融股份有限公司 | | | | | |
| ZhongJin DingYi No. 10 Sole Asset Management Plan* | | | | | |
| 中金鼎益10號單一資產管理計劃 | 500 | 47,396 | 53,564 | (3,274) | 0.11% |
| 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 | 3,066 | 314,598 | 313,644 | 5,872 | 0.63% |
| 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 | 3,359 | 347,315 | 346,652 | 6,793 | 0.70% |
| 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 | 2,366 | 178,674 | 180,932 | 6,117 | 0.37% |
| 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) | 129 | 91,897 | 95,160 | (1,209) | 0.19% |

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|--|--|--|---|---|--|
| 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 | 200 | 18,949 | 19,803 | (2,135) | 0.04% |
| 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 | 1,057 | 100,000 | 101,426 | 1,710 | 0.21% |
| Others | — | — | — | (52) | — |
| Total | | 1,514,155 | 1,504,343 | 58,304 | 3.04% |

Investment strategies of listed bond investments

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 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)

ZhongJin DingYi 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 fund's 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 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|--|--|--|---|---|--|
| 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 | 172,872 | 176,406 | 114,337 | – | 0.23% |
| 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) | – | 20,000 | 20,000 | – | 0.04% |
| 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 | 30,453 | 30,962 | 32,676 | – | 0.07% |
| Value Partners Limited | | | | | |
| Value Partners Intelligent Funds — Chinese Mainland Focus Fund | | | | | |
| | 107 | 65,128 | 42,974 | – | 0.09% |
| 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 | 49,243 | 57,565 | 51,912 | – | 0.10% |
| 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 | 59,076 | 58,919 | 59,336 | – | 0.12% |
| Yanfu Small Cap Enhanced Index No.1 Private Securities Investment Fund* | | | | | |
| 衍複小市值指數增強一號私募證券投資基金 | 19,747 | 20,459 | 20,678 | 668 | 0.04% |

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|---|--|--|---|---|--|
| 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 | - | - | - | (568) | - |
| Ivolution GaoJie Private Securities Investment Fund* | | | | | |
| 天演高節私募證券投資基金 | - | - | - | 220 | - |
| Ivolution Zexiang Quantitative Selected No. 6 Private Securities Investment Fund* | | | | | |
| 天演擇享量化精選6號私募證券投資基金 | 20,000 | 20,000 | 19,720 | - | 0.04% |
| 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 | 33,316 | 30,009 | 31,897 | - | 0.06% |
| Shenzhen Bishuo Asset Management Co., Ltd.* | | | | | |
| 深圳碧燦資產管理有限公司 | | | | | |
| Bishuo JiaTai Private Securities Investment Fund* | | | | | |
| 碧燦嘉泰私募證券投資基金 | 14,186 | 26,812 | 36,161 | (25,800) | 0.07% |
| 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 | 112 | 11,167 | 11,168 | (1,622) | 0.02% |
| Harvest Fund Management Company Limited | | | | | |
| 嘉實基金管理有限公司 | | | | | |
| 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 | 14,050 | - | 0.03% |

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|---|--|--|---|---|--|
| 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 | – | – | – | 4,100 | – |
| 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 | 29,297 | 30,000 | 32,373 | – | 0.07% |
| Ruitian Panshi No. 4 Private Securities Investment Fund* | | | | | |
| 銳天磐石四號私募證券投資基金 | 24,197 | 25,000 | 25,344 | – | 0.05% |
| Derivatives China (formerly known as Derivatives China (Hainan)) | | | | | |
| 衍盛私募證券投資基金管理(海南)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 | 33,201 | – | 0.07% |
| 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 | 19,909 | – | 0.04% |
| 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 | – | – | – | (265) | – |
| Nanjing Shengquan Hengyuan Investment Co., Ltd. | | | | | |
| 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 | 33,147 | – | 0.07% |

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|---|--|--|---|---|--|
| 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 | 40,469 | 40,000 | 46,249 | – | 0.09% |
| 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 | 50,000 | 50,000 | 54,800 | – | 0.11% |
| 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 | 30,300 | 30,000 | 30,642 | – | 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 | 31,514 | – | 0.06% |
| Y2 Capital Partners Limited | | | | | |
| Y2 ESG Opportunity Fund – Offshore | 3 | 19,381 | 22,120 | – | 0.04% |
| 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 | 11,719 | 30,000 | 29,977 | – | 0.06% |
| Uranus Research | | | | | |
| 成都朋錦仲陽投資管理中心(有限合夥) | | | | | |
| Zhong Yang Tengxiang Caihe Private Securities Investment Fund* | | | | | |
| 仲陽騰驥財和私募證券投資基金 | 27,531 | 29,240 | 31,467 | 2,940 | 0.06% |

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|--|--|--|---|---|--|
| 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 | 29,788 | 30,000 | 29,058 | – | 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 | 30,861 | (120) | 0.06% |
| 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 | 20,663 | 30,000 | 32,137 | (128) | 0.06% |
| 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 | 16,421 | 20,000 | 22,357 | 532 | 0.05% |
| 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 | 22,693 | 30,000 | 31,067 | – | 0.06% |
| Beijing Yizhuang International Technology Innovation Private Fund Management Co., Ltd.* | | | | | |
| 北京亦莊國際科技創新私募基金管理有限公司 | | | | | |
| Beijing Xinchuang Technology Phase 1 Venture Capital Centre (Limited Partnership)* | | | | | |
| 北京芯創科技一期創業投資中心(有限合夥) | – ¹ | 30,000 | 30,000 | – | 0.06% |

| Name of the financial assets | Number of units held as at 30 June 2023 (‘000) | Investment cost as at 30 June 2023 (RMB‘000) | Fair value as at 30 June 2023 (RMB‘000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB‘000) | Fair value to the total assets of the Group as at 30 June 2023 |
|--|---|---|--|--|--|
| Shanghai Jiaken Asset Management Co., Ltd. | | | | | |
| 上海嘉懇資產管理有限公司 | | | | | |
| Jiaken Fenfang No. 1 Private Securities Investment Fund* | | | | | |
| 嘉懇芬芳1號私募證券投資基金 | 8,764 | 20,000 | 22,086 | – | 0.04% |
| Beijing Kaidu Investment Management Co., Ltd.* | | | | | |
| 北京凱讀投資管理有限公司 | | | | | |
| Kaidu Investment Stable No. 8 Private Securities Investment Fund* | | | | | |
| 凱讀投資穩健8號私募證券投資基金 | 30,021 | 30,000 | 29,757 | – | 0.06% |
| Shanghai Ruiliang Private Equity Fund Management Co., Ltd.* | | | | | |
| 上海睿量私募基金管理有限公司 | | | | | |
| Ruiliang Zhixing No. 1 Private Securities Investment Fund* | | | | | |
| 睿量智行1號私募證券投資基金 | 11,515 | 15,000 | 16,780 | – | 0.03% |
| Zhicheng Zhuoyuan (Zhuhai) Investment Management Partnership (Limited Partnership)* | | | | | |
| 致誠卓遠(珠海)投資管理合夥企業(有限合夥) | | | | | |
| Zhiyuan Quantitative Multi Operation No. 9 Private Securities Investment Fund* | | | | | |
| 致遠量化多頭運作9號私募證券投資基金 | 28,251 | 30,000 | 30,559 | – | 0.06% |
| Ningbo JinGe Asset Management Co., Ltd. | | | | | |
| 寧波金戈量銳資產管理有限公司 | | | | | |
| Liangrui Jiatai Aggressive No. 1 Private Securities Investment Fund* | | | | | |
| 量銳嘉泰進取1號私募證券投資基金 | 25,270 | 30,000 | 29,853 | – | 0.06% |
| Others | 77,307 | 91,894 | 89,999 | 744 | 0.18% |
| Total | | <u>1,287,942</u> | <u>1,240,166</u> | <u>(19,299)</u> | <u>2.51%</u> |

Note:

1. These investments are 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; and (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.

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 varieties traded on trading venues agreed by the State Council and other standardised trading varieties recognised by other regulatory bodies, contracts and products listed on the Shanghai Gold Exchange; and 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) aims 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 fund uses 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 fund’s 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 fund 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 fund’s investment in depositary receipts listed and traded on the Shanghai or Shenzhen stock exchanges shall account for 0%– 80% of the fund’s 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 certificates of deposit, 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 Small Cap Enhanced Index No. 1 Private Securities Investment Fund* (衍複小市值指數增強一號私募證券投資基金) builds an investment portfolio based on in-depth research and strives for realisation of continuous stable growth of the fund's assets. The fund's investment scope covers the legally issued and listed stocks in the PRC, Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect, depositary receipts, participating margin trading and short selling, lending its security holdings to securities finance companies as the underlying securities for financing, bonds, bond repurchases, pledge-style quoted repurchase, cash, bank deposits, interbank certificates of deposit, transferable certificates of large amount deposit, money market funds, spot deferred settlement contracts listed and traded on the Shanghai Gold Exchange, derivatives varieties listed and traded on the exchanges, returns swaps and over-the-counter options with institutional counterparties possessing corresponding

business qualifications, interest rate swaps, publicly offered securities investment funds, private investment funds issued by that fund manager, asset-backed securities, bank financial investment products, income securities issued by securities companies, other investment varieties permitted by laws and regulations or the CSRC. The fund's investment portfolio will be subject to the following restrictions: 1. The private investment funds invested by the fund must be entrusted by custodian institutions; 2. The fund's total fund asset value shall not exceed 200% of fund's net asset value; 3. The fund shall not invest in private investment funds issued by non-securities private fund managers; and 4. The total amount of the over-the-counter derivatives invested by the fund shall not exceed 25% of fund's net asset value.

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).

Ivolution Zexiang Quantitative Selected No. 6 Private Securities Investment Fund* (天演擇享量化精選6號私募證券投資基金) builds its investment portfolio on the basis of in-depth research. Under the premises of strict control of the investment risks, it strives to obtain long-term stable investment return. The investment scopes include shares traded on stock exchanges, securities authorised 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 on stock exchanges, bonds traded on stock exchanges or interbank market, 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 on stock exchanges and futures exchanges, over-the-counter derivatives on the securities and futures market with securities companies/futures companies/banks and their subsidiaries as counterparties (limited to return swap and over-the-counter options only), and publicly offered funds. The fund's investment portfolio shall be subject to the following restrictions: 1. The total assets value of the fund should not exceed 200% of its net asset value; 2. The fund shall not participate in the subscription of the non-publicly issued shares of companies listed on the stock exchanges; 3. The margin deposit in the futures account of the fund shall not exceed 100% of the interests of the same account; 4. The individual share of a listed company held by the fund shall not exceed 4.99% of the total share capital of that listed company; 5. The individual share of a listed company held by the fund shall not exceed 10% of the floating share capital of that listed company; 6. The individual share held by the fund, when calculated in aggregation by cost, shall not exceed 10% of the total assets of the fund; 7. The margin deposit in the fund's commodity futures account shall not exceed 20% of the net asset value of the fund; 8. The fund shall not invest in ST, *ST, S, SST, S*ST shares and shares subject to the delisting process; and 9. The depositary receipts held by the fund, when calculated in aggregate market value, shall not exceed 100% of the net asset value of the fund.

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 domestical 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 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, debentures, corporate bonds, 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 repurchases, margin trading and short selling, refinancing, futures, exchange-traded options, over-the-counter options, warrants, returns swaps, other standardised trading varieties traded on trading venues approved by the State Council and other standardised trading varieties 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.

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; and 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 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.

*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) aims to create stable profits and returns for the fund's investors under the premise of rigid control of investment risks. The fund invests 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; and 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.

Ruitian Panshi No. 4 Private Securities Investment Fund* (銳天磐石四號私募證券投資基金) pursues reasonable investment returns and strives to achieve long-term appreciation of the fund's assets through the flexible application of investment strategies under the premises of stringent risk control and the guaranteed liquidity of fund asset. The investment scopes include: 1. stocks; 2. bonds; 3. publicly offered funds; 4. repurchases; 5. futures; 6. future options; and 7. others (bank deposits, warrants, PRC depositary receipts, asset-backed securities, returns swaps, fixed income securities, margin trading and short selling, and refinancing). Investment ratio and restrictions include: 1. The total assets of the fund shall not exceed 200% of the fund's net assets; 2. The number of the stocks held by the fund shall not exceed 5% (inclusive of 5%) of the total share capital of a listed company; 3. The amount reported shall not exceed the total assets of the fund and the amount reported shall not exceed the total number of units to be issued by the proposed issuer in the application for the issuance of stocks; 4. The fund shall not initiate investment in S, ST, *ST, SST, S*ST shares and shares subject to the delisting process; 5. The fund shall not participate in subscription of non-publicly offered shares of companies listed on the stock exchanges; and 6. The fund shall not invest in other investment varieties whose lock-up period expires before 10 working days prior to the maturity date of the fund's lifetime.

Derivatives China (formerly known as Derivatives China (Hainan)) (衍盛私募證券投資基金管理(海南)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.

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) 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 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.

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, debentures, corporate bonds, 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 fund's 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; 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 fund's 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; and 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.

Uranus Research (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; and (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 strives 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; and 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.

Beijing Yizhuang International Technology Innovation Private Fund Management Co., Ltd. (北京亦莊國際科技創新私募基金管理有限公司)*

The business purpose of Beijing Xinchuang Technology Phase 1 Venture Capital Centre (Limited Partnership)* (北京芯創科技一期創業投資中心(有限合夥)) is to combine the relevant policies of Beijing Municipality on the development of small and medium-sized enterprises (SMEs) with the market-oriented operation of equity investment, to invest in SMEs in line with the urban function positioning of Beijing Municipality and relevant industrial policies, especially those technology-based and innovative SMEs in the early stage, the initial start-up period and the early and medium-term, to promote the development of SMEs, and to obtain good returns from the fund through professional management. The fund makes equity investments with its entire investment amount. The investment principles include: 1. focusing on investing in SMEs in the early stage, the initial start-up period and the early and medium-term which are in line with the functional positioning of Beijing Municipality and relevant industrial policies; 2. SMEs in the early stage and initial start-up period refer to enterprises that meet the classification standards of SMEs and the following conditions: (1) The establishment period shall not exceed 3 years; (2) The number of employees shall not exceed 200; (3) Technical personnel directly engaged in research and development account for more than 20% of the total number of employees; (4) total assets shall not exceed RMB20 million; and (5) Annual sales or turnover shall not exceed RMB30 million.

Shanghai Jiaken Asset Management Co., Ltd. (上海嘉懇資產管理有限公司)*

Jiaken Fenfang No. 1 Private Securities Investment Fund* (嘉懇芬芳1號私募證券投資基金) strives to optimise the allocation of major types of assets. The investment scope includes: domestic legally issued and listed stocks, new share subscription, exchangeable bonds, inter-bank bonds, publicly issued security investment funds, stock pledged repurchases on exchange, bond repurchases, bond reverse repurchases, LOF redemption, financial futures, commodity futures, margin trading and short selling, margin and securities refinancing securities lending, exchange-traded options, Southbound Trading, depositary receipts listed on the Shanghai and Shenzhen Stock Exchange, return swaps or over-the-counter options with securities companies or futures companies or futures companies' designated risk management subsidiaries as counterparties, money market funds, cash, bank deposits, interbank certificates of deposits, financial investment products for cash management, exchange-traded asset-backed securities, asset-backed notes, securities companies' income certificates, warrants, etc., asset management plans issued by securities companies and securities companies' asset management subsidiaries, asset management plans issued by fund companies and fund companies' subsidiaries, asset management plans issued by futures companies and futures companies' subsidiaries, securities investment trust plans, and other securities investment financial products issued by private equity fund managers (registered with the AMAC) and approved by the CSRC. The total assets of the fund shall not exceed 200% of its net assets.

Beijing Kaidu Investment Management Co., Ltd.(北京凱讀投資管理有限公司)*

Kaidu Investment Stable No. 8 Private Securities Investment Fund* (凱讀投資穩健8號私募證券投資基金) achieves a long-term, continuous and stable accretion for the assets of clients under the premises of risks control. The investment scopes of the fund include varieties listed in domestic stock exchanges, bonds, securities repurchases, deposits, publicly offered securities investment funds, futures, exchange traded options, standardised notes traded on interbank bond market, asset-backed securities and asset-backed notes issued in stock exchanges or between banks (but excluding subordinated tranche), income certificate of securities companies, income swap and over-the-counter option (the trading counterparties are limited to securities companies and their subsidiaries, and futures companies and the subsidiaries of futures companies). The fund can participate in the transaction of margin trading and short selling, transactions under Southbound Trading and subscription of new shares, and it may also utilise their holding securities as underlying of short sale lending to securities finance companies. The fund can invest in the asset management plans of securities companies, asset management plans of futures companies, trust plans, asset management plans of fund companies, asset management plans of insurance 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 may not invest in the subordinated shares of the above-mentioned products. The investment proportions and limitations include: 1. The proportion of total assets of the fund

shall not exceed 200% of its net asset value; 2. The fund shall not invest in S, ST, *ST, SST, S*ST shares in a proactive manner; 3. The fund shall not participate in the non-public issued shares of listed companies; and 4. The investment proportion of depositary receipts listed and traded on domestic stock exchanges, when calculated by market value, shall be 0% to 100% of the total asset value of the fund.

Shanghai Ruiliang Private Equity Fund Management Co., Ltd. (上海睿量私募基金管理有限公司)

Ruiliang Zhixing No. 1 Private Securities Investment Fund* (睿量智行1號私募證券投資基金) pursues reasonable investment returns and strives to achieve long-term appreciation of the fund's assets. The investment scopes include: 1. domestic legally issued and listed stocks, Southbound Trading, depositary receipts, margin trading and short selling; 2. national bonds, local government bonds, central bank notes, medium-term notes, financial bonds, debentures, corporate bonds, private placement notes (PPN), private placement bonds for SMEs, convertible bonds, short-term financing bonds, ultra short-term financing bonds, exchangeable bonds, asset-backed securities, asset-backed notes; 3. publicly offered funds; 4. repurchases; 5. futures; 6. exchange-traded options, return swaps, income certificates; 7. asset management products; and 8. others (bank deposits, debentures, refinancing, and varieties traded on the Shanghai Gold Exchange). The total assets of the fund shall not exceed 200% of the net assets of the fund.

Zhicheng Zhuoyuan (Zhuhai) Investment Management Partnership (Limited Partnership)(致誠卓遠(珠海)投資管理合夥企業(有限合夥))*

Zhiyuan Quantitative Multi Operation No. 9 Private Securities Investment Fund* (致遠量化多頭運作9號私募證券投資基金) realises long-term, continuous, and stable appreciation for the assets of its clients under the premise of controlled risk. The fund's investment scopes include varieties listed and traded on domestic stock exchanges, bonds, securities repurchases, deposits, publicly offered securities investment funds, futures, exchange-traded options, standardised notes traded on the interbank bond market, asset-backed securities and asset-backed notes listed on the exchanges or the interbank market (but excluding subordinated tranche), bank wealth management products, fixed income securities of securities companies, return swaps and over-the-counter options (limited to those with securities companies and their subsidiaries and futures companies and their subsidiaries as counterparties). The fund may participate in transactions of margin trading and short selling, transactions under Southbound Trading and IPO subscriptions, and may also lend its security holdings to securities finance companies as underlying securities for financing. The market value of the fund's investment in depositary receipts listed and traded on domestic stock exchanges shall account for 0%–50% of the fund's total assets.

Liangrui Jiatai Aggressive No. 1 Private Securities Investment Fund* (量銳嘉泰進取1號 私募證券投資基金) pursues for reasonable investment returns and strives for a long-term appreciation for the property of the fund. The investment scopes include: 1. the legally issued and listed stocks, depositary receipts, margin trading and short selling in PRC; 2. national bonds; 3. publicly offered funds (money market funds); 4. repurchases (bond reverse repurchases); 5. futures (financial futures); 6. exchange traded options; and 7. others (bank deposits). The investment proportions and limitations include: 1. The fund shall not invest in funds that are not entrusted to financial institutions; 2. As calculated by market value, the individual share held by the fund shall not exceed 10% of the net asset value of the fund; 3. The individual share of a listed company held by the fund shall not exceed 4.9% of its total share capital, and shall not exceed 10% of shares in circulation of that listed company; 4. The individual share from ChiNext and STAR Market held by the fund shall not exceed 4.9% of its total share capital of that share, and shall not exceed 5% of shares in circulation of that listed company; 5. As calculated by market value, the sum of market value of all shares of the listed companies from ChiNext and STAR Market invested by the fund shall not exceed 49% of the net value of the fund; 6. The fund shall not invest in ST, *ST, S, SST, S*ST shares in a proactive manner; 7. If the fund participates in the subscription of new shares, the subscribed number of shares shall not exceed the total number of shares which are proposed to be issued by the company; 8. The fund shall not invest in non-publicly issued shares; 9. The fund shall not subscribe or place shares whose lock-up period is later than 10 working days prior to the maturity of the fund; and 10. The net exposure of equity shall range from 0% to 130%.

Listed Equity Interests

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|--|--|--|---|---|--|
| China Risun Group Limited | approximately 97.09 million shares | 170,560 | 325,790 | 881 | 0.66% |
| Vanho Securities Co., Ltd. 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 | - | - | - | 10,790 | - |
| 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 | 2,832 | 39,406 | 39,700 | (1,894) | 0.08% |
| CSC Financial Co., Ltd. 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 | 965 | 14,903 | 13,525 | (1,576) | 0.03% |
| Poly Developments and Holdings Group Co., Ltd. 保利發展控股集團股份有限公司 | 941 | 13,662 | 12,267 | - | 0.02% |
| Hunan Valin Steel Co., Ltd. 湖南華菱鋼鐵股份有限公司 | 17,199 | 86,794 | 82,041 | 1,794 | 0.17% |
| Others | 2,640 | 32,661 | 28,443 | (1,198) | 0.06% |
| Toute (Sanya) Private Equity Fund Management Co., Ltd.* 托特(三亞)私募基金管理有限公司 | | | | | |
| Toute CSI 1000 Index Enhanced No. 8 Private Securities Investment Fund* 托特中證1000指數增強8號 私募證券投資基金 | 2,773 | 30,948 | 31,254 | 948 | 0.06% |
| Others¹ | 2,279 | 38,202 | 34,243 | 9,526 | 0.07% |
| Total | | <u>427,136</u> | <u>567,263</u> | <u>19,271</u> | <u>1.15%</u> |

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 of Risun Group from the open market on the exchange respectively, representing approximately 0.17% and 0.05% of its registered share capital. As at 30 June 2023, 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 producing, 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 six months ended 30 June 2023, there was dividend income of approximately RMB0.9 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 the year of 2022, the Group acquired shares of Hunan Valin Steel Co., Ltd. (“**Valin Steel**”, 湖南華菱鋼鐵股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000932), directly from the open market on the exchange as equity investment. As at 30 June 2023, no share of Valin Steel was held by the Group in the account with Vanho Securities Co., Ltd.. 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 possesses 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 six months ended 30 June 2023, no dividend income was received from Valin Steel.

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, depositary 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; and 3. The fund shall not invest in shares of ST, *ST, S, SST, S*ST.

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

During the six months ended 30 June 2023, 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, steel, etc. industry 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), Poly Developments and Holdings Group Co., Ltd. (“**Poly Developments**”, 保利發展控股集團股份有限公司), 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.

Since the year of 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 30 June 2023, 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 six months ended 30 June 2023, 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 30 June 2023, the number of shares held by the Group in Poly Developments accounted for less than 1% of its issued shares. 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 first among the central enterprises of the industry for many years. In 2022, Poly Developments ranked 190th in the World 2000 Enterprises by Forbes.

Since the year of 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 30 June 2023, the shares of Valin Steel held by the Group accounted for less than 1% of its issued shares. 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 possesses 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 six months ended 30 June 2023, dividend income received from Vanke, Poly Developments, Valin Steel and others were nil, approximately RMB0.4 million, approximately RMB4 million and approximately RMB0.3 million respectively, which were classified as realised investment income.

Tuote (Sanya) Private Fund Management Co., Ltd. (托特(三亞)私募基金管理有限公司)*

Tuote CSI 1000 Index Enhanced No. 8 Private Securities Investment Fund* (托特中證1000指數增強8號私募證券投資基金) strives to generate stable revenue and returns for the investors under the premise of rigid control of investment risks. The investment scope includes: 1. stocks issued and listed in the PRC under the law, companies' shares listed and traded in the NEEQ, depositary receipts, different types of the investment varieties and investment instruments issued by the Hong Kong Stock Exchange and other overseas exchanges, quoted repurchases, public securities investment funds, asset-backed securities, asset-backed notes, money market instrument, repurchases and reverse repurchases agreements, bond pledged agreement repurchases, margin trading and short selling, refinancing, futures, exchange-traded options, warrants, all varieties on the Shanghai Gold Exchange, other standardised trading varieties traded on trading venues approved by the State Council and other standardised trading varieties recognised by other regulatory bodies; and 2. private financial products: trust plans, 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, asset management plans of futures companies and their subsidiaries, various wealth management products issued by banks and their wealth management subsidiaries, private equity investment funds issued by private fund management institutions and managed by custodians. The portfolio of the fund's investment assets shall be subject to the following restrictions: 1. The fund's investment in single money market fund shall not, by market value, exceed 100% of its total assets; 2. The fund's total assets shall not exceed 200% of its net asset; and 3. The total number of shares held by the fund which are traded on the basic layer and innovative layer of the NEEQ, when calculated by cost, shall not exceed 20% of the fund's net assets.

Bond Market Funds

| Name of the financial assets | Number of units held as at 30 June 2023 ('000) | Investment cost as at 30 June 2023 (RMB'000) | Fair value as at 30 June 2023 (RMB'000) | Realised investment income/(loss) for the six months ended 30 June 2023 (RMB'000) | Fair value to the total assets of the Group as at 30 June 2023 |
|---|--|--|---|---|--|
| Prudence Investment Management (Hong Kong) Limited | | | | | |
| Prudence Enhanced Income Fund | 25 | 137,934 | 159,345 | - | 0.32% |
| China Universal Asset Management Company Limited | | | | | |
| 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 | - |
| 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 | 133,201 | - | 0.27% |
| Shanghai Huaxia Fortune CCI Capital Co., Ltd. | | | | | |
| 上海華夏財富投資管理有限公司 | | | | | |
| ChinaAMC Bond Investment Fund* | | | | | |
| 華夏債券投資基金 | 36,027 | 47,828 | 47,304 | - | 0.10% |
| Da Cheng Fund Management Co., Ltd. | | | | | |
| 大成基金管理有限公司 | | | | | |
| 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 | 42,242 | 387 | 0.09% |
| E Fund Management (HK) Co., Ltd. | | | | | |
| E Fund (HK) Asia High Yield Bond Fund | 438 | 31,962 | 25,860 | - | 0.05% |
| E Fund Selection Investment Series - | | | | | |
| E Fund (HK) Select Bond Fund | 1,004 | 100,000 | 106,043 | - | 0.21% |
| Total | | <u>512,363</u> | <u>513,995</u> | <u>426</u> | <u>1.04%</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 Asset Management Company Limited (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) 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 varieties 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 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 SMEs, 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 Co., Ltd. (上海華夏財富投資管理有限公司)

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 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.

E Fund Management (HK) Co., Ltd.

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 CNH 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.

The investment objective of E Fund Selection Investment Series - E Fund (HK) Select Bond Fund is to achieve long-term capital growth through investing globally in a portfolio consisting primarily of CNH, USD, EUR or HKD denominated investment grade debt securities which aims to generate a steady flow of income in addition to capital appreciation for the fund. The fund will invest not less than 70% of its net asset value in a portfolio of USD, EUR or HKD denominated offshore investment grade debt securities which are issued or traded on the global debt securities markets. The fund may also invest in emerging markets as well. Up to 20% of its net asset value may be invested in onshore Mainland Chinese debt securities via Bond Connect, no more than 30% of its net asset value may also be invested in “Dim Sum” bonds, up to 100% of its net asset value may be invested in convertible bonds and less than 30% of its net asset value will be invested in debt instruments with loss absorption features. The fund will not invest in contingent convertible bonds. The fund may invest in debt securities which are rated investment grade, below investment grade or unrated. The aggregate investment in securities below investment grade and/or unrated securities will be limited to 30% of the net asset value of the fund. The fund will not invest more than 10% of its net asset value in debt securities issued and/or guaranteed by a single sovereign issuer which is below investment grade and/or unrated. It may also invest less than 30% of its net asset value in shares listed on Hong Kong, Singapore or U.S. stock exchanges. Where the fund holds listed equities converted from the convertible bonds, the aggregate investment in equities will be less than 30% of its net asset value. The fund will not hold unlisted equities. It may also invest in units of any SFC-authorized unit trust, or any equity unit or eligible schemes of any SFC-authorized mutual fund corporation or any other SFC-authorized collective investment scheme, and it may hold cash, deposits, and other money market instruments as well. The fund will not invest more than 30% of its net asset value in such instruments/investments. It will not invest in products with collateral and/or securitised products. It could acquire financial derivatives for hedging and investment purposes. The maximum net exposure of the fund’s derivatives could be 50% of the net asset value recently available to the fund.

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.

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 during the six months ended 30 June 2023.

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 six months ended 30 June 2023, save for the following deviations:

Under code provision C.2.1 of the CG Code, the roles 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 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 six months ended 30 June 2023. During the period, 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 as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) 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 six months ended 30 June 2023.

AUDIT COMMITTEE

During the six months ended 30 June 2023, 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 condensed consolidated financial information for the six months ended 30 June 2023 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 condensed consolidated financial information 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 2023 interim report of the Company.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

The interim results announcement of the Company for the six months ended 30 June 2023 is published on both the websites of the Company (www.chinaorientalgroup.com) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2023 will be dispatched to the Shareholders and published on the aforesaid websites in due course.

APPRECIATION

The Board would like to take this opportunity to extend its deepest gratitude to its staff for their hard work and dedication to the Group, and to its Shareholders for their continuous trust and support in the Company.

By order of the Board
China Oriental Group Company Limited
Han Jingyuan
Chairman and Chief Executive Officer

Hong Kong, 31 August 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.