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CHINA ORIENTAL GROUP COMPANY LIMITED
中國東方集團控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 581)

ANNOUNCEMENT OF 2023 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2023	2022	Changes
Sales volume (<i>tonnes</i>)			
– Self-manufactured steel products	7.73 million	7.10 million	8.9%
– Trading of steel products	0.20 million	0.30 million	(33.3%)
	7.93 million	7.40 million	7.2%
Revenue (RMB)			
– Sales of self-manufactured steel products	27.51 billion	28.22 billion	(2.5%)
– Sales of power equipment	3.88 billion	3.28 billion	18.1%
– Real estate	0.25 billion	0.30 billion	(17.1%)
– Trading of steel products, iron ore and related raw materials and others	14.62 billion	16.82 billion	(13.1%)
	46.26 billion	48.62 billion	(4.9%)
Gross profit/(loss) (RMB)			
– Sales of self-manufactured steel products	387 million	1,187 million	(67.4%)
– Sales of power equipment	254 million	228 million	11.4%
– Real estate	(99) million	101 million	(198.0%)
– Trading of steel products, iron ore and related raw materials and others	175 million	237 million	(26.2%)
	717 million	1,753 million	(59.1%)
Gross profit per tonne (RMB)			
– Sales of self-manufactured steel products	50	167	(70.1%)

* For identification purposes only

	Year ended 31 December		Changes
	2023	2022	
EBITDA ¹ (RMB)	1,279 million	2,357 million	(45.7%)
EBITDA ¹ margin	2.8%	4.8%	N/A
(LBIT)/EBIT ² (RMB)	(114) million	1,079 million	(110.6%)
(LBIT)/EBIT ² margin	(0.2)%	2.2%	N/A
(Loss)/profit before income tax (RMB)	(315) million	756 million	(141.6%)
(Loss)/profit for the year (RMB)	(196) million	811 million	(124.2%)
(Loss)/profit attributable to owners of the Company (RMB)	(160) million	808 million	(119.8%)
Basic (loss)/earnings per share (RMB)	(0.04)	0.22	(118.2%)
Final dividend per share (HK\$)	–	–	–
Special dividend per share (HK\$)	0.05	0.03	66.7%
Total dividends per share for the year ³ (HK\$)	0.05	0.10	(50.0%)
Return on equity ⁴	(0.7%)	3.6%	N/A
Adjusted profit for the year (a non-HKFRS measure) ⁵ (RMB)	4 million	513 million	(99.1%)
	As at 31 December		
	2023	2022	Changes
Total assets (RMB)	50.03 billion	48.02 billion	4.2%
Net assets value per share (exclude non-controlling interests) (RMB)	5.98	6.07	(1.4%)
Debt-to-capital ratio ⁶	63.0%	56.7%	N/A

¹ China Oriental Group Company Limited (the “Company”) defines EBITDA as (loss)/profit for the year before finance costs — net, income tax expense, amortisation, depreciation and non-cash non-recurring items. During the year ended 31 December 2023, there were no adjustments of non-cash non-recurring items in the calculation (2022: nil).

² The Company defines (LBIT)/EBIT as (loss)/profit for the year before finance costs — net, income tax expense and non-cash non-recurring items. During the year ended 31 December 2023, there were no adjustments of non-cash non-recurring items in the calculation (2022: nil).

³ Total dividends per share for the year include interim dividend of nil (2022: interim dividend of HK\$0.07).

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

⁵ The Company defines the adjusted profit for the year (a non-HKFRS measure) as (loss)/profit for the year excluding non-recurring gain and the provision for impairment of both (i) properties under development and held for sale; and (ii) loan receivables related to the real estate industry in the second-and-lower-tier cities in the PRC. Please refer to the sub-section headed “Management Discussion and Analysis — Non-HKFRS Measure” for details of the non-HKFRS measure.

⁶ Debt-to-capital ratio is calculated as total debt divided by total capital. Total debt includes current and non-current borrowings, lease liabilities and loans from related parties. Total capital includes non-current borrowings, non-current lease liabilities and equity attributable to owners of the Company.

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2023 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 December	
		2023	2022
	Note	RMB'000	RMB'000
Revenue	3	46,259,738	48,620,332
Cost of sales	4	(45,542,448)	(46,867,437)
Gross profit		717,290	1,752,895
Other income	5	245,233	237,711
Distribution costs	4	(139,319)	(116,215)
Administrative expenses	4	(832,929)	(933,122)
Research and development expenses	4	(353,869)	(345,899)
Provision for impairment of financial and contract assets, net	4	(99,503)	(315,048)
Other expenses	4	(35,071)	(25,495)
Losses on derivative financial instruments	6	(62,896)	(40,502)
Other gains – net	7	448,587	861,509
Operating (loss)/profit		(112,477)	1,075,834
Finance income	8	224,345	236,530
Finance costs	8	(425,060)	(559,673)
Finance costs – net		(200,715)	(323,143)
Share of results of associates and a joint venture		(1,379)	3,040
(Loss)/profit before income tax		(314,571)	755,731
Income tax expense	9	118,359	55,624
(Loss)/profit for the year		(196,212)	811,355
(Loss)/profit attributable to:			
Owners of the Company		(159,692)	807,507
Non-controlling interests		(36,520)	3,848
		(196,212)	811,355
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company (expressed in RMB per share)			
– Basic (loss)/earnings per share	10	RMB(0.04)	RMB0.22
– Diluted (loss)/earnings per share	10	RMB(0.04)	RMB0.22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/profit for the year	(196,212)	811,355
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	5,483	1,010
<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	15	21,769
	5,498	22,779
Total comprehensive (loss)/income for the year	<u>(190,714)</u>	<u>834,134</u>
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(154,194)	830,286
Non-controlling interests	(36,520)	3,848
	<u>(190,714)</u>	<u>834,134</u>

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2023	2022
	Note	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	14,396,707	14,544,200
Right-of-use assets	12	1,581,919	913,559
Properties under development and held for sale	14	93,647	–
Investment properties	12	166,367	196,580
Intangible assets	12	1,710,649	1,803,654
Investment in associates and a joint venture		184,904	178,786
Financial assets at fair value through other comprehensive income		449,833	359,045
Financial assets at fair value through profit or loss	19	325,896	348,208
Amount due from a related party		–	10,000
Prepayments, deposits and other receivables	13	154,562	1,071,752
Long-term bank deposits		1,390,000	2,090,000
Loan receivables	17	941,780	676,998
Deferred income tax assets		685,191	518,451
Total non-current assets		22,081,455	22,711,233
Current assets			
Properties under development and held for sale	14	219,400	498,044
Inventories	15	5,962,303	6,089,732
Trade receivables	16	2,871,278	2,818,200
Contract assets	3(c), 16	1,057,565	642,053
Prepayments, deposits and other receivables	13	4,429,107	3,334,678
Amounts due from related parties		128,899	80,723
Prepaid current income tax		65,399	111,439
Loan receivables	17	497,720	815,565
Notes receivable – bank acceptance notes	18	346,957	672,516
Financial assets at fair value through profit or loss	19	4,134,058	4,480,206
Structured bank deposits	20	127,543	103,748
Restricted bank balances		4,490,458	3,540,756
Cash and cash equivalents		3,618,030	2,124,697
Total current assets		27,948,717	25,312,357
Total assets		50,030,172	48,023,590

CONSOLIDATED BALANCE SHEET (CONTINUED)

		As at 31 December	
		2023	2022
	Note	RMB'000	RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		380,628	380,628
Share premium		3,532,234	3,532,234
Other reserves		1,860,033	1,852,289
Retained earnings		16,495,881	16,813,225
		<u>22,268,776</u>	<u>22,578,376</u>
Non-controlling interests		<u>2,709,009</u>	<u>2,706,271</u>
Total equity		<u><u>24,977,785</u></u>	<u><u>25,284,647</u></u>
LIABILITIES			
Non-current liabilities			
Borrowings	21	2,383,933	1,322,101
Lease liabilities		21,354	99,897
Long-term payables		8,352	41,394
Deferred revenue		24,923	29,010
Deferred income tax liabilities		67,056	92,548
		<u>2,505,618</u>	<u>1,584,950</u>
Total non-current liabilities		<u>2,505,618</u>	<u>1,584,950</u>
Current liabilities			
Trade payables	22	4,385,823	3,667,664
Accruals and other current liabilities		3,112,418	3,322,801
Contract liabilities	3(c)	1,424,604	1,406,525
Amounts due to related parties		85,321	51,692
Current income tax liabilities		346,318	455,358
Lease liabilities		9,519	21,925
Derivative financial instruments		21,398	49,345
Borrowings	21	13,089,962	12,116,624
Long-term payables, current portion		33,041	32,539
Dividends payable		38,365	29,520
		<u>22,546,769</u>	<u>21,153,993</u>
Total current liabilities		<u>22,546,769</u>	<u>21,153,993</u>
Total liabilities		<u><u>25,052,387</u></u>	<u><u>22,738,943</u></u>
Total equity and liabilities		<u><u>50,030,172</u></u>	<u><u>48,023,590</u></u>

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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 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 PRC and sells mainly to customers located in the PRC. The Group also carries out property development business which is mainly in the PRC.

These consolidated financial statements are presented in thousands of units of RMB, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board on 27 March 2024.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with HKFRS and requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value.

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

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group's financial position or operating result and did not require retrospective adjustment:

		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
HKAS 12 (Amendments)	International Tax Reform – Pillar Two Model Rules	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023

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

Certain new accounting standards and interpretations have been published that are not mandatory for the financial year ended 31 December 2023 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions:

		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
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1 January 2024
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
HK Int 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

(c) **Change in accounting policy on offsetting arrangement in long service payment scheme in Hong Kong**

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (the “**Guidance**”) which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, long service payment (“**LSP**”) is no longer a ‘simple type of contributory plans’ to which the practical expedient had been intended to apply. The change in accounting policy did not have a material impact on the Group.

3. SALES AND SEGMENT INFORMATION

(a) **Sales**

The Group is principally engaged in the manufacturing and sales of iron and steel products, trading of steel products, iron ore and related raw materials, sales of power equipment and real estate business. Sales recognised for the years ended 31 December 2023 and 2022 were as follows:

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Sales		
– H-section steel products	12,946,577	15,409,767
– Iron ore	11,361,275	11,339,351
– Strips and strip products	10,536,617	9,956,595
– Power equipment	3,878,779	3,283,211
– Sheet piling	2,797,537	2,742,754
– Cold rolled sheets and galvanised sheets	1,567,250	1,429,907
– Coke	707,909	1,267,412
– Billets	572,167	267,188
– Steel scrap	347,638	840,189
– Real estate	246,047	296,737
– Others	1,297,942	1,787,221
	46,259,738	48,620,332

(b) Segment information

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

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

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

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

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

	Year ended 31 December 2023		
	Iron and steel	Real estate	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised at a point in time	46,013,691	246,047	46,259,738
Segment results:			
Operating profit/(loss)	36,662	(149,139)	(112,477)
Finance costs – net	(200,712)	(3)	(200,715)
Share of results of associates and a joint venture	(1,379)	–	(1,379)
Loss before income tax			(314,571)
Income tax expense			118,359
Loss for the year			(196,212)
Other profit or loss items			
Depreciation and amortisation	1,392,077	616	1,392,693
Capital expenditure	2,194,787	13	2,194,800

	Year ended 31 December 2022		
	Iron and steel	Real estate	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised at a point in time	48,323,595	296,737	48,620,332
Segment results:			
Operating profit/(loss)	1,152,565	(76,731)	1,075,834
Finance (costs)/income – net	(399,396)	76,253	(323,143)
Share of results of associates and a joint venture	3,040	–	3,040
Profit before income tax			755,731
Income tax expense			55,624
Profit for the year			811,355
Other profit or loss items			
Depreciation and amortisation	1,276,900	1,345	1,278,245
Capital expenditure	2,656,473	91	2,656,564

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets are determined after deducting related allowance that is reported as direct offsets in the balance sheet. Segment assets consist primarily of property, plant and equipment, right-of-use assets, investment properties, intangible assets, investment in associates and a joint venture, loan receivables, properties under development and held for sale, prepayments, deposits and other receivables, inventories, trade receivables, contract assets, amounts due from related parties, notes receivable - 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 long-term payables, deferred revenue, amounts due to related parties, trade payables, contract liabilities, accruals and other current liabilities and lease liabilities.

The segment assets and liabilities as at 31 December 2023 were as follows:

	Iron and steel RMB'000	Real estate RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	<u>42,669,767</u>	<u>1,557,192</u>	<u>(1,374,707)</u>	<u>42,852,252</u>
Segment assets for reportable segments				42,852,252
Unallocated:				
Deferred income tax assets				685,191
Financial assets at fair value through other comprehensive income				449,833
Financial assets at fair value through profit or loss				4,459,954
Structured bank deposits				127,543
Long-term bank deposits				1,390,000
Prepaid current income tax				<u>65,399</u>
Total assets per balance sheet				<u><u>50,030,172</u></u>
Segment liabilities	<u>9,001,308</u>	<u>1,478,754</u>	<u>(1,374,707)</u>	<u>9,105,355</u>
Segment liabilities for reportable segments				9,105,355
Unallocated:				
Current income tax liabilities				346,318
Current borrowings				13,089,962
Non-current borrowings				2,383,933
Derivative financial instruments				21,398
Dividends payable				38,365
Deferred income tax liabilities				<u>67,056</u>
Total liabilities per balance sheet				<u><u>25,052,387</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>
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>

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

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

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets attributable to:		
– Iron and steel segment	<u>1,057,565</u>	<u>642,053</u>

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities attributable to:		
– Iron and steel segment	1,411,779	1,300,895
– Real estate segment	12,825	105,630
	<u>1,424,604</u>	<u>1,406,525</u>

The following table shows how much of the revenue recognised for the years ended 31 December 2023 and 2022 related to contract liabilities as brought-forward:

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised on:		
– Iron and steel segment	1,300,895	1,645,414
– Real estate segment	97,180	247,857
	<u>1,398,075</u>	<u>1,893,271</u>

4. EXPENSES BY NATURE

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Employee benefit expenses	1,354,273	1,318,419
Changes in inventories of finished goods and work in progress	1,074,202	(898,464)
Raw materials used and cost of goods sold for trading	39,914,996	43,542,351
Cost of properties sold	205,606	192,493
Energy and utility costs	1,800,421	1,782,502
Depreciation of property, plant and equipment (Note 12)	1,271,929	1,162,780
Amortisation of intangible assets (Note 12)	69,857	68,237
Depreciation of investment properties (Note 12)	13,461	13,442
Depreciation of right-of-use assets (Note 12)	37,446	33,786
Provision for impairment of trade receivables and contract assets	41,145	93,706
Changes of provision for impairment of inventories to net realisable value	23,575	15,452
Provision for impairment of properties under development and held for sale	138,405	145,822
Provision for impairment of loan receivables	13,687	198,702
Provision for impairment of prepayments, deposits and other receivables and amounts due from related parties	44,671	22,640
Tax	160,734	202,929
Freight, storage and hoisting costs	327,777	254,958
Research and technical consulting fee		
– Materials and utility related to research and development	259,608	254,027
– Technical consulting fee	38,868	27,411
Rental expenses on short-term leases	12,692	21,754
Auditors' remuneration		
– Audit services	4,924	4,963
– Non-audit services	1,202	816
Others	193,660	144,490
Total	<u>47,003,139</u>	<u>48,603,216</u>

5. OTHER INCOME

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Interest income from loan receivables	27,390	93,349
Government grants	161,379	110,057
Rental income from investment properties	23,441	25,244
Dividend income from financial assets at fair value through other comprehensive income	27,629	8,432
Interest income from financial assets at fair value through other comprehensive income	5,394	629
Total	<u>245,233</u>	<u>237,711</u>

6. LOSSES ON DERIVATIVE FINANCIAL INSTRUMENTS

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Investment (losses)/gains on foreign currency forward contracts (a)	(23,067)	52,654
Investment losses on iron ore, hot rolled steel coil, rebar and other products future contracts (b)	(41,634)	(90,635)
Investment gains/(losses) on iron ore and rebar future option contracts (c)	1,805	(2,521)
Total	<u>(62,896)</u>	<u>(40,502)</u>

During the year ended 31 December 2023, the Group entered into certain foreign currency forward contracts, certain iron ore, hot rolled steel coil, rebar and other products future contracts and certain iron ore and rebar future option contracts so as to reduce the impact of the volatility of the RMB exchange rate against USD and volatility of the iron ore, hot rolled steel coil, rebar and other products prices respectively.

- (a) For the year ended 31 December 2023, realised losses amounting to approximately RMB18 million and unrealised losses amounting to approximately RMB5 million (2022: realised gains amounting to approximately RMB65 million and unrealised losses amounting to approximately RMB12 million) were recognised in foreign currency forward contracts. Derivative financial liabilities in respect of foreign currency forward contracts of approximately RMB5 million (2022: approximately RMB12 million) were recognised in balance sheet as at 31 December 2023.
- (b) For the year ended 31 December 2023, realised losses amounting to approximately RMB25 million and unrealised losses amounting to approximately RMB17 million (2022: realised losses amounting to approximately RMB55 million and unrealised losses amounting to approximately RMB36 million) were recognised on iron ore, hot rolled steel coil, rebar and other products future contracts. Derivative financial liabilities in respect of iron ore, hot rolled steel coil, rebar and other products future contracts, of approximately RMB17 million (2022: approximately RMB36 million) were recognised in balance sheet as at 31 December 2023.

- (c) For the year ended 31 December 2023, realised gains amounting to approximately RMB2 million (2022: realised losses amounting to approximately RMB1 million) and no unrealised losses (2022: unrealised losses amounting to approximately RMB1 million) were recognised on iron ore and rebar future option contracts. No derivative financial liability in respect of iron ore and rebar future option contracts (2022: approximately RMB1 million) was recognised in balance sheet as at 31 December 2023.

7. OTHER GAINS – NET

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Provision for impairment of property, plant and equipment (<i>Note 12</i>) (a)	(249,842)	(166,893)
Provision for impairment of intangible assets (<i>Note 12</i>)	(25,551)	–
Investment income from financial assets at fair value through profit or loss	121,076	16,811
Unrealised fair value losses of financial assets at fair value through profit or loss	(96,459)	(225,547)
Gains of raw materials and by-products	32,801	28,325
Investment income from structured bank deposits	5,207	19,588
Gain on disposal of an associate	–	73,120
Gain on disposal of property, plant and equipment (a)	722,255	490,748
Gains on disposal of investment properties	41,910	–
Losses on disposal of financial assets at fair value through other comprehensive income	(15)	(21,769)
Gains on disposal of subsidiaries	–	729,002
Waiver of interest of loan receivables	–	(56,000)
Other foreign exchange (losses)/gains – net	(27,385)	26,321
Losses on derecognition of notes receivable	(72,332)	(54,180)
Others – net	(3,078)	1,983
Total other gains – net	<u>448,587</u>	<u>861,509</u>

- (a) On 24 August 2023, Jinxi Limited, a non-wholly owned subsidiary of the Company, entered into a 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 capacity of 1.08 million tonnes at a total consideration of RMB810 million (including value-added tax). The transfer of the iron capacity was completed in August 2023 and the Group recognised a gain on disposal of approximately RMB713 million. Therefore, the Group made a provision for impairment of approximately RMB250 million for certain property, plant and equipment related to the iron capacity according to the difference between the fair value less cost to sale and net book value.

8. FINANCE INCOME AND COSTS

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses		
– Borrowings and long-term payables	(461,958)	(510,399)
– Lease liabilities	(4,405)	(4,978)
Net foreign exchange losses on borrowings and dividends payable	(5,055)	(115,405)
	<hr/>	<hr/>
Finance costs	(471,418)	(630,782)
Less: amounts capitalised as qualifying assets	46,358	71,109
	<hr/>	<hr/>
Total finance costs	(425,060)	(559,673)
	<hr/>	<hr/>
Interest income		
– Bank deposits	224,345	224,748
– Other receivables and amounts due from related parties	–	11,782
	<hr/>	<hr/>
Total finance income	224,345	236,530
	<hr/>	<hr/>
Finance costs – net	(200,715)	(323,143)
	<hr/> <hr/>	<hr/> <hr/>

9. INCOME TAX EXPENSE

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
– PRC EIT	70,480	178,141
– Singapore profits tax	3,393	17,524
Deferred income tax	(192,232)	(251,289)
	<hr/>	<hr/>
	(118,359)	(55,624)
	<hr/> <hr/>	<hr/> <hr/>

The Group has operation in Mainland China and Hong Kong which is within the scope of the OECD Pillar Two model rules. As at the date of this announcement, there is no public announcement in Mainland China. Hong Kong has announced that it plans to implement the Global Minimum Tax and Hong Kong Domestic Minimum Top-up Tax starting from 2025 onwards but it is still under public consultation with the expectation that draft legislation will be published in the second half of 2024.

Since the Pillar Two legislation was not effective as at the date of this announcement, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in November 2023.

In addition, since the Pillar Two legislation in the jurisdictions that the Group operates in was not enacted or substantively enacted as at the date of this announcement, and due to the uncertainty of the announcement of the legislation and the complexities in applying the legislation and calculating GloBE income, the Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect.

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

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

No Hong Kong profits tax has been provided since the Company and the subsidiaries traded or incorporated in Hong Kong do not have assessable taxable profits during the year ended 31 December 2023 after utilising their accumulated tax losses (2022: nil).

China Oriental Singapore Pte. Limited (“**China Oriental Singapore**”) has been awarded the “Global Trader Programme” status since 1 April 2011 and continued to be awarded from 1 January 2019 for 5 years. Income from qualifying transactions will be taxed at the concessionary corporate tax rate of 5% (2022: 5%), subject to China Oriental Singapore’s fulfilment of certain terms and conditions as stated in the letter issued by International Enterprise Singapore.

The PRC EIT is calculated based on the statutory profit of subsidiaries incorporated in the Mainland China in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items which are non-taxable or non-deductible for income tax purposes. The EIT rate applicable to the subsidiaries incorporated in the Mainland China is 25% (2022: 25%) except for Zhonghuo Finance Leasing Co., Ltd.* (中霍融資租賃有限公司, “**Zhonghuo Leasing**”), Hebei Jinxi Iron and Steel Group Heavy Industry Science and Technology Co., Limited* (河北津西鋼鐵集團重工科技有限公司, “**Jinxi Heavy Industry**”), Chongqing Jodear Power Equipment Co., Ltd.* (重慶江電電力設備有限公司, “**Chongqing Jodear**”), Hebei Jinxi Sheet Piling Section Steel Technology Co., Ltd.* (河北津西鋼板樁型鋼科技有限公司, “**Jinxi Sheet Piling**”) and HJT.

Zhonghuo Leasing qualified as a key encouraged industry enterprise was established in an economically difficult zone. Approved by local tax authority in 2020, Zhonghuo Leasing was entitled to a five-year full EIT exemption from 2020 to 2024. Hence, the effective tax rate applicable to Zhonghuo Leasing was nil for the years ended 31 December 2023 and 2022.

Jinxi Heavy Industry, Chongqing Jodear, Jinxi Sheet Piling and HJT obtained the High-tech Enterprise Certificate and as high-tech enterprises, were subject to a preferential EIT rate of 15% from 2023 to 2025.

According to the applicable tax rate under PRC tax regulations, dividends distributed by a company established in the Mainland China to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to WHT at rate of 10%. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the Mainland China and Hong Kong, the relevant rate of WHT will be reduced from 10% to 5%. During the year ended 31 December 2023, the distribution of dividends among Jinxi Limited and certain foreign subsidiaries of the Group was subject to WHT at rate of 5% and 10%.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that became effective from 1 January 2022, enterprises engaging in research and development activities are entitled to claim 200% (2022: 200%) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for the year.

The taxation on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the weighted average applicable tax rate of 33.29% (2022: 18.63%) to respective profits of the consolidated entities for the years ended 31 December 2023 and 2022 as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
(Loss)/profit before income tax	(314,571)	755,731
Taxation calculated at statutory tax rates applicable in corresponding countries and regions	(104,707)	140,777
Tax exemption of subsidiaries with preferential tax policy	(88,231)	(85,985)
Temporary differences and tax losses for which no deferred income tax asset was recognised	125,546	64,306
Withholding tax on dividends from subsidiaries	18,700	16,002
Utilisation of previously unrecognised tax losses and temporary differences	(17,882)	(36,826)
Effect of non-taxable income	(11,530)	(17,726)
Reversal of previously recognised deferred income tax assets	5,960	–
Recognition of previously unrecognised deferred income tax assets	–	(64,883)
Deductible investment in environmental protection equipment	–	(9,033)
Withholding tax of intra-group interest income	61	276
Effect of non-deductible expenses	5,240	5,298
Additional deduction of research and development expenses and other expenses	(51,516)	(67,830)
	(118,359)	(55,624)

10. (LOSS)/EARNINGS PER SHARE

Basic

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

	Year ended 31 December	
	2023	2022
(Loss)/profit attributable to owners of the Company (<i>RMB '000</i>)	(159,692)	807,507
Weighted average number of ordinary shares in issue (<i>thousands of shares</i>)	3,722,569	3,722,569
Basic (loss)/earnings per share (<i>RMB per share</i>)	<u>(0.04)</u>	<u>0.22</u>

Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2023, the diluted loss per share is the same as basic loss per share since share options would have an anti-dilutive effect for the year ended 31 December 2023. As at 31 December 2022, the Company did not have any dilutive potential ordinary shares, therefore, diluted earnings per share is same as basic earnings per share.

11. DIVIDENDS

	Year ended 31 December	
	2023	2022
	<i>RMB '000</i>	<i>RMB '000</i>
Interim, paid (<i>a</i>)	–	236,461
Final, paid (<i>b</i>)	–	101,521
Final, proposed (<i>c</i>)	<u>168,815</u>	<u>–</u>

- (a) 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, representing HK\$0.07 per ordinary share for the six months ended 30 June 2022. The proposed interim dividend of approximately HK\$261 million (approximately RMB236 million) was paid on 24 October 2022.

- (b) 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 at the AGM on 8 June 2023 and was paid on 18 August 2023.

- (c) At the Board meeting held on 27 March 2024, the Board proposed a special dividend of approximately HK\$186 million, representing HK\$0.05 per ordinary share for the year ended 31 December 2023. The proposed special dividend of approximately HK\$186 million (approximately RMB169 million) is subject to the approval by the Shareholders at the forthcoming AGM to be held on 28 June 2024. The proposed special dividend is not reflected as dividends payable in these consolidated financial statements, but will be reflected as appropriations from retained earnings for the year ending 31 December 2024.

12. CAPITAL EXPENDITURE

	Property, plant and equipment RMB'000	Right-of-use assets RMB'000	Investment properties RMB'000	Intangible assets RMB'000
Year ended 31 December 2023				
Opening carrying amount as at				
1 January 2023	14,544,200	913,559	196,580	1,803,654
Additions	1,427,063	773,256	1,507	2,403
Transfer	6,517	1,112	(7,629)	–
Disposals	(59,302)	(68,562)	(10,630)	–
Depreciation and amortisation (<i>Note 4</i>)	(1,271,929)	(37,446)	(13,461)	(69,857)
Impairment (<i>Note 7(a)</i>)	(249,842)	–	–	(25,551)
	<u>14,396,707</u>	<u>1,581,919</u>	<u>166,367</u>	<u>1,710,649</u>
Closing carrying amount as at				
31 December 2023	14,396,707	1,581,919	166,367	1,710,649
Year ended 31 December 2022				
Opening carrying amount as at				
1 January 2022	13,173,153	384,510	100,346	263,811
Additions	2,938,853	562,835	128,786	1,608,080
Disposals	(238,133)	–	(19,110)	–
Depreciation and amortisation (<i>Note 4</i>)	(1,162,780)	(33,786)	(13,442)	(68,237)
Impairment	(166,893)	–	–	–
	<u>14,544,200</u>	<u>913,559</u>	<u>196,580</u>	<u>1,803,654</u>
Closing carrying amount as at				
31 December 2022	14,544,200	913,559	196,580	1,803,654

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Non-current		
Prepayments for purchase of long-term assets	43,616	1,156,233
Less: impairment provision	–	(234,235)
	<u>43,616</u>	<u>921,998</u>
Prepayments for purchase of long-term assets – net		
Prepaid expenses	23,961	36,056
Other receivables related to lease (a)	91,707	122,403
Less: impairment provision	(4,722)	(8,705)
	<u>86,985</u>	<u>113,698</u>
Other receivables related to lease – net		
	<u>154,562</u>	<u>1,071,752</u>
Current		
Prepayments for purchase of inventories	1,842,879	1,594,802
Other receivables related to disposal of a subsidiary (b)	214,199	514,199
Other receivables (c)	1,509,987	815,784
Less: impairment provision	(222,427)	(182,267)
	<u>1,287,560</u>	<u>633,517</u>
Other receivables – net		
Prepaid tax	665,439	94,605
Deposits	232,043	255,963
Prepaid expenses	107,743	183,281
Other receivables related to lease (a)	83,454	62,807
Less: impairment provision	(4,210)	(4,496)
	<u>79,244</u>	<u>58,311</u>
Other receivables related to lease – net		
	<u>4,429,107</u>	<u>3,334,678</u>
	<u>4,583,669</u>	<u>4,406,430</u>

- (a) The Group entered into certain sale and leaseback agreements with third parties as a lessor. Since the control of the leased objects had not been transferred to the Group, the Group recognised non-current and current other receivables related to lease of approximately RMB87 million (2022: approximately RMB114 million) and RMB79 million (2022: approximately RMB58 million) respectively.

- (b) On 23 November 2021, Jinxi Limited entered into a sale and purchase agreement with Guangxi Chiji Iron and Steel Company Limited* (廣西翅冀鋼鐵有限公司, “**Guangxi Chiji**”) in relation to the disposal of Jinxi Limited’s entire 100% equity interest in Fangchenggang Jinxi to Guangxi Chiji at a consideration of RMB3.5 billion (the “**FCG Disposal**”). The FCG Disposal was completed on 2 March 2022. Considering the agreement between Jinxi Limited and relevant governing authorities of Fangchenggang City entered into on 7 October 2022, the remaining receivables (primarily included a refundable deposit for land acquisition and certain cost reimbursement of RMB500 million and approximately RMB14 million respectively, which were recoverable from the relevant governing authorities of the Fangchenggang City) were recognised as other receivables. During the year ended 31 December 2023, the Group received RMB300 million.
- (c) As at 31 December 2023, the Group recognised the receivables of approximately RMB852 million due from relevant governing authorities of Qianxi County, which were the refundable deposits made on behalf of governing authorities to villages or village collectives of Qianxi County prior to the preparation of the leasehold land and land use rights transaction.

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

14. PROPERTIES UNDER DEVELOPMENT AND HELD FOR SALE

	As at 31 December	
	2023	2022
	RMB’000	RMB’000
Non-current		
Properties under development comprise:		
– Land use rights	202,496	–
– Construction costs	120,586	–
Less: impairment provision	(229,435)	–
	93,647	–
Current		
Properties under development comprise:		
– Land use rights	–	337,126
– Construction costs	3,679	282,158
Less: impairment provision	(1,282)	(196,246)
	2,397	423,038
Completed properties held for sale	320,937	75,006
Less: impairment provision	(103,934)	–
	217,003	75,006
	219,400	498,044
	313,047	498,044

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

15. INVENTORIES

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Raw materials and materials in-transit	4,248,490	3,278,142
Work-in-progress	388,567	563,007
Finished goods	1,377,429	2,277,191
Less: impairment provision	(52,183)	(28,608)
	<u>5,962,303</u>	<u>6,089,732</u>
Inventories – net	<u>5,962,303</u>	<u>6,089,732</u>

The cost of inventories recognised in cost of sales for the year ended 31 December 2023 amounted to approximately RMB45,312 million (2022: approximately RMB46,675 million).

16. TRADE RECEIVABLES AND CONTRACT ASSETS

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Trade receivables	3,125,292	3,060,422
Contract assets	1,124,935	681,069
Less: impairment provision for		
– trade receivables	(254,014)	(242,222)
– contract assets	(67,370)	(39,016)
	<u>3,928,843</u>	<u>3,460,253</u>
Trade receivables and contract assets – net	<u>3,928,843</u>	<u>3,460,253</u>

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

As at 31 December 2023 and 2022, the ageing analysis of the gross amount of trade receivables and contract assets based on invoiced date and received date were as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Within 3 months	2,477,729	2,883,326
4–6 months	747,930	251,732
7–12 months	234,523	87,466
Over 1 year	790,045	518,967
	<u>4,250,227</u>	<u>3,741,491</u>
	<u>4,250,227</u>	<u>3,741,491</u>

As at 31 December 2023, trade receivables amounting to approximately RMB463 million (2022: approximately RMB221 million) were secured by letters of credit issued by third party customers.

17. LOAN RECEIVABLES

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Non-current		
Long-term loan receivables (a)	1,232,502	692,265
Less: impairment provision (c)	(290,722)	(15,267)
	941,780	676,998
Current		
Short-term and current portion of long-term loan receivables (b)	502,395	1,126,796
Less: impairment provision (c)	(4,675)	(311,231)
	497,720	815,565
Total loan receivables, net of provision	1,439,500	1,492,563

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

- (a) As at 31 December 2023, long-term loan receivable of approximately RMB348 million (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 31 December 2023, long-term loan receivable of approximately RMB91 million (2022: nil) was secured by certain properties in Hong Kong, interest bearing at rate of 10% per annum and principal repayable in 2 years.

As at 31 December 2023, long-term loan receivables of approximately RMB793 million (2022: nil) were reclassified from short-term loan receivables due to past defaults or extensions, and the Group expected the loan receivables would be retrieved after 1 year.

- (b) As at 31 December 2023, short-term loan receivable of approximately RMB70 million (2022: approximately RMB70 million) was borrowed by Mr. Wang Anjing, the chairman of Client Service International, Inc. (北京科藍軟件系統股份有限公司, "CSII"). The loan was secured by the borrower's pledge of listed equity shares of CSII, interest bearing at rate of 10% per annum.

As at 31 December 2023, current portion of long-term loan receivable of RMB254 million (2022: approximately RMB344 million) was borrowed by Mr. Liu Feng and Ms. Liu Yanhua, the shareholders of HJT. The loan was secured by the borrowers' pledge of listed equity shares of HJT, interest free and principal repayable on 10 January 2024.

As at 31 December 2023, short-term loan receivable of approximately RMB178 million (2022: approximately RMB178 million) was borrowed by Huzhou Fenglin Volcanic Equity Investment Partnership (Limited Partnership)*(湖州風林火山股權投資合夥企業(有限合夥), “**Fenglin Volcanic**”), which was secured by the borrower’s pledge of listed equity shares of Jiangsu Shentong Valve Co., Ltd.*(江蘇神通閘門股份有限公司, “**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 31 December 2022, short-term and current-portion of long-term loan receivables of approximately RMB879 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 31 December 2023, provisions amounting to approximately RMB45 million were written off due to the liquidation of the borrowers.

As at 31 December 2022, provisions amounting to 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 31 December 2023, provisions amounting to approximately RMB295 million (2022: approximately RMB281 million) were recognised on the loan receivables based on expected credit losses given that the decline in the value of underlying asset and evolved uncertainty in the recoverable amount.

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

18. NOTES RECEIVABLE – BANK ACCEPTANCE NOTES

	As at 31 December	
	2023	2022
	RMB’000	RMB’000
Notes receivable designated as financial assets at fair value through other comprehensive income	346,957	672,516

As at 31 December 2023, notes receivable amounting to approximately RMB23 million (2022: approximately RMB14 million) was pledged as security for the Group’s bank borrowings (Note 21).

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

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	193,396	531,559
4-6 months	142,172	136,348
7-12 months	11,389	4,609
	<u>346,957</u>	<u>672,516</u>

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current		
Listed equity interests	261,111	238,605
Financial investment products	64,785	109,603
	<u>325,896</u>	<u>348,208</u>
Current		
Money market funds	139,361	149,928
Investment funds	1,128,876	1,233,286
Listed bond investments	1,326,293	1,541,281
Bond market funds	283,076	444,469
Financial investment products	1,029,446	878,316
Listed equity interests	227,006	232,926
	<u>4,134,058</u>	<u>4,480,206</u>
Total	<u>4,459,954</u>	<u>4,828,414</u>

20. STRUCTURED BANK DEPOSITS

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Financial assets at fair value through profit or loss	<u>127,543</u>	<u>103,748</u>

As at 31 December 2023, the structured bank deposits represented financial instruments placed by the Group in various banks in Mainland China and Singapore for a term within 1 year. The interest of structured bank deposits of approximately RMB107 million was linked to BFIX USD/CNH and the interest of structured bank deposits of approximately RMB21 million was linked to Bloomberg SHGFGOAM INDEX/ SHGFGOPM INDEX.

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

21. BORROWINGS

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Non-current		
Bank borrowings		
– Secured (a)	573,800	341,200
– Unsecured	1,810,133	980,901
	<u>2,383,933</u>	<u>1,322,101</u>
Current		
Bank borrowings		
– Secured (a)	4,600,640	7,569,096
– Unsecured	8,483,985	4,542,191
	<u>13,084,625</u>	<u>12,111,287</u>
Other borrowings, unsecured (b)	5,337	5,337
	<u>13,089,962</u>	<u>12,116,624</u>
Total borrowings	<u>15,473,895</u>	<u>13,438,725</u>

- (a) The secured bank borrowings as at 31 December 2023 totaling approximately RMB5,174 million were secured by property, plant and equipment (Note 12), investment properties (Note 12), right-of-use assets (Note 12), notes receivable - bank acceptance notes (Note 18), long-term bank deposits and restricted bank balances of the Group.

The secured bank borrowings as at 31 December 2022 totaling approximately RMB7,910 million were secured by property, plant and equipment (Note 12), investment properties (Note 12), right-of-use assets (Note 12), notes receivable - bank acceptance notes (Note 18), long-term bank deposits and restricted bank balances of the Group.

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

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

	Bank borrowings		Other borrowings	
	As at 31 December		As at 31 December	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	13,084,625	12,112,487	5,337	5,337
Between 1 and 2 years	1,382,143	997,526	–	–
Between 2 and 5 years	533,790	252,375	–	–
Over 5 years	468,000	71,000	–	–
	<u>15,468,558</u>	<u>13,433,388</u>	<u>5,337</u>	<u>5,337</u>

22. TRADE PAYABLES

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Account payables	3,062,082	2,996,333
Notes payable	1,323,741	671,331
	<u>4,385,823</u>	<u>3,667,664</u>

As at 31 December 2023, notes payable of approximately RMB1,226 million represented bank acceptance notes which were secured by certain restricted bank balances and approximately RMB98 million represented commercial acceptance notes which were guaranteed by credit.

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

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

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	2,778,440	1,757,675
4-6 months	1,129,809	1,452,838
7-9 months	163,427	177,990
10-12 months	71,660	34,027
Over 1 year	242,487	245,134
	<u>4,385,823</u>	<u>3,667,664</u>

23. FINANCIAL GUARANTEE CONTRACTS

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Guarantee for engineering and trading	<u>30,267</u>	<u>88,219</u>

As at 31 December 2023, the Group provided guarantee for engineering and trading in favour of third parties which amounted to approximately RMB30 million (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.

24. COMMITMENTS

(a) Capital commitments

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Purchase of property, plant and equipment		
– Contracted but not provided for	786,490	1,060,190
– Authorised but not contracted for	55,094	368,817
	<u>841,584</u>	<u>1,429,007</u>

(b) Commitments to properties under development

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Purchase of properties under development	377,590	495,554

(c) Operating lease commitments

As lessor

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

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Within 1 year	10,691	14,197
Between 1 and 2 years	6,164	12,737
Between 2 and 3 years	5,783	7,026
Between 3 and 4 years	2,955	6,489
Between 4 and 5 years	738	2,676
Later than 5 years	416	612
	26,747	43,737

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The financial figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2023 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2023. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Looking back at 2023, the downward trend of the global economy slowed down, with inflation in major economies continued 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 China, economic growth during the year fell short of expectations. The overall supply and demand in the iron and steel industry was lean to loose. The investment in infrastructure increased by 5.9% year-on-year, and still maintained a relatively fast growth rate. The new construction area of real estate sector decreased by 20.4% year-on-year. The demand for steel products used in the real estate sector remained relatively weak. And the sales and production volume of automobile saw rebound. Affected by the unfavourable condition of the real estate sector, the demand for steel products used in engineering machinery remained dull. In view of the facts that the real estate sector still remained in the bottoming out stage, and the infrastructure industry continued its recovery momentum, and persistently played a supporting role, while the performance of the manufacturing industry was relatively prominent, the overall steel production of the iron and steel industry remained at a high level, and the export volume grew significantly. At the same time, as the downstream demand for steel products in China showed differential, the recovery momentum was weak, and the cost maintained at a high level, the overall performance of the iron and steel industry remained at the trough. According to information from the National Bureau of Statistics of the PRC, the national production volumes of crude steel in 2023 were 1,019 million tonnes, which were basically flat with last year. The national production volumes of pig iron and steel products were 871 million tonnes and 1,363 million tonnes, respectively, representing an increase of 0.7% and 5.2% respectively, compared with 2022.

With regard to the policies of the iron and steel industry, the NDRC, together with 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)》)” in July 2023, which further expanded the scope of energy-saving, carbon-reducing transformation and upgrading in key industrial sectors. In August 2023, in order to promote the stable operation of the iron and steel industry, seven ministries including the MIIT and the NDRC jointly issued the “Work Plan for Stabilising Growth of the Iron and Steel Industry* (《鋼鐵行業穩增長工作方案》)”, proposing the targets of the iron and steel industry for 2023 and 2024. In 2023, the supply and demand of the iron and steel industry maintained a dynamic balance. The fixed asset investment of the whole industry kept on steady growth, and the economic benefits significantly improved. The industry investment in the research and development strived to reach 1.5%, while the industry value-added output increased by approximately 3.5%. In 2024, the development environment and industrial structure of the industry will further optimise. The high-end, intelligent and green standards will continue to be upgraded, with the industry value-added output increasing by more than 4%. In December 2023, the State Council issued the “Action Plan for Continuous Improvement of Air Quality* (《空氣質量持續改善行動計劃》)”, which stated that projects with high energy consumption, high emission or low-level projects shall be resolutely curbed and addition of new iron and steel production capacity shall be strictly prohibited. The iron and steel industry policy continued to focus on energy efficiency improvement, stable operation, high-quality development and green and low-carbon transformation.

Against this backdrop, the Group has continued to reduce costs and improve efficiency, increase marketing promotion and investment in 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 considerable decrease in the average selling price of steel products of the Group due to a continuing sluggish downstream product demand in the iron and steel industry; and (ii) the overall production costs of the Group remained at a relatively high level due to a slower price decreasing trend of the major raw materials of steel products than that of the steel products. The Group recorded a net loss for the year ended 31 December 2023 with a decrease of approximately 173.9% as compared to the Group’s net profit (excluding the after tax effect of the non-recurring gain on disposal of Fangchenggang Jinxi of approximately RMB730 million) of approximately RMB265 million for the year ended 31 December 2022. The Group recorded a revenue of approximately RMB46.26 billion for 2023, representing a decrease of approximately 4.9% as compared to last year. The average selling price of self-manufactured steel products decreased by 10.5% to approximately RMB3,557 per tonne and the gross profit decreased by approximately 67.4% to approximately RMB387 million as compared to 2022. The Group’s overall net loss was approximately RMB196 million, representing a decrease of approximately 124.2% as compared to net profit of RMB811 million last year. EBITDA decreased from approximately RMB2,360 million of last year to approximately RMB1,280 million. Basic loss per share was RMB0.04 (2022: basic earnings per share of RMB0.22).

In 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”. 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) and was recognised as “National Machinery, Metallurgy and Building Materials Industry Demonstration Innovation Workshop* (全國機械冶金建材行業示範性創新工作室)”. In addition, Hebei Jinxi Iron and Steel Group Heavy Industry Science and Technology Company Limited*(河北津西鋼鐵集團重工科技有限公司), a subsidiary of the Company, was honoured with the title of “State-level Technologically Advanced ‘Little Giant’ Enterprise* (國家級專精特新「小巨人」企業)” by MIIT, becoming the first enterprise in the PRC’s casting industry to receive this appraisal. HJT, another subsidiary of the Company, was also accredited as the “National Enterprise Technology Centre* (國家企業技術中心)” by the NDRC.

To celebrate stepping into the 20th anniversary of the listing of the Company, given the 2023 results and taking into account the current challenges in the iron and steel industry, the Board proposed the distribution of 2023 special dividend of HK\$0.05 per ordinary share.

In respect of the iron and steel business, focusing on the overall goal of cost reduction and efficiency improvement and leveraging on its strength of Grade A environmental performance and differentiated environmental protection management and control policies, 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 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 addition, the Group completed the construction of the Branch-line Railway Project for transportation of materials and inventories for the business of the Group in 2022, which will be put into operation when the local government completes the capacity expansion and transformation of its responsible “Zunxiao Railway”. The Branch-line Railway will be used for connecting the Group’s facilities with the railway transportation hub system and ports nearby. In 2023, the Group sold approximately 3.60 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.

On 24 August 2023, in order to coordinate and improve the efficiency of its resource allocation and taking into account of the factors, such as implementation of the crude steel production cap by the PRC government authorities and certain production capacity not being fully utilised as a result of the Group’s gradually decreasing demand for iron and steel production capacity, Jinxi Limited, a subsidiary of the Company, entered into a 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 value-added tax), which contributed a gain on disposal of approximately RMB713 million and a provision for impairment of the associated property, plant and equipment of approximately RMB250 million to the Group. For details, please refer to the announcement of the Company dated 24 August 2023.

In 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 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. In 2023, HJT contributed revenue in sale of power equipment of approximately RMB3.88 billion to the Group.

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 had been completed in the past years. In 2023, the 4th phase of the Donghu Bay project in Tangshan City and the Jinxi Meishu Hall project in Guangxi Province started delivery and the Group recorded revenue from real estate business of approximately RMB246 million. In addition, due to continued weakness of the real estate market, the Group updated the appraised value of the projects in properties under development and held for sale in 2023 based on the prevailing market selling price, and recognised a provision for impairment of approximately RMB138 million. As a result, real estate business recorded operating loss of approximately RMB149 million for 2023.

In 2023, the Group’s revenue and gross loss generated from the trading of steel products, iron ore and related raw materials amounted to approximately RMB13.72 billion (2022: approximately RMB14.14 billion) and approximately RMB47 million (2022: gross profit of approximately RMB157 million), respectively.

Last but not least, 2024 marks our start of 20th anniversary as a listed company. The Board would like to express its sincere gratitude to the Shareholders, investors, business partners, customers, suppliers and all staff for their continuous trust and support. The Company will continue to make unremitting efforts to create greater value for the Shareholders and strive for our long-term success.

BUSINESS REVIEW

Sales analysis on self-manufactured steel products

Sales Volume

In 2023, the total sales volume was 7,733,000 tonnes (2022: 7,102,000 tonnes), representing an increase of approximately 8.9%.

The sales volume breakdown during the year was as follows:

	2023		2022		Changes in sales volume
	Sales volume		Sales volume		Increase/
	('000 tonnes)		('000 tonnes)		(Decrease)
H-section steel products	3,600	46.5%	3,767	53.0%	(4.4%)
Strips and strip products	3,014	39.0%	2,587	36.4%	16.5%
Billets	151	2.0%	21	0.3%	619.0%
Cold rolled sheets and galvanised sheets	263	3.4%	239	3.4%	10.0%
Sheet piling	705	9.1%	488	6.9%	44.5%
Total	<u>7,733</u>	<u>100%</u>	<u>7,102</u>	<u>100%</u>	<u>8.9%</u>

During the year of 2023, the Group's annual production output capability of steel products was more than 10 million tonnes.

Revenue

Revenue in 2023 was RMB27,508 million (2022: RMB28,220 million), representing a decrease of approximately 2.5%. Export to foreign countries contributed revenue of RMB764 million (2022: RMB795 million), representing approximately 2.8% (2022: 2.8%) of revenue from sales of self-manufactured steel products.

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

	2023		2022		Changes	
	Revenue	Average selling price	Revenue	Average selling price	Revenue	Average selling Price
	(RMB million)	(RMB/tonne)	(RMB million)	(RMB/tonne)	Increase/(Decrease)	
H-section steel products	12,715	3,532	15,023	3,989	(15.4%)	(11.5%)
Strips and strip products	10,280	3,411	9,693	3,748	6.1%	(9.0%)
Billets	494	3,271	81	3,789	509.9%	(13.7%)
Cold rolled sheets and galvanised sheets	1,221	4,635	1,214	5,082	0.6%	(8.8%)
Sheet piling	2,798	3,967	2,209	4,526	26.7%	(12.4%)
Total/combined	<u>27,508</u>	<u>3,557</u>	<u>28,220</u>	<u>3,974</u>	<u>(2.5%)</u>	<u>(10.5%)</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 10.5% from RMB3,974 per tonne in 2022 to RMB3,557 per tonne in 2023. The considerable decrease in the average selling price of steel products of the Group was due to a continuous sluggish downstream product demand in the iron and steel industry for the year ended 31 December 2023.

Cost of Sales and Gross Profit

The consolidated gross profit in 2023 was RMB387 million (2022: RMB1,187 million), representing a decrease of approximately 67.4%.

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

	2023			2022		
	Average unit cost (RMB/ tonne)	Gross profit/ (loss) per tonne (RMB)	Gross profit/ (loss) margin	Average unit cost (RMB/ tonne)	Gross profit/ (loss) per tonne (RMB)	Gross profit/ (loss) margin
H-section steel products	3,489	43	1.2%	3,740	249	6.2%
Strips and strip products	3,337	74	2.2%	3,690	58	1.5%
Billets	3,366	(95)	(2.9%)	3,992	(203)	(5.4%)
Cold rolled sheets and galvanised sheets	4,626	9	0.2%	4,858	224	4.4%
Sheet piling	3,934	33	0.8%	4,417	109	2.4%
Combined	<u>3,507</u>	<u>50</u>	<u>1.4%</u>	<u>3,807</u>	<u>167</u>	<u>4.2%</u>

In 2023, gross profit per tonne of the Group's steel products decreased from RMB167 in 2022 to RMB50, reflecting a decrease of 70.1%. In 2023, gross profit margin decreased from 4.2% in 2022 to 1.4%. The decrease in gross profit margin was primarily attributable to the overall production costs of the Group remained at a relatively high level due to a slower price decreasing trend of the major raw materials of steel products than that of the steel products.

Property Development

In 2023, the Group had completed GFA of 26,000 m². The status of the completed GFA by project is set out as follow:

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 year ended 31 December 2023, the revenue from sales of completed properties held for sales of real estate business of the Group amounted to approximately RMB215 million. The GFA of properties delivered was approximately 32,600 m². The average selling price of properties delivered was approximately RMB6,600 per m².

As at 31 December 2023, the Group had the following project under construction with a GFA 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	2029	97.6%

The above project is expected to be completed in 2029.

FUTURE PROSPECTS

Entering 2024, the international environment has improved, with the global economy displaying a pattern of slowing inflation and steady growth, and the economy is likely to achieve a “soft landing”, but geopolitical conflicts still bring uncertainties to the global economy. On the other hand, growth of the domestic economy of China has shown signs of slowing down. Under the backdrop of the continuous downward trend of the real estate sector, there was a knock-on effect on the consumer market, resulting in the decline of the overall economic activities. It is expected that the PRC government would continue to actively expand infrastructure construction investment for carrying out regulation and control. The downturn of real estate industry is expected to narrow gradually, while the manufacturing industry will maintain steady development. It is expected that there will be no risk of significant decline in overall steel consumption in 2024. In general, the Group expects that the business environment of the iron and steel industry will still face various uncertainties in 2024. The iron and steel industry will fluctuate at a low level, but the overall development trend will gradually improve.

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 the proportion of high value-added products, expanding sales channels, continuously upgrading equipment and increasing investment in environmental protection, with a view to securing a leading position in the industry. In 2023, the Group 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 2024, the Group will continue to invest in energy saving and emission reduction, with a view to accelerating the realisation of green manufacturing and achieving better cost efficiency simultaneously. In addition, 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 2024. 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, steel downstream 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.

In order 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, in a bid to further reduce emissions and achieve better cost efficiency. Currently, the Group has deployed a total of over 800 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. Apart from 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, realise the sustainable growth and enhance 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.

This year marks the start of 20th anniversary of the Company's listing on the Stock Exchange. Since the completion of its initial public offering in March 2004, the Company has weathered a number of the industry cycles of the iron and steel industry and has continued to thrive in the face of many economic uncertainties. Since its listing, the Company, as a steel manufacturer with an annual production capacity to produce 3.1 million tonnes of steel products and mainly selling steel billets and strip products, has gradually expanded its business to a year-to-date steel products production capacity of more than 10 million tonnes with its product categories covering H-section steel products, sheet piling, strips and strip products, billets, cold rolled sheets and galvanised sheets. At the same time, it has expanded to downstream businesses including real estate and power equipment businesses, as well as holding a A-shares subsidiary listed on the Shanghai Stock Exchange. The Group's revenue has increased by more than 5 times as compared with that of 2004. The H-section steel products produced by the Group have maintained a leading position in China. The Company also became a constituent stock of the Hang Seng Composite Index Series many years ago. Looking ahead, the Group will continue to develop its business along the road towards the goal of the world's largest section steel production base, exploring upstream and downstream extension in the industry in order to become a sizable enterprise with distinctive products. The Group will strive to make effective use of its existing sound financial position and efficient management model to promote the green and sustainable development of the Group, create value for Shareholders and maximise business growth opportunities through effective capital and asset allocation, while remaining robust and resilient in the ever-changing business environment, so as to maximise Shareholders' value.

FINANCIAL REVIEW

Non-HKFRS Measure

Given that the real estate market in the PRC went through a consolidation phase in 2023 and certain real estate companies faced the ongoing financial pressure, the Group adopted a prudent approach to make a provision of RMB201 million for impairment of properties under development and held for sale and loan receivables related to the real estate industry in the second-and-lower-tier cities in the PRC.

To supplement the Group's consolidated financial information which is prepared and presented in accordance with HKFRS, the Company also uses adjusted profit for the year as an additional financial measure that is not required by, or presented in accordance with HKFRS. The Group defines adjusted profit for the year as the Group's (loss)/profit for the year excluding non-recurring gain and the provision for impairment of properties under development and held for sale and loan receivables in relation to the real estate industry in the second-and-lower-tier cities in the PRC. Despite the uncertainty as to the development of the real estate market of the PRC, with the introduction of various market stabilisation measures by the central and governments at all levels, the Company expects the real estate market of the PRC to gradually stabilise in the future. Therefore, the Company believes that

by eliminating the impact of provision for impairment of properties under development and held for sale and loan receivables related to the real estate industry in the second-and-lower-tier cities in the PRC, such adjusted profit provides Shareholders and potential investors with useful supplementary information in understanding and evaluating the Group's underlying performance in the same manner as they do for our management. The following table sets forth the reconciliation of the Group's adjusted profit for the year as a non-HKFRS measure for the years indicated to the most directly comparable financial measure prepared in accordance with HKFRS. The Group's adjusted profit for the year of 2023 was approximately RMB4.4 million, demonstrating the Group's resilient performance amid the challenging market environment.

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
(Loss)/profit for the year	(196,212)	811,355
<i>Adjustments made in respect of:</i>		
Provision for impairment of properties under development and held for sale [#]	138,405	145,822
Provision for impairment of loan receivables relating to the real estate industry in second-and-lower-tier cities in the PRC [#]	62,246	101,360
Non-recurring gain on disposal of Fangchenggang Jinxi	—	(545,978)
Adjusted profit for the year	<u>4,439</u>	<u>512,559</u>

The Company did not recognise the relevant current income tax or deferred income tax impact when making such provisions, and therefore did not calculate the relevant after-tax impact when presenting the adjustments.

However, the Company's presentation of adjusted profit is not intended to be considered in isolation from, or as a substitute for, the financial information prepared and presented in accordance with HKFRS. The use of the non-HKFRS measure above has its limitations as an analytical tool, and the adjusted profit presented by the Company may be different from similarly titled non-HKFRS measures presented by other companies. Shareholders and potential investors are therefore advised to consider the financial information of the Group in its entirety.

Liquidity and Financial Resources

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

As at 31 December 2023, the Group had unutilised banking facilities of approximately RMB13.9 billion (2022: approximately RMB13.6 billion).

As at 31 December 2023, the current ratio of the Group, representing current assets divided by current liabilities, was 1.2 times (2022: 1.2 times) and the gearing ratio, representing total liabilities divided by total assets, was 50.1% (2022: 47.3%).

As at 31 December 2023, the cash and cash equivalents of the Group amounted to approximately RMB3,618 million (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 Structure

As at 31 December 2023, borrowings of approximately RMB13,185 million of the Group bore fixed interest rates ranging from 0.49% to 6.57% per annum and borrowings of approximately RMB2,289 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 year ended 31 December 2023, the Group also entered into certain foreign currency forward contracts to manage its exposure to foreign currency exchange rates fluctuation. As at 31 December 2023, the notional amounts of these derivative instruments amounted to nil.

The Group monitors its capital on the basis of the debt-to-capital ratio. This ratio is calculated as total debt divided by total capital. Total debt includes current and non-current borrowings, lease liabilities and loans from related parties. The Group regards its non-current borrowings, non-current lease liabilities and equity attributable to owners of the Company as its total capital. As at 31 December 2023, the debt-to-capital ratio of the Group was 63.0% (2022: 56.7%).

The consolidated interest expenses and capitalised interest in 2023 amounted to approximately RMB466 million (2022: approximately RMB515 million). The interest coverage (dividing (loss)/profit for the year before finance costs — net and income tax expense by total interest expenses) was -0.2 times (2022: 2.1 times).

Commitments

As at 31 December 2023, the Group had total commitments of approximately RMB1,219 million (2022: approximately RMB1,925 million). It is estimated the commitments will be financed by the Group's internal resources and available banking facilities.

Guarantee and Contingent Liabilities

As at 31 December 2023, the Group's contingent liabilities amounted to approximately RMB30 million (2022: approximately RMB88 million), which were the provision of guarantee for engineering and trading in favour of third parties.

Pledge of Assets

As at 31 December 2023, the net book value of the Group's leasehold land and land use rights amounting to approximately RMB293 million (2022: approximately RMB305 million), property, plant and equipment amounting to approximately RMB518 million (2022: approximately RMB712 million), investment property amounting to RMB54 million (2022: RMB32 million), notes receivable amounting to approximately RMB23 million (2022: approximately RMB14 million), long-term bank deposits amounting to approximately RMB1,390 million (2022: approximately RMB2,090 million) and restricted bank balances amounting to approximately RMB4,410 million (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 ore and the relevant products from overseas suppliers and the Group's foreign currency borrowings, which are denominated and settled in USD. Foreign exchange rates fluctuate in reaction to the macro-economic performance of different countries and fund flows between countries arising from trade or capital commitments. In view of the continuous fluctuation of the RMB exchange rate against USD, during the year ended 31 December 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 year ended 31 December 2023, the Group entered into certain steel products, iron ore and related raw materials future or future option contracts so as to reduce the impact of the volatility of the steel products, iron ore and related raw materials prices on the Group. The Group used a combination of steel products, iron ore and related raw materials derivatives to achieve the above purpose. The investment losses from steel products, iron ore and related raw materials derivative financial instruments amounted to approximately RMB40 million (2022: approximately RMB93 million) for the year ended 31 December 2023.

Dividend

The Board proposed a special dividend of approximately HK\$186 million (approximately RMB169 million), representing HK\$0.05 per ordinary share for the year ended 31 December 2023 to the Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 17 July 2024. The special dividend, payable on or around Tuesday, 20 August 2024 is subject to approval of the Shareholders at the forthcoming AGM to be held on Friday, 28 June 2024.

Material Acquisitions and Disposals

Save as disclosed above, the Group did not have any other material acquisitions and disposals during the year ended 31 December 2023.

Post Balance Sheet Events

There were no significant events occurred to the Group from the balance sheet date to the date of this announcement.

Financial Assets at Fair Value Through Profit or Loss

As at 31 December 2023, the Group held financial assets at fair value through profit or loss of approximately RMB4,460 million, accounting for 8.9% of total assets, particulars of which are set out below:

Money Market Funds

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB‘000)	Fair value as at 31 December 2023 (RMB‘000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB‘000)	Fair value to the total assets of the Group as at 31 December 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	10,942	10,942	10,946	221	0.02%
Harvest Monetary Market Fund*					
嘉實貨幣市場基金	2,227	2,227	2,227	118	–
Bosera Asset Management Company Limited					
博時基金管理有限公司					
Bosera Cash Pot Money Market Fund					
博時現金寶貨幣市場基金	–	–	–	70	–
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	19,907	19,907	19,907	325	0.04%
Aegon-Industrial Fund Management Company Limited					
興証全球基金管理有限公司					
Aegon-Industrial Monetary Market Securities Investment Fund*					
興全貨幣市場證券投資基金	–	–	–	301	–
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	30,144	30,144	30,144	324	0.06%
Others	51	5,181	5,119	–	0.01%

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 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	29	2,893	2,893	45	0.01%
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	4,940	4,940	4,940	167	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	-	-	-	(97)	-
GF Fund Management Co., Ltd.					
廣發基金管理有限公司					
GF Fund Selected FOF Single Asset Management Plan*					
廣發基金睿選FOF單一資產管理計劃	29,507	29,507	29,507	30	0.06%
Changan Fund Management Co., Ltd.					
長安基金管理有限公司					
Changan Monetary Market Securities Investment Fund*					
長安貨幣市場證券投資基金	-	-	-	287	-
E Fund Management (HK) Co., Limited					
E Fund (HK) US Dollar Money Market Fund					
	35	26,610	28,555	64	0.06%
Others	5,123	5,123	5,123	84	0.01%
Total		<u>137,474</u>	<u>139,361</u>	<u>1,939</u>	<u>0.28%</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 includes cash, bank fixed deposits, certificates of deposits, bonds with a remaining term of within 397 days, central bank notes with a term of within 1 year, bond repurchases, as well as other money market instruments with good liquidity approved by the China Securities Regulatory Commission (“CSRC”) and the People’s Bank of China.

E Fund Management (HK) Co., Limited

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

Financial Investment Products

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 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	12,385	12,385	120	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					
	-	-	-	100	-
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					
	-	-	-	136	-
Others	-	-	-	6	-
China Merchants Bank Co., Ltd., China Merchants Wealth Asset Management Co., Ltd. and CMB Wealth Management Co., Ltd.					
招商銀行股份有限公司、招商財富資產管理有限公司及招銀理財有限責任公司					
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					
	50,059	60,700	47,220	2	0.09%

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB‘000)	Fair value as at 31 December 2023 (RMB‘000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB‘000)	Fair value to the total assets of the Group as at 31 December 2023
CM Wealth - Multi-Linked - ZhaoLi No. 88 Single Asset Management Plan*					
招商財富－多元掛鉤－招利88號單一資產管理計劃	50,000	50,000	50,005	–	0.10%
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	–
CM Wealth - Multi-Linked - ZhaoLi No. 127 Assembled Asset Management Plan*					
招商財富－多元掛鉤－招利127號集合資產管理計劃	30,001	30,000	28,339	–	0.06%
CMB Wealth ZhaoYing Daily Cash Wealth Management Plan*					
招銀理財招贏日日現金管理類理財計劃	–	–	–	1,310	–
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	36,446	–	0.07%
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	–
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	46,909	50,000	52,247	–	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	15,542	–	0.03%

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 2023
AVIC Trust Company Limited					
中航信託股份有限公司					
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					
	34,807	34,807	34,807	–	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					
	–	–	–	485	–
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	31,101	–	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%
China Fortune International Trust Co., Ltd.					
華鑫國際信託有限公司					
China Fortune Trust • XinYiJia No. 1 Assembled Assets Management Plan*					
華鑫信託 • 信益嘉1號集合資金信託計劃					
	–	–	–	2,757	–
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	–

Name of the financial assets	Number of units held as at 31 December 2023 (<i>'000</i>)	Investment cost as at 31 December 2023 (<i>RMB'000</i>)	Fair value as at 31 December 2023 (<i>RMB'000</i>)	Realised investment income/(loss) for the year ended 31 December 2023 (<i>RMB'000</i>)	Fair value to the total assets of the Group as at 31 December 2023
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	-	-	-	20	-
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	105,034	(1,187)	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	-	-	-	5,046	-

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 2023
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	81,180	–	0.16%
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	44,079	–	0.09%
Xiamen International Trust Co., Ltd.					
廈門國際信託有限公司					
Xiamen Trust-Xintou Ruixiang No. 1 Assembled Funds Trust Plan*					
廈門信託—信投睿享1號集合資金信託計劃	150,000	150,000	150,000	–	0.30%
Bridge Trust Co., Ltd.					
百瑞信託有限責任公司					
Bridge Zhicheng-Xintou Ruixiang No. 5 Assembled Funds Trust Plan*					
百瑞至誠—信投睿享5號集合資金信託計劃	150,000	150,000	150,000	–	0.30%
Bridge Zhicheng-Xintou Ruixiang No. 7 Assembled Funds Trust Plan*					
百瑞至誠—信投睿享7號集合資金信託計劃	40,000	40,000	40,000	–	0.08%
Everbright Wealth Management Co., Ltd.					
光大理財有限責任公司					
Everbright Wealth Management “YangGuang JinRi Tianli No. 1” Investment Product*					
光大理財「陽光金日添利1號」理財產品	–	–	–	19	–
China Universal Asset Management Company Limited					
匯添富基金管理股份有限公司					
China Universal-Tianfuniu No. 116 Assembled Assets Management Plan*					
匯添富—添富牛116號集合資產管理計劃	25,227	30,000	31,203	–	0.06%
Others	72,622	138,757	134,643	6,206	0.27%
Total		<u>1,166,649</u>	<u>1,094,231</u>	<u>22,866</u>	<u>2.19%</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 (中國建設銀行股份有限公司) and CCB Wealth Management Co., Ltd. (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. (招商銀行股份有限公司), China Merchants Wealth Asset Management Co., Ltd. (招商財富資產管理有限公司) and CMB Wealth Management Co., Ltd. (招銀理財有限責任公司)

CM Wealth — Multi-Linked — ZhaoLi No. 54 Single Asset Management Plan* (招商財富—多元掛鉤—招利54號單一資產管理計劃), CM Wealth — Multi-Linked — ZhaoLi No. 88 Single Asset Management Plan* (招商財富—多元掛鉤—招利88號單一資產管理計劃), 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) and CM Wealth — Multi-Linked — ZhaoLi No. 127 Assembled Asset Management Plan* (招商財富—多元掛鉤—招利127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.

Under the premise of strict risk control, CMB Wealth ZhaoYing Daily Cash Wealth Management Plan* (招銀理財招贏日日金現金管理類理財計劃) strives to provide investors with stable income while meeting their liquidity needs through in-depth analysis of domestic and foreign macroeconomic trends and the impact of macroeconomic policies on the financial market. The wealth management funds of this wealth management plan may be invested in the following financial assets and financial instruments directly or indirectly through asset management products such as trust plans and asset management plans (including but not limited to): 1. cash; 2. bank deposits, bond repurchases, central bank bills, interbank certificates of deposit with a term within 1 year (including 1 year); 3. bonds (including debt financing instruments of non-financial enterprises) with a remaining term within 397 days (including 397 days), asset-backed securities issued in the interbank market and stock exchange markets; 4. other monetary market instruments with sound liquidity approved by the CBIRC and the People's Bank of China; and 5. other financial assets that meet regulatory requirements. This wealth management plan invests no less than 80% in fixed-income 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, treasury bonds, 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, treasury bonds, 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 • 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 treasury bonds, 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 at an annualised rate of 16%, and if neither a knock-in nor knock-out is triggered, an interest for the entire year will be received at an annualised rate of 16%.

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

China Fortune Trust • XinYiJia 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 treasury bonds, 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 include: (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 treasury bonds, 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 instruments such as cash and demand deposits, placements with banks, reverse repurchase agreements, money market funds; (2) bonds and debt financing instrument assets such as treasury bonds, 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.

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, treasury bonds, 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, treasury bond 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).

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

Xiamen Trust-Xintou Ruixiang No. 1 Assembled Funds Trust Plan* (廈門信託—信投睿享1號集合資金信託計劃) is a fixed income product, which can be invested in: (1) cash assets: cash, bank deposits, money market funds; (2) standardised bonds traded on the national interbank bond market and stock exchange markets: including treasury bonds, central bank notes, local government bonds, interbank certificates of deposit, various financial bonds, corporate bonds, debentures, private placement debt financing instruments, short-term financing bonds, ultra short-term financing bonds, medium-term notes, etc.; (3) assets securities products: asset-backed securities, asset-backed notes, beneficial/income rights in listed on the national interbank bond market, stock exchange market, inter-institutional private placement products quotation and service system, the China Credit Assets Registry & Exchange Co., Ltd. and PICC Insurance Asset Registration and Trading System Co., Ltd.* (中保保險資產登記交易系統有限公司); (4) bond reverse repurchase; (5) protection funds for the trust business; and (6) fixed income products issued by banks and their wealth management subsidiaries, securities companies and subsidiaries, fund companies and subsidiaries, insurance companies and subsidiaries and trust companies. The proportion of debt assets invested by the trust plan shall not be less than 80% of the total value of the trust assets. The investment restrictions of the trust plan are as follows: (1) prohibition of using trust property for trustee and its related parties directly or indirectly; (2) prohibition of using trust property for purposes such as loans, mortgage financing, or external guarantees; (3) prohibition of using trust property for investments that may entail unlimited liability; (4) other investment restrictions stipulated by laws, regulations, and regulatory authorities, as well as restrictions prohibited by applicable laws and regulations; and (5) If the trust plan to invest in an asset management product, such asset management product shall not be re-invested in any asset management product other than a public securities investment funds.

Bridge Trust Co., Ltd. (百瑞信託有限責任公司)

Bridge Zhicheng-Xintou Ruixiang No. 5 Assembled Funds Trust Plan* (百瑞至誠一信投睿享5號集合資金信託計劃) and Bridge Zhicheng-Xintou Ruixiang No. 7 Assembled Funds Trust Plan* (百瑞至誠一信投睿享7號集合資金信託計劃) are fixed income products, which can be invested in: (1) cash assets: cash, bank deposits, money market funds; (2) standardised bonds traded on the national interbank bond market and stock exchange markets: including treasury bonds, central bank notes, local government bonds, interbank certificates of deposit, various financial bonds, corporate bonds, debentures, private placement debt financing instruments, short-term financing bonds, ultra short-term financing bonds, medium-term notes, etc.; (3) asset-backed securities, asset-backed notes, support plans, beneficial/income rights in listed on the national interbank bond market, stock exchange market, inter-institutional private placement products quotation and service system, the China Credit Assets Registry & Exchange Co., Ltd. and PICC Insurance Asset Registration and Trading System Co., Ltd.* (中保保險資產登記交易系統有限公司); (4) bond reverse repurchase; (5) protection funds for the trust business; and (6) fixed income products issued by banks and their wealth management subsidiaries, securities companies and subsidiaries, fund companies and subsidiaries, and trust companies. The proportion of debt assets invested by these trust plans shall not be less than 80% of the total value of the trust assets. The investment restrictions of these trust plans are as follows: (1) prohibition of using securities in the trust property for repurchase financing transactions; (2) prohibition of using trust property for purposes such as loans, mortgage financing, or external guarantees; (3) prohibition of using trust property for investments that may entail unlimited liability; (4) other investment restrictions stipulated by laws, regulations, and regulatory authorities, as well as restrictions prohibited by applicable laws and regulations; (5) prohibition of simultaneous investment in the same underlying assets by the two existing trust units; and (6) if these trust plans to invest in an asset management product, such asset management product shall not be re-invested in any asset management product other than a public securities investment funds.

Everbright Wealth Management “YangGuang JinRi TianLi No. 1” Investment Product* (光大理財「陽光金日添利1號」理財產品) uses qualitative analysis and quantitative analysis methods to strive for higher investment returns than the performance benchmark through active investment in financial instruments on the basis of effective control of investment risks and maintenance of liquidity. The investment scope of this product is to invest in fixed income and financial derivative assets in domestic and overseas markets. Among them, fixed income investment products include: government bonds, local government bonds, central bank bills, government agency bonds, financial bonds, bank deposits, large-denomination certificates of deposit, interbank certificates of deposit, bond repurchase, corporate credit bonds, asset-backed securities, convertible bonds, exchangeable bonds and other assets recognised by the banking regulatory authority of the State Council. The investment varieties of financial derivative assets include financial derivatives such as interest rate swaps, treasury bond futures, credit risk mitigation certificates, total return swaps of bonds and other assets recognised by the banking regulatory authority of the State Council. The investment ratio of fixed income assets is 80%-100%, and the investment ratio of financial derivative assets (in terms of contract value) is 0%-20%. The market value of a single security or a single security investment fund invested in this product shall not exceed 10% of the net assets of the product, the market value of a single security or a single security investment fund invested in all public asset management products issued by the manager shall not exceed 30% of the market value of the securities or the market value of the securities investment fund, and the market value of all asset management products invested by the manager in stocks issued by a single listed company shall not exceed 30% of the tradable stocks of the listed company. The debt rating of various types of bond entities or debt securities invested in this product has reached AA (inclusive) or above, and the debt rating of investment asset-backed securities should be AA (inclusive) or above. The total assets of the product shall not exceed 140% of the net assets of the product.

China Universal-Tianfuniu No. 116 Assembled Assets Management Plan* (匯添富-添富牛116號集合資產管理計劃) pursues the steady appreciation of the entrusted asset under the premises of strictly controlling risk. The plan mainly invests in the following types of assets permitted by laws and regulations and regulatory institutions: (1) fixed income assets: treasury bonds, local government bonds, central bank notes, policy financial bonds, financial bonds, corporate bonds, debentures, perpetual bonds, medium-term notes, collective notes, short-term financing bonds, convertible bonds, exchangeable bonds, asset-backed securities and asset-backed notes, government supported institution bonds, private placement financing debt instruments (PPN), interbank certificates of deposit, bonds repurchase, bonds reverse repurchase, deposit; (2) equity assets: stocks and depositary receipts issued and listed in accordance with laws, stocks within the scope of Stock Connect for South bound Trading, preferred shares; (3) commodities and financial derivative assets: stock index futures, treasury bond futures, stock options, stock index options, derivative assets limited to those traded on exchanges; and (4) equity investment fund: stock funds, bond funds, hybrid funds, money market funds, publicly offered infrastructure equity investment funds, QDII funds and other types of funds. This asset management plan is a hybrid plan, its investment in equity assets accounts for 0%-95% of the total assets of the plan, while proportion of the contractual value in fixed income assets and futures do not exceed 80% of the total assets of the plan.

Listed Bond Investments

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 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	2,140	185,158	180,245	15,946	0.36%
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	1,961	157,732	157,051	24,128	0.31%
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	-	-	-	2,029	-
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	2,696	278,198	277,212	12,348	0.55%
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	4,909	302,551	301,718	10,364	0.60%
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	1,815	166,525	168,524	10,815	0.34%

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 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)	131	96,288	96,494	765	0.19%
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	–	–	–	1,187	–
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	102,195	4,860	0.20%
Dawn Opus Asset Management Co., Ltd.					
北京晨樂資產管理有限公司					
Chenle Yufeng No. 1 Private Equity Investment Fund*					
晨樂裕豐1號私募證券投資基金	41	40,338	40,348	1,051	0.08%
Others	25	2,516	2,506	(1,234)	0.01%
Total		<u>1,329,306</u>	<u>1,326,293</u>	<u>82,259</u>	<u>2.65%</u>

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 futures 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 treasury bonds, 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: treasury bonds listed in the exchange and interbank market, 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; 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 treasury bonds, 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 treasury bond 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: treasury bonds, 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: treasury bonds, futures and margin offsetting business of treasury bonds 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, treasury bonds, 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, treasury bond 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.

Dawn Opus Asset Management Co., Ltd. (北京晨樂資產管理有限公司)

Chenle Yufeng No. 1 Private Equity Investment Fund* (晨樂裕豐1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 investment scope of this fund includes: stocks issued and listed on stock exchanges, securities allowed for investment under the Connect Arrangement of the Domestic and Overseas Securities Markets (境內與境外證券市場互聯互通機制), depositary receipts traded in stock exchanges, bonds and asset-backed securities traded in stock exchanges or interbank market, asset-backed notes and standardised notes traded in interbank market, fixed income securities of securities companies, bond reverse repurchases, pledge-style quoted repurchase in stock exchanges, cash, bank deposits, interbank certificates of deposits, margin trading and short selling, refinancing securities lending, derivatives traded in stock exchanges and futures exchanges, contract varieties traded in the Shanghai Gold Exchange, over-the-counter derivatives in the securities and futures market with securities companies/futures companies/banks and their subsidiaries as counterparties only, publicly offered funds, wealth management products from banks, asset management plans of securities companies and their subsidiaries, private investment funds issued by private securities investment fund managers who are shown as registered on the website of the AMAC, trust plan. The investment portfolio of the property of the fund is subject to the following restrictions: 1. the fund shall not invest in private funds entrusted to an institution without the qualification to custody securities investment funds; 2. the fund shall not invest in subordinated/inferior shares from structured financial products (except publicly offered funds); 3. the total assets of the fund shall not exceed 200% of the fund's net assets; 4. the depositary receipts held in the fund shall not exceed 100% of the fund's net asset value by market value in aggregate; and 5. the non-public traded shares of companies listed on stock exchanges invested by the fund shall not exceed 50% of the fund's net asset value by market value in aggregate.

Investment Funds

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 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	86,872	88,648	45,643	(1,667)	0.09%
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)	- ¹	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	11,656	11,851	12,472	(226)	0.02%
Value Partners Limited					
Value Partners Intelligent Funds - Chinese Mainland					
Focus Fund	107	65,128	40,181	-	0.08%
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	50,144	-	0.10%

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 2023
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	56,660	–	0.11%
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	29,354	30,000	32,680	–	0.07%
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	19,900	–	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	29,198	–	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	14,171	26,812	10,082	(25,801)	0.02%
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	–	–	–	2,813	–

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 2023
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	-	-	-	(5,177)	-
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	30,000	-	0.06%
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	25,915	-	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	18,484	30,000	28,059	2,036	0.06%
Derivatives Enhanced Index No. 5 Private Securities Investment Fund*					
衍盛指數增強5號私募證券投資基金	16,559	20,000	18,028	-	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)	-

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 2023
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	34,606	–	0.07%
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	41,518	–	0.08%
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	46,300	3,945	0.09%
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	28,576	–	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	–	–	–	2,786	–
Y2 Capital Partners Limited					
Y2 ESG Opportunity Fund - Offshore	3	19,381	20,458	–	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	25,301	–	0.05%

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB‘000)	Fair value as at 31 December 2023 (RMB‘000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB‘000)	Fair value to the total assets of the Group as at 31 December 2023
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	28,047	30,577	28,476	3,505	0.06%
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	21,914	30,000	26,318	–	0.05%
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	29,788	29,874	29,491	(126)	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	20,454	29,547	36,582	(453)	0.07%
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	16,843	21,094	22,648	1,094	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	30,794	–	0.06%

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB‘000)	Fair value as at 31 December 2023 (RMB‘000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB‘000)	Fair value to the total assets of the Group as at 31 December 2023
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)	—	30,000	30,000	5	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	19,187	—	0.04%
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	18,292	20,000	19,076	(1,269)	0.04%
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	28,522	—	0.06%
Shanghai Wenbo Investment Management Co., Ltd.					
上海穩博投資管理有限公司					
Wenbo Quantitative Selection Ingenuity Series No. 1 Private Securities Investment Fund*					
穩博量化選股匠心系列1號私募證券投資基金	30,413	34,073	30,360	4,073	0.06%
Others	—	—	—	260	—

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB‘000)	Fair value as at 31 December 2023 (RMB‘000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB‘000)	Fair value to the total assets of the Group as at 31 December 2023
Fujian Langkun Asset Management Company Limited*					
福建朗坤資產管理有限公司					
Langkun Tianying No. 5 Private Securities Investment Fund*					
朗坤添盈5號私募證券投資基金	29,271	32,646	30,802	2,646	0.06%
Shanghai Mingxi Asset Management Company Limited					
上海鳴熙資產管理有限公司					
Mingxi 1000 Enhanced Index No. 1 Private Securities Investment Fund*					
鳴熙1000指數增強1號私募證券投資基金	20,044	20,000	19,659	–	0.04%
BN Investment					
上海犇牛投資管理有限公司					
BN Steady Progress No. 3 Private Securities Investment Fund*					
犇牛穩進3號私募證券投資基金	19,146	20,000	20,063	–	0.04%
China Asset Management Co., Ltd.					
華夏基金管理有限公司					
Huaxia SSE STAR Market 100 Trading Open-End Index Securities Investment Fund*					
華夏上證科創板100交易型開放式指數證券投資基金	20,538	20,000	19,224	–	0.04%
SDIC Essence Futures Co., Ltd.					
國投安信期貨有限公司					
SDIC Anxin No. 9 Single Asset Management Plan*					
國投安信安鑫9號單一資產管理計劃	20,000	20,000	20,004	–	0.04%
Others	79,166	110,232	101,949	2,494	0.20%
Total		<u>1,236,356</u>	<u>1,128,876</u>	<u>(5,575)</u>	<u>2.26%</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), treasury bonds 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, treasury bond 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 domestic stocks and depositary receipts issued and listed in accordance with laws (including the Main Board, ChiNext and other stocks and depositary receipts the fund is allowed to invest by the CSRC), bonds (including treasury bonds, 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, treasury bond 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 treasury bonds, 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, treasury bond 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 treasury bonds, 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, treasury bonds 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: treasury bonds, 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 treasury bond 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 treasury bonds, 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, treasury bond 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 Stock Exchange-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, treasury bonds, 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, treasury bonds 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, treasury bond 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 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. treasury 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.

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) 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. treasury 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%.

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

Wenbo Quantitative Selection Ingenuity Series No. 1 Private Securities Investment Fund* (穩博量化選股匠心系列1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 investment scope of this fund includes: 1. bonds traded in domestic stock exchanges and interbank market, bonds repurchase, interbank certificates of deposit, income securities issued by securities companies, bank deposit; 2. stocks issued and listed on domestic stock exchanges, stocks under the Stock Connect for Southbound Trading, companies' shares listed and traded in the NEEQ (those listed on NEEQ Select only); 3. financing options, exchange-traded options, over-the-counter options with securities companies or futures companies and their subsidiaries as counterparties; 4. publicly offered funds; and 5. the fund may participate in margin trading and short selling and refinancing securities lending. The total assets of the fund shall not exceed 200% of the fund's net assets.

Fujian Langkun Asset Management Company Limited (福建朗坤資產管理有限公司)*

Langkun Tianying No. 5 Private Securities Investment Fund* (朗坤添盈5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 of the fund include: (1) stocks issued and listed domestically in accordance with laws, Stock Connect for Southbound Trading, depositary receipts, margin trading and short selling; (2) treasury bonds, local government bonds, central bank notes, medium-term notes, financial bonds, corporate bonds, private placement financing debt instruments (PPN), small to medium enterprises' private placement debts, convertible bonds, short-term financing bonds, ultra short-term financing bonds, exchangeable bonds, asset-backed securities, asset-backed notes; (3) publicly offered funds; (4) bonds repurchase; (5) futures; (6) exchange-traded options, over-the-counter options, returns swaps, income certificate; (7) wealth management products; and (8) others. During the duration of the fund, the total assets of the fund shall not exceed 200% of the fund's net assets.

Shanghai Mingxi Asset Management Company Limited (上海鳴熙資產管理有限公司)

Mingxi 1000 Enhanced Index No. 1 Private Securities Investment Fund* (鳴熙1000指數增強1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 investment scope of this fund includes: 1. stocks issued and listed domestically in accordance with laws, depositary receipts, 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 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, asset management plans of securities companies and their subsidiaries, asset management plans of fund managers and their subsidiaries, asset management plans of future companies and their subsidiaries, trust plans, insurance asset management products, commercial banks' financial investment products, contractual private securities 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's investment portfolio shall be subject to the following restrictions: 1. the amount reported shall not exceed the total assets of the fund and the amount reported shall not exceed the total number of bonds to be issued by the company proposed to issue bonds in the application for the issuance of new bonds; 2. the amount reported shall not exceed the total assets of the fund and the amount reported shall not exceed the total number of shares to be issued by the company proposed to issue shares in the application for the issuance of new shares; 3. it must not invest in funds without custodian or safekeeping financial institutions; 4. the fund shall not invest in subordinated/inferior shares of structured financial products (except for publicly offered funds); 5. the fund shall not invest, either directly or indirectly, in unlisted equity, unlisted debentures or entrusted loans; 6. the fund's total fund asset value shall not exceed 200% of fund net asset value; 7. 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 publicly offered securities investment funds), private equity funds and various types of earning assets; 8. the investment proportion of depositary receipts listed and traded on domestic stock exchanges, when calculated by market value, shall not exceed 80% of the total asset value of the fund on the previous day; and 9. in case the fund invests in over-the-counter derivatives, the funds invested by the fund, calculated by the lower of cost and market value, shall not exceed 25% of fund's net asset value on the previous day.

BN Investment (上海犇牛投資管理有限公司)

BN Steady Progress No. 3 Private Securities Investment Fund* (犇牛穩進3號私募證券投資基金) pursues reasonable investment returns and strives to achieve long-term and steady 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 scope of the fund includes: (1) stocks; (2) bonds; (3) publicly offered funds; (4) bonds repurchase; (5) futures; (6) future options; (7) wealth management products; and (8) others. During the duration of the fund, the total assets of the fund shall not exceed 200% of the fund's net assets.

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

Huaxia SSE STAR Market 100 Trading Open-End Index Securities Investment Fund* (華夏上證科創板100交易型開放式指數證券投資基金) closely follows the target index and seeks to minimise tracking deviation and tracking error. The fund strives to achieve an average absolute daily tracking deviation of no more than 0.2% and an annual tracking error of no more than 2%. The fund invests primarily in the constituent securities and alternate constituent securities of the underlying index. Basically, it may also invest in non-constituent stocks, bonds, stock index futures, stock options, treasury bond options, asset-backed securities, money market instruments, bank deposits and other financial instruments permitted for fund investment by laws and regulations or the CSRC. The fund may participate in financing and refinancing securities borrowing in accordance with laws and regulations. The fund's investment in the constituent stocks and alternative constituent stocks of the underlying index shall be no less than 90% of the net asset value of the fund and no less than 80% of the non-cash fund assets.

SDIC Essence Futures Co., Ltd. (國投安信期貨有限公司)

SDIC Anxin No. 9 Single Asset Management Plan* (國投安信安鑫9號單一資產管理計劃) aims to pursue asset appreciation under the premise of risk control. The investment scope of the plan includes: 1. futures and derivatives: futures contracts listed on domestic stock exchanges, including commodity futures and financial futures; 2. fixed income: cash, bank deposits, money market funds, treasury bonds and treasury bonds reverse repurchase; and 3. others: private securities investment funds. The plan's investment in fixed income assets shall not account for less than 80% of total assets under the asset management plan in terms of market value, and the plan's investment in equity assets shall not account for less than 80% of the total assets under the asset management plan in terms of market value. The contract value of the position held for investment in futures and derivatives assets may be higher than 80% but shall not be lower than 20% of the total assets under the plan, and the interests in the derivatives account may exceed 20% of the total assets under the plan.

Listed Equity Interests

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 2023
China Risun Group Limited	approximately 97.09 million shares	170,560	289,456	5,547	0.58%
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	1,014	31,292	29,944	(6,009)	0.06%
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	943	14,831	9,859	330	0.02%
Poly Developments and Holdings Group Co., Ltd. 保利發展控股集團股份有限公司	910	13,253	9,009	409	0.02%
Hunan Valin Steel Co., Ltd. 湖南華菱鋼鐵股份有限公司	3,500	19,041	18,025	11,664	0.04%
Others	2,380	29,534	22,454	240	0.04%

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 31 December 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 2023
Tuote (Sanya) Private Equity Fund Management Co., Ltd.*					
托特（三亞）私募基金管理有限公司					
Tuote CSI 1000 Enhanced Index 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	3,276	29,408	29,499	(592)	0.06%
Beijing Ziwei Private Equity Fund Management Co., Ltd.*					
北京紫薇私募基金管理有限公司					
Ziwei Jinxi No. 7 Private Securities Investment Fund					
紫薇津汐7號私募證券投資基金	1,444	27,464	28,363	(2,537)	0.06%
Others¹	4,847	56,371	51,508	(5,061)	0.10%
Total		<u>391,754</u>	<u>488,117</u>	<u>14,781</u>	<u>0.98%</u>

Note:

1. 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 31 December 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 year ended 31 December 2023, there was dividend income of approximately RMB5.5 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 31 December 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 year ended 31 December 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 year ended 31 December 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 31 December 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 year ended 31 December 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 31 December 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. Poly Developments ranked 243rd in the 2023 Global 2000 Ranking 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 31 December 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 year ended 31 December 2023, dividend income received from Vanke, Poly Developments, Valin Steel and others were approximately RMB0.6 million, approximately RMB0.4 million, approximately RMB3.9 million and approximately RMB0.9 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 Enhanced Index 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.

Beijing Ziwei Private Equity Fund Management Co., Ltd. (北京紫薇私募基金管理有限公司)*

Ziwei Jinxi No. 7 Private Securities Investment Fund* (紫薇津汐7號私募證券投資基金) aims to build an investment portfolio based on in-depth research and strives to achieve long-term stable investment returns under the premise of strictly controlling investment risks. The investment scope of the fund includes stocks listed on stock exchanges, securities allowed for investment under the Stock 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 markets, asset-backed securities traded on stock exchanges or interbank markets, asset-backed notes and standardised notes traded on interbank markets, securities company income certificates, bond repurchase, bond reverse repurchase, pledge-style quoted repurchase on the stock exchanges, cash, bank deposits, interbank certificates of deposit, margin trading and short selling, refinancing securities lending, derivatives traded on stock exchanges and futures exchanges, contracts traded on Shanghai Gold Exchange, over-the-counter derivatives on the securities and futures market with securities companies/futures companies/banks and their subsidiaries as counterparties, public funds, bank wealth management products, trust plans, asset management plans of securities companies and their subsidiaries, asset management plans of insurance companies and their subsidiaries, asset management plans of futures companies and their subsidiaries, asset management plans of fund companies and their subsidiaries, and private equity funds issued by registered private securities investment fund managers published on the official website of the Asset Management Association of China. The investment portfolio of the fund's properties shall be subject to the following restrictions: 1. The fund shall not invest in private funds that are not under the custody of institutions qualified to be entrusted with securities investment funds; 2. The fund shall not invest in the subordinated/inferior shares of structured financial products; 3. The fund's total fund asset value shall not exceed 200% of the fund's net asset value; 4. The depositary receipts held in the fund, when calculated in aggregation by market value, shall not exceed 100% of the fund's net asset value; 5. The balance of funds from the repurchase of bonds held by the fund shall not exceed 100% of the net asset value of the fund; and 6. The individual bond held by the fund, when calculated in aggregation by cost, shall not exceed 25% of the net asset value of the fund.

Bond Market Funds

Name of the financial assets	Number of units held as at 31 December 2023 (‘000)	Investment cost as at 31 December 2023 (RMB’000)	Fair value as at 31 December 2023 (RMB’000)	Realised investment income/(loss) for the year ended 2023 (RMB’000)	Fair value to the total assets of the Group as at 31 December 2023
Prudence Investment Management (Hong Kong) Limited					
Prudence Enhanced Income Fund	25	137,934	160,307	–	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	–	–	–	(2,715)	–
Shanghai Huaxia Fortune CCI Capital 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	47,549	360	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	42,025	1,123	0.08%
E Fund Management (HK) Co., Ltd.					
E Fund (HK) Asia High Yield Bond Fund	438	31,962	22,174	–	0.04%
E Fund (HK) Selected Bond Fund	–	–	–	5,712	–
Others	10,411	11,000	11,021	287	0.02%
Total		<u>272,910</u>	<u>283,076</u>	<u>4,806</u>	<u>0.57%</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 treasury bonds, 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 treasury bond 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 treasury bonds, 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 treasury bonds, 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 treasury bonds, 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 treasury bond 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.

E Fund (HK) Select Bond Fund is a sub-fund of E Fund Selected Strategic Series 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 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 sub-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 sub-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 sub-fund will not invest in contingent convertible bonds. The sub-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 sub-fund. 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 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 sub-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 sub-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 sub-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 sub-fund’s derivatives could be 50% of the net asset value recently available to the sub-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 the Company and its Shareholders as a whole. On one hand, the Company is able to generate a relatively higher return from such investments than fixed-term bank deposits, while at the same time the Company is still able to retain flexibility in redeeming the investments whenever it foresees there is a cash need.

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

ACCREDITATION FOR THE COMPANY AND ITS MANAGEMENT

During the year ended 31 December 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". 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) and was recognised as "National Machinery, Metallurgy and Building Materials Industry Demonstration Innovation Workshop*" (全國機械冶金建材行業示範性創新工作室)". In addition, Hebei Jinxi Iron and Steel Group Heavy Industry Science and Technology Co., Limited* (河北津西鋼鐵集團重工科技有限公司), a subsidiary of the Company, was honoured with the title of "State-level Technologically Advanced 'Little Giant' Enterprise*" (國家級專精特新「小巨人」企業) by MIIT, becoming the first enterprise in the PRC's casting industry to receive this appraisal. HJT, another subsidiary of the Company, was also accredited as the "National Enterprise Technology Centre*" (國家企業技術中心) by the NDRC.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had a workforce of approximately 11,400 and temporary staff of approximately 80. The staff cost included basic salaries and benefits. Staff benefits included discretionary bonus, medical insurance plans, pension scheme, unemployment insurance plan, maternity insurance plan and the fair value of the share options, etc.. Effective from April 2021, the Group implemented a workers' injury insurance scheme and contributed 2.09% of the workers' wages to the relevant government authorities. According to the Group's remuneration policy, employees' package is based on productivity and/or sales performance, and is consistent with the Group's quality control and cost control targets.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 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 CG Code in Appendix C1 to the Listing Rules on the Stock Exchange throughout the year ended 31 December 2023, save for the following deviations:

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

Under code provision D.2.5 of the CG Code and the related notes of the CG Code, the Company should have an internal audit function which generally carries out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. While the PRC internal audit function of the Company was established since January 2018, other internal audit function is merged with the finance function during the year ended 31 December 2023. During the year, the Group conducted a review on the need for setting up an independent internal audit department. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and the close supervision of the management could provide sufficient internal control and risk management for the Group. The audit committee of the Board and the Board regularly review the effectiveness of the internal control systems and the risk management of the Group. The Board will review the need to set up an independent internal audit function on an annual basis.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. The Company has made specific enquiry of all Directors and all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year ended 31 December 2023.

AUDIT COMMITTEE

During the year ended 31 December 2023, the Audit Committee comprised three Independent Non-executive Directors, namely Mr. WONG Man Chung Francis as the Chairman of the Audit Committee and Mr. WANG Tianyi and Mr. WANG Bing as the members of the Audit Committee.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 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 consolidated financial statements of the Group have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory requirements and that adequate disclosures will be made in the 2023 annual report of the Company.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Friday, 28 June 2024. For the details, please refer to the notice of the AGM which will be published and dispatched to the Shareholders as soon as practicable in accordance with the bye-laws of the Company and the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

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

The register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024 (both days inclusive), during which no transfer of shares of the Company may be registered, for the purposes of ascertaining shareholders' entitlement to attend and vote at the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 June 2024.

(b) For determining the entitlement to the special dividend

The register of members of the Company will be closed from Monday, 15 July 2024 to Wednesday, 17 July 2024 (both days inclusive), during which no transfer of shares of the Company may be registered, for the purposes of ascertaining shareholders' entitlement for the proposed special dividend. The record date for the proposed special dividend shall be Wednesday, 17 July 2024. In order to qualify for the proposed special dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 12 July 2024.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT FOR 2023

The annual results announcement of the Company for the year ended 31 December 2023 is published on both the websites of the Company (www.chinaorientalgroup.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2023 will be dispatched to the Shareholders and published on the aforesaid websites in due course.

APPRECIATION

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

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions used in this announcement have the following meanings:

“AGM”	the annual general meeting of the Company
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“Branch-line Railway Project”	the project of building the branch-line railways for transportation of materials and inventories for the business of the Group
“BVI”	British Virgin Islands
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	China Oriental Group Company Limited, a company incorporated in Bermuda with limited liability and its issued shares are listed on the main board of The Stock Exchange
“Director(s)”	director(s) of the Company
“EIT”	enterprise income tax of PRC
“Fangchenggang Jinxi”	Fangchenggang Jinxi Section Steel Technology Limited* (防城港津西型鋼科技有限公司), a company incorporated in the PRC with limited liability which was a 97.6% indirectly owned subsidiary of the Company until its disposal completed on 2 March 2022

“GFA”	gross floor area
“Group”	collectively, the Company and its subsidiaries from time to time
“HJT”	Qingdao Huijintong Power Equipment Company Limited* (青島匯金通電力設備股份有限公司), a company incorporated in the PRC with limited liability and its issued shares are listed on the Shanghai Stock Exchange
“HKAS”	Hong Kong Accounting Standards issued by Hong Kong Institute of Certified Public Accountants
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKFRS”	Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants
“HK\$” or “HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinxi Limited”	Hebei Jinxi Iron and Steel Group Company Limited* (河北津西鋼鐵集團股份有限公司), a company incorporated in the PRC with limited liability and a 97.6% indirectly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MIIT”	Ministry of Industry and Information Technology of the PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules

“NDRC”	National Development and Reform Commission of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“WHT”	withholding tax of PRC
“%”	per cent

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

Hong Kong, 27 March 2024

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.