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This announcement and the listing document attached hereto have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and do not constitute an invitation or offer to acquire, purchase or subscribe for securities. Neither this announcement nor anything referred to herein (including the listing document attached hereto) forms the basis for any contract or commitment whatsoever. *For the avoidance of doubt, the publication of this announcement and the listing document attached hereto shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Issuer (as defined below) or the Guarantor (as defined below) for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).*

*This announcement does not constitute or form a part of any offer of securities for sale in the United States. The securities have not been, and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction and may not be offered or sold in the United States, or to or for the account or benefit of, U.S. persons (as defined in the Securities Act) absent registration or an exemption from registration under the Securities Act. No public offering of the securities will be made in the United States.*

***Notice to Hong Kong investors**: The Issuer and the Guarantor confirm that the Notes (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) ("**Professional Investors**") only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer and the Guarantor confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF SUPPLEMENTAL OFFERING CIRCULAR AND PRICING SUPPLEMENT ON THE STOCK EXCHANGE OF HONG KONG LIMITED

Joy Treasure Assets Holdings Inc.
(the "**Issuer**")

(incorporated with limited liability in the British Virgin Islands)

U.S.$650,000,000 5.75 per cent. Guaranteed Notes due 2029
(the "Notes")
(Stock Code: 5013)
issued under the U.S.$1,400,000,000 Medium Term Note Programme
(the "**Programme**")

unconditionally and irrevocably guaranteed by

中國東方資產管理(國際)控股有限公司
CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED

China Orient Asset Management (International) Holding Limited
中國東方資產管理**(**國際**)**控股有限公司

(the "**Guarantor**")

(incorporated with limited liability in Hong Kong)

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Bank of China (Hong Kong)	**Bank of Communications**	**BOC International**	**China CITIC Bank International**
China Construction Bank (Asia)	**China International Capital Corporation**	**China Securities International**	**CITIC Securities**
Citigroup	**HSBC**	**Hua Xia Bank Co., Limited Hong Kong Branch**	**ICBC International**

Mizuho	**Standard Chartered Bank**

Joint Bookrunners and Joint Lead Managers

ABC International	**Agricultural Bank of China Limited Hong Kong Branch**	**BOCOM International**	**CCB International**
China Galaxy International	**China Zheshang Bank Co., Ltd. (Hong Kong Branch)**	**CMBC Capital**	**CNCB Capital**
Crédit Agricole CIB	**Deutsche Bank**	**Dongxing Securities (Hong Kong)**	**Guotai Junan International**
Haitong International	**Industrial Bank Co., Ltd. Hong Kong Branch**	**Shanghai Pudong Development Bank Hong Kong Branch**	**SMBC Nikko**

Soochow Securities (Hong Kong)	**UBS**

This announcement is issued pursuant to Rule 37.39A of the Listing Rules.

Please refer to the supplemental offering circular dated 30 May 2024 (the "**Supplemental Offering Circular**") appended herein relating to the Notes, which amends and supplements the offering circular relating to the Programme dated 25 January 2024 (which can be found at https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0126/2024012600198.pdf) and the pricing supplement relating to the Notes dated 30 May 2024 (the "**Pricing Supplement**") appended herein. The Supplemental Offering Circular and the Pricing Supplement are published in English only. No Chinese version of the Supplemental Offering Circular or the Pricing Supplement has been published. As disclosed in the Supplemental Offering Circular and the Pricing Supplement, the Notes are intended for purchase by Professional Investors only and have been listed on The Stock Exchange of Hong Kong Limited on that basis.

The Supplemental Offering Circular and the Pricing Supplement do not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

The Supplemental Offering Circular and the Pricing Supplement must not be regarded as an inducement to subscribe for or purchase any securities of the Issuer or the Guarantor and no such inducement is intended.

Hong Kong, 7 June 2024

As at the date of this announcement, the sole director of the Issuer is the Guarantor.

As at the date of this announcement, the directors of the Guarantor are ZHOU Jidong, NING Jing, YANG Zheng and WANG Letian.

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APPENDIX 1 – SUPPLEMENTAL OFFERING CIRCULAR DATED 30 MAY 2024

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR TO ANY U.S. PERSON OR ANY PERSON ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")).

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached supplemental offering circular (the "**Supplemental Offering Circular**"). You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Supplemental Offering Circular. In accessing the attached Supplemental Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer, the Guarantor or the Joint Lead Managers (each as defined in the attached Supplemental Offering Circular) as a result of such access. In order to review the attached Supplemental Offering Circular or make an investment decision with respect to the securities, you must be located outside the United States and not be a U.S. person or acting for the account or benefit of a U.S. person.

Confirmation of Your Representation: The attached Supplemental Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Supplemental Offering Circular, you shall be deemed to represent to the Issuer, the Guarantor, Bank of China (Hong Kong) Limited, Bank of Communications Co., Ltd. Hong Kong Branch, BOCI Asia Limited, China CITIC Bank International Limited, China Construction Bank (Asia) Corporation Limited, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited, CLSA Limited, Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited, Hua Xia Bank Co., Limited Hong Kong Branch, ICBC International Securities Limited, Mizuho Securities Asia Limited, Standard Chartered Bank, ABCI Capital Limited, Agricultural Bank of China Limited Hong Kong Branch, BOCOM International Securities Limited, CCB International Capital Limited, China Galaxy International Securities (Hong Kong) Co., Limited, China Zheshang Bank Co., Ltd. (Hong Kong Branch), CMBC Securities Company Limited, CNCB (Hong Kong) Capital Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, Hong Kong Branch, Dongxing Securities (Hong Kong) Company Limited, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, SMBC Nikko Securities (Hong Kong) Limited, Soochow Securities International Brokerage Limited and UBS AG Hong Kong Branch (the "**Joint Lead Managers**") that (1) you are not in the United States and are not a U.S. person nor acting for the account or benefit of a U.S. person and, to the extent you purchase the securities described in the attached Supplemental Offering Circular, you will be doing so pursuant to Regulation S under the Securities Act; (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions; and (3) you consent to delivery of the attached Supplemental Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached Supplemental Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and, consequently, none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents (each as defined in the attached Supplemental Offering Circular) or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version available to you upon request from the Issuer, the Guarantor and the Joint Lead Managers.

Restrictions: The attached Supplemental Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES DESCRIBED IN THE ATTACHED SUPPLEMENTAL OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO THE SECURITIES ACT.

The materials relating to the offering of securities to which the Supplemental Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or affiliate on behalf of the Issuer and the Guarantor in such jurisdiction. For a description of certain restrictions on offers, sales and transfer of securities and on the distribution of the Supplemental Offering Circular, see "*Subscription and Sale*" in the Original Offering Circular (as defined in the Supplemental Offering Circular).

Except with respect to eligible investors in jurisdictions where such offer or invitation is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a general advertisement or general solicitation (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act) in the United States or elsewhere.

You are reminded that you have accessed the attached Supplemental Offering Circular on the basis that you are a person into whose possession the attached Supplemental Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Supplemental Offering Circular.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "**Reply**" function on your e-mail software, will be ignored or rejected.

YOU ACKNOWLEDGE THAT THE ATTACHED SUPPLEMENTAL OFFERING CIRCULAR AND THE INFORMATION CONTAINED THEREIN ARE STRICTLY CONFIDENTIAL AND INTENDED FOR YOU ONLY. YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED SUPPLEMENTAL OFFERING CIRCULAR, ELECTRONICALLY OR

OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH SUPPLEMENTAL OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED SUPPLEMENTAL OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

JOY TREASURE ASSETS HOLDINGS INC.

(incorporated with limited liability in the British Virgin Islands)

U.S.$650,000,000 5.75 per cent. Guaranteed Notes due 2029

issued under the U.S.$1,400,000,000

Medium Term Note Programme

unconditionally and irrevocably guaranteed by

China Orient Asset Management (International) Holding Limited

中國東方資產管理(國際)控股有限公司

(incorporated with limited liability in Hong Kong)

Issue Price: 99.384 per cent.

This supplemental offering circular (this "**Supplemental Offering Circular**") is supplemental to, forms part of and must be read and construed in conjunction with, to the offering circular dated 25 January 2024 (the "**Original Offering Circular**", as amended and supplemented by this Supplemental Offering Circular, the "**Offering Circular**") prepared by Joy Treasure Assets Holdings Inc. (the "**Issuer**") in connection with the U.S.$1,400,000,000 Medium Term Note Programme (the "**Programme**") as described in the Original Offering Circular. This Supplemental Offering Circular is prepared in connection with the U.S.$650,000,000 5.75 per cent. Guaranteed Notes due 2029 (the "**Notes**") to be issued by the Issuer and unconditionally and irrevocably guaranteed ("**Guarantee**") by China Orient Asset Management (International) Holding Limited 中國東方資產管理(國際)控股有限公司 (the "**Guarantor**", or the "**Company**") under the Programme only and does not otherwise modify the Programme. Terms given a defined meaning in the Original Offering Circular shall, unless defined herein or the context otherwise requires, have the same meaning when used in this Supplemental Offering Circular. To the extent there is any inconsistency between any statement in this Supplemental Offering Circular and any statement in the Original Offering Circular, the statement in this Supplemental Offering Circular shall prevail.

Application will be made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of, and permission to deal in, the Notes by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: Each of the Issuer and the Guarantor confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Issuer, the Guarantor or the Group (as defined below) or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Supplemental Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Supplemental Offering Circular.

The Notes will be represented by beneficial interests in a global certificate (the "**Global Certificate**") in registered form, which will be registered in the name of a nominee for, and shall be deposited on or about the Issue Date with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, certificates for Notes will not be issued in exchange for interests in the Global Certificate.

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state of the United States and may not be offered or sold in the United States or to any U.S. person or any person acting for the account or benefit of a U.S. person (as such term is defined in Regulation S under the Securities Act ("Regulation S")) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offering of securities in the United States. The Notes and the Guarantee are being offered outside the United States in reliance on Regulation S under the Securities Act. See "*Subscription and Sale*" on pages 136 to 143 in the Original Offering Circular and the Pricing Supplement.

The Notes are expected to be assigned a rating of "BBB" by S&P Global Ratings ("**S&P**") and a rating of "A-" by Fitch Ratings Ltd. ("**Fitch**"). These ratings are only correct as at the date of this Supplemental Offering Circular. A rating does not constitute a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

In accordance with the Administrative Measures for Examination and Registration of Medium and Long-term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(中華人民共和國國家發展和改革委員會令第 56 號))(the "**NDRC New Measures**") promulgated by the National Development and Reform Commission (the "**NDRC**"), the Notes will be issued within the relevant foreign debt issuance quota granted by the NDRC in the certificate of examination and registration of foreign debts borrowed by enterprises (企業借用外債審核登記證明) dated 29 December 2023 and obtained by China Orient Asset Management Co., Ltd. (中国东方资产管理股份有限公司)("**COAMC**") pursuant to the NDRC New Measures. After issuance of the Notes, the Issuer shall file or cause to be filed with the NDRC the requisite information and documents in connection with such Notes from time to time within the relevant prescribed timeframes in accordance with the NDRC New Measures.

Investing in the Notes involves certain risks and may not be suitable for all investors. See "*Risk Factors*" herein and in the Original Offering Circular for a discussion of certain factors to be considered in connection with an investment in the Notes. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Supplemental Offering Circular and the Original Offering Circular and the merits and risks of investing in the Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in the Notes. Investors should not purchase the Notes unless they understand and are able to bear risks associated with the Notes.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Bank of China (Hong Kong)	**Bank of Communications**	**BOC International**	**China CITIC Bank International**
China Construction Bank (Asia)	**China International Capital Corporation**	**China Securities International**	**CITIC Securities**
Citigroup	**HSBC**	**Hua Xia Bank Co., Limited Hong Kong Branch**	**ICBC International**

Mizuho **Standard Chartered Bank**

Joint Bookrunners and Joint Lead Managers

ABC International	**Agricultural Bank of China Limited Hong Kong Branch**	**BOCOM International**	**CCB International**
China Galaxy International	**China Zheshang Bank Co., Ltd. (Hong Kong Branch)**	**CMBC Capital**	**CNCB Capital**
Crédit Agricole CIB	**Deutsche Bank**	**Dongxing Securities (Hong Kong)**	**Guotai Junan International**
Haitong International	**Industrial Bank Co., Ltd. Hong Kong Branch**	**Shanghai Pudong Development Bank Hong Kong Branch**	**SMBC Nikko**

Soochow Securities (Hong Kong) **UBS**

Supplemental Offering Circular dated 30 May 2024

NOTICE TO INVESTORS

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that (i) the Offering Circular does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; (ii) all statements or expressions of opinion or intention (including, without limitation, the forward-looking statements, the statements regarding the future plans, use of proceeds, indebtedness, prospects, dividends, material contracts and litigation) in the Offering Circular are, in all material respects, fairly and honestly made on reasonable grounds or, where appropriate, based on reasonable assumptions, and such grounds or assumptions are fairly and honestly held by the Issuer or the Guarantor or their respective directors, and there are no other facts known or which could, upon due and careful inquiry, have been known to the Issuer, the Guarantor or their respective directors the omission of which would make any such statement or expression misleading in any material respect; and (iii) the Offering Circular contains all information with respect to the Issuer, the Guarantor and its subsidiaries (the "**Group**") taken as a whole, the Issuer, the Guarantor, the Notes and the Guarantee, which is material in the context of the issue and offering of the Notes (including the information which is required by applicable laws or applicable rules of the Hong Kong Stock Exchange or is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Group and of the rights attaching to the Notes and the Guarantee).

The Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Supplemental Offering Circular (read together with the Original Offering Circular) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Notes will be issued on the terms set out in "*Terms and Conditions of the Notes*" in the Original Offering Circular, as amended and/or supplemented by the pricing supplement (the "**Pricing Supplement**") set out in "*Pricing Supplement*" in this Supplemental Offering Circular. This Supplemental Offering Circular must be read and construed together with the Original Offering Circular and any information incorporated by reference herein (see "*Information Incorporated by Reference and Financial Information*" in this Supplemental Offering Circular). This Supplemental Offering Circular shall be read and construed on the basis that such information is incorporated and form part of this Supplemental Offering Circular.

This Supplemental Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the offering of the Notes. The distribution of this Supplemental Offering Circular and the Pricing Supplement and the offering of the Notes under the Programme in certain jurisdictions may be restricted by law. Persons into whose possession this Supplemental Offering Circular and the Pricing Supplement come are required by Bank of China (Hong Kong) Limited, Bank of Communications Co., Ltd. Hong Kong Branch, BOCI Asia Limited, China CITIC Bank International Limited, China Construction Bank (Asia) Corporation Limited, China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Corporate Finance Company Limited, CLSA Limited, Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited, Hua Xia Bank Co., Limited Hong Kong Branch, ICBC International Securities Limited, Mizuho Securities Asia Limited, Standard Chartered Bank, ABCI Capital Limited, Agricultural Bank of China Limited Hong Kong Branch, BOCOM International Securities Limited, CCB International Capital Limited, China Galaxy International Securities (Hong Kong) Co., Limited, China Zheshang Bank Co., Ltd. (Hong Kong Branch), CMBC Securities Company Limited, CNCB (Hong Kong) Capital Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, Hong Kong Branch, Dongxing Securities (Hong Kong) Company Limited, Guotai Junan Securities (Hong Kong) Limited, Haitong

International Securities Company Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, SMBC Nikko Securities (Hong Kong) Limited, Soochow Securities International Brokerage Limited and UBS AG Hong Kong Branch (the "**Joint Lead Managers**"), the Issuer and the Guarantor to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Notes or the distribution of this Supplemental Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, the European Economic Area, the People's Republic of China, the British Virgin Islands, Hong Kong, Japan, Singapore, Taiwan and Macau, to persons connected therewith. For a description of further restrictions on offers and sales of the Notes and distribution of this Supplemental Offering Circular and the Pricing Supplement, see "*Subscription and Sale*" in the Original Offering Circular and the Pricing Supplement.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Notes or the Guarantee other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents (as defined herein). Neither the delivery of this Supplemental Offering Circular, the Pricing Supplement nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor, the Group or any of them since the date hereof or if later, the date upon which this Supplemental Offering Circular has been most recently amended or supplemented or create any implication that the information contained herein is correct at any date subsequent to the date hereof or if later, the date upon which this Supplemental Offering Circular has been most recently amended or supplemented. This Supplemental Offering Circular or the Pricing Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers to subscribe for or purchase, the Notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Supplemental Offering Circular is being furnished by the Issuer and the Guarantor in connection with the Programme and the offering of the Notes and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Notes. Investors must not use this Supplemental Offering Circular for any other purpose, make copies of any part of this Supplemental Offering Circular or give a copy of it to any other person, or disclose any information in this Supplemental Offering Circular to any other person. This Supplemental Offering Circular may not be copied or reproduced in whole or in part. It may be distributed only to and its contents may be disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Supplemental Offering Circular, each investor is deemed to have agreed to these restrictions. No representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers as to the accuracy, completeness or sufficiency of the information contained in this Supplemental Offering Circular, and nothing contained in this Supplemental Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers has independently verified any of the information contained in this Supplemental Offering Circular and can give any assurance that this information is accurate, truthful or complete. This Supplemental Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers that any recipient of this Supplemental Offering

Circular should purchase the Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Supplemental Offering Circular and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

IN CONNECTION WITH THE ISSUE OF THE NOTES, ANY JOINT LEAD MANAGERS APPOINTED AND ACTING AS STABILISATION MANAGER (THE "**STABILISATION MANAGER**") (OR PERSONS ACTING ON THEIR BEHALF) MAY, SUBJECT TO ALL APPLICABLE LAWS AND DIRECTIVES, OVER-ALLOT AND EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL PROVIDED THAT CHINA CITIC BANK INTERNATIONAL LIMITED SHALL NOT BE APPOINTED AND ACTING IN SUCH CAPACITY. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor, the Group and the terms of the offering, including the merits and risks involved. See "*Risk Factors*" in the Original Offering Circular, as amended and supplemented by this Supplemental Offering Circular, for a discussion of certain factors to be considered in connection with an investment in the Notes.

Each person receiving this Supplemental Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents or any person affiliated with the Joint Lead Managers, the Trustee or the Agents in connection with its investigation of the accuracy of such information or its investment decision. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee and the Agents or any of their respective affiliates, directors or advisors accepts any responsibility whatsoever for the contents of this Supplemental Offering Circular or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors or advisors or on its or their behalf in connection with the Issuer, the Guarantor, the Group, the Guarantee, the Programme or the issue and offering of the Notes thereunder. Each of the Joint Lead Managers, the Trustee and the Agents or any of their respective affiliates, directors or advisors accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Supplemental Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates undertakes to review the financial condition or affairs of the Issuer, the Guarantor or the Group for so long as the Notes remain outstanding nor to advise any investor or potential investor of the Notes of any information coming to the attention of any of the Joint Lead Managers, the Trustee, the Agents or their respective affiliates.

Paragraph 21 of the Hong Kong SFC Code of Conduct – As paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission applies to this offering of Notes, prospective investors should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors*" appearing on pages iv to v of the Original Offering Circular, and CMIs (as defined in the Original Offering Circular) should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks)*" appearing on pages 136 to 138 of the Original Offering Circular.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

The following paragraph in "*Certain Definitions, Conventions and Currency Presentation*" on page vi of the Original Offering Circular:

Reference to "***Issuer's Existing Bonds***" are to the bonds issued by the Issuer and being outstanding as of the date of this Offering Circular, including (i) 3.875 per cent. bonds due 2024 and 4.500 per cent. bonds due 2029 issued on 20 March 2019; (ii) 2.875 per cent. bonds due 2024 and 3.500 per cent. bonds due 2029 issued on 24 September 2019; and (iii) 1.875 per cent. bonds due 2025 and 2.750 per cent. bonds due 2030 issued on 17 November 2020.

shall be deleted in its entirety and replaced by the following:

Reference to "***Issuer's Existing Bonds***" are to the bonds issued by the Issuer (other than the notes issued by the Issuer under the Programme as described in the section entitled *"Capitalisation and Indebtedness"* of this Supplemental Offering Circular) and being outstanding as of the date of this Supplemental Offering Circular, including (i) U.S.$300,000,000 4.500 per cent. bonds due 2029 issued on 20 March 2019; (ii) U.S.$400,000,000 2.875 per cent. bonds due 2024 and U.S.$500,000,000 3.500 per cent. bonds due 2029 issued on 24 September 2019; and (iii) U.S.$450,000,000 1.875 per cent. bonds due 2025 and U.S.$300,000,000 2.750 per cent. bonds due 2030 issued on 17 November 2020.

PRESENTATION OF FINANCIAL INFORMATION

The section entitled "*Presentation of Financial Information*" on page vii of the Original Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

The audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2021, 2022 and 2023 (the "**Guarantor's Consolidated Financial Statements**") were prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The Guarantor's Consolidated Financial Statements have been audited by PricewaterhouseCoopers, the Guarantor's independent auditor.

Copies of the Guarantor's Consolidated Financial Statements are available for inspection from the date of this Supplemental Offering Circular at the Guarantor's registered office. See "*General Information*" in the Original Offering Circular.

INFORMATION INCORPORATED BY REFERENCE AND FINANCIAL INFORMATION

This Supplemental Offering Circular should be read and construed in conjunction with the Original Offering Circular, save that any statement contained in the Original Offering Circular shall be modified or superseded for the purpose of this Supplemental Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Supplemental Offering Circular.

The section entitled "*Information Incorporated by Reference and Financial Information*" as set out on page viii of the Original Offering Circular (including those documents incorporated by reference as set out therein) shall not form part of this Supplemental Offering Circular.

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SUMMARY

The section entitled "Summary" as set out on pages 8 to 10 of the Original Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

The summary below is only intended to provide a limited overview of detailed information described elsewhere in this Supplemental Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors. Prospective investors should therefore read the entire Offering Circular, including the section entitled "Risk Factors" and the consolidated financial statements of the Group and related notes thereto, before making an investment decision.

THE ISSUER

The Issuer is a wholly-owned subsidiary of the Guarantor. The Issuer was incorporated as a BVI business company with limited liability under the laws of the British Virgin Islands. Since its incorporation, the Issuer had engaged in certain investment activities. However, as at the date of this Supplemental Offering Circular, the Issuer has no material assets and liabilities, and is not engaged in any material activities, other than those in connection with the issuances of notes under the Programme from time to time, including proposed issue of the Notes, and those in connection with the Issuer's Existing Bonds.

See "*Description of the Issuer*".

THE GUARANTOR

The Guarantor is an indirect, wholly-owned subsidiary of COAMC. COAMC is one of the Big Four Asset Management Companies established with the approval from the State Council and the PBOC in October 1999 to offload the banking system's NPL assets. The COAMC Group has since evolved into a leading integrated financial services group in the PRC, offering distressed asset management services, insurance services, banking services, securities services, trust services, credit rating services and overseas services. With a focus on distressed assets and the three tasks of China's financial sector to make the financial sector better serve the real economy, contain financial risks and deepen financial reforms, COAMC has continued to expand its main business in distressed assets and endeavoured to promote its high-quality development. To date, the COAMC Group has accumulatively managed and disposed of more than RMB2 trillion distressed assets, making positive contributions to the stability of China's financial system.

The Guarantor serves as the only overseas operating platform of the COAMC Group, offering a specialised, diversified and comprehensive portfolio of financial services and customised solutions, including distressed asset investment, special opportunities investment and primary and secondary market investment. Strategically located in Hong Kong, the Guarantor serves as a bridge between domestic resources and overseas markets for the COAMC Group and plays a key role in spearheading the COAMC Group's cross-border and international businesses.

THE GROUP

The Group primarily engages in investments related to distressed assets, special opportunities, and primary and secondary markets. Leveraging the COAMC Group's brand name, business network, customer base, and management support of the COAMC Group, the Group invests its own capital in cross-border opportunities and acts as a cross-border investment and asset manager providing services to both onshore and offshore clients. Since 2018, the Group has strategically refocused its efforts on its core competency in distressed asset investment, adhering to the guiding principle of "*Returning to the Fundamentals of AMC's Business (回歸主業)*". In pursuit of operational excellence, the Group established a strategic business transformation plan in 2020. Building on this foundation, in 2022, the Group formally delineated its three principal business areas, namely distressed asset investment, substantial restructuring, and licensed businesses. Distressed asset investment is the core of the Group's investment business which is crucial for its sustainable growth. In line with the strategic business transformation plan, the Group actively pursues thematic distressed asset investment opportunities. Substantial restructuring businesses mainly focuses on special opportunities investments, whose primary clients are companies and investors who conduct cross-border investments and financings. The Group's substantial restructuring business serves the financing and investment needs of clients during financial distress, business restructuring and reorganisation, and crisis management. Serving as a bridge between COAMC and overseas distressed asset markets, the Group proactively delivers cross-border solutions to COAMC and provides it with channels to identify potential investment targets and strategic partners. Through acquisition and disposal of distressed asset packages auctioned off by financial institutions, rescue of distressed firms and spin-off of non-core assets and businesses by firms, and acquisition and restructuring of distressed and bankrupt assets and companies, the Group revitalises the value of distressed assets and realises the investment profits.

To expand its operations and better serve its client needs, the Group has also obtained licences to carry out various regulated activities such as the licence as a money lender, the licences for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities from the Hong Kong Securities and Futures Commission, and the RQFII qualification from the China Securities Regulatory Commission. The Group's licensed business comprises fund management and investments in primary and secondary markets.

As at 31 December 2021, 2022 and 2023, the Group's total assets were HK$80.5 billion, HK$85.8 billion and HK$78.7 billion while its total liabilities were HK$67.0 billion, HK$75.4 billion and HK$68.6 billion, respectively. For the years ended 31 December 2021, 2022 and 2023, the Group's revenue, gains and income (including revenue, other income – others, other gains or losses – net realised and unrealised gains / (losses) of financial assets at FVTPL, other gains or losses – net realised and unrealised gains / (losses) of financial liabilities at FVTPL, other gains or losses – fair value changes from investment in an associate measured at FVPL, other gains or losses – gains on disposals of associates, other gains or losses – gains on disposals of JV, other gains or losses – gains on disposals of subsidiaries, other gains or losses – others, and share of results of associates & JV) was HK$4,748.5 million, HK$3,357.4 million and HK$3,299.8 million, respectively. During the same periods, the Group's profit for the year was recorded at HK$886.1 million, HK$442.6 million and HK$161.7 million, respectively. The overall business and economic conditions remain challenging and the Group continues to make further adjustments to its business operations to mitigate these challenges and minimise the negative impacts to its business.

As at 31 December 2023, the Guarantor had net liabilities of HK$4,435.5 million (at the company level). Please refer to note 38 (Statement of financial position and reserves of the company) of the Group's 2023 Consolidated Financial Statements for further information. Although the Guarantor recorded net liabilities as at 31 December 2023, the value of the Guarantor's assets in fact exceeded its liabilities, primarily due to that its investments in subsidiaries were recorded at historical cost in the statement of its standalone financial position and reserves and therefore did not reflect the fair value of such assets.

STRENGTHS

The Group believes that the competitive strengths set out below differentiate it from other industry participants and have enabled it to compete effectively and seize growth opportunities:

- COAMC is one of the Big Four Asset Management Companies
- Strong support of and synergy with the COAMC Group
- Diversified income sources and balanced investment portfolio

- A cross-border platform with independent investment and financing capabilities in both onshore and offshore markets
- Comprehensive and effective risk management mechanism
- Experienced management and investment team

STRATEGIES

- Optimising core businesses and taking advantage of special opportunities emerging in cross-border markets with a strategic focus on distressed asset investment business
- Continuing to upgrade risk management

See "*Description of the Group*".

SELECTED FINANCIAL INFORMATION OF THE GUARANTOR

The section entitled "Selected Financial Information of the Guarantor" as set out on pages 11 to 13 of the Original Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

*The summary consolidated financial information of the Group as at and for the years ended 31 December 2021, 2022 and 2023 as set out below is derived from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2021 (the "**Group's 2021 Consolidated Financial Statements**"), the audited consolidated financial statements of the Group as at and for the year ended 31 December 2022 (the "**Group's 2022 Consolidated Financial Statements**") and the audited consolidated financial statements of the Group as at and for the year ended 31 December 2023 (the "**Group's 2023 Consolidated Financial Statements**"), which have been audited by PricewaterhouseCoopers and are included elsewhere in this Supplemental Offering Circular.*

The investors should read the summary financial information below in conjunction with the Group's 2021 Consolidated Financial Statements and the Group's 2022 Consolidated Financial Statements and the related notes included elsewhere in the Original Offering Circular and the Group's 2023 Consolidated Financial Statements and the related notes included elsewhere in this Supplemental Offering Circular.

The Group's 2021 Consolidated Financial Statements, the Group's 2022 Consolidated Financial Statements and the Group's 2023 Consolidated Financial Statements have been prepared and presented in accordance with HKFRS issued by the HKICPA.

The Group only prepares annual audited consolidated financial statements. Accordingly, as at the date of this Supplemental Offering Circular, no audited or reviewed consolidated financial statements as at any date or for any period after 31 December 2023 are available. Historical results are not necessarily indicative of results that may be achieved in any future period. There can be no assurance that the past financial results of the Group would be indicative of their financial results as at or for the year ended 31 December 2024 or that the Group's financial results as at or for the year ended 31 December 2024 would not be materially different or worse as compared to its audited consolidated financial statements as at and for the year ended 31 December 2023.

Save for the Group's 2021 Consolidated Financial Statements, the Group's 2022 Consolidated Financial Statements and the Group's 2023 Consolidated Financial Statements, the financial information contained in this Supplemental Offering Circular does not constitute the Guarantor's statutory financial statements for either of the years ended 31 December 2021, 2022 or 2023 but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows: as the Guarantor is a private company, it is not required to deliver its financial statements to the Registrar of Companies, and has not done so. The Guarantor's auditor has reported on these financial statements for the years ended 31 December 2021, 2022 and 2023 respectively. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis; and did not contain a statement under either Section 406(2) or Section 407(2) or (3) of the Companies Ordinance.

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December		
	2021	**2022**	**2023**
		HK$'000	
NON-CURRENT ASSETS			

	As at 31 December		
	2021	2022	2023
		HK$'000	
Equipment	4,304	2,986	2,264
Investment properties	–	2,534,986	2,412,200
Right-of-use assets	105,782	60,579	107,221
Deferred tax assets	1,261,779	850,164	583,995
Other assets	1,393,169	2,018,018	2,908,897
Interests in associates and joint ventures	9,954,308	7,790,075	4,985,483
Financial assets at fair value through profit or loss	3,987,066	3,987,010	3,935,953
Financial assets at fair value through other comprehensive income	263,890	126,464	58,570
Loans, other receivables and prepaid expenses	7,048,314	7,244,542	5,431,182
	24,018,612	24,614,824	20,425,765
CURRENT ASSETS			
Loans, other receivables and prepaid expenses	22,700,787	17,731,477	20,627,809
Financial assets at fair value through profit or loss	24,637,992	23,738,780	22,490,248
Tax receivable	81,902	87,111	82,787
Restricted cash	254,871	–	–
Time deposits with maturity over three months	647,425	334,113	329,743
Cash and cash equivalents	8,203,182	5,533,542	9,473,007
	56,526,159	47,425,023	53,003,594
Assets classified as held for sale	–	13,714,435	5,314,231
TOTAL ASSETS	80,544,771	85,754,282	78,743,590
NON-CURRENT LIABILITIES			
Financial liabilities at fair value through profit or loss	2,286,692	–	–
Third-party interests in consolidated investment funds	4,740	–	–
Borrowings	361,475	1,046,843	2,105,540
Bonds and notes payables	37,277,431	39,443,111	28,597,440
Lease liabilities	57,597	41,979	68,084
Deferred tax liabilities	367,798	394,586	288,698
	40,355,733	40,926,519	31,059,762
CURRENT LIABILITIES			
Other payables and accruals	4,497,156	5,924,176	6,817,309
Tax payable	1,512,703	1,530,806	1,145,905
Financial liabilities at fair value through profit or loss	1,503,653	1,981,095	217,229
Third-party interests in consolidated investment funds	105,484	39,177	50,013
Borrowings	13,113,144	11,794,543	11,604,619
Bonds and notes payables	5,879,459	3,117,626	15,813,550

	As at 31 December		
	2021	2022	2023
		HK$'000	
Lease liabilities	50,626	22,236	39,117
	26,662,225	24,409,659	35,687,742
Liabilities associated with assets held for sale	–	10,038,560	1,838,205
TOTAL LIABILITIES	67,017,958	75,374,738	68,585,709
NET ASSETS	13,526,813	10,379,544	10,157,881
EQUITY			
Share capital	–	–	–
Reserves	11,408,771	10,020,741	10,156,284
Equity attributable to owners of the Company	11,408,771	10,020,741	10,156,284
Perpetual capital securities	1,883,800	–	–
Non-controlling interests	234,242	358,803	1,597
TOTAL EQUITY	13,526,813	10,379,544	10,157,881

SUMMARY OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	For the year ended 31 December		
	2021	2022	2023
		HK$'000	
Continuing operations			
Revenue	2,925,609	2,731,074	2,243,092
Other income	38,294	140,263	206,437
Other gains or losses	2,433,180	370,454	1,231,665
Impairment (losses)/reversal, net	(741,682)	122,861	(143,159)
Administrative expenses	(232,163)	(350,663)	(341,338)
Staff costs	(185,893)	(190,436)	(148,828)
Finance costs	(2,279,529)	(2,178,914)	(2,467,856)
Share of results of associates and joint ventures	(478,417)	447,998	(345,387)
Share of (profits)/losses from third-party interests in consolidated investment funds	(8,700)	11,406	(6,612)
Profit before tax from continuing operations	1,470,699	1,104,043	228,014
Income tax (expense)/credit	(584,582)	(661,492)	9,849
Profit for the year from continuing operations	886,117	442,551	237,863
Discontinued operations			
Loss from discontinued operations	-	-	(76,114)
Profit for the year	886,117	442,551	161,749
Profit attributable to:			

	2021	2022	2023
	For the year ended 31 December		
		HK$'000	
Owners of the Company	801,539	362,207	197,071
Holders of perpetual capital securities	84,589	83,045	–
Non-controlling interests	(11)	(2,701)	(35,322)
Profit for the year	886,117	442,551	161,749

SUMMARY OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	2021	2022	2023
	For the year ended 31 December		
		HK$'000	
Profit for the year	886,117	442,551	161,749
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	182,387	(1,744,326)	(220,920)
Net changes in unrealised gain on financial assets at fair value through other comprehensive income	–	10,340	171,574
Items that will not be reclassified subsequently to profit or loss:			
Net changes in unrealised loss on financial assets at fair value through other comprehensive income	(287,694)	(16,251)	(21,066)
Other comprehensive loss for the year, net of tax	(105,307)	(1,750,237)	(70,412)
Total comprehensive income/(loss) for the year	780,810	(1,307,686)	91,337
Total comprehensive income/(loss) attributable to:			
Owners of the Company	696,232	(1,388,030)	135,543
Holder of perpetual capital securities	84,589	83,045	–
Non-controlling interests	(11)	(2,701)	(44,206)
Total comprehensive income/(loss) for the year	780,810	(1,307,686)	91,337

RISK FACTORS

The subsections entitled "Risks relating to the Group's investment business", "Risks relating to the Group's overall business" and "Risks relating to the PRC" included in the section entitled "Risk Factors" as set out on pages 14 to 34 of the Original Offering Circular shall be deemed to be deleted in its entirety and replaced with the relevant risk factors below:

An investment in the Notes is subject to a number of risks. Investors should carefully consider all of the information in the Offering Circular and, in particular, the risks described below, before deciding to invest in the Notes. The following describes some of the significant risks that could affect the Group and the value of the Notes. Some risks may be unknown to the Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations and prospects of the Group. The market price of the Notes could decline due to any of these risks, and investors may lose part or all of their investment. The Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in the Offering Circular. The Group is affected materially by requirements and restrictions that arise under PRC laws, regulations and government policies in nearly all aspects of its business in the PRC.

RISKS RELATING TO THE GROUP'S INVESTMENT BUSINESS

The Group's proprietary investment operations are subject to market volatility and its investment decisions.

The Group invests in equity and fixed-income securities as well as derivative products for its own accounts, all of which are subject to market volatilities. Therefore, the results of such securities trading activities generally correlate with the performance of the securities markets in Hong Kong, the PRC, the United States and other jurisdictions, which could result in very significant fluctuations in the Group's year-on-year performance and financial position. As at 31 December 2021, 2022 and 2023, the Group's total assets were HK$80.5 billion, HK$85.8 billion and HK$78.7 billion, respectively, while its total liabilities were HK$67.0 billion, HK$75.4 billion and HK$68.6 billion, respectively. In 2021, 2022 and 2023, the Group's profit for the year was recorded at HK$886.1 million, HK$442.6 million and HK$161.7 million, respectively. The performance of the Group's investment business is determined by its investment decisions and judgments based on its assessment of existing and future market conditions. The Group closely monitors the market value and financial performance of its proprietary trading portfolio, and actively adjusts such portfolio and allocates assets based on market conditions and internal risk management guidelines. However, the Group's investment decisions are a matter of judgment, which involves management discretion and assumptions. Its decision-making process may fail to effectively minimise losses, capture gains, or conform to actual changes in market conditions. In addition, the value of certain assets of the Group are subject to price fluctuations as a result of changes in the financial market's assessment of the relevant issuer's creditworthiness, delinquency and default rates and other factors. Any decline in the value of such assets could result in the recognition of impairment losses, which requires the judgment of the Group's management. There is no assurance that the Group's income and cash generated from investment activities will not continue to fluctuate or decrease and its business will not experience any decline or that the Group can achieve, sustain or return to past levels of profitability in the future.

If the investee companies of the Group's fixed-income investments fail to repay the principal amount of investments and the returns thereof as scheduled due to a material deterioration in their

operations, the Group's results of operations and financial condition may be materially and adversely affected.

The Group makes various fixed-income investments. In respect of these fixed-income investments, it has established a systematic investment risk management system with a focus on three critical stages (namely, pre-investment, investment and post-investment management). For details, please see "*Description of the Group – Internal Control and Risk Management – Investment Strategy Policy*" in this Supplemental Offering Circular. However, the repayment capabilities of the investee companies in these projects depend on their operating conditions, and such conditions will be affected by various factors such as the macroeconomic, regulatory and operating environment. If the operations of these investee companies experience a material deterioration beyond the Group's expectation, they may not be able to recover the principal amount of the fixed-income investments and the returns thereof as scheduled, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to general risks associated with its investments in the real estate sector.

The Group makes investments in the real estate sector. The real estate market is affected by many factors, including, without limitation, general economic conditions, interest rates and supply and demand dynamics, many of which are beyond the Group's control. For example, since September 2021, there has been negative news relating to certain PRC real estate developers including defaults on their indebtedness as a result of various economic measures imposed by the PRC government with an aim of cooling the overheated real estate market and corporate deleveraging in the PRC, including strengthened supervision over PRC real estate developers and tightened credit requirements. This has had a negative impact on, and resulted in increased volatility in, the PRC real estate industries. Any further stringent laws, regulations or policies in China or prolonged implementation of the relevant laws, regulations or policies could lead to a deterioration in the liquidity of real estate properties in China, which may in turn cause the sales volume and/or sales prices of the Group's real estate investments to decline. In addition, the value of the Group's real estate assets may decrease. Investments in the real estate sector made by the Group may not be as profitable as the Group expected, which may adversely impact the revenue and profits sourced from the Group's investments in the real estate sector.

The Group's direct equity investments may not generate any return and the Group may not be able to identify or acquire suitable investment targets.

The Group makes direct equity investments in private companies and invests in private equity funds with its own capital. The Group earns investment returns from dividends paid by its portfolio companies and generates capital gains from exits through an initial public offering of, or sale of, shares in its portfolio companies. The Group generally carefully identifies and selects a target company based on the profitability and sustainability of the target's operations. The Group may make unsound investment decisions, and the Group's portfolio companies may take longer than expected to mature to a stage suitable for an initial public offering. As such, the Group's investment period would be longer than it anticipated which could reduce the Group's returns on investments. Besides, the Group's ability to exit from a portfolio company is subject to market conditions. The Group may be forced to sell its equity investments at undesirable prices or defer sales for a considerable period of time, or it may not be able to sell at all due to market volatility or other reasons beyond the Group's control. In addition, there is no assurance that the Group could identify suitable targets for investment.

The Group invests in companies that it does not seek to control.

The Group typically invests in companies that it does not seek to control. These companies may make business, financial or management decisions with which the Group does not agree. The majority stakeholders or the management of these companies may take risks or otherwise act in a manner that does not serve the Group's best interests. In addition, these companies may not be as profitable as the Group expects. If any of the foregoing were to occur, the Group's business, financial condition and results of operations could be materially and adversely affected.

The Group's acquisition of distressed assets involves judgments, estimates and other factors beyond its control.

The distressed assets acquired by the Group were transferred from various financial institutions and Chinese enterprises, covering different industry sectors and geographic regions. A substantial number of the distressed assets it acquired do not have effective or sufficient collateral. The Group determines its bidding prices by taking various factors into account, which primarily include (i) the quality of the relevant asset portfolio as described in the due diligence reports prepared by its in-house experts and/or qualified independent third-party valuers; (ii) estimated costs associated with managing and disposal of such assets and (iii) prevailing market conditions and intensity of competition, all of which involve significant judgments and estimates. There is no assurance that the Group's estimated costs would be sufficient to cover the actual costs, or that it could accurately predict future market conditions. For instance, any deterioration in economic conditions in the PRC or overseas may materially and adversely affect the value of the distressed assets acquired by the Group.

If the Group is unable to maintain the growth of its distressed asset investment portfolio, the Group's competitive position, financial condition and results of operations may be materially and adversely affected.

Since 2018, the Group has strategically refocused its efforts on its core competency in distressed asset investment, adhering to the guiding principle of "Returning to the Fundamentals of AMC's Business (回歸主業)". The Group's ability to generate sustainable revenue and ensure the growth of its distressed asset investment business depends, to a certain extent, on its ability to acquire distressed assets suitable for its business.

The supply of distressed assets is affected by a number of factors. These include changes in macroeconomic conditions, asset quality and the business conditions of financial institutions and non-financial enterprises. Changes in the overall volume of bad debts, equity, tangible assets and distressed assets, the government's control and industry policies and market liquidity fluctuation could significantly impact the supply of distressed assets. Therefore, the supply of distressed assets in the PRC financial market may be limited or may change over a certain period of time. The amount of distressed assets the Group is able to acquire depends on a number of factors beyond its control, such as the policies of the PRC central government or local governments, the willingness of banks and enterprises to sell their distressed assets and the Group's competition with other asset management companies. Should the Group fail to acquire distressed assets at acceptable prices or at all, or if further changes in government policies with regard to distressed asset management prevent the Group from growing its distressed asset portfolio, the Group might have difficulties in maintaining a portfolio of quality distressed assets in the long run and its competitive position, financial condition and results of operations may be materially and adversely affected.

Any deterioration in the value of collateral granted in connection with distressed assets held by the Group will affect the amount which the Group is able to recover in the event of enforcement of such collateral.

In respect of distressed assets that will be secured by collateral or guarantees, the collateral securing such distressed assets is primarily expected to include properties and other assets located in the first-tier and second-tier cities in the PRC or Hong Kong. The value of the collateral securing the Group's debt assets may significantly fluctuate or decline due to factors beyond the Group's control such as macroeconomic factors affecting the PRC economy as well as significant volatilities in its capital markets. For example, a downturn in the real estate market in the PRC may result in a decline in the value of the real estate properties used to secure the Group's debt assets to a level significantly below the outstanding balance of principal and interest on such debt assets. Any decline in the value of such collateral may reduce the amounts that the Group can recover from such collateral and increase its impairment losses.

Some of the guarantees relating to the Group's debt assets are provided by the relevant obligor's affiliates. Such debt assets are generally not secured by collateral or security interests. Significant deterioration in the financial condition of any of the guarantors could significantly decrease the amounts that the Group may recover from such guarantees. Moreover, the Group is subject to the risk that courts or other judicial or governmental authorities may declare collateral to be invalid or otherwise decline or fail to grant judgment in favour of enforcing such collateral. The Group is accordingly exposed to the risk that it may not be able to recover part or all of the guaranteed amounts for its debt assets.

In addition, if the Group obtains assets in satisfaction of debt when acquiring or disposing of distressed assets, it may not intend to hold these assets in satisfaction of debt for the long term. Land and buildings in satisfaction of debt owed to the Group may have defects because the land use rights or the building ownership have not been obtained by the previous owners or transferred to the Group. As a result, the Group may not be able to exercise its rights over such assets in satisfaction of debt, which may affect its ability to dispose of such assets in satisfaction of debt and to generate income.

The Group may not recover any value from the distressed assets and the provision may not be sufficient.

The Group generally records the distressed assets using different financial measurements based on Group's business model for managing the asset and the cash flow characteristics of the distressed assets. The Group generally records profits when the amount of the proceeds it received from disposal of distressed assets exceeds the recorded value or purchasing costs of such assets. Recoverability of distressed assets depends on various factors, many of which are beyond the Group's control, such as the economic conditions in the PRC and in the world, the prevailing market conditions and changes in the relevant PRC laws and regulations. Therefore, the actual recovered value of the distressed assets could be significantly lower than expected. The occurrence of the above-mentioned factors could cause the quality of the Group's distressed asset portfolio to decline or make it hard for the Group to recover the recorded value or purchasing cost of the relevant distressed assets. In addition, the Group from time to time has to recover the recorded value of some of its distressed assets through litigation or arbitration. However, there is no assurance that the Group could achieve the outcome it expects. The Group makes provisions in connection with its distressed assets and trade receivables as required by relevant laws and regulations. There is no assurance that the provision the Group makes for its impaired assets will be accurate or sufficient to cover the relevant losses.

RISKS RELATING TO THE GROUP'S OVERALL BUSINESS

The Group's business is subject to market fluctuations and general economic conditions.

The Group's business is inherently subject to market fluctuations and general economic conditions. Unfavourable financial or economic conditions, such as those caused by the recent global financial and economic crisis (including the sovereign-debt crisis in the European Union (the "**EU**")) have adversely affected investor confidence and global financial markets and may continue to do so in the future. In particular:

- The United States and China have been involved in disputes over trade barriers that have escalated into a trade war between the two countries. Both countries have implemented tariffs, investment restrictions and other barriers on certain industries and products from the other, casting uncertainty over tariffs and barrier to entry for products on both sides. There are uncertainties as to when and whether the trade disputes will be resolved and the trade barriers lifted. The trade war between the United States and China has resulted in disruption to global trade flows, global production and supply chains and heightened geopolitical tensions; and it also increased volatility in the financial markets around the world.

- There are also ongoing impacts from the prolonged period of uncertainty around the exit of the United Kingdom from the European Union ("**Brexit**"). On 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement (the "**Withdrawal Agreement**") signed in October 2019. As agreed in the Withdrawal Agreement, a transition period was implemented until 31 December 2020, during which time EU laws and regulations continued to apply broadly as before. The UK-EU Trade and Cooperation Agreement ("**TCA**") was finalised on 24 December 2020 and came into force from 1 January 2021. The TCA sets out all aspects of the new UK-EU relationship, such as trade, security, areas of ongoing collaboration/cooperation and governance. Given the lack of precedent, the long-term impact of Brexit remains uncertain and will depend on the implementation of the final terms agreed between the United Kingdom and the European Union in the TCA as well as on the United Kingdom's ability to secure favourable trade and investment terms with countries outside the European Union. Therefore, Brexit has and may continue to create negative economic impact and increase volatility in the global market.

- More recently, the COVID-19 pandemic has adversely affected global financial, foreign exchange, commodity and energy markets since December 2019. Whether and to what extent countries and territories will be able to unwind the government support measures and restrictions and return to pre COVID-19 economic levels remain uncertain.

- The external sanctions environment remains dynamic, and sanctions regimes are increasingly complex and less predictable. In particular, extensive financial, trade, transport, and immigration sanctions have been imposed by the UK, the EU and U.S., among others, against Russian individuals and companies in light of the Russia-Ukraine geopolitical conflicts. Increasing tension between the U.S. and China may further contribute to the dynamism of the sanctions environment. The sanctions regimes put in place since the Russia-Ukraine geopolitical conflicts have led to rising prices of energy, food and other commodities, and consequently a historical level of high inflation globally. As a result, the aggravated geopolitical tension brings uncertainty to the global economy as well as significant volatilities in the global financial market.

- There are ongoing concerns relating to the political gridlock in the United States over government spending and debt levels, the consequences for economic growth and investor confidence in the United States. Central banks of some countries, including the Federal Reserve Board of Governors of the United States, have also accelerated their shifts in monetary policies and increased interest rates in response to sustained inflationary pressure. There can be no assurance that monetary and fiscal policy measures adopted by central banks or national governments will have the intended effects or that a global economic downturn will not occur or market volatilities will not persist.

- In early 2023, the global financial markets have experienced further turmoil with the collapse of mid-size United States banks Silicon Valley Bank, Signature Bank and First Republic Bank, as well as the collapse of global financial institution Credit Suisse, which has resulted in tightened credit standards, reduced capital investment and higher uncertainty in the global macroeconomic environment. In addition, the ongoing corporate deleveraging efforts by the PRC government since 2017 and the increased amount of corporate defaults over recent years, particularly in the PRC real estate sector, have contributed to further turmoil in financial markets in the PRC. Please also refer to "*Risk Factors – Risks relating to the Group's overall business – The Group's business operations are subject to credit risk*" in this Supplemental Offering Circular.

- Furthermore, concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit, unemployment, consumer confidence, declining asset values, capital market volatility and liquidity issues have created difficult operating conditions in the past and may continue to do so in the future.

Price fluctuations in capital markets and commodity markets may adversely affect the Group's financial condition. The value of the Group's investment portfolio, such as debt investment, provision of guarantees as credit enhancement, direct equity investment and financial derivatives (including swap instruments), is closely related to the performance of capital markets and the market price of commodities. Adverse economic and market conditions could lead to a decrease in the value of the Group's investment portfolio or the assets under its management, which may, in turn, adversely affect the Group's liquidity, financing ability, financial conditions and results of operations.

Difficult financial or economic conditions could adversely affect all business lines in which the Group operates. For example, fluctuations in the market and difficult financial or economic conditions could adversely affect investor confidence and reduce investment activities, which may reduce the demands for the Group's products and services and their respective prices and, consequently, impact the Group's ability to optimise its capital investment and to attract new investment. On the other hand, the supply of distressed assets may decrease when the economy improves. Any of these situations could have a material adverse effect on the Group's results of operations.

The Group's business operations are subject to credit risk.

A portion of the Group's investment portfolio consists of distressed assets in RMB or foreign currencies that were stripped from financial institutions in China or elsewhere. In addition, a substantial part of distressed assets which the Group acquired do not have effective or sufficient collateral. As such, the Group is susceptible to credit risks associated with the deterioration in the credit quality of the relevant borrowers which may be driven by socio-economic or customer-specific factors linked to economic performance. There can be no assurance that losses will not occur due to increased delinquencies. In addition, the Group has exposure to credit risk associated with certain of its investment and financial assets. These investments may also be subject to price fluctuations as a result of changes in the financial market's assessment of the issuer's creditworthiness, delinquency and default rates and other factors.

The Group is also susceptible to the credit risks associated with its counterparties in its margin financing and securities loan business and financial and derivative products contracts. Following the entry into receivership of Silicon Valley Bank and Signature Bank in the United States, the acquisition of Credit Suisse by UBS following long-standing financial difficulties and the seizure of First Republic Bank by U.S. regulators and the subsequent sale of its deposits and assets to J.P. Morgan, there is significant uncertainty in the global financial sector, with potential wider macroeconomic implications. In the PRC, the ongoing corporate deleveraging efforts by the PRC government since 2017 and the increased amount of corporate defaults over recent years, particularly in the real estate sector, have contributed to further turmoil in financial markets. Clients' or counterparties' failure to make payment or perform their obligations could have a material adverse effect on the Group's financial condition, results of operations and cash flow. Insufficient credit loss provision made by the Group to cover the actual loss may compel the Group to increase the provision and adversely impact the Group's financial conditions and results of operations.

The Group's liquidity and businesses may be adversely affected by limited access to capital markets or ability to sell assets.

Liquidity is essential to the Group's businesses, particularly those businesses that involve investment and money lending. The Group's liquidity may be impaired by limited access to debt and equity markets, an inability to sell assets at market price, or at all, or unforeseen outflows of cash. These situations may arise due to circumstances beyond the Group's control, such as a general market disruption or an operational problem that affects its counterparties, or the perception among market participants that it, or other market participants, are experiencing liquidity issues. Additionally, its ability to sell assets may be constrained if other market participants seek to sell similar assets at the same time, which is likely to occur in a widespread liquidity crunch or market crises. If its access to financing is limited or it is forced to fund its operations at a higher cost, the Group may have to curtail its business activities or increase its costs of funding, both of which could reduce its profitability and adversely affect its results of operations and financial condition.

Allowance for credit losses may prove inadequate and the Group's credit costs may increase.

The Group reviews its non-performing loans, various loans it granted to clients or relevant borrowers and trade receivables to assess whether impairment allowances exist. In determining whether impairment allowances should be recorded in its consolidated income statement, the Group's management takes into account factors such as the borrower's financial situation and the net realisable value of the underlying collateral or guarantees in favour of the Group. Many of these factors are beyond the Group's control such as a slowdown in economic growth, tightened policies on the real estate sector as implemented by the PRC government and other adverse macroeconomic conditions in Hong Kong and the PRC, and a considerable amount of judgment is required in assessing the ultimate realisation of these loans and advances, including the current creditworthiness of the borrowers, and the past collection history of each loan.

Furthermore, if changes in the global economic climate lead to an increase in delinquencies or defaults on the loans, actual loss on the Group's loan portfolio may increase and exceed the existing allowance. If the Group's allowance for credit losses is not adequate to cover actual loan losses, impairment allowance for credit losses will increase and the Group's financial condition and results of operations may be adversely affected.

There is less publicly available information about the Group than is available for companies in certain other jurisdictions and the Guarantor only prepares annual audited consolidated financial statements.

The Guarantor is a private company in Hong Kong, whose shares are not listed on any stock exchange. The Guarantor is not subject to corporate governance and disclosure obligations, and only prepares annual audited consolidated financial statements. As at the date of this Supplemental Offering Circular, no audited or reviewed consolidated financial statements as at any date or for any period after 31 December 2023 are available. Accordingly, there is less publicly available information about the Guarantor than is available for companies in certain other jurisdictions which the Noteholders may be familiar with. In making an investment decision, investors must rely upon their own examination of the Issuer, the Guarantor, the Group, the terms of the offering and their respective financial information.

The Group's business benefits from its shareholders' support. The Group's shareholders can exert significant influence on the Group, and the decisions they make may not always be aligned with the best interests of the Group or the Noteholders.

The Guarantor is controlled by COAMC, which is indirectly controlled by the PRC Government. Therefore, COAMC and the PRC Government are entitled to exercise significant influence over the Group, including, among others, matters relating to appointment of the Guarantor's Board of Directors and senior management, determination of business strategies, and review of any plans related to major corporate activities (such as mergers, acquisitions and investments). The interest of these controlling shareholders may not always be aligned with the Group's or the Noteholders' interests. As a result, such shareholders may take actions that may not be in the Group's or the Noteholders' best interests.

In particular, in light of the strategic importance of the Group to the COAMC Group, the Group has benefited from and relied on various forms of support from COAMC. For example, before the Group independently accessed the domestic bond market or when it needs to source additional working capital onshore, COAMC provides loans to the Group to fund its onshore investment and working capital requirements. The COAMC Group also provides support in the Group's financing activities. COAMC has provided keepwell and equity repurchase commitments for bonds issued by the Group in the past. However, there can be no assurance that the COAMC will continue to provide support to the Group or that the support the Group currently receives will not be adjusted or terminated due to changes in the COAMC Group's business strategies or otherwise. If any favourable support which is currently available to the Group is reduced or discontinued in the future, the Group's business, liquidity, financial condition and results of operations would be materially and adversely affected.

The Group is subject to extensive policy and regulatory requirements, which could materially and adversely affect the Group's financial condition and results of operations.

The Group is subject to extensive laws, policy and regulatory requirements issued by the relevant governmental authorities in China and overseas (including Hong Kong, the United States and the United Kingdom). These regulatory bodies promulgate requirements governing the Group's business in various aspects, such as its development strategies, business focus, capital requirements, shareholders and key personnel qualification, types of products and services offered, and investment portfolio. Compliance with applicable laws, rules and regulations may restrict the Group's business activities and require it to incur increased expense, restate or write down the value of its assets or liabilities, and to devote considerable time to such compliance efforts.

In addition, pursuant to applicable laws and regulations, the Group is required to obtain or renew approvals, permits and licences with respect to its relevant operations. There is no assurance that the Group can obtain or renew all necessary approvals, permits and licences on a timely basis. Non-compliance with relevant laws and regulations or failure to obtain the relevant approvals could subject the Group to sanctions, fines, penalties, revocation of licence or other punitive actions, including suspension of the Group's business operations or restriction or prohibition on certain business activities. Furthermore, relevant government authorities may adopt new laws and regulations, or amend the interpretation or enforcement of existing laws and regulations, or promulgate stricter laws and regulations, all of which may materially and adversely affect the Group's financial condition and results of operations.

The complexity of its operations and products exposes the Group to operating, marketing and other risks, and the Group's risk management and internal control systems may be ineffective or inadequate.

The Group has established risk management and internal control systems and procedures to manage potential risks associated with the broad range of financial services and products it offers. For details, please see "*Description of the Group – Internal Control and Risk Management*" in this Supplemental Offering Circular. The risk management and internal control system may require constant monitoring, maintenance and continual improvements by its senior management and staff. The Group's efforts to maintain these systems may be ineffective or inadequate. Deficiencies in the Group's risk management and internal control systems and procedures may affect its ability to record, process, summarise and report financial and other data in an accurate and timely manner, as well as impact its ability to identify any reporting errors and non-compliance with rules and regulations.

The Group's risk management and internal control systems and procedures may contain inherent limitation caused by misjudgement, fault or the Group's limited experience or resources in making accurate, complete, up-to-date or proper evaluations. In particular, the Group devises risk managing procedures based on observed historical market behaviour and the Group's experience. However, in markets that are rapidly developing, the information and experience data that the Group relies on for its risk management methods may become quickly outdated as markets and regulations continue to evolve.

Furthermore, the Group may not have sufficient access to resources and trading counterparties to implement its trading and investment risk mitigation strategies and techniques effectively. If the Group's decision-making process fails to effectively minimise losses while capturing gains, it may experience significant financial losses.

As a result, there is no assurance that the Group's risk management and internal control systems are adequate or effective, and any failure to address any internal control matters and other deficiencies could result in investigations and disciplinary actions or even prosecution being taken against the Group or its employees, or disruption to its risk management system, which may have a material and adverse effect on its financial condition and results of operations.

There can be no assurance that the Group's due diligence investigations will identify every matter that could have a material adverse effect on the Group.

The Group conducts extensive business, financial and legal due diligence in connection with its operations, in particular for potential acquisition and investment opportunities. However, there can be no assurance that the Group's due diligence investigations will identify every matter that could have a material adverse effect on the acquisition or investment targets. As a result, the Group may fail to identify the existing risks in relation to the business and operations of investment targets through its due diligence. To the extent that any of the above-mentioned issues arise, the business and operations of the investment target could be adversely affected, which in turn could have material and adverse effects on the Group's financial condition and results of operations.

The Group's business and expansion plans require substantial capital investment, and it may be unable to obtain additional financing for future investments or acquisitions or to fund its operations and growth.

The development of the Group requires significant capital expenditures, and its ability to maintain or increase revenue, profit and cash flows depends upon continuous capital spending. The Group currently funds its operations primarily through cash generated from loans from commercial banks and dividends from its subsidiaries as well as other financing channels such as issuances of bonds and other securities. In particular, the Guarantor relies on a number of on demand banking facilities which are repayable at any time for its working capital. The Group may need to obtain additional financing for future acquisitions and investment opportunities. As at 31 December 2021, 2022 and 2023, the Group's total borrowings (comprising the current and non-current portion of its borrowings as well as the current and non-current portion of its bonds and notes payables) amounted to approximately HK$56,631.5 million, HK$55,402.1 million and HK$58,121.1 million, respectively. A high level of indebtedness could have important consequences to the Group, including, among others:

- limiting its ability to satisfy its obligations under the Notes, the Guarantee and other debt;
- increasing its vulnerability to adverse general economic and industry conditions;
- requiring it to dedicate a substantial portion of its cash flow from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and for other general corporate purposes;
- limiting its flexibility in planning for or reacting to changes in its businesses and the industry in which it operates;
- placing it at a competitive disadvantage compared to its competitors that have less debt;
- limiting, along with the financial and other restrictive covenants of its indebtedness, among other things, its ability to borrow additional funds; and
- increasing the cost of additional financing.

The Group's ability to obtain external financing to satisfy its outstanding debt obligations and fund its growth is dependent on numerous factors, including but not limited to: (i) the Group's future financial condition, operating results and cash flows; (ii) the general condition of the global and domestic financial markets and changes in the monetary policies with respect to bank interest rates, lending policies and others; and (iii) the availability of credit from banks or other lenders. The Group cannot assure the holders of the Notes that any additional financing will be available to it on acceptable terms, if at all. This risk is exacerbated by the volatility that the global credit markets have experienced. For example, to the extent that additional financing proves to be unavailable when needed for a particular investment or acquisition, the Group may be compelled to either restructure the transaction or abandon the investment or acquisition plan. In addition, if the Group acquires or invests in another company, the company it acquires or invests in may require additional financing to fund continuing operations and/or growth.

Furthermore, the Group's subsidiaries or branches may request support from the Group to meet their liquidity requirements during their ordinary course of business. Some of the Group's subsidiaries may need an additional capital injection from the Group to meet relevant regulatory requirements. There is no assurance that the Group will always be able to provide sufficient funds to its subsidiaries or branches or other companies it has acquired or invested in on a timely basis, if at all. The occurrence of any of the above-mentioned circumstances could materially and adversely affect the Group's financial condition and results of operations. The Guarantor has also in the past provided and may from time to time provide guarantees, indemnities, keepwells, credit enhancement or similar undertakings in connection with the financing of the Group's subsidiaries. If the Guarantor is required to perform its payment obligation under such guarantee, indemnity or relevant undertaking when the subsidiaries default in paying their indebtedness or fail to achieve agreed returns, this may result in a funding shortage at the Guarantor's level, and may materially and adversely the Guarantor's liquidity, financial condition and results of operations.

Significant interest rate fluctuations could affect the Group's financial condition and results of operations.

The Group's exposure to interest rate risk is primarily associated with its interest income, interest expenses and fixed-income securities. The Group earns interest income from bank deposits (including its own deposits and customer deposits), fixed-income securities held by the Group, financial assets held under resale agreements and margin financing and securities lending business. Interest income from these sources is generally linked to the prevailing market interest rates. During periods of declining interest rates, the Group's interest income would generally decrease. The Group generally makes interest payments on deposits it holds on behalf of its customers and its short-term borrowings. These interest expenses are typically linked to the prevailing market interest rates as well. During periods of rising interest rates its interest expenses and financing costs would increase. Significant interest rate fluctuations could reduce the Group's interest income or returns on fixed-income investments or increase its interest expenses.

The Group is exposed to foreign exchange rate risk.

While the Group's recording currency is Hong Kong dollar for the purposes of its consolidated financial statements, some of the Group's financial assets and liabilities are denominated in other currencies. As a result, fluctuations in exchange rates, particularly between the Renminbi, the Hong Kong dollar or the U.S. dollar, could affect the Group's profitability and may result in foreign currency exchange losses of its foreign currency-denominated assets and liabilities, which in turn materially and adversely affect the Group's financial conditions, results of operations and operations.

The Group faces risks associated with its business expansion.

The Group is committed to providing new products and services to enhance its business competitiveness and will continue to expand the financial products and services it offers according to the relevant regulations of the PRC and other relevant jurisdictions, develop new customers and enter into new markets. These activities expose the Group to new and potentially increasingly challenging risks, including, but not limited to: (i) insufficient experience or expertise in offering new products and services and dealing with new counterparties and customers; (ii) greater regulatory scrutiny, increased credit risks, market risks and operational risks; (iii) potential impact on the investment return of the Group due to the overall economic conditions; (iv) reputational concerns arising from dealing with less sophisticated counterparties and customers; (v) inadequate levels of service for its new products and services; (vi) failure to hire additional qualified personnel to support the offering of a broader range of products and services; (vii) unwillingness to accept the new products and services by the Group's customers or failure to meet its profitability expectations; (viii) failure to obtain sufficient financing from internal and external sources to support its business expansion; and (ix) unsuccessful enhancement of its risk management capabilities and IT systems to identify and mitigate all the risks associated with these new products and services, new customers and new markets. In particular, as a financial services provider, the Group is required to obtain various licences and permits in its operations. While the Group believes that it has received all requisite licences and permits for its current business operations, it may become subject to new regulatory requirements in its existing jurisdictions and in other new jurisdictions in the future. There is no assurance that the Group will be successful in obtaining licences and permits required for its activities. If the Group is unable to achieve the intended commercial results with respect to its offering of new products and services, its business, financial condition, results of operations and prospects could be materially and adversely affected.

The Group may experience difficulty integrating its acquisitions, which could result in a material adverse effect on its operations and financial condition.

The Group is seeking to expand its business. However, the acquisitions that the Group has made and may make in the future as part of its strategic growth involve uncertainties and a number of risks, including:

- difficulty with integrating the assets, operations and technologies of the acquired businesses, including their employees, corporate cultures, managerial systems, processes and procedures and management information systems and services;
- complying with the laws, regulations and policies that are applicable to the acquired businesses;
- failure to achieve the anticipated synergies, cost savings or revenue-enhancing opportunities resulting from the acquisition of new businesses;
- managing relationships with employees, customers and business partners during the course of integration of new businesses;
- attracting, training and motivating members of its management and workforce;
- diverting significant management attention and resources from its other businesses;
- strengthening its operational, financial and management controls, particularly those of its newly acquired assets and subsidiaries, to maintain the reliability of its reporting processes; and
- difficulty with exercising control and supervision over the newly acquired operations, including failure to implement the Group's risk management procedures resulting in potential risks.

There is no assurance that the Group will not have difficulties in assimilating the operations, technologies, services and products of newly acquired companies or businesses. In the event that the Group is unable to efficiently and effectively integrate newly acquired companies or businesses, the Group may be unable to achieve the objectives or anticipated synergies of such acquisitions, and such acquisitions may adversely impact the operations and financial results of its existing businesses.

The Group faces intense competition and its businesses could be materially and adversely affected if it is unable to compete effectively.

The Group primarily operates in the PRC and Hong Kong, where the financial services industry is highly competitive. The Group mainly competes with non-banking financial institutions and alternative investment companies in the relevant markets. The Group competes with its competitors in terms of brand recognition, marketing and sales capabilities, service quality, financial strength, product and services portfolio, and pricing. There is no assurance that the Group is able to acquire investments and assets at suitable prices, or at all, under this intensified competition. When providing asset management services, the Group monitors the product prices offered by its competitors in each respective area and adjusts its commission fees and fee structure to increase its competitiveness. With intensifying market competition, competitors may reduce their prices to improve their market share, which may compel the Group to further reduce its fees to remain competitive.

Some of its competitors may have certain competitive advantages over the Group, including greater financial resources, stronger brand recognition, a broader range of products and services, more extensive operating experience, higher market share and a more extensive network. In addition, some of the Group's competitors may have more extensive knowledge, business relationships and/or a longer operational track record in the relevant geographic markets, which enable them to have a better access to potential clients and capital resources than the Group does.

There is no assurance that the Group can compete effectively against its current and future competitors, or that competitive forces in the market will not alter the industry landscape such that the Group's business objectives would become impractical or impossible.

The Group depends on its senior management team and talented and professional employees, and its business may be severely disrupted if the Group loses its services or fails to attract and retain those employees.

The Group believes that its success depends significantly on the continuing service of the members of the Group's senior management team, who are critical to the development and implementation of the Group's corporate strategy and continued growth. Moreover, the Group's ability to effectively compete in its current markets and expand into new businesses is dependent on recruiting and retaining talented and professional employees. As the Group's operations continue to expand, its demand for employees with a high level of management capability and expertise is increasing. However, competition for such employees in the financial services industry is intense and the availability of suitable and qualified candidates is limited. The loss of the services of any member of the Group's senior management team or the failure to recruit suitable or comparable replacements on a timely basis or attract and retain talented and professional employees could have a significant impact on the Group's ability to manage its business effectively, which may in turn materially and adversely affect its business, financial condition, results of operations and prospects.

The Group may not be able to manage its risks successfully through the use of derivatives, and derivative transactions could expose it to unexpected risks and potential losses.

The Group engages in derivative transactions as part of its investment businesses, and uses derivative instruments such as stock index futures to reduce the impact of price volatility in its investment portfolio and to hedge certain market risks. The Group enters into derivative transactions based on business judgement of its management. It may not be able to effectively identify risks or successfully use derivative instruments to reduce its risk exposure. The derivative contracts the Group enters into expose it to unexpected market, credit and operational risks that could cause it to suffer unexpected losses. While a transaction remains unconfirmed or during any delay in settlement, the Group is subject to heightened credit and operational risks and, in the event of default, may find it more difficult to enforce the relevant contracts. In addition, the secondary market for derivatives is volatile, and the Group may be inexperienced in dealing with new products or making appropriate judgments in trading derivative products.

The Group may not be able to fully detect money laundering, terrorism-funding and other illegal or improper activities in its business operations on a timely basis.

The Group is required to comply with applicable anti-money laundering laws, anti-terrorism laws and other regulations in Hong Kong, the PRC and other jurisdictions where it operates and to have sound internal control policies and procedures with respect to anti-money laundering monitoring and reporting activities. Such policies and procedures require the Group to, among other things, establish or designate an independent anti-money laundering department, establish a customer identification system in accordance with relevant rules, record the details of customer activities and report suspicious transactions to relevant authorities.

While the Group has adopted policies and procedures aimed at detecting and preventing the use of its business platforms to facilitate money laundering activities and terrorist acts, such policies and procedures in some cases have only been recently adopted and may not completely eliminate instances in which it may be used by other parties to engage in money laundering and other illegal activities. In the event that the Group fails to fully comply with applicable laws and regulations, the relevant government agencies may freeze its assets or impose fines or other penalties on it. There can be no assurance that the Group will not fail to detect money laundering or other illegal or improper activities. Such failure of the Group may affect its business reputation, financial condition and results of operations.

The Group may not be able to detect and prevent fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties.

The Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties that could subject it to financial losses and sanctions imposed by governmental authorities, as well as affect its reputation. These misconducts could include:

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments or dispose of assets;
- improperly using or disclosing confidential information;
- recommending products, services or transactions that are not suitable for the Group's customers;
- misappropriation of funds;
- conducting transactions that exceed authorised limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products;
- engaging in unauthorised or excessive transactions to the detriment of the Group's customers; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

The Group's internal control procedures are designed to monitor its operations and ensure overall compliance. However, such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective.

There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity as a result.

The Group's business might be affected by the operational failure of third parties.

The Group faces the risk of operational failure or termination of any of the exchanges, depositaries, clearing agents or other financial intermediaries it uses to facilitate its securities transactions. Any operational failure or termination of the particular financial intermediaries that the Group uses could adversely affect its ability to execute transactions, service its customers and manage its exposure to various risks. In addition, as its interconnectivity with its customers grows, the Group's business also relies heavily on its customers' use of their own systems, such as PCs, mobile devices and websites, and it will increasingly face the risk of operational failure in connection with its customers' systems. The operational failure of third parties may harm its business and reputation.

The Group's business is highly dependent on the proper functioning and improvement of its information technology systems.

The Group's business is highly dependent on the ability of its information technology systems to timely and accurately collect and process a large amount of financial and other information across numerous and diverse markets and products at its various subsidiaries. The proper functioning of the Group's financial control, risk management, accounting or other data collection and processing systems, together with the communication networks connecting the Group's various branches and outlets and its main data processing centre, is critical to the Group's businesses and to its ability to compete effectively. Although the Group has backup systems that could be used in the event of catastrophe or failure of the primary systems, a partial or complete failure of any of these primary systems or communication networks could adversely affect the decision-making process, the risk management and internal controls of the Group, as well as its timely response to changing market conditions. If the Group cannot maintain an effective data collection and management system, the Group's business operations, financial condition and results of operations could be materially and adversely affected.

In addition, the Group must continually make significant investments, upgrades and improvements in its information technology infrastructure in order to remain competitive. The quality and timing of information available to and received by the Group's management through its existing information systems may not be sufficient to manage risks as well as to plan for and respond to changes in market conditions and other developments in the Group's operations. In this regard, the Group may experience difficulties in upgrading, developing and expanding its information technology systems quickly enough to accommodate its growing customer base.

The Group may be subject to liability and regulatory action if it is unable to protect the personal data and confidential information of its clients.

The Group is subject to various laws, regulations and rules governing the protection of the personal data and confidential information of its clients. It routinely transmits and receives personal data and confidential information of its clients through the internet, by email and other electronic means. Third parties may have the technology or expertise to breach the security of the Group's transaction data and the Group may not be able to ensure that its vendors, service providers, counterparties or other third parties have appropriate measures in place to protect the confidentiality of such information. In addition, there is no assurance that its employees who have access to the personal data and confidential information of its clients will not improperly use such data or information. If the Group fails to protect its clients' personal data and confidential information, the competent authorities may issue sanctions against it, and it may have to provide economic compensation for losses arising from such failure. In addition, incidents of mishandling personal information or failure to protect the confidential information of the Group's clients could bring reputational harm to it, which may materially adversely affect its business and prospects.

The Group regularly encounters potential conflicts of interests, and its failure to identify and address such conflicts of interest could adversely affect its business.

The Group often encounters potential conflicts of interest where services to one client appear to conflict with its own or other clients' investments or interests. It also faces situations where a business line has access to material non-public information that is not permitted to be shared with its other businesses. A member of the Group may also be a counterparty to an entity with which the Group also has an advisory or other relationship. The Group has designed and implemented procedures and controls to identify and address conflicts of interests, including procedures and controls to prevent the improper sharing of information among its businesses. It also has systems and procedures to detect employee misconduct, as well as training programs designed to foster a culture of compliance and adherence to the highest standards of ethics among its employees. However, identifying and managing conflicts of interests can be complex and difficult, and the Group's reputation could suffer damage if it fails, or appears to fail, to identify, disclose and manage conflicts of interest appropriately. In addition, potential or perceived conflicts of interest could adversely impact clients' willingness to enter into transactions with the Group and could lead to regulatory enforcement actions or litigation.

Litigation and regulatory investigations and the resulting sanctions or penalties may adversely affect the Group's reputation, business, results of operations and financial condition.

The Group is exposed to risks associated with litigations relating to its operations, including the risk of lawsuits and other legal actions relating to information disclosure, financial products design, sales practises, fraud and misconduct, as well as protection of personal and confidential information of customers. The Group may be subject to arbitration claims and lawsuits in the ordinary course of its business. The Group may also be subject to inquiries, investigations, and proceedings by regulatory and other governmental agencies actions brought against it, which may result in settlements, injunctions, fines, penalties or other results adverse to it that could harm its reputation. Even if the Group is successful in defending itself against these actions, the costs of such defence may be significant. In addition, the Group may be subject to regulatory actions from time to time. A substantial legal liability or a significant regulatory action could have a material and adverse effect on the Group's operations, reputation and business prospects.

There is no assurance that the number of legal claims and amount of damages sought in litigation and regulatory proceedings may not increase in the future. A significant judgment or regulatory action against the Group or a disruption in its business arising from adverse adjudications in proceedings against its directors, officers or employees would have a material adverse effect on its liquidity, business, financial condition, results of operations and prospects.

The Group is subject to risks relating to natural disasters, epidemics, acts of war or terrorism or other factors beyond its control.

Natural disasters, epidemics, acts of war or terrorism or other factors beyond the Group's control may adversely affect the economy, infrastructure and livelihood of the people in the regions where the Group operates. These regions may be under the threat of flood, earthquake, sandstorm, snowstorm, fire or drought, power shortages or failures, potential wars or terrorist attacks or are susceptible to epidemics, such as Severe Acute Respiratory Syndrome (or SARS), avian influenza, H5N1 influenza, H1N1 influenza, H7N9 influenza or COVID-19. Serious natural disasters may result in a tremendous loss of lives and injury and destruction of assets and disrupt the Group's business and operations. Acts of war or terrorism may also injure the Group's employees, cause loss of lives, disrupt its business. The occurrence of these events may increase the cost of doing business, adversely affect the Group's operations or those of its clients, or result in losses in the Group's investment portfolios, due to, among other things, the failure of its counterparties to perform or significant volatility or disruption in financial markets, all of which may in turn adversely affect the Group's business, financial condition, results of operations and prospects.

RISKS RELATING TO THE PRC

The PRC's economic, political and social conditions, as well as government policies, could affect the Group's business.

The Group operates and invests in the PRC. The Group will, accordingly, be subject to economic, political and legal developments in the PRC as well as in the economies in the surrounding region.

The PRC economy differs from the economies of most developed countries in many respects, including:

- the extent of government involvement;
- the level of development;
- the growth rate;
- the economic and political structure;
- the control of foreign exchange;
- the allocation of resources; and
- the regulation of capital reinvestment.

For the past three decades, the PRC Government has implemented economic reform measures to emphasise the utilisation of market forces in economic development. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country. As a result, the Group may not continue to benefit from all, or any, of these measures. In addition, although the economy of the PRC experienced rapid growth over the past 30 years, there has been a slowdown in the growth of the PRC's GDP since the second half of 2013 and this has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. According to the National Bureau of Statistics of the PRC, the annual growth rate of PRC's GDP was 8.1 per cent., 3.0 per cent. and 5.2 per cent. for the year of 2021, 2022 and 2023, respectively.

In addition, the PRC has also implemented reform measures to encourage economic growth and guide the allocation of resources. Some of these measures may have a negative effect on the Group. For example, the Group may be adversely affected by the PRC Government's control over capital investments or any types of margin requirement or any changes in tax or labour regulations or foreign exchange controls that are applicable to it. Since late 2003, the PRC Government has implemented a number of measures, such as raising bank reserves against deposit rates, to place additional limitations on the ability of commercial banks to make loans and raise interest rates, requesting the minimum capital margin. These actions, as well as future actions and policies of the PRC Government, could materially and adversely affect the Group's liquidity and access to capital and the Group's ability to operate its businesses. In addition, the Group may become subject to certain regulatory requirements (including but not limited to maintenance of financial leverage ratio) imposed by the PRC Government. Compliance with such regulatory requirements could result in the Group having to take certain actions or decisions which are not commercially favourable to the Group.

The future performance of the PRC's economy is not only affected by the economic and monetary policies of the PRC Government, but has been, and in the future will continue to be, materially affected by geo-political, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation, and the availability and cost of capital and credit.

Economic growth in the PRC has also historically been accompanied by periods of high inflation. Increasing inflation rates were caused by many factors beyond the Group's control, such as rising production and labour costs, high lending levels, changes in national and international governmental policies and regulations as well as movements in exchange rates and interest rates. It is impossible to accurately predict future inflationary trends. If inflation rates rise beyond the Group's expectations, the Group may be unable to increase the price of its services and products in amounts that are sufficient to cover its increasing operating costs. Further inflationary pressures within the PRC may have a material adverse effect on the Group's businesses, financial condition or results of operations.

Recently, concerns have arisen over deflationary pressures in the PRC as a result of weak domestic demand and a slowing economy. Inflation rates within the PRC have been on a downward trend in recent years. A prolonged period of deflation may result in falling profits, closure of plants and shrinking employment and incomes by companies and individuals, any of which could adversely affect the Group's businesses, financial condition or results of operations.

To the extent uncertainty regarding the economic outlook negatively impacts consumer confidence and consumer credit factors globally, the Group's businesses and results of operations could be materially and adversely affected.

Interpretation and enforcement of the laws in the PRC may involve uncertainties.

Since 1979, the PRC Government has begun to promulgate a comprehensive system of laws and has introduced many new laws and regulations to provide general guidance on economic and business practices in the PRC and to regulate foreign investment. Progress has been made in the promulgation of laws and regulations dealing with economic matters, such as corporate organisation and governance, foreign investment, commerce, taxation and trade. The promulgation of changes to existing laws and the abrogation of local regulations by national laws could have a negative impact on the business and prospects of the Group. In addition, as these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement may involve significant uncertainties. The interpretation of PRC laws may be subject to domestic political and policy changes.

On 1 January 2006, substantial amendments to the PRC Company Law (中華人民共和國公司法) and the PRC Securities Law (中華人民共和國證券法) came into effect. Since then, the PRC Company Law was further amended on 28 December 2013 (and came into effect on 1 March 2014), on 26 October 2018 (and came into effect on the same day) and on 29 December 2023 (will come into effect on 1 July 2024) and the PRC Securities Law was further amended on 29 June 2013, 31 August 2014 and 28 December 2019 (and came into effect on 1 March 2020). As a result, the State Council and the CSRC may revise the special regulations and mandatory provisions and adopt new rules and regulations to implement and to reflect the amendments to the PRC Company Law and the PRC Securities Law. The Group cannot guarantee that any revision of the current rules and regulations or the adoption of new rules and regulations by the State Council and the CSRC will not have an adverse effect on the rights of the Noteholders.

It may be difficult to effect service of process upon, or against, the Group or its senior management members who reside in the PRC in connection with judgments obtained in non-PRC courts.

Some of the Group's assets and subsidiaries are located in China. In addition, some of the Group's directors and senior management reside within China, and certain assets of the directors and senior management may also be located within China. As a result, it may not be possible to effect service of process outside China upon some of the Group's directors and senior management, including for matters arising under applicable securities law. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with China or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, China does not have treaties providing for the reciprocal enforcement of judgments of courts with Japan, the United Kingdom, the United States and many other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, recognition and enforcement in the PRC or Hong Kong of judgments from various jurisdictions is uncertain.

On 18 January 2019, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**2019 Arrangement**"). The 2019 Arrangement has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on 29 January 2024. In the Mainland, the Supreme People's Court promulgated a judicial interpretation to implement the 2019 Arrangement on 26 January 2024 (the "**Judicial Interpretation**"). The 2019 Arrangement applies to judgments made on or after 29 January 2024. Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant People's Court of the Mainland for recognition and enforcement of the judgment, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation.

Unlike other bonds issued in the international capital markets where holders of such bonds would typically not be required to submit to an exclusive jurisdiction, the Noteholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts. Therefore, the Noteholders' ability to initiate a claim outside Hong Kong will be limited.

The recognition and enforcement of a Hong Kong court judgment may be refused if the relevant People's Court of the Mainland consider that the enforcement of such judgment is contrary to the basic principles of law of the Mainland or the social and public interests of the Mainland. While it is expected that the relevant People's Courts of the Mainland will recognise and enforce a judgment given by a Hong Kong court and governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practice in this area.

Under the Enterprise Income Tax Law, the Issuer or the Guarantor may be classified as a "resident enterprise" of the PRC. Such classification could result in unfavourable tax consequences to the Issuer or the Guarantor and its non-PRC Noteholders.

Under the Enterprise Income Tax Law (the "**EIT Law**") of the PRC, an enterprise established outside the PRC with a "de facto management body" within the PRC is deemed a "resident enterprise", meaning that it can be treated as a PRC enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define "de facto management" as "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise. On 22 April 2009, the State Administration of Taxation issued the Notice of the State Administration of Taxation on Issues concerning the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management (the "**Circular 82**"), which provides that a foreign enterprise controlled by a PRC enterprise or a PRC enterprise group will be treated as a "resident enterprise" with a "de facto management body" located within the PRC if all of the following requirements are satisfied at the same time: (i) the senior management and core management departments in charge of daily operations are located mainly within the PRC; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within the PRC; and (iv) at least half of the enterprise's directors with voting rights or senior management frequently reside within the PRC. On 27 July 2011, the State Administration of Taxation issued the Administrative Measures on Income Tax on Overseas Registered Chinese-funded Holding Resident Enterprises (the "**Circular 45**"), to further clarify the rules concerning the recognition, administration and taxation of a foreign enterprise "controlled by a PRC enterprise or PRC enterprise group". Circular 45 identifies and defines two ways for a foreign enterprise "controlled by a PRC enterprise or a PRC enterprise group" to be treated as a resident enterprise. First, the foreign enterprise may decide on its own whether its de facto management body is located in the PRC based on the criteria set forth in Circular 82, and, if it makes such determination, it shall apply to the competent tax bureau to be treated as a resident enterprise. Second, the tax authority may launch investigations on its own initiative and determine that the foreign enterprise is a resident enterprise. On 29 January 2014, the State Administration of Taxation issued Announcement on Issues Concerning the Accreditation of Resident Enterprises Based on the Place of De Facto Management Criteria, which requires foreign enterprises that meet the conditions set forth in Circular 82 shall file application for accreditation as a resident enterprise with the competent tax authority.

As at the date of this Supplemental Offering Circular, neither of the Issuer or the Guarantor has received a notification from the PRC tax authorities that it should be treated as a PRC resident enterprise. However, since (i) the Guarantor and the Issuer are indirectly controlled by COAMC, which is a joint stock limited company incorporated in the PRC; (ii) substantially all of the Guarantor's and the Issuer's directors and senior management were nominated by COAMC; and (iii) such directors and senior management are required to report to COAMC from time to time, there is no assurance that the Guarantor and the Issuer will not be deemed "**resident enterprises**" under the EIT Law and, therefore, be subject to enterprise income tax at a rate of 25% on their global income in the future. Provided that the Guarantor and the Issuer are each not considered to be a PRC resident enterprise for EIT Law purposes, the payment of interest on the Notes and payments under the Notes and the Guarantee to the non-PRC resident holders of the Notes will not be subject to PRC withholding tax. However, if the Issuer and/or the Guarantor are considered to be PRC resident enterprises, interest payments and/or payments under the Guarantee and gains on disposition of Notes may be subject to PRC tax as described below.

Under the EIT Law and the implementation regulations thereunder, PRC withholding tax at a rate of 10% is applicable to PRC-sourced income derived by any non-resident enterprise that has not established offices or premises in the PRC or that has established offices or premises in the PRC but the relevant income is not effectively connected therewith. The EIT Law's implementation regulations further set forth that interest income is viewed as PRC-sourced income if the enterprise or the establishment that pays or bears the interest is situated in China. If the Issuer or the Guarantor is deemed a PRC resident enterprise for tax purposes, interest and/or payments under the Notes or the Guarantee to non-PRC resident Noteholders may be regarded as PRC sourced and therefore be subject to PRC withholding tax at a rate of 10% for non-PRC resident enterprise Noteholders or pursuant to the PRC Individual Income Tax Law (the "**IIT Law**") and the implementation regulations thereunder, at a rate of 20% for non-PRC resident individual Noteholders. Pursuant to the EIT Law, the IIT Law and the implementation regulations in relation to both the EIT Law and the IIT Law, any gains realised on the transfer of the Notes by such investors may also be subject to PRC income tax at a rate of 10% for non-PRC resident enterprise Noteholders or 20% for non-PRC resident individual Noteholders, if such gains are regarded as PRC-sourced. These rates may be reduced by an applicable tax treaty. However, it is unclear whether in practice Noteholders will be able to obtain reduced rates under treaties between their countries and the PRC.

Moreover, the Ministry of Finance (the "**MOF**") and the State Administration of Taxation jointly issued the Circular of Full Implementation of Business Tax to Value-Added Tax Reform (Cai Shui [2016] No. 36) (關於全面推開營業稅改徵增值稅試點的通知) (財稅[2016]36 號)(the "**Circular 36**") on 23 March 2016 and respectively amended on 1 July 2017 and 1 April 2019, which provides that all business tax payers are included into the pilot programme to pay value-added tax ("**VAT**") from 1 May 2016. VAT is applicable where the entities or individuals provide services within the PRC, including the provision of loans. Any service will be treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. If the Issuer is deemed to be a PRC resident enterprise under the EIT Law, and if the Notes are treated as loans under the VAT regime (which is unclear), the amount of interest payable by the Issuer to any non-resident Noteholders may be subject to withholding VAT at the rate of 6%.

Pursuant to the Urban Maintenance and Construction Tax Law of the People's Republic of China (中華人民共和國城市維護建設稅法) issued by the Standing Committee of the National People's Congress (the "**NPC**") on 11 August 2020 and became effective on 1 September 2021 and the Announcement of the Ministry of Finance and State Administration of Taxation on the Measures for Determining the Tax Basis of Urban Maintenance and Construction Tax and Other Matters (財政部、稅務總局關於城市維護建設稅計稅依據確定辦法等事項的公告) (財政部、稅務總局公告 2021 年第 28 號), no urban maintenance, construction tax, educational surtax and local education surcharges shall be levied on VAT or consumption tax paid for the import of goods or sale of labour services, other services and intangible assets in PRC by entities or individuals outside the PRC.

However, VAT is unlikely to apply to any transfer of Notes between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Notes, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC. The above statements on VAT may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority.

If any of the Issuer or the Guarantor is required under the EIT Law to withhold PRC tax on interest paid to non-PRC resident holders, it would be required, subject to certain exceptions, to pay such additional amounts as would result in receipt by a holder of a Note of such amounts as would have been received by such holder had no such withholding been required. The requirement to pay additional amounts will increase the Issuer's or Guarantor's cost of servicing interest payments on the Notes and could have a material adverse effect on its ability to pay interest on, and repay the principal amount of, the Notes.

Future fluctuations in the value of the Renminbi could have an adverse effect on the Group's financial condition and results of operations.

A portion of the Group's revenue, expenses and bank borrowings are denominated in Renminbi. As a result, fluctuations in exchange rates, particularly between the Renminbi, the Hong Kong dollar or the U.S. dollar, could affect its profitability and may result in foreign currency exchange losses. The exchange rate of the Renminbi against the Hong Kong dollar, U.S. dollar and other currencies fluctuates and is affected by, among other things, changes in the PRC's, as well as international, political and economic conditions and the PRC Government's fiscal and currency policies. Since 1994, the conversion of the Renminbi into foreign currencies, including the Hong Kong dollar and the U.S. dollar, has been based on rates set daily by the PBOC, based on the previous business day's inter-bank foreign exchange market rates and exchange rates in global financial markets. From 1994 to 20 July 2005, the official exchange rate for the conversion of the Renminbi to U.S. dollars was generally stable. On 21 July 2005, the PRC Government adopted a more flexible managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band that is based on market supply and demand with reference to a basket of currencies. On 19 June 2010, the PBOC announced that the PRC Government would reform the Renminbi exchange rate regime and increase the flexibility of the exchange rate. On 16 April 2012, the PBOC enlarged the previous floating band of the trading prices of the Renminbi against the U.S. dollar in the inter-bank spot foreign exchange market from 0.5 per cent. to 1 per cent. in order to further improve the managed floating RMB exchange rate regime based on market supply and demand with reference to a basket of currencies. In March 2014, the PBOC further enlarged the floating band for the trading price of RMB against the U.S. dollar on the inter-bank spot exchange market to 2.0 per cent. around the central parity rate. On 11 August 2015, the PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies. In 2016, Renminbi experienced significant depreciation in value against the U.S. dollar but in 2017 and 2018 rebounded and appreciated significantly. Since April 2019, Renminbi has depreciated in value against the U.S. dollar amidst an uncertain trade and global economic climate. On 5 August 2019, PBOC set the Renminbi's daily reference rate above 7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. The currency devaluation of the Renminbi was intended to bring it more in line with the market by taking market signals into account, as well as boosting the competitiveness of the PRC's exports. With an increased floating range of the Renminbi's value against foreign currencies and a more market-oriented mechanism for determining the mid-point exchange rates, the Renminbi may further appreciate or depreciate significantly in value against the U.S. dollar or other foreign currencies in the long-term. The PRC government may also make further adjustments to the exchange rate system in the future. There is no assurance that the Renminbi will not experience significant fluctuations against the Hong Kong dollar or U.S. dollar in the future. Any significant decrease in the value of the Renminbi against foreign currencies could reduce the value of the Group's Renminbi-denominated revenue and assets and increase the Group's cost in satisfying its obligations under the Notes.

CAPITALISATION AND INDEBTEDNESS

The section entitled "*Capitalisation and Indebtedness*" as set out on page 45 of the Original Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

The following table sets forth the consolidated capitalisation and indebtedness of the Group as at 31 December 2023 (i) on an actual basis, and (ii) on an adjusted basis to give effect to the issuance of the Notes. The following table should be read in conjunction with the Group's 2023 Consolidated Financial Statements and related notes included elsewhere in this Supplemental Offering Circular.

	As at 31 December 2023			
	Actual		As adjusted	
	(HK$'000)	*(US$'000)*(3)	*(HK$'000)*	*(US$'000)*(3)
Borrowings – current portion				
Borrowings	11,604,619	1,485,696	11,604,619	1,485,696
Bonds and notes payables	15,813,550	2,024,549	15,813,550	2,024,549
Borrowings – non-current portion				
Borrowings	2,105,540	269,564	2,105,540	269,564
Bonds and notes payables	28,597,440	3,661,222	28,597,440	3,661,222
Notes to be issued(1)	-	-	5,077,085	650,000
Total borrowings(2)	58,121,149	7,441,031	63,198,234	8,091,031
Share capital	-	-	-	-
Reserves	10,156,284	1,300,271	10,156,284	1,300,271
Perpetual capital securities	-	-	-	-
Non-controlling interests	1,597	204	1,597	204
Total equity	10,157,881	1,300,475	10,157,881	1,300,475
Total capitalisation(4)	68,279,030	8,741,506	73,356,115	9,391,506

Notes:

(1) This represents the aggregate principal amount of Notes to be issued (before deducting the commissions and other expenses payable in connection with the offering of the Notes).

(2) Total borrowings equal the sum of both the current and non-current portions of borrowings, bonds and notes payables and bonds to be issued.

(3) U.S. dollar translations are provided for indicative purposes only and are unaudited. These translations were calculated based on an exchange rate of HK$7.8109 to U.S.$1.00 on 29 December 2023 as set forth in the H.10 statistical release of the Federal Reserve Board.

(4) Total capitalisation equals the sum of total borrowings and total equity.

Under the Programme, the Issuer issued US$550,000,000 5.50 per cent. notes due 2027 on 1 February 2024 and further issued US$200,000,00 5.50 per cent. notes due 2027 (consolidated and forming a single series with the February 2024 Notes) on 5 April 2024, which remain outstanding as at the date of this Supplemental Offering Circular.

Except as otherwise disclosed in this Supplemental Offering Circular, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Group since 31 December 2023.

USE OF PROCEEDS

The Issuer proposes to use the net proceeds from the issue of the Notes for the repayment of existing offshore indebtedness of the Group.

DESCRIPTION OF THE ISSUER

The sub-section entitled "Business activities" in the section entitled "Description of the Issuer" as set out on page 47 of the Original Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

BUSINESS ACTIVITIES

Since its incorporation, the Issuer had engaged in certain investment activities. However, as at the date of this Supplemental Offering Circular, the Issuer has no material assets and liabilities, and is not engaged in any material activities, other than those in connection with the issuances of notes under the Programme from time to time, including proposed issue of the Notes, and those in connection with the Issuer's Existing Bonds.

DESCRIPTION OF THE GROUP

The section entitled "Description of the Group" as set out on pages 48 to 66 of the Original Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

OVERVIEW

The Guarantor is an indirect, wholly-owned subsidiary of COAMC. COAMC is one of the Big Four Asset Management Companies established with the approval from the State Council and the PBOC in October 1999 to offload the banking system's NPL assets. The COAMC Group has since evolved into a leading integrated financial services group in the PRC, offering distressed asset management services, insurance services, banking services, securities services, trust services, credit rating services and overseas services. With a focus on distressed assets and the three tasks of China's financial sector to make the financial sector better serve the real economy, contain financial risks and deepen financial reforms, COAMC has continued to expand its main business in distressed assets and endeavoured to promote its high-quality development. To date, the COAMC Group has accumulatively managed and disposed of more than RMB2 trillion distressed assets, making positive contributions to the stability of China's financial system.

The Guarantor serves as the only overseas operating platform of the COAMC Group, offering a specialised, diversified and comprehensive portfolio of financial services and customised solutions, including distressed asset investment, special opportunities investment and primary and secondary market investment. Strategically located in Hong Kong, the Guarantor serves as a bridge between domestic resources and overseas markets for the COAMC Group and plays a key role in spearheading the COAMC Group's cross-border and international businesses.

The Group primarily engages in investments related to distressed assets, special opportunities, and primary and secondary markets. Leveraging the COAMC Group's brand name, business network, customer base, and management support of the COAMC Group, the Group invests its own capital in cross-border opportunities and acts as a cross-border investment and asset manager providing services to both onshore and offshore clients. Since 2018, the Group has strategically refocused its efforts on its core competency in distressed asset investment, adhering to the guiding principle of "*Returning to the Fundamentals of AMC's Business (回歸主業)*". In pursuit of operational excellence, the Group established a strategic business transformation plan in 2020. Building on this foundation, in 2022, the Group formally delineated its three principal business areas, namely distressed asset investment, substantial restructuring, and licensed businesses. Distressed asset investment is the core of the Group's investment business which is crucial for its sustainable growth. In line with the strategic business transformation plan, the Group actively pursues thematic distressed asset investment opportunities. Substantial restructuring businesses mainly focuses on special opportunities investments, whose primary clients are companies and investors who conduct cross-border investments and financings. The Group's substantial restructuring business serves the financing and investment needs of clients during financial distress, business restructuring and reorganisation, and crisis management. Serving as a bridge between COAMC and overseas distressed asset markets, the Group proactively delivers cross-border solutions to COAMC and provides it with channels to identify potential investment targets and strategic partners. Through acquisition and disposal of distressed asset packages auctioned off by financial institutions, rescue of distressed firms and spin-off of non-core assets and businesses by firms, and acquisition and restructuring of distressed and bankrupt assets and companies, the Group revitalises the value of distressed assets and realises the investment profits.

To expand its operations and better serve its client needs, the Group has also obtained licences to carry out various regulated activities such as the licence as a money lender, the licences for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities from the Hong Kong Securities and Futures Commission, and the RQFII qualification from the China Securities Regulatory

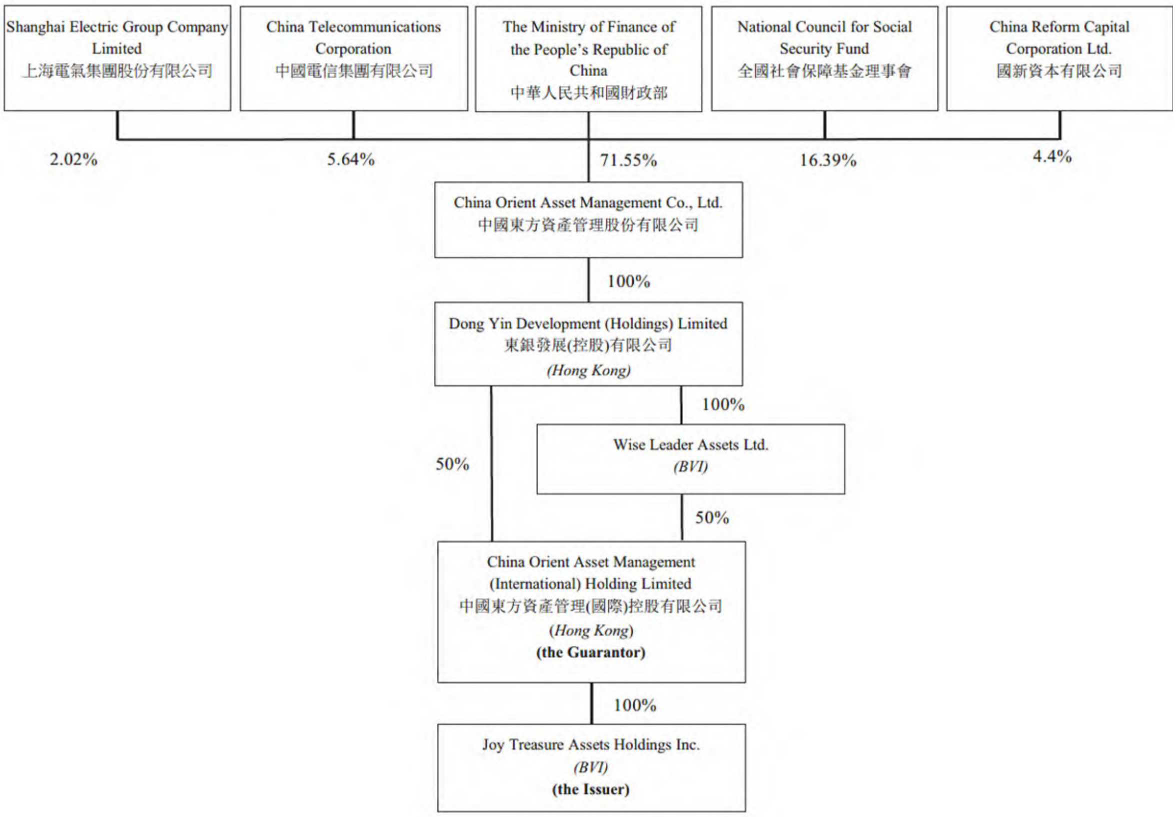
Commission. The Group's licensed business comprises fund management and investments in primary and secondary markets.

As at 31 December 2021, 2022 and 2023, the Group's total assets were HK$80.5 billion, HK$85.8 billion and HK$78.7 billion while its total liabilities were HK$67.0 billion, HK$75.4 billion and HK$68.6 billion, respectively. For the years ended 31 December 2021, 2022 and 2023, the Group's revenue, gains and income (including revenue, other income – others, other gains or losses – net realised and unrealised gains / (losses) of financial assets at FVTPL, other gains or losses – net realised and unrealised gains / (losses) of financial liabilities at FVTPL, other gains or losses – fair value changes from investment in an associate measured at FVPL, other gains or losses – gains on disposals of associates, other gains or losses – gains on disposals of JV, other gains or losses – gains on disposals of subsidiaries, other gains or losses – others, and share of results of associates & JV) was HK$4,748.5 million, HK$3,357.4 million and HK$3,299.8 million, respectively. During the same periods, the Group's profit for the year was recorded at HK$886.1 million, HK$442.6 million and HK$161.7 million, respectively. The overall business and economic conditions remain challenging and the Group continues to make further adjustments to its business operations to mitigate these challenges and minimise the negative impacts to its business.

As at 31 December 2023, the Guarantor had net liabilities of HK$4,435.5 million (at the company level). Please refer to note 38 (*Statement of financial position and reserves of the company*) of the Group's 2023 Consolidated Financial Statements for further information. Although the Guarantor recorded net liabilities as at 31 December 2023, the value of the Guarantor's assets in fact exceeded its liabilities, primarily due to that its investments in subsidiaries were recorded at historical cost in the statement of its standalone financial position and reserves and therefore did not reflect the fair value of such assets.

ORGANISATIONAL STRUCTURE

The following chart illustrates the simplified organisational structure of the Group as at the date of this Supplemental Offering Circular.



HISTORY AND DEVELOPMENT

The Guarantor was incorporated in Hong Kong on 7 August 2002 (company number: 809353) and, after restructuring and changes in name, commenced business operations in June 2011.

The following table sets out certain key corporate historical events and milestones during the Group's development:

2002	The Guarantor was incorporated in Hong Kong on 7 August 2002 under the name East Sense Limited.
2009	The Guarantor was renamed China Orient (Hong Kong) Asset Management Corporation Limited on 23 June 2009.
2011	The Guarantor was renamed China Orient Asset Management (International) Holding Limited 中國東方資產管理(國際)控股有限公司 on 22 March 2011. The Group was formally established, with its business including investment business, asset management business, etc. Dong Yin Development (Holdings) Limited ("**Dong Yin Development**") and Wise Leader Assets Ltd., both of which are wholly-owned by COAMC, became

the shareholders of the Guarantor, each holding 50 per cent. of the Guarantor's shares.

2012 China Orient International Asset Management Limited, a wholly-owned subsidiary of the Guarantor incorporated in Hong Kong, obtained a licence for Type 4 (advising on securities) and Type 9 (asset management) regulated activities granted by the Hong Kong Securities and Futures Commission.

2013 On 19 September 2013, Century Master Investment Co. Ltd., a wholly-owned subsidiary of the Guarantor incorporated in the British Virgin Islands, issued 4.75 per cent. bonds due 2018 in the aggregate principal amount of US$600,000,000. The bonds were guaranteed by the Guarantor with the benefits of a keepwell deed and a deed of equity interest purchase and investment undertaking provided by COAMC. The bonds were assigned a rating of "BBB" by S&P, and a rating of "A-" by Fitch. COAMC, and the Guarantor became the first among the Big Four Asset Management Companies (namely, COAMC, China Cinda Asset Management Co., Ltd., China Huarong Asset Management Co., Ltd. and China Great Wall Asset Management Corporation and their respective subsidiaries) to issue offshore U.S. dollar denominated bonds and obtain international ratings.

China Orient International Capital Limited, which was acquired as a subsidiary of the Guarantor, obtained a licence for Type 6 (advising on corporate finance) regulated activities granted by the Hong Kong Securities and Futures Commission.

China Orient International Asset Management Limited obtained RQFII qualification from the China Securities Regulatory Commission.

2014 On 26 August 2014, COAMC and the Guarantor established a US$2,000,000,000 Medium Term Note Programme (the "**2014 Medium Term Note Programme**"), under which Charming Light Investments Ltd., a wholly-owned subsidiary of the Guarantor, could from time to time issue notes guaranteed by the Guarantor with the benefits of a keepwell deed and a deed of equity interest purchase and investment undertaking provided by COAMC. In addition, United Wealth Development Ltd., another wholly-owned subsidiary of the Guarantor, could from time to time issue notes guaranteed by COAMC. COAMC and the Guarantor became the first among the Big Four Asset Management Companies to set up a medium-term note programme offshore.

On 27 October 2014, the Group set up a wholly-owned subsidiary, China Orient Advisors Inc. in the United States and expanded its operations to another financial centre in the world. Through its move, the Group gained valuable experience from working closely with world-class financial institutions, and strengthened its strategic relationships with international investors and asset managers. China Orient Advisors Inc. currently facilitates the Group's management of its U.S.-end investments.

China Orient International Capital Limited has obtained a license for Type 1 (dealing in securities) regulated activities from the Hong Kong Securities and Futures Commission.

2015	The Group issued asset-backed securities based on the assets in multiple countries.
2016	The Group completed its first syndicated loan in an aggregate principal amount of US$350,000,000 with a three-year tenor in the offshore market, expanding its banking networks overseas. On 1 February 2016, the Group established the China Orient Alternative Investment Fund providing customised financings to Hong Kong and overseas companies. On 28 February 2016, China Orient International Capital Limited was renamed Dongxing Securities (Hong Kong) Company Limited 東興證券(香港)有限公司, which later became an associate company of the Guarantor. On 1 June 2016, the Group's RQFII (A Share) Investment Fund and Overseas Bond Fund (RQFII 投資 A 股股票基金) were inaugurated, specialising in A-Share investment. On 1 December 2016, the Group set up the China Orient Yunfan Credit Fund L.P. (雲帆基金) which focuses on overseas credit investment.
2017	On 1 February 2017, the Qinghai Provincial Traditional Tibetan Medicine Industry Development Fund (青海省藏醫藥產業發展基金) was formed, demonstrating the Group's efforts in diversifying its investment targets and branching out to investments in the healthcare industry. In December 2017, the Group further updated its 2014 Medium Term Note Programme, under which the relevant issuer issued its first floating-rate bonds and perpetual bonds. These issuances further optimised the Group's debt and capitalisation profile.
2018	The asset management industry began a strategic transformation to refocus on core businesses. The Guarantor has maintained its prestigious status as the sole international arm of COAMC, reinforcing its unique position in global operations. The Group has actively and progressively refocused on its core business of distressed asset investment. It has acquired the overseas distressed assets of Chinese financial institutions, positioning itself as one of the pioneering state-owned AMCs to acquire and dispose of Chinese financial institutions' distressed assets in Hong Kong. In June 2018, the Group launched the second phase of the China Orient Yunfan Credit Fund L.P. (雲帆基金).
2019	On 20 March 2019, the Issuer issued the US$400 million 3.875 per cent. bonds due 2024 and the US$300 million 4.500 per cent. bonds due 2029 (the "**March 2019 Bonds**"), each guaranteed by the Guarantor. On 24 September 2019, the Issuer issued the 2.875 per cent. bonds due 2024 in the aggregate principal amount of US$400 million and the 3.500 per cent. bonds due 2029 in the aggregate principal amount of US$500 million, each guaranteed by the Guarantor. The Guarantor became the first Chinese AMC's overseas platform to independently issue offshore bonds, leveraging its own credit without relying on keepwell support from its onshore parent company.

2020	The Group established a strategic business transformation plan focused on long-term growth and sustainability. The Group has been dedicated to mitigating financial risks and has rigorously withdrawn from sectors with restrictions. On 17 November 2020, the Issuer issued the US$450 million 1.875 per cent. bonds due 2025 and the US$300 million 2.750 per cent. bonds due 2030, each guaranteed by the Guarantor. The Issuer was the first Chinese state-owned enterprise to successfully issue offshore US dollar-denominated bonds following the presidential election of the United States. In 2020, the March 2019 Bonds won "**Best FIG Bond Hong Kong**" by The Asset Asian Awards.
2021	Following the central government's inspection, COAMC diligently adhered to the guidelines, established new governance rules, reinforced penetrative management practices, underscored the compliance requirements for overseas entities, and directed the Guarantor towards further enhancements in corporate governance. On 2 March 2021, China Orient International Asset Management Limited obtained a licence for Type 1 (dealing in securities) regulated activities granted by the Hong Kong Securities and Futures Commission. On 30 August 2021, the Group redeemed all the outstanding US$650,000,000 2.375 per cent. notes due 2021 issued by Charming Light Investments Ltd. under the 2014 Medium Term Note Programme, at their principal amount.
2022	The Group formally delineated three principal business areas, namely distressed asset investment, substantial restructuring, and licensed businesses. In August 2022, the Group set up its first limited partnership fund in Hong Kong, Orient Energy Opportunity Investment Limited Partnership Fund (東方能源機會有限合夥基金), which mainly invests in non-standardised debt assets and equity assets in the energy industry with distressed asset features, through structured acquisition of distressed asset packages and individual projects of institutions located in Hong Kong. On 21 December 2022, the Group redeemed all the outstanding US$250,000,000 4.25 per cent. unsubordinated guaranteed perpetual securities issued by Charming Light Investments Ltd. under the 2014 Medium Term Note Programme, at their principal amount.

STRENGTHS

The Group believes that the competitive strengths set out below differentiate it from other industry participants and have enabled it to compete effectively and seize growth opportunities.

COAMC is one of the Big Four Asset Management Companies

COAMC is one of the Big Four Asset Management Companies established with the approval from the State Council and the PBOC in October 1999 to offload the banking system's distressed assets, embarking on its mission to safeguard state-owned assets, resolve financial risks and advance the reform of state-owned banks and enterprises. The COAMC Group has transformed into a leading provider of comprehensive services in the PRC, delivering a wide range of services, including distressed asset management services, insurance services, banking services, securities services, trust services, credit rating services and overseas services.

As at 31 December 2023, the COAMC Group boasted a robust national presence with 26 subsidiaries located in key central cities across the country. Its workforce exceeded 50,000 employees, reflecting the COAMC Group's considerable scale and capacity for operations. This extensive network has fostered a wealth of synergistic opportunities, underpinning the COAMC Group's diverse and dynamic business operations.

Strong support of and synergy with the COAMC Group

The Guarantor serves as the only overseas operating platform of the COAMC Group, offering a specialised, diversified and comprehensive portfolio of financial services and customised solutions, including distressed asset investment, special opportunities investment and primary and secondary market investment. It plays a key role in spearheading the development of the COAMC Group's cross-border and international businesses. Given its strategic importance within the COAMC Group, the Group has received support from the COAMC Group in various aspects. For example, before the Group independently accessed the domestic bond market or when it needs to source additional working capital onshore, COAMC provides loans to the Group to fund its onshore investment and working capital requirements. The COAMC Group also provides support in the Group's financing activities. COAMC has provided keepwell and equity repurchase commitments for bonds issued by the Group in the past. The Group has also benefited from the COAMC Group's brand recognition in forming business relationships. Many cross-border business opportunities generated by the COAMC Group were directly referred to and executed through the Group. Further, as COAMC directly appoints certain directors and senior management of the Guarantor, many on the Group's management team have held various roles in the COAMC Group, where they acquired extensive management experience and developed in-depth understanding of the financial market.

The Group also enjoys significant synergies with different business lines of the COAMC Group, creating an extensive business network. For example, leveraging on its investment experience and business network in offshore markets, the Group shares investment opportunities with China United Insurance Holding Company ("**China Insurance**"), through which the COAMC Group offers insurance products and services. Such partnership enables China Insurance to diversify its asset allocation and increases the Group's strengths in winning over clients and contracts.

In accordance with the COAMC Group's development strategies, the Group is expected to play an increasingly important role in the COAMC Group's cross-border investment and financing businesses.

Diversified income sources and balanced investment portfolio

The Group's existing investment portfolio consists of fixed-income products, secondary market investment and other investment. As at 31 December 2021, 2022 and 2023, the total value of the Group's investment assets (including financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, loan receivables – gross, interests in associates and interests in joint ventures) was HK$65,052.9 million, HK$59,685.7 million and HK$48,375.3 million, respectively.

As at 31 December 2023, the Group had invested approximately 60 per cent. in offshore projects and 40 per cent. in onshore projects.

Fixed-income investments are predominant in the Group's portfolio. For the years ended 31 December 2021, 2022 and 2023, the Group's revenue, gains and income (including revenue, other income – others, other gains or losses – net realised and unrealised gains / (losses) of financial assets at FVTPL, other gains or losses – net realised and unrealised gains / (losses) of financial liabilities at FVTPL, other gains or losses – fair value changes from investment in an associate measured at FVPL, other gains or losses – gains on disposals of associates, other gains or losses – gains on disposals of JV, other gains or losses – gains on disposals of subsidiaries, other gains or losses – others, and share of results of associates & JV) was HK$4,748.5 million, HK$3,357.4 million and HK$3,299.8 million, respectively. Among these, the Group's fixed-income investment contributed HK$2,925.6 million, HK$2,731.1 million and HK$2,243.1 million, accounting for approximately 61.6 per cent., 81.3 per cent. and 68.0 per cent. of the Group's revenue, gains and income.

A cross-border platform with independent investment and financing capabilities in both onshore and offshore markets

As a cross-border platform, with independent investment and financing capabilities in both onshore and offshore markets, the Group has adopted an onshore and offshore dual-currency investment and financing model for its operations. Under this model, the Group funds its investments in one market and currency mainly by financing in the same market and currency. It, therefore, provides a natural hedge to significantly reduce the Group's foreign exchange exposure.

In the offshore market, the Group has established an experienced investment and asset management team. It is among one of the few large-scale securities firms that have obtained cross-border trading licences and other qualifications, establishing its first-mover advantages. It has been licensed for carrying out Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the Hong Kong Securities and Futures Commission for around 11 years, and has also obtained a licence for Type 1 (dealing in securities) regulated activities granted by the Hong Kong Securities and Futures Commission in March 2021. The Guarantor is also licensed as a money lender in Hong Kong since January 2013. In the onshore market, the Group also obtained the RQFII qualification from the China Securities Regulatory Commission, which enables it to invest in products on onshore stock exchanges and fixed-income products in the onshore interbank bond market. As at 31 December 2023, the Group's investment amount totalled HK$48,375.3 million, of which approximately 60 per cent. were invested in offshore projects and 40 per cent. were invested in onshore projects.

To fund the Group's activities in each market, the Group has been diversifying its financing channels and has developed independent financing capabilities in both the onshore and offshore markets. The Group maintains long-term cooperative relationships with leading financial institutions, including state-owned policy banks, state-owned commercial banks and international banks. In the offshore market, the Group completed its first public offering of U.S. dollar denominated bonds in 2013 and set up a Medium Term Note Programme in 2014 under which fixed and floating rate notes and perpetual securities with different currencies and maturities were issued, by way of public offering and private placement to optimise its debt and capitalisation profile. As at 31 December 2023, the Group had raised approximately RMB5.8 billion, US$7.3 billion and HK$2.4 billion through international public offerings of bonds, notes and perpetual securities. The Group has also established long-term and good relationships with commercial banks. As an example, in 2016, the Group completed its first syndicated loan in an aggregate principal amount of US$350,000,000 with a three-year tenor in the offshore market, expanding its banking networks to overseas. As at 31 December 2023, the Group has credit facilities with a principal amount of approximately HK$18.2 billion from financial institutions offshore.

In the onshore market, the Group's resources of funds include, but are not limited to, loans from commercial banks and other financing institutions, and loans from the COAMC Group and bond issuances in the domestic market. As at 31 December 2023, the Group had cumulatively raised approximately RMB20.6 billion through onshore bond offerings. As at 31 December 2023, the Group had credit facilities with a total principal amount of approximately RMB 10.3 billion from financial institutions onshore.

The Group's broad financing channels have also translated into an improved credit-profile that enables the Group to borrow at favourable rates and maintain sufficient credit lines and facilities. With diversified financing instruments, the Group has enhanced its capital structure, enhanced its liquidity and lowered its financial costs.

Comprehensive and effective risk management mechanism

The Group has significantly strengthened its risk management framework in recent years by optimising business structures, refining review processes, and enhancing risk management. Since 2018, the Group has strategically refocused on its core business of distressed asset management, scaling back high-risk areas and operations in restricted sectors to ensure compliance with laws and regulations. The Group has bolstered its decision-making and approval processes by emphasising the role of a risk supervisor, dispatched by COAMC, who oversees risk management and possesses the authority to veto projects. The investment decision-making committee has been enhanced with experienced members selected by COAMC, and the project approval process has been optimised, including elevating the approval authority to the Chief Executive Officer and introducing a comprehensive co-signing system to scrutinise projects from multiple perspectives.

The Group has clearly articulated its risk preferences and has developed a comprehensive risk and internal control system, tailored to its business strategies and risk profile. This system includes proactive identification and monitoring of credit, market, liquidity and capital risks, as well as adaptive asset allocation studies in response to market shifts. Since 2019, the Group has continuously updated its internal management systems, establishing over 130 effective controls that encompass all aspects of business operations and management. Furthermore, the Group has set up a multi-tiered risk prevention mechanism, complete with defined risk triggers, reporting pathways, and responsive measures.

As the exclusive international arm of COAMC, the Group has laid a solid foundation for its stable and robust operations, ensuring a sustainable and prudent business mechanism.

Experienced management and investment team

The Group has established an experienced and visionary management team. As COAMC directly appoints certain directors and senior management of the Guarantor, many on the Group's management team have held various roles in the COAMC Group, where they accumulated extensive management experience and developed in-depth understanding of the financial market.

The Group also has a dedicated and professional investment team with over a decade of investment experience, a proven track record and a deep understanding of both onshore and offshore markets. The Group's experienced and highly qualified management and operations team will continue to contribute to its future development.

STRATEGIES

Optimising core businesses and taking advantage of special opportunities emerging in cross-border markets with a strategic focus on distressed asset investment business

The Group is committed to optimise its core businesses by strengthening its established operations, augmenting its presence in offshore markets, and expanding cross-border businesses while diversifying its strategic layout and exploring a broad spectrum of business prospects. Leveraging on the advantages of Hong Kong's international capital market, the Group will maintain and optimise its investment scale and scope by taking advantage of special opportunities emerging in cross-border markets, such as distressed lending, liquidity crises management, refinancings, and non-performing assets and loans in the Hong Kong market, whilst exploring new and internationalised models for the disposal of distressed asset to support the COAMC Group. The Group will also strengthen and remain its focus on distressed asset investment business by increasing the scale and weight of its distressed asset portfolio and maintain profitability to facilitate the Group's stable and sustainable development. By effectively allocating assets, the Group will be strategically positioned as a preeminent and esteemed investment institution specialising in cross-border distressed assets.

In addition, the Guarantor, as the only overseas operating platform of the COAMC Group, is committed to focus on the development of its three principal business areas, namely distressed asset investment, substantial restructuring, and licensed businesses and will continue to utilise insights acquired from its cross-border businesses and offshore markets on client collaboration, capital allocation, risk management protocols and innovation of distressed asset investment business methodologies to support the COAMC Group and play an important role in the COAMC Group's returning to the fundamentals of AMC's business(回歸主業). It will further provide the COAMC Group with multi-dimensional services and support to enhance the consolidation and synergy effects of the COAMC Group's onshore and offshore operations.

Continuing to upgrade risk management

To further improve its risk management capabilities, the Group strives to enhance its capital efficiency and liquidity by optimising its investment portfolio. It intends to diversify its investment targets and reduce industry concentration risks. The Group has been scaling back high-risk areas and operations in restricted sectors and will continue to do so in the future. The Group will exercise increasing caution in stock investment in the future to reduce risks relating to secondary market volatility. In addition, it will be more prudent in private equity investment, which carries greater liquidity risk.

BUSINESS TRANSFORMATION

(1) Strategic Business Transformation Plan

Since 2018, the Group has strategically refocused its efforts on its core competency in distressed asset investment, adhering to the guiding principle of "Returning to the Fundamentals of AMC's Business (回歸主業)". In pursuit of operational excellence, the Group established a strategic business transformation plan in 2020.

Cross-border distressed asset investment opportunities

The Group seeks to serve Chinese enterprises and promote domestic economic development by participating in distressed asset investment opportunities including acquisition and disposal of financial and non-financial distressed assets, financial distress relief, debt restructuring relating to reorganisation, strategic mergers and acquisitions and debt to equity swaps. More specifically, the Group focuses on a wide range of special situation, including: (1) acquisition and disposal of distressed asset including bad debts, equity and tangible assets formed in the operation of overseas Chinese financial institutions; various types of distressed assets relating to Chinese enterprises formed in the operation of overseas financial institutions, and collaboration with overseas clients in domestic distressed asset businesses; (2) acquisition and disposal of bonds in default and discounted bonds issued by Chinese enterprises, and risk resolution of asset management products; and (3) rescue of distressed institutions and distressed assets, including assets that are substantially in default or assets with deteriorating quality held by Chinese enterprises or their overseas branches that are encountering financial or operational difficulties, as well as such assets held by overseas financial institutions, and divestible assets of overseas Chinese enterprises or their overseas institutions that have an impact on their ordinary course of business and liquidity.

Licensed businesses

The strategy in terms of the Group's licensed businesses is twofold. First, the Group will maintain the investment proportion of its licensed operations at no more than 30 per cent. of the total investment. Second, the Group may continue to participate in open market transactions for distressed and special opportunity investments (such as holding open market stocks or bonds for carrying out distressed asset related businesses).

(2) Internal Control and Risk Management

To serve the business transformation strategy, the Group aims to upgrade its internal control and risk management by adopting the following measures:

Continuously improving internal control and risk management policies and strengthening compliance strategy

To ensure that the development and operation of the Group's risk management and internal control systems are aligned with its business transformation, the Group aims to continuously enhance policies in internal business procedures, statistical analysis, risk monitoring and early warning mechanisms, define clear triggers for risk events, reporting paths and countermeasures, and build multiple lines of compliance defence.

Strengthening internal management and enhancing human resources management effectiveness

The Group aims to strengthen its internal management and enhance human resources management effectiveness. This includes (1) reinforcing personnel management, optimising incentive and constraint mechanisms, and developing effective measures to prevent moral hazard and eliminate corruption issues; and (2) formulating and implementing a performance assessment system that matches the business model, taking into account domestic regulatory requirements and overseas market practices, implementing deferred performance payment and exit management policies to enable employee mobility and continually bolstering the sense of responsibility and accountability in the Group's employees.

Strictly enforcing business authority and improve internal decision-making mechanisms

The Group intends to prudently identify and determine business types, define and enforce the scope of business authority, and improve the investment decision-making process to reflect market and business characteristic requirements and adhere to market conventions. In doing so, the Group aims to achieve decision-making efficiency and win business opportunities.

(3) Operating Performance

Since the implementation of the Group's business transformation strategy, despite volatility of the global and China financial markets and the impact of the COVID-19 pandemic, the Group has managed to remain stable, continuously optimised its asset structure in the process of business transformation and achieved positive financial outcome.

Driving business transformation with distinct features and direction

In pursuit of promoting the Group's business transformation, it has made progress in the following aspects:

Distressed asset investment opportunities

In the realm of traditional distressed asset acquisitions, the Group has adopted a strategy to assess every distressed asset package and compete for all quality packages. In 2021, the Group has sustained its capital deployment, supporting the national strategy for the development and construction of the Greater Bay Area. In 2022, the Group completed the only banking distressed asset acquisition transaction in the Hong Kong market for the year, exemplifying the Group's effective utilisation of domestic and international resources and showcasing its cross-border business capabilities.

Cross-border substantial restructuring businesses

The Group effectively utilises the advantages of its cross-border platform, professional talent, the support of the COAMC Group and capital strength to actively expand its substantial restructuring businesses. By acquiring existing distressed assets and undertaking additional investments in these assets, the Group rescues distressed enterprises and serves the real economy. In this regard, the Group performs its function of counter-cyclical adjustments and financial buffer as a financial asset management company. In 2022, the Group successfully advanced the first cross-border restructuring project and concurrently established the first substantial domestic restructuring operation. In 2023, the Group further explored cross-border substantial restructuring opportunities with central enterprise customer groups and Chinese-funded institutions in Hong Kong. The Group aims to further enhance its cross-border substantial restructuring business by (1) exploring opportunities in acquisition and disposal of existing distressed assets; (2) providing relief to enterprises and institutions in alignment with national strategic requirements; and (3) actively exploring cooperation with state-owned enterprise to carry out cross-border substantial restructuring projects.

Licensed businesses in Hong Kong

The Group has obtained licences to carry out various regulated activities such as the licence as a money lender, the licences for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities granted by the Hong Kong Securities and Futures Commission. As at the end of 2023, the Group managed a number of funds through its licensed business in Hong Kong, including China Orient Multi Strategy Fund (多策略基金) and China Orient Enhanced Income Fund (增強收益基金), with a combined scale of around RMB9 billion. The funds managed by the Group have also received numerous prestigious awards from authoritative organisations, including, in 2018, the China Orient Multi-Strategy Fund (多策略基金) was awarded the "*Best Asian Multi-Strategy Fund*" sponsored by Nomura International (Hong Kong) Limited; in 2020, the China Orient Enhanced Income Fund (增強收益基金) was awarded the "*Top Performing Asia-Pacific-Based Medium Sized Hedge Funds*" by the Honor Roll; and in 2023, Orient Energy Opportunity Investment Limited Partnership Fund (東方能源機會有限合夥基金) was awarded the "*Best Fund Manager for Limited Partnership Fund*" from the Hong Kong Limited Partnership Fund Association.

At the same time, by continuously deepening the licenced business and exploring intermediary businesses, reasonably expanding the scale of the licensed business, improving asset liquidity, optimising the asset-liability structure of the Group, increasing the influence of the Group in the Hong Kong financial market, and exploring new business opportunities, the Group has achieved the transformation of most of its structured financing businesses into fund-based operations. Furthermore, by leveraging advantages of its Type 9 licence, at the end of 2022, the Group proposed the concept of building a "large distressed asset" (大不良) platform to explore a fund-based model for collaborating with banks to dispose distressed assets. This model utilises their respective strengths to revitalise inefficient and ineffective assets, whilst identify investment and value-enhancement opportunities in distressed assets. In 2023, the Group incorporated the standardised investment business into the management framework of licensed businesses, laying a solid foundation for the development of its third-party asset management services. The licensed operations will focus on highly liquid and secure tradable products, adopting a diversified investment and risk dispersion strategy, while maintaining the investment proportion at no more than 30 per cent. of the total investment.

Utilising cross-border advantages to fortify financing capabilities and strengthen liquidity buffer

The Group is fully committed to maintaining its credit ratings, bond ratings and investor confidence, facilitating cross-border capital flow, and balancing onshore and offshore funding exposure. In 2021, seizing the opportunity of a downward bond yield trend, the Group successfully issued onshore bonds of RMB800 million, expanded the Zhuhai cross-border RMB fund pool to RMB5.4 billion and made bond repayments of US$650 million. In 2022, facing the pressure of rapid interest rate hikes by the US Federal Reserve, the Group made offshore bond repayment of US$250 million. In the same year, the Group issued bonds in an aggregate principal amount of RMB5.5 billion in the onshore bond market and obtained new credit facilities of RMB3.9 billion. The Group also successfully established a US$1 billion QFLP fund cross-border financing channel in Hainan and a US$360 million QFLP fund cross-border financing channel in Shanghai, further optimising its debt maturity and structure.

BUSINESS OF THE GROUP

The Group's business mainly consists of distressed asset investment, substantial restructuring, and licensed businesses. Distressed asset investment is the core of the Group's investment business. The Group's substantial restructuring business serves the financing and investment needs of clients during financial distress, business restructuring and reorganisation, and crisis management. The Group's licensed business comprises fund management and investments in primary and secondary markets.

For the years ended 31 December 2021, 2022 and 2023, the Group's revenue, gains and income was HK$4,748.5 million, HK$3,357.4 million and HK$3,299.8 million, respectively. Its revenue, gains and income comprise revenue, other income – others, other gains or losses – net realised and unrealised gains / (losses) of financial assets at FVTPL, other gains or losses – net realised and unrealised gains / (losses) of financial liabilities at FVTPL, other gains or losses – fair value changes from investment in an associate measured at FVPL, other gains or losses – gains on disposals of associates, other gains or losses – gains on disposals of JV, other gains or losses – gains on disposals of subsidiaries, other gains or losses – others, and share of results of associates & JV.

The following table sets forth a breakdown of the Group's revenue, gains and income for the periods indicated:

	For the year ended 31 December		
	2021	**2022**	**2023**
		(HK$ million)	
Fixed-income investment	2,925.6	2,731.1	2,243.1
Secondary market investment[1]	(183.4)	(1,388.2)	(56.5)
Other investment[2]	2,006.3	2,014.5	1,113.2
Total	4,748.5	3,357.4	3,299.8

Notes:

(1) Secondary market investment covers stocks and bonds trading on public markets.

(2) Other investment includes other equity investment (such as investment in joint ventures and associated companies), funds, convertible bonds and total return swap.

The Group's profit for the year was recorded at HK$886.1 million, HK$442.6 million and HK$161.7 million, respectively, for the years ended 31 December 2021, 2022 and 2023.

As at 31 December 2021, 2022 and 2023, the total value of the Group's investment assets (including financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, loan receivables – gross, interests in associates and interests in joint ventures) amounted to HK$65,052.9 million, HK$59,685.7 million and HK$48,375.3 million, respectively. As at 31 December 2023, the Group had invested approximately 60 per cent. in offshore projects and 40 per cent. in onshore projects.

Distressed asset investment is the core of the Group's investment business which is crucial for its sustainable growth. In line with the strategic business transformation plan, the Group actively pursues thematic distressed asset investment opportunities.

Substantial restructuring businesses mainly focuses on special opportunities investments, whose primary clients are companies and investors who conduct cross-border investments and financings. The Group's special opportunities investment business serves the financing and investment needs of target clients in times of financial distress, business restructuring and reorganisation, leveraged acquisitions, strategic mergers and acquisitions, business expansion, refinancing and liquidity crisis management.

The Group actively identifies opportunities arising from a variety of special situations, including (1) acquisition and disposal of distressed asset including bad debts, equity and tangible assets formed in the operation of overseas Chinese financial institutions; various types of distressed assets relating to Chinese enterprises formed in the operation of overseas financial institutions, and collaboration with overseas clients in domestic distressed asset businesses; (2) acquisition and disposal of bonds in default and discounted bonds issued by Chinese enterprises, and risk resolution of asset management products; and (3) rescue of distressed institutions and distressed assets, including assets that are substantially in default or assets with deteriorating quality held by Chinese enterprises or their overseas branches that are encountering financial or operational difficulties, as well as such assets held by overseas financial institutions, and divestible assets of overseas Chinese enterprises or their overseas institutions that have an impact on their ordinary course of business and liquidity. The Group provides multi-currency and tailor-made product offerings, including senior debt, equity pledged financing, bridge loan, mezzanine debt, preferred equity, subordinated debt as well as other structured products in public market, private placement and cross-border settings.

In recent years, by leveraging synergies with the COAMC Group, the Group provided liquidity support to listed companies to fund their business operations and to stabilise stock prices, safeguarding the interests of multiple stakeholders involved. The Group also provided financing for Chinese companies' mergers and acquisitions overseas, assisting their business expansion. Further, in 2018, the Group acquired the overseas distressed assets of a PRC-based bank, becoming one of the first state-owned asset management companies to acquire and dispose of bank distressed assets in Hong Kong. In 2022, the Group completed the only banking distressed asset acquisition transaction in the Hong Kong market for the year, exemplifying the Group's effective utilisation of domestic and international resources and showcasing its cross-border business capabilities. In the same year, the Group successfully advanced the first cross-border restructuring project and concurrently established the first substantial domestic restructuring operation.

The Group's existing investment portfolio consists of fixed-income products, equity and equity-linked products and distressed asset related products.

Fixed-income investment

The Group's fixed-income investment portfolio comprises investments that generate a fixed amount of return payable on a fixed schedule during the entire investment period. Capitalising on its own investment expertise and the COAMC Group's customer base, the Group has invested in a wide range of fixed-income products on primary and secondary markets such as structured financing products, asset restructuring financing, secured financing, asset-backed financing and convertible debt financing.

Fixed-income investment has a dominant position in the Group's existing investment portfolio. As at 31 December 2023, the Group's ongoing fixed-income investment projects had an aggregate investment amount of HK$16,905.0 million. Among these, the Group's offshore and onshore fixed-income investment amount totalled HK$7,783.1 million and HK$9,121.9 million, respectively, accounting for approximately 46.0 per cent. and 54.0 per cent. of the Group's total fixed-income investment amount.

When selecting investment targets, the Group gave priority to listed companies located in tier-one cities or with credit enhancement. To reduce potential investment loss, the Group strictly followed its standard investment risk control procedures, and usually required debtors to provide credit enhancement measures (including but not limited to house and land mortgages, stock and equity pledges, equity transfers and guarantees from controllers and parent companies). In case of a default in the Group's debt investment projects, the Group will first attempt to resolve this by negotiation, failing which it will issue a formal letter of demand for debt through its counsel. For defaulted investments, the Group may (i) assist debtors with obtaining funds from third parties (such as guarantors or relationship banks) to repay principal and interests through the wide network and strong relationship of the COAMC Group, (ii) restructure debtors and monetise bad assets to repay principal and interests by utilising the COAMC Group's strengths in disposing non-performing assets, and/or (iii) dispose of mortgaged or pledged assets to reduce the Group's losses.

Equity and equity-linked investment

The Group's equity and equity-like investment portfolio comprises pre-IPO investments, IPOs, PIPEs, private equity investments and placements, and secondary-market investments.

Focusing on industries with strong growth potential, the Group made strategic investments in selected high-quality companies and formed mutually beneficial cooperative relationships with such clients by providing financing supports to foster their growth.

The Group also invested in stocks listed and traded on the main stock exchanges, including those in Hong Kong, the PRC and the U.S.

Distressed asset investment

In line with the strategic business transformation plan introduced in 2020, the Group actively pursues thematic distressed asset investment opportunities. Distressed asset investment business is the core of the Group's investment business and an important source of its income. The Group has established a robust and efficient operational system, cultivated a diligent and professional execution team, and developed sound risk management capacities and risk-based pricing capacities. In doing so, the Group effectively alleviates the short-term financial burden of target assets through asset acquisition, debt maturity restructuring, non-cash repayment etc., to revitalise distressed assets and realise investment return.

Licensed Business

The Group's licensed business comprises investments in primary and secondary markets.

To expand its operations and better serve its client needs, the Group has obtained licences to carry out various regulated activities such as the licence as a money lender, the licences for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities from the Hong Kong Securities and Futures Commission, and the RQFII qualification from the China Securities Regulatory Commission.

The Group's fund products include public debt and equity products, credit and special opportunities products and NPLs and distressed investment products. Its fund strategies provide itself and its investor clients with the platform and vehicle to invest in a variety of markets and industries and to achieve asset allocation and optimisation globally. For instance, the Group's China Orient Multi-Strategy Fund is an absolute return equity fund established in January 2013 and invests in the shares of Hong Kong, U.S., and A Share listed companies. It has followed a strategy of value and long-term investing, which is to identify undervalued stocks and buy and hold for a long period of time. The fund has won several nominations in industry-wide annual surveys, including the Best Hedge Fund in Asia Pacific Region awarded by Hedge Fund Intelligence. The fund has been one of the composite funds of the Credit Suisse Hedge Fund Index since October 2017. Orient Energy Opportunity Investment Limited Partnership Fund (東方能源機會有限合夥基金) is the Group's first Hong Kong limited partnership fund ("**HKLPF**") which was launched in August 2022. A wholly-owned subsidiary of the Guarantor has acted as the fund's general partner and also as a limited partner of the fund along with external professional investors. Its investment strategy is to focus on non-standardised debt assets and equity assets in the energy industry with distressed asset features through structured acquisition of distressed asset packages and individual projects of institutions located in Hong Kong. Since its inception, the Orient Energy Opportunity Investment Limited Partnership Fund has benefited from the preferential policies of a HKLPF, and has successfully carried out fundraising and potential project development work, including landing its first investment project in the fourth quarter of 2022. The following table sets out the details of the funds managed by the Group as at 31 December 2023:

Fund	Investment Target	Fund Size	Time of Establishment
		(HK$ in millions)	
Orient Energy Opportunity Investment Limited Partnership Fund (東方能源機會有限合夥基金).	Overseas private bonds and preference shares	729.15	August 2022
China Orient Yunfan Credit Fund L.P. – Phase II (雲帆基金二期)..	Overseas credit investments	5.33	July 2018
China Orient Yunfan Credit Fund L.P. (雲帆基金)..	Overseas credit investments	2.03	December 2016
RQFII (A Share) Investment Fund and Overseas Bond Fund (RQFII 投資 A 股股票基金)	A Shares	349.10	June 2016
China Orient Alternative Investment Fund (另類投資基金)..	Customised financings to Hong Kong and overseas companies	989.16	February 2016
China Orient Enhanced Income Fund (增強收益基金)...	Bonds in overseas public markets	5,281.05	September 2014
Stable Income Fund – RQFQ23 (穩健收益基金-RQFQ23)	A Shares	129.38	February 2014
China Orient Multi-Strategy Fund (多策略基金)..	Equity investments in Hong Kong, U.S., and A Share listed companies	2,485.17	January 2013

INTERNAL CONTROL AND RISK MANAGEMENT

The Group is committed to establishing a comprehensive risk management system that is integral to its business operations. With regards to risk management, the Group has established a robust corporate governance structure and internal control policies. The Group has implemented, amongst others, a securities investment risk management guidance programme, investment and finance projects, reporting and approval standards, investment and finance standardisation procedures, a governance model, a management structure and authorisation system, and post-investment management standards as part of its pre-investment, investment and post-investment risk management, with the aim to ensure that, at every stage of an investment, the Group is in compliance with laws and regulations.

Internal Management

The Group has in place a series of standardised policies to achieve its goals and to manage its risks. On a yearly basis, the Group refreshes its management policy to improve its policies and to adapt them to the operation developments of the Group. The Group currently has in place a generally healthy internal control system to meet the management needs of the Group and its business development requirements and which has allowed it to prepare true and fair consolidated financial statements. Since the implementation of the Group's internal management, it has achieved effective implementation, ensuring that the Group's revenue and expenditure and its operation activities comply with the relevant rules, regulations and standards in all material respects.

Investment Strategy Policy

As an integral part of its investment strategy, the Group has in place standardised procedures in making investment decisions, which encompasses submitting project proposal, performing due diligence, producing investment analysis reports, carrying out risk assessment, making approval decisions, and conducting post-investment management. The Group's investment committee is charged with making specific investment decisions.

Project Proposal

In general, the business team will first conduct preliminary due diligence and submit a project proposal for the risk management department and the finance department to review and comment. After the proposal is approved by the head of the business team, the chief executive officer will decide whether to proceed with the project with the input of the chief risk officer.

For projects that involve listed companies, in the initial stage, all relevant employees in the business team are required to sign confidentiality agreements. The project shall be reported to the risk management department and the compliance department and the securities concerned shall be listed in the watch list.

After the initiation of major projects and projects related to new business lines, the investment committee can be convened with the approval of the chief executive officer to conduct pre-review of such projects.

Due Diligence

The due diligence work performed shall be independent, objective and complete. On-site due diligence shall be the primary method, supplemented by documentary due diligence. Independent third-party agencies may be engaged to assist the process if needed.

Risk Assessment

After completing the due diligence process, the business team shall produce an investment analysis report for the investment committee's approval. The report shall include a due diligence report and other documents significant to the decision making, such as letters of undertaking and legal opinions. It shall be first submitted to the risk management department for review and comment and may only advance to the investment committee once approved by the chief risk officer.

Investment Decision-making

Different investment decision-making procedures apply to different types of projects. Ordinary projects require approval from the investment committee, the chief executive officer and the relevant department head at COAMC. A copy of the documents evidencing such approvals shall be sent to the finance department, the legal department, the compliance department and the post-investment management department, and notice shall be given to the integrated management department.

For fund projects with independent risk management system, approval of the investment committee is required in relation to the portion in which the Group invests or the businesses for which the Group provided guarantee, credit enhancement or liquidity support. Specially authorised matters, namely securities investments and cash management investments, are entrusted to the securities investment committee and the finance department, respectively. Upon approval of projects that involve listed companies, the compliance department shall list the relevant securities in the restricted/stop list.

Project Signing

The legal department is charged to examine the deal structure and the contractual terms. The risk management department considers whether the project plan and regulatory approvals may be achieved.

For projects that do not utilise the Group's funds but involve the provision of guarantee, credit enhancement or liquidity support or will otherwise increase the Group's contingent liabilities, the business team should notify the finance department immediately upon signing the contracts.

The risk management department, the legal department and the finance department shall implement the relevant protocols related to payment processing. The risk management department shall be copied when any funds are released.

The business team should notify the compliance department within one business day if disclosure of rights and interests related to companies listed on the Hong Kong Stock Exchange may be required, including contract signing, closing, changes in outstanding shares, etc.

Post-Investment Management

After the completion of a project, a post-investment assessment report shall be submitted to COAMC, with a copy to the Group's post-investment management department, and the risk management department shall be notified. Other special protocols apply to projects involving companies listed on the Hong Kong Stock Exchange and companies established specifically for the relevant projects.

Accounting and Financial Management

With regards to accounting and financial management, the Group has referred to the appropriate accounting standards and requirements and has implemented a complete internal control policy, including rules and procedures regarding cash and reserves, finance management policies, tax management rules, accounting procedures, rules and procedures relating to write-offs and book-keeping rules. The Group makes special provisions for certain assets based on individual assessment.

Credit Risk Management

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its payment obligations when due. The Group is exposed to credit risks primarily associated with its loan receivables, receivables from immediate holding companies and other related parties, debt and convertible debt securities and the total return swap contracts entered into by the Group. The Group manages credit risk by several methods, including:

- setting up monitoring procedures to recover overdue loans;
- reviewing the recoverable amount of each individual debt on a regular basis; and
- obtaining financial information of counterparties to assess their credibility.

Liquidity Risk Management

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. Measures taken by the Group to manage liquidity risk include monitoring and maintaining a level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group monitors the utilisation of borrowings and ensures compliance with loan covenants.

Market Risk Management

Market risk in the risk that the fair value or future cash flows of the Group's financial assets or financial liabilities might fluctuate because of changes in the economic environment. The Group's activities expose it primarily to the market risk of changes in interest rates, foreign currency and other prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate because of changes in market interest rates. The Group historically does not have a fair value hedging policy, nor has it used any interest rate swap to mitigate its exposures associated with fluctuations relating to interest cash flows.

The Group's management monitors the related interest rate exposures and conducts sensitivity analysis to estimate its risk exposure.

Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. Foreign currency-denominated assets and liabilities held by the Group are exposed to foreign currency risks. These assets and liabilities include available-for-sale financial assets, loans and other receivables, and financial assets at fair value through profit or loss.

The Group historically does not have a foreign exchange hedging policy, and the Group manages foreign currency exchange risks by conducting sensitivity analysis to estimate its risk exposure.

Other price changes risk

The Group is exposed to other price changes arising primarily from investments in listed equity and debt securities, convertible debt securities, listed investment funds and total return swap contracts amongst others. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor price changes.

Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The directors of the Group review the capital structure on a continuous basis, taking into account the cost of capital and the risk associated with capital.

LICENCES

As a financial services provider with headquarters in Hong Kong and operations spanning the Greater China region and abroad, the Group has obtained and maintains various licences and permits in relation to its operations.

The Guarantor has been licensed as a money lender in Hong Kong since January 2013. Under such licence, the Guarantor has been developing its fixed-income investment and financing projects in Hong Kong.

China Orient International Asset Management Limited, a wholly-owned subsidiary of the Guarantor incorporated in Hong Kong, was granted licenses for carrying out Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the Hong Kong Securities and Futures Commission in May 2012 and Type 1 (dealing in securities) regulated activities by the Hong Kong Securities and Futures Commission in August 2022. Currently, China Orient International Asset Management Limited operates the China Orient Multi-Strategy Fund, RQFII (A Share) Investment Fund and other asset management businesses.

China Orient International Asset Management Limited also obtained an RQFII qualification from the China Securities Regulatory Commission in August 2013, providing the Group with access to products on onshore stock exchanges and fixed-income products in the onshore interbank bond market.

COMPETITION

The Group primarily operates in the Greater China region where the financial services market is highly competitive. The Group mainly competes with non-banking financial institutions and alternative investment companies in the relevant markets. The Group competes with its competitors in terms of brand recognition, marketing and sales capabilities, service quality, financial strength, product and services portfolio, and pricing. Please refer to "*Risk Factors – Risks relating to the Group's overall business – The Group faces intense* *competition and its businesses could be materially and adversely affected if it is unable to compete effectively*" in this Supplemental Offering Circular.

EMPLOYEES

As at 31 December 2023, the Group had 117 employees, of which 106 held a bachelor's degree or above, 65 held a master's degree or above and 3 held a doctorate degree or above. The Group is committed to recruiting, training and retaining skilled and experienced employees. The Group intends to achieve this by offering competitive remuneration packages as well as by focusing on training and career development of its employees.

LEGAL PROCEEDINGS

From time to time, the Group may be involved in legal proceedings, claims or other disputes in the ordinary course of its business. As at the date of this Supplemental Offering Circular, there is no litigation or arbitration pending or threatened against the Group which the Guarantor believes could have a material adverse effect on its business, financial conditions and results of operations.

DIRECTORS AND SENIOR MANAGEMENT OF THE GUARANTOR

The section entitled "Directors and Senior Management of the Guarantor" as set out on pages 67 to 69 of the Original Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

DIRECTORS

The Board of Directors of the Guarantor consists of four members. The board (1) deliberates and executes the winding down, acquisition and consolidation matters of the Guarantor and submit such matters for shareholder approval; (2) together with COAMC, appoints and removes the chief executive officer and the co-presidents; (3) approves the appointment and removal of the chairman and members of the investment committee, chairman and members of the executive committee, the chief risk officer and the chief financial officer; (4) reviews and approves remuneration management and performance plans and the annual dividend distribution plans of the Guarantor, its subsidiaries and its affiliates; (5) examines the development strategies, mid-to-long term strategies and annual plans submitted by the chief executive officer; (6) approves annual financial budgets and financial accounts plan; and (7) reviews proposals on capital increase or decrease and capital structure adjustment and submit such matters to COAMC for approval. It authorises the chief executive officer and the senior management team to carry out functions and permissions in the personnel, business, finance, and company's external contracts and commitments. Some board members also take positions in the party committee, executive committee and the investment committee.

All directors of the Guarantor are appointed by COAMC or the Board of Directors of the Guarantor. As at the date of this Supplemental Offering Circular, the directors of the Guarantor are:

Name	Year of Birth	Position
ZHOU Jidong (周繼東)	1970	Chairman, Director
NING Jing (寧靜)	1976	Director
YANG Zheng (楊崢)	1970	Director
WANG Letian (王樂天)	1972	Director

Directors

ZHOU Jidong (周繼東) has been serving as the chairman and director of the Guarantor since 2021. Mr. Zhou also currently acts as the chief executive officer, secretary of the party committee and chairman of the executive committee of the Guarantor. Since joining COAMC in 2000, Mr. Zhou held various positions within the COAMC Group, including as the general manager of COAMC's Beijing office.

NING Jing (寧靜) has been serving as a director of the Guarantor since 2017. Ms. Ning also currently acts as the director of Dalian Bank and Dong Yin Development and the general manager of the integrated planning, strategy and coordination department of COAMC. Prior to her current role, Ms. Ning held various positions such as the assistant general manager of the finance and accounting department of COAMC and the director of Dongxing Securities Corporation Limited (東興證券股份有限公司).

YANG Zheng (楊崢) has been serving as a director of the Guarantor since 2017. Mr. Yang also currently acts as the general manager of the group collaboration and client management department of COAMC. Between 2000 and 2017, Mr. Yang held various positions within the COAMC Group, including as the chief executive officer and the secretary of the Chinese communist party committee of COAMC's Hunan provincial office.

WANG Letian (王樂天) has been serving as a director of the Guarantor since 2020. Mr. Wang also currently serves as the co-president and member of the party committee, the executive committee and the investment committee of the Guarantor. Since joining the COAMC Group in 2000, Mr. Wang held various positions, including as deputy general manager of the first division of its business management department and as deputy general manager of its Chongqing office.

SENIOR MANAGEMENT

The chief executive officer, with the assistance of the co-presidents, chief financial officer and chief risk officer, is responsible for the overall management and operation of the Guarantor. Under the leadership of the chief executive officer, the senior management is responsible for the day-to-day management of the Group's business. The chief executive officer may further authorise members of the senior management to oversee the operations of various departments and committees and the subsidiaries.

The committees under the leadership of the chief executive officer consist of the executive committee and the investment committee. The executive committee oversees the Group's major decision making, key personnel appointment, removal and management, core business planning and usage of substantial funds. The investment committee formulates and reviews the Group's investment and divestment strategies, principles and approval procedures, establishes investment management protocols and monitoring mechanism, and makes investment decisions as appropriate.

The persons-in-charge of the Group's subsidiaries report to the chairman, chief executive officer and authorised senior management and are responsible for the business performance and risk management of the respective subsidiaries. As back office support, the Group's administration, human resources, finance, risk management, legal and compliance departments also report to the chief executive officer and authorised senior management.

The following table sets forth certain information concerning the Guarantor's senior management officers as at the date of this Supplemental Offering Circular:

Name	Year of Birth	Position
ZHOU Jidong (周繼東)	1970	Chief Executive Officer, Secretary of the Party Committee and Chairman of the Executive Committee
WANG Letian (王樂天)	1972	Co-President and Member of the Party Committee, the Executive Committee and the Investment Committee
LI Jun (李軍)	1978	Co-President and Member of the Party Committee, the Executive Committee and the Investment Committee
YE Nan (葉楠)	1981	Chief Financial Officer, Chief Risk Officer and Chairman of the Investment Committee
QU Ming (曲明)	1972	Co-President[1]
CHEN Nanhui (陳南輝)	1970	Co-President[1]
LIU Kuanlun (劉寬倫)	1974	Co-President[1]

Note:

(1) The committee appointments of Mr. QU Ming, Mr. CHEN Nanhui and Mr. LIU Kuanlun have not been confirmed as at the date of this Supplemental Offering Circular.

ZHOU Jidong (周繼東)

See "*Directors and Senior Management – Directors*".

WANG Letian (王樂天)

See "*Directors and Senior Management – Directors*".

LI Jun (李軍) has been serving as the co-president of the Guarantor since 2019. Mr. Li also currently serves as a member of the party committee, the executive committee and the investment committee of the Guarantor. Since joining the COAMC Group in 2011, Mr. Li held various positions, including the assistant to the general manager of the audit department of COAMC.

YE Nan (葉楠) has been serving as the chief financial officer of the Guarantor since 2021. Mr. Ye also currently serves as the chief risk officer and chairman of the investment committee of the Guarantor. Since joining the COAMC Group in 2014, Mr. Ye held various positions, including at the financial management department, as assistant to the general manager of the financial accounting department and as deputy general manager of the shared management centre (共享管理中心) of COAMC.

QU Ming (曲明) has been serving as the co-president of the Guarantor since 2024. Prior to his current role, Mr. Qu held various positions such as the assistant general manager of COAMC's Hainan provincial office and the assistant general manager of Dongfang Bangxin Real Estate Company Limited (東方邦信置業有限公司).

CHEN Nanhui (陳南輝) has been serving as the co-president of the Guarantor since 2024. Prior to his current role, Mr. Chen held various positions such as the assistant general manager of COAMC's Shenzhen office, the chairman of the board of the Shenzhen Silver Basis Technology Company Limited (深圳市銀寶山新科技股份有限公司) and the assistant general manager of the Shenzhen office of Bangxin Asset Management Company Limited (邦信資產管理有限公司).

LIU Kuanlun (劉寬倫) has been serving as the co-president of the Guarantor since 2024. Prior to his current role, Mr. Liu held various positions including the assistant general manager of COAMC's Guangxi autonomous region office.

PRICING SUPPLEMENT

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**")) (the "**Professional Investors**") only.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Guarantor or the Group, or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

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This pricing supplement (the "**Pricing Supplement**") (read together with the Offering Circular (as defined below)) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Pricing Supplement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the SFA) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Pricing Supplement dated 30 May 2024

Joy Treasure Assets Holdings Inc. (the "Issuer")

Issue of U.S.$650,000,000 5.75 per cent. Guaranteed Notes due 2029 (the "Notes")
unconditionally and irrevocably guaranteed by

China Orient Asset Management (International) Holding Limited
中國東方資產管理（國際）控股有限公司
(the "Guarantor")

under the U.S.$1,400,000,000 Medium Term Note Programme (the "Programme")

This document constitutes the Pricing Supplement relating to the issue of the Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated 25 January 2024, as supplemented by the supplemental offering circular dated 30 May 2024 (together, the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

1	(i)	Issuer:	Joy Treasure Assets Holdings Inc.
	(ii)	Guarantor:	China Orient Asset Management (International) Holding Limited 中國東方資產管理(國際)控股有限公司
2	(i)	Series Number:	002
	(ii)	Tranche Number:	001
	(iii)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable

3	Specified Currency or Currencies		United States dollars ("**U.S.$**")
4	Aggregate Nominal Amount:		
	(i)	Series:	U.S.$650,000,000
	(ii)	Tranche:	U.S.$650,000,000
5	(i)	Issue Price:	99.384 per cent. of the Aggregate Nominal Amount
	(ii)	Gross proceeds:	U.S.$645,996,000
	(iii)	Use of Proceeds:	The Issuer intends to use the net proceeds from the offering of the Notes for the repayment of existing offshore indebtedness of the Group
6	(i)	Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(ii)	Calculation Amount:	U.S.$1,000
7	(i)	Issue Date:	6 June 2024
	(ii)	Interest Commencement Date:	Issue Date
8	Maturity Date:		6 June 2029
9	Interest Basis:		5.75 per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:		Redemption at par
11	Change of Interest Basis or Redemption/Payment Basis:		Not Applicable
12	Put/Call Options:		Call Option (further particulars specified below)
13	Date of NDRC Certificate:		29 December 2023
14	Listing:		The Hong Kong Stock Exchange (the expected effective listing date of the Notes is on or around 7 June 2024)
15	Method of distribution:		Syndicated

Provisions Relating to Interest (if any) Payable

16	Fixed Rate Note Provisions:		Applicable
	(i)	Rate of Interest:	5.75 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	6 June and 6 December in each year, commencing on 6 December 2024
	(iii)	Fixed Coupon Amount(s) (Applicable to Notes in definitive form):	U.S.$28.75 per Calculation Amount
	(iv)	Broken Amount(s) (Applicable to Notes in definitive form):	Not Applicable
	(v)	Day Count Fraction:	30/360
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	None

17	Floating Rate Note Provisions:	Not Applicable
18	Zero Coupon Note Provisions:	Not Applicable
19	Dual Currency Note Provisions:	Not Applicable

Provisions Relating to Redemption

20	Call Option:	Applicable
	(i) Optional Redemption Date(s):	The Issuer may, at its option, at any time and from time to time redeem the Notes, in whole or in part, in accordance with Condition 6(d), as amended by the below
	(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	If the Optional Redemption Date falls prior to 6 March 2029 (being the date falling three months prior to the Maturity Date) (the "**Par Call Date**"), an amount equal to the greater of (1) 100 per cent. of the nominal amount of the Note and (2) (a) the sum of the then current values of the remaining scheduled payments of principal and interest discounted to the Optional Redemption Date (assuming the Notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points less (b) interest accrued to the Optional Redemption Date. If the Optional Redemption Date falls on or after the Par Call Date, an amount equal to 100 per cent. of the nominal amount of the Note. For these purposes, "**Comparable Treasury Issue**" means the United States Treasury security selected by an Independent Investment Bank that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. "**Comparable Treasury Price**" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if the Issuer obtains fewer than three such Reference Treasury Dealer Quotations, the average of all quotations obtained. "**Independent Investment Bank**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise selected and appointed by the Issuer.

		"**Reference Treasury Dealer**" means each of any three investment banks of recognized standing that is a primary U.S. government securities dealer in the United States, selected by the Issuer in good faith. "**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference Treasury Dealer as of 5:00 p.m., New York City time, on the third Business Day preceding such date of redemption. "**Treasury Rate**" means, with respect to any date of redemption, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, computed as of the third Business Day immediately preceding such redemption date).
	(iii) If redeemable in part	
	(a) Minimum Redemption Amount:	U.S.$200,000
	(b) Maximum Redemption Amount:	Not Applicable
	(iv) Notice period:	Not less than 15 nor more than 30 days' irrevocable notice in writing to the Trustee, the Issuing and Paying Agent and the Noteholders
21	Put Option:	Not Applicable
22	Final Redemption Amount:	U.S.$1,000 per Calculation Amount
23	Change of Control Redemption Amount:	U.S.$1,010 per Calculation Amount
24	Early Redemption Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	U.S.$1,000 per Calculation Amount

General Provisions Applicable to the Notes

25	Form of Notes:	Registered Notes: Global Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Certificate
26	Financial Centre(s) or other special provisions relating to payment dates:	New York City, Hong Kong

27	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	No
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29	Details relating to Instalment Notes:	
	(i) Instalment Amount(s)):	Not Applicable
	(ii) Instalment Date(s):	Not Applicable
30	Redenomination applicable:	Redenomination not applicable
31	Consolidation provisions:	Not Applicable
32	Other terms or special conditions:	Not Applicable

Distribution

33	(i) If syndicated, names of Managers:	Bank of China (Hong Kong) Limited Bank of Communications Co., Ltd. Hong Kong Branch BOCI Asia Limited China CITIC Bank International Limited, China Construction Bank (Asia) Corporation Limited China International Capital Corporation Hong Kong Securities Limited China Securities (International) Corporate Finance Company Limited CLSA Limited Citigroup Global Markets Limited The Hongkong and Shanghai Banking Corporation Limited Hua Xia Bank Co., Limited Hong Kong Branch ICBC International Securities Limited Mizuho Securities Asia Limited Standard Chartered Bank ABCI Capital Limited Agricultural Bank of China Limited Hong Kong Branch BOCOM International Securities Limited CCB International Capital Limited China Galaxy International Securities (Hong Kong) Co., Limited China Zheshang Bank Co., Ltd. (Hong Kong Branch)

		CMBC Securities Company Limited CNCB (Hong Kong) Capital Limited Crédit Agricole Corporate and Investment Bank Deutsche Bank AG, Hong Kong Branch Dongxing Securities (Hong Kong) Company Limited Guotai Junan Securities (Hong Kong) Limited Haitong International Securities Company Limited Industrial Bank Co., Ltd. Hong Kong Branch Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch SMBC Nikko Securities (Hong Kong) Limited Soochow Securities International Brokerage Limited UBS AG Hong Kong Branch
	(ii) Date of Subscription Agreement:	30 May 2024
	(iii) Stabilisation Manager(s) (if any):	Any of the Managers other than China CITIC Bank International Limited
34	If non-syndicated, name of Relevant Dealer:	Not Applicable
35	U.S. Selling Restrictions:	Reg. S, Category 2, TEFRA not applicable
36	Prohibition of Sales to EEA Retail Investors:	Applicable
37	Prohibition of Sales to UK Retail Investors:	Applicable
38	Additional selling restrictions:	Not Applicable

Operational Information

39	ISIN:	XS2826701604
	Common Code:	282670160
	CMU instrument number:	Not Applicable
40	LEI Code of Issuer:	2549002TXU15P8D3F498
41	Any clearing system(s) other than Euroclear, Clearstream or the CMU and the relevant identification number(s):	Not Applicable
42	Delivery:	Delivery against payment
43	Additional Paying Agent(s) (if any):	Not Applicable
44	Ratings:	The Notes are expected to be rated "BBB" and "A-" by S&P Global Ratings and Fitch Ratings Ltd., respectively
45	The aggregate principal amount of Notes issued has been translated into U.S. dollars, producing a sum of (for Notes not denominated in U.S. dollars):	Not Applicable

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46	(i) Rebates:	Not Applicable

(ii)	Contact email addresses of the Managers where underlying investor information in relation to omnibus orders should be sent:	projectbrilliance@bochk.com; dcm@bankcomm.com.hk; debt.syndicate@bocigroup.com; TMG_Syndicate@cncbinternational.com; ccba_dcm@asia.ccb.com; CM_SYN_HK@cicc.com.cn; DebtSyndicate@csci.hk; ib.dcm.china@clsa.com; ficcsyndicate@citicclsa.com; dcm.omnibus@citi.com; hk_syndicate_omnibus@hsbc.com.hk; dcm@hxb.com.cn; icbcigdcm@icbci.icbc.com.cn; Omnibus_Bond@hk.mizuho-sc.com; SYNHK@sc.com; abcic.dcm@abci.com.hk; fmd.dcm@abchina.com; dcm_project.fi@bocomgroup.com; dcm@ccbintl.com; dcm.execution@chinastock.com.hk; dcm_hk@czbank.com; dcm@cmbccap.com; dcm@cncbinvestment.com; Project.Brilliance2023@ca-cib.com; HKG-Syndicate@ca-cib.com; Project.brilliance2024@list.db.com; dcm.ig@gtjas.com.hk; dcm@htisec.com; cmd_dcm@cibhk.com; dcmnea@smbcnikko-hk.com; sh-asia-ccs-dcm-filing@ubs.com
(iii)	Marketing and Investor Targeting Strategy:	Institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for the issue and listing of the Notes described herein pursuant to the U.S.$1,400,000,000 Medium Term Note Programme of the Issuer.

Responsibility

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Joy Treasure Assets Holdings Inc.:

By: ______________________________

Duly authorised

Signed on behalf of China Orient Asset Management (International) Holding Limited 中國東方資產管理(國際)控股有限公司:

By: ______________________________

Duly authorised

GENERAL INFORMATION

The sub-sections entitled "No Material Adverse Change", "Litigation", "Financial Statements" and "Listing" in "General Information" as set out on page 144 of the Original Offering Circular shall be deemed to be deleted in its entirety and replaced with the relevant disclosure as follows:

1. **No Material Adverse Change:** Save as disclosed in this Supplemental Offering Circular, there has been no material adverse change in the financial or trading position or prospects of the Guarantor and the Group since 31 December 2023.

   Save as disclosed in this Supplemental Offering Circular, there has been no material adverse change in the financial or trading position or prospects of the Issuer since its date of incorporation.

2. **Litigation:** Save as disclosed in this Supplemental Offering Circular, none of the Issuer, the Guarantor or any other member of the Group is involved in any litigation or arbitration proceedings that either the Issuer or the Guarantor believes are material in the context of the issue of the Notes, and neither the Issuer nor the Guarantor is aware that any such proceedings are pending or threatened.

3. **Financial Statements:** The Group's 2021 Consolidated Financial Statements, the Group's 2022 Consolidated Financial Statements and the Group's 2023 Consolidated Financial Statements, have been audited by PricewaterhouseCoopers, the Guarantor's independent auditor, as stated in their report appearing therein. The Group's 2021 Consolidated Financial Statements and the Group's 2022 Consolidated Financial Statements have been included in the Original Offering Circular and the Group's 2023 Consolidated Financial Statements have been included elsewhere in this Supplemental Offering Circular.

4. **Listing:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only.

INDEX TO FINANCIAL STATEMENTS

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GUARANTOR AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

Note:

(1) The independent auditor's report on the consolidated financial statements of the Guarantor set out herein are reproduced from the Guarantor's consolidated financial statements as at and for the year ended 31 December 2023, and page references included in the independent auditor's report refer to pages set out in such audited consolidated financial statements.

CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED
中国东方资产管理(国际)控股有限公司

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED
中国东方资产管理(国际)控股有限公司

FOR THE YEAR ENDED 31 DECEMBER 2023

Contents

DIRECTORS' REPORT

The directors present their report with the audited consolidated financial statements for the year ended 31 December 2023.

Principal activities

The principal activities of the Company are provision of financing, investment and financial advisory services, asset management and investment holding. The activities of its principal subsidiaries are set out in note 36 to the consolidated financial statements.

Results

The results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 8 and 9.

Dividends

The directors of the Company do not recommend the payment of a dividend for the year.

Business review

The Company is exempted from the preparation of a business review under the Hong Kong Companies Ordinance as it is a wholly owned subsidiary of another body corporate in the financial year.

Share capital

Details of the Company's share capital are set out in note 28 to the consolidated financial statements. There was no movement in the Company's share capital during the year.

Directors

The directors of the Company during the year and up to the date of this report were:

Ning Jing
Yang Zheng
Wang Letian
Zhou Jidong
Yan Andrew Y. (resigned on 2 June 2023)

There being no provision in the Company's Articles of Association for retirement by rotation, all directors continue in office.

DIRECTORS' REPORT (continued)

The names of directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report are set out below:

Wang Weiwei	
Li Lu	
Cao Yan	
Li Rui	
James Michael Kattan	
Gonzalo Jalles	
Qin Renzhong	(resigned on 10 February 2023)
Wang Letian	
Li Xiaozhou	
Xu Yi	
Fan Qirui	
Zou Wenjing	
Qian Cheng	
Xia Yong	
Li Wenze	
Li Jun	
Cao Yue	
Zhang Tianran	
Zhou Jidong	
Lv Guoyan	
Long Tianyu	
Ye Nan	
Gui Mingxing	(resigned on 21 July 2023)
Wang Yang	(appointed on 24 July 2023)

Directors' interests in contracts of significance

No contracts of significance in relation to the group's business to which the Company's subsidiaries, its ultimate holding company or any subsidiaries of its ultimate holding company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' interests in the shares and debentures of the Company

At no time during the year was the Company, its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the company or its specified undertakings or other associated corporation.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Permitted indemnity provisions

At no time during the financial year and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company).

Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

ZHOU Jidong
Director
Hong Kong,

30 APR 2024

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED
中国东方资产管理(国际)控股有限公司
(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The consolidated financial statements of China Orient Asset Management (International) Holding Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 8 to 111, comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED (continued)
中国东方资产管理(国际)控股有限公司
(incorporated in Hong Kong with limited liability)

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED (continued)
中国东方资产管理(国际)控股有限公司
(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED (continued)
中国东方资产管理(国际)控股有限公司
(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 April 2024

CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED
中国东方资产管理(国际)控股有限公司

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 HK$'000	2022 HK$'000
Continuing operations			
Revenue	5	2,243,092	2,731,074
Other income	6	206,437	140,263
Other gains or losses	7	1,231,665	370,454
Impairment (losses)/reversal, net	8	(143,159)	122,861
Administrative expenses		(341,338)	(350,663)
Staff costs	9	(148,828)	(190,436)
Finance costs	9	(2,467,856)	(2,178,914)
Share of results of associates and joint ventures	18	(345,387)	447,998
Share of losses from third-party interests in consolidated investment funds		(6,612)	11,406
Profit before tax from continuing operations		228,014	1,104,043
Income tax expense	11	9,849	(661,492)
Profit for the year from continuing operations		237,863	442,551
Discontinued operations:			
Loss from discontinued operations	29	(76,114)	-
Profit for the year	9	161,749	442,551
Profit attributable to:			
Owners of the Company		197,071	362,207
Holders of perpetual capital securities		-	83,045
Non-controlling interests		(35,322)	(2,701)
		161,749	442,551

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED
中国东方资产管理(国际)控股有限公司

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 HK$'000	2022 HK$'000
Profit for the year	161,749	442,551
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(220,920)	(1,744,326)
Net changes in unrealised gain on financial assets at fair value through other comprehensive income	171,574	10,340
Items that will not be reclassified subsequently to profit or loss:		
Net changes in unrealised loss on financial assets at fair value through other comprehensive income	(21,066)	(16,251)
Other comprehensive loss for the year, net of tax	(70,412)	(1,750,237)
Total comprehensive income/(loss) for the year	91,337	(1,307,686)
Total comprehensive income attributable to:		
Owners of the Company	135,543	(1,388,030)
Holders of perpetual capital securities	-	83,045
Non-controlling interests	(44,206)	(2,701)
	91,337	(1,307,686)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED
中国东方资产管理(国际)控股有限公司

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

	Notes	2023 HK$'000	2022 HK$'000
ASSETS			
Non-current assets			
Equipment	13	2,264	2,986
Investment properties	15	2,412,200	2,534,986
Right-of-use assets	16	107,221	60,579
Deferred tax assets	17	583,995	850,164
Other assets	14	2,908,897	2,018,018
Interests in associates and joint ventures	18	4,985,483	7,790,075
Financial assets at fair value through profit or loss	19	3,935,953	3,987,010
Financial assets at fair value through other comprehensive income	20	58,570	126,464
Loans, other receivables and prepaid expenses	21	5,431,182	7,244,542
		20,425,765	24,614,824
Current assets			
Loans, other receivables and prepaid expenses	21	20,627,809	17,731,477
Financial assets at fair value through profit or loss	19	22,490,248	23,738,780
Tax receivable		82,787	87,111
Time deposits with maturity over three months	22	329,743	334,113
Cash and cash equivalents	22	9,473,007	5,533,542
		53,003,594	47,425,023
Assets classified as held for sale	23	5,314,231	13,714,435
Total assets		78,743,590	85,754,282

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT 31 DECEMBER 2023

	Notes	2023 HK$'000	2022 HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings	26	2,105,540	1,046,843
Bonds and notes payables	27	28,597,440	39,443,111
Lease liabilities	16	68,084	41,979
Deferred tax liabilities	17	288,698	394,586
		31,059,762	40,926,519
Current liabilities			
Other payables and accruals	24	6,817,309	5,924,176
Tax payable		1,145,905	1,530,806
Financial liabilities at fair value through profit or loss	19	217,229	1,981,095
Third-party interests in consolidated investment funds	25	50,013	39,177
Borrowings	26	11,604,619	11,794,543
Bonds and notes payables	27	15,813,550	3,117,626
Lease liabilities	16	39,117	22,236
		35,687,742	24,409,659
Liabilities associated with assets held for sale	23	1,838,205	10,038,560
Total liabilities		68,585,709	75,374,738
Net assets		10,157,881	10,379,544

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT 31 DECEMBER 2023

	Notes	2023 HK$'000	2022 HK$'000
EQUITY			
Share capital	28	-	-
Reserves		10,156,284	10,020,741
Equity attributable to owners of the Company		10,156,284	10,020,741
Non-controlling interests		1,597	358,803
Total equity		10,157,881	10,379,544

The consolidated financial statements on pages 8 to 111 were approved and authorised for issue by the board of directors on 30 APR 2024 and were signed on its behalf by:

ZHOU Jidong
Director

WANG Letian
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED
中国东方资产管理(国际)控股有限公司

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Company						
	Share capital HK$'000	Other reserves HK$'000 (Note 37)	Retained earnings HK$'000	Sub-total HK$'000	Holders of perpetual capital securities HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1 January 2022	-	(225,641)	11,634,412	11,408,771	1,883,800	234,242	13,526,813
Profit for the year	-	-	362,207	362,207	83,045	(2,701)	442,551
Other comprehensive income	-	(1,750,237)	-	(1,750,237)	-	-	(1,750,237)
Total comprehensive income	-	(1,750,237)	362,207	(1,388,030)	83,045	(2,701)	(1,307,686)
Redemption from holders of perpetual capital securities	-	-	-	-	(1,966,845)	-	(1,966,845)
Acquisition of subsidiaries	-	-	-	-	-	127,262	127,262
Balance at 31 December 2022 and 1 January 2023	-	(1,975,878)	11,996,619	10,020,741	-	358,803	10,379,544
Profit for the year	-	-	197,071	197,071	-	(35,322)	161,749
Other comprehensive income	-	(61,528)	-	(61,528)	-	(8,884)	(70,412)
Total comprehensive income	-	(61,528)	197,071	135,543	-	(44,206)	91,337
Disposals of subsidiaries	-	-	-	-	-	(313,000)	(313,000)
Balance at 31 December 2023	-	(2,037,406)	12,193,690	10,156,284	-	1,597	10,157,881

CHINA ORIENT ASSET MANAGEMENT (INTERNATIONAL) HOLDING LIMITED
中国东方资产管理(国际)控股有限公司

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 HK$'000	2022 HK$'000
Cash flows from operating activities		
Profit before tax from continuing operations	228,014	1,104,043
Loss before tax from discontinued operations	(76,114)	-
Adjustments for:		
Depreciation of equipment	21,682	3,161
Depreciation of investment properties	198,093	63,294
Depreciation of right-of-use assets	42,399	48,643
Finance costs	2,989,534	2,178,914
Net impairment allowances on financial assets	387,220	(122,861)
Share of results of associates and joint ventures	345,387	(447,998)
Share of loss from third-party interests in consolidated investment funds	(1,800)	(11,406)
Fair value changes from investment in an associate measured at FVPL	806,695	1,955,599
Gain on repurchase of bonds issued	-	(73,095)
Gain on reversal of other receivables discounted	-	(788,477)
Gain on reversal of other payables	-	(174,317)
Gain on disposal of equipment	(24)	-
Gain on disposal of subsidiaries	(1,465,325)	-
Net unrealised gains on financial assets and liabilities at fair value through profit or loss	(2,388,195)	(1,022,198)
Unrealised exchange difference	68,855	(263,263)
Operating cash flows before movements in working capital	1,156,421	2,450,039
Decrease in loans, other receivables and prepaid expenses	3,608,952	4,374,536
Decrease in financial assets at fair value through profit or loss	1,274,399	232,090
Decrease in restricted cash	-	254,871
Decrease in time deposits with maturity over three months	4,370	313,312
Decrease in other payables and accruals	(2,796,946)	(1,485,606)
Cash generated from operations	3,247,196	6,139,242
Income taxes paid	(299,860)	(209,797)
Net cash inflow from operating activities	2,974,336	5,929,445

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 HK$'000	2022 HK$'000
Cash flows from investing activities			
Purchases of equipment	13	(550)	(1,837)
Purchase of investment properties		-	(2,830,370)
Disposals of equipment		206	32
Cash used in acquisition of subsidiaries		-	(77,960)
Net cash from disposal of subsidiaries		(4,268)	-
Proceeds from disposal of associates		452,024	-
Acquisitions of/capital injections in joint ventures and associates		(437,918)	(608,264)
Returns of capital from/dividends received from associates and joint ventures		558,627	603,266
Payments for financial assets at fair value through other comprehensive income		(1,629)	(20,964)
Disposal of financial assets at fair value through other comprehensive income		5,023	35,343
Net cash inflow from investing activities		571,515	(2,900,754)
Cash flows from financing activities			
Finance costs paid	35(a)	(2,438,258)	(2,313,966)
(Decrease)/increase in payables to ultimate holding company, immediate holding company and related parties	35(a)	196,064	(46,701)
Dividends paid to holders of perpetual capital securities		-	(1,966,845)
New borrowings raised	35(a)	11,584,161	15,380,552
Net proceeds from issuances of bonds and notes payables	35(a)	4,946,142	6,125,404
Repayments of bonds and notes payables	35(a)	(3,117,626)	(5,783,774)
Repayments of borrowings	35(a)	(10,593,314)	(16,569,972)
Repayments of lease liabilities	35(a)	(53,233)	(53,918)
(Repayment)/capital injection from third-party interests in consolidated investment funds	35(a)	-	(58,448)
Net cash outflow from financing activities		523,936	(5,287,668)
Net increase/(decrease) in cash and cash equivalents		4,042,787	(2,258,977)
Cash and cash equivalents at the beginning of the financial year		5,533,542	8,203,182
Effects of exchange rate changes on cash and cash equivalents		(66,990)	(381,235)
Cash and cash equivalents at the end of the financial year	22	9,509,339	5,562,970

The above consolidated statement of cash flows should be read in conjunction with the accompany notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

China Orient Asset Management (International) Holding Limited (the "Company") and its subsidiaries (together "the Group") provides financing, investment and financial advisory services, manages asset and holds investment.

The Company is a limited liability company incorporated in Hong Kong. The Company's immediate holding company is Dong Yin Development (Holdings) Limited, a limited liability company incorporated in Hong Kong. The Company's ultimate holding company is China Orient Asset Management Co., Ltd. ("COAMC"), a company registered in the People's Republic of China (the "PRC") and formed under the authorisation of the State Council and the People's Bank of China. The Company's registered office and principal place of business are located at 36/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

These financial statements are presented in HK dollars (HK$) and all values are rounded to the nearest thousand, unless otherwise stated.

2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") and requirements of the Hong Kong Companies Ordinance ("HKCO") Cap. 622.

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) – measured at fair value.

2 Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(c) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Amendments to HKAS 12 International Tax Reform – Pillar Two Model Rules apply to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"). The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group is in the process of assessing its exposure to the Pilar Two model rules when it comes into effect. It is not expected to have significant impact to the Group.

The adoption of the above amended standards has had no significant financial effect on the consolidated financial statements.

There are no new standards and amendments to standards that are effective for the first time for this period that could be expected to have a material impact on the Company.

(d) New standards and interpretations not yet adopted

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning on or after 1 January 2023 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 21	Lack of Exchangeability	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements	1 January 2024
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (HK Int 5 (Revised))	1 January 2024

The Directors of the Group are in the process of assessing the financial impact of the adoption of the above new standards and amendments to standards. The Directors of the Group will adopt the new standards and amendments to standards when they become effective.

2.2 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.3).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are generally accounted for using the equity method of accounting (see (d) below), after initially being recognised at cost. However, HKAS 28 "Investment in associates and joint ventures" provides exemptions from applying the equity method when the investment in the associate or joint venture is held by, or is held indirectly through, venture capital organisations, or mutual funds, unit trusts and similar entities including investment-linked insurance funds. Those investments in associates and joint ventures may be measured at fair value through profit or loss in accordance with HKFRS 9 Financial Instruments.

2 Summary of material accounting policies (continued)

2.2 Principles of consolidation and equity accounting (continued)

(c) Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated statement of financial position.

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.9.

2 Summary of material accounting policies (continued)

2.2 Principles of consolidation and equity accounting (continued)

(e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of China Orient Asset Management (International) Holding Limited.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

2 Summary of material accounting policies (continued)

2.3 Business combinations (continued)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 Summary of material accounting policies (continued)

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Hong Kong dollar (HK$), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains or losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains or losses are presented in the statement of profit or loss on a net basis within other gains or losses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2 Summary of material accounting policies (continued)

2.5 Foreign currency translation (continued)

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2 Summary of material accounting policies (continued)

2.6 Equipment

All equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Furniture, fittings and equipment	3-5 years or over the lease term, whichever is shorter
Vehicles	5-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of profit or loss.

2 Summary of material accounting policies (continued)

2.7 Investment properties

The property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entities in the Group, is classified as "investment property".

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at depreciated cost less accumulated impairment.

Depreciation of investment properties is calculated using the straight-line method to allocate cost to their residual value over their estimated useful lives of 32 to 35 years.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, the transfer does not change the carrying amount of the property transferred, nor does it change the cost of that property for measurement or disclosure purposes.

2 Summary of material accounting policies (continued)

2.8 Foreclosed assets

Foreclosed assets are initially recognised at fair value and subsequently measured at the lower of their carrying amount and fair value, less costs to sell, at the end of each reporting period. When the fair value, less costs to sell, is lower than a foreclosed asset's carrying amount, an impairment loss is recognised in consolidated statement of profit or loss.

Any gain or loss arising on the disposal of the foreclosed asset is included in the consolidated statement of profit or loss in the period in which the item is disposed.

The Group disposes of foreclosed assets through various means. In principle, foreclosed assets should not be transferred for own use, but, in the event that they are needed for the Group's own business or management purposes, they are transferred at their net carrying amounts and managed as newly acquired property and equipment.

2.9 Impairment of non-financial assets

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 Summary of material accounting policies (continued)

2.10 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

When an operation is classified as discontinued, a single amount is presented in the statement of profit or loss, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

2 Summary of material accounting policies (continued)

2.11 Financial instruments

(a) Initial recognition, classification and measurement of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

(1) Financial assets

Financial assets are classified in the following measurement categories based on the Group's business model for managing the asset and the cash flow characteristics of the assets:

(i) Amortised cost ("AC");
(ii) Fair value through other comprehensive income ("FVOCI"); or
(iii) Fair value through profit or loss ("FVPL").

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

(a) Initial recognition, classification and measurement of financial instruments (continued)

(1) Financial assets (continued)

The classification requirements for debt instruments and equity instruments are described as below:

Debt Instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds. Classification and measurement of debt instruments depend on the Group's business models for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

(i) AC: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVPL, are measured at amortised cost.

(ii) FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVPL, are measured at FVOCI.

(iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

The Group may also irrevocably designate financial assets at FVPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at FVPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI.

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

(a) Initial recognition, classification and measurement of financial instruments (continued)

(2) Financial liabilities

The Group's financial liabilities are classified into financial liabilities at FVPL and other financial liabilities carried at amortised cost on initial recognition. Financial liabilities at FVPL is applied to derivatives, financial liabilities held for trading and financial liabilities designated as such at initial recognition.

The Group may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when doing so results in more relevant information, because either:

(i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

(ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

(iii) the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required.

Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expenses incurred on the financial liability.

(b) Reclassification of financial assets

When the Group changes the business model for managing its financial assets, it shall reclassify all affected financial assets, and apply the reclassification prospectively from the reclassification date. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. Reclassification date is the first day of the first reporting period following the change in business model that results in the Group reclassifying financial assets.

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

(c) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices. This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For financial instruments not traded in active markets, fair value is determined using appropriate valuation techniques. Valuation techniques include the use of discounted cash flow analysis, and others commonly used by market participants. These valuation techniques include the use of observable and/or unobservable inputs.

(d) Subsequent measurement of financial instruments

Subsequent measurement of financial instruments depends on the categories:

(1) Amortised costs

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition: (i) minus the principal repayments; (ii) plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount; (iii) for financial assets, adjusted for any loss allowance. Interest income and interest expenses from these financial assets is included in "Revenue" and "Finance costs" using the effective interest rate method.

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

(d) Subsequent measurement of financial instruments (continued)

(1) Amortised costs (continued)

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses ("ECL") and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate. For purchased or originated credit impaired ("POCI") financial assets, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets and is included in "Revenue", except for:

(i) POCI financial assets, whose interest income is calculated, since initial recognition, by applying the credit-adjusted effective interest rate to their amortised cost; and

(ii) financial assets that are not POCI but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision). If, in a subsequent period, the financial assets improve their qualities so that they are no longer credit-impaired and the improvement in credit quality is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to their gross carrying amount.

(2) Fair value through other comprehensive income

Equity instruments

The equity instrument investments that are not held for trading are designated as FVOCI. When this election is used, fair value gains or losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as investment income when the Group's right to receive payments is established.

(3) Financial assets at fair value through profit or loss

Debt instruments

A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the consolidated statement of profit or loss within "Other gains/(losses)" in the period in which it arises.

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

(d) Subsequent measurement of financial instruments (continued)

(3) Financial assets at fair value through profit or loss (continued)

Equity instruments

Gains or losses on equity investments at FVPL are included in the "Other gains or losses" in the consolidated statement of profit or loss.

(4) Financial liabilities at fair value through profit or loss

Financial liabilities at FVPL are measured at fair value with all gains or losses recognised in the profit or loss of the current period, except for financial liabilities designated as at fair value through profit or loss, where gains or losses on the financial liabilities are treated as follows:

(i) changes in fair value of such financial liabilities due to changes in the Group's own credit risk are recognised in other comprehensive income; and;

(ii) other changes in fair value of such financial liabilities are recognised in profit or loss of the current period. If the accounting of changes in the credit risk of the financial liabilities in accordance with (i) will create or enlarge accounting mismatches in profit or loss, the Group recognises all gains or losses on such financial liabilities (including amounts arising from changes in its own credit risk) in the profit or loss of the current period.

When the liabilities designated as at fair value through profit or loss is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to retained earnings.

(e) Impairment of financial instruments

The Group assesses on a forward-looking basis the ECL associated with its loans receivable carried at amortised cost.

ECL is the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, which are all cash shortfalls, discounted at the original effective interest rates (or credit-adjusted effective interest rate for POCI financial assets).

The Group measures ECL of a financial instrument reflects:

(i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(ii) the time value of money; and
(iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

(e) Impairment of financial instruments (continued)

For financial instruments whose impairment losses are measured using the ECL models, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their ECL, as follows:

Stage I: If the credit risk has not increased significantly since its initial recognition, the financial asset is included in stage I.

Stage II: If the credit risk has increased significantly since its initial recognition but is not yet deemed to be credit-impaired, the financial instrument is moved to Stage II. The description of how the Group determines when a significant increase in credit risk has occurred is disclosed in Note 3.

Stage III: If the financial instrument is credit-impaired, the financial instrument is then moved to Stage III. The definition of credit-impaired financial assets is disclosed in Note 3.

Financial instruments in Stage I have their ECL measured at an amount equivalent to the ECL of the financial asset for the next 12 months ("12m ECL"). Financial instruments in Stage II or Stage III have their ECL measured at an amount equivalent to the ECL over the lifetime of the financial instruments ("Lifetime ECL"). The description of inputs, assumptions and estimation techniques used in measuring the ECL is disclosed in Note 3.

(f) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether the new terms are substantially different to the original terms.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

(g) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and, where applicable, the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the consolidated statement of profit or loss.

Financial liabilities are derecognised when the related obligation is discharged, is cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss.

(h) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

A financial instrument is an equity instrument if, and only if, both conditions (i) and (ii) below are met:

(i) The financial instrument includes no contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; and

(ii) If the financial instrument will or may be settled in the Group's own equity instruments, it is a non-derivative instrument that includes no contractual obligations for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Equity instruments issued by the Group are recorded at the fair value of proceeds received, net of direct issuance expenses.

2 Summary of material accounting policies (continued)

2.11 Financial instruments (continued)

(i) Derivative financial instruments which do not qualify for hedge accounting

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of the reporting period. The method of recognising the resulting gains or losses depends on whether the derivative is designated and qualified as a hedging instrument, and if so, the nature of the item being hedged. Since the derivative financial instruments entered into by the Group do not qualify for hedge accounting, changes in fair value of any derivative financial instruments are recognised immediately in the consolidated statement of profit or loss.

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the Group assesses the entire contract as described in the financial assets section above for classification and measurement purposes. Otherwise, the embedded derivatives are treated as separate derivatives when:

(1) Their economic characteristics and risks are not closely related to those of the host contract;

(2) A separate instrument with the same terms would meet the definition of a derivative; and

(3) The hybrid contract is not measured at fair value through profit or loss.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognized in the statement of profit or loss unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

2 Summary of material accounting policies (continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 Summary of material accounting policies (continued)

2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

2.17 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2 Summary of material accounting policies (continued)

2.17 Current and deferred income tax (continued)

Deferred income tax (continued)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.18 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

2 Summary of material accounting policies (continued)

2.18 Employee benefits (continued)

(b) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(c) Pension obligations

Employees of the Group in Hong Kong are required to participate in a defined contribution scheme as defined in mandatory provident fund scheme ("MPF Scheme"). The assets of the MPF Scheme are held separately from those of the Group under independently administered funds. Contributions to the schemes by the employers and employees are calculated as a percentage of employees' basic salaries. Under the MPF Scheme, each of the company (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employer and the employees are subject to a cap of HK$1,500 and thereafter contributions are voluntary. The Group has no further obligations for the actual payment of post-retirement benefits beyond the contributions.

Employees of the Group in the PRC are required to participate in defined contribution retirement schemes administered and operated by municipal governments. The Group's subsidiaries in the PRC contribute funds to the retirement scheme to fund the retirement benefits of the employees which are calculated on certain percentage of the average employee salary as agreed by the municipal government. Such retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees. The Group has no further obligations for the actual payment of post-retirement benefits beyond the contributions.

2 Summary of material accounting policies (continued)

2.18 Employee benefits (continued)

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when the Group is demonstrably committed to either: (a) terminate the employment of an employee or Group of employees before the normal retirement date; or (b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.19 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.20 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

2 Summary of material accounting policies (continued)

2.20 Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

2 Summary of material accounting policies (continued)

2.20 Leases (continued)

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

2 Summary of material accounting policies (continued)

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

2.22 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss as interest income in the revenue.

Interest income is presented as "other income" where it is earned from financial assets that are held for cash management purposes.

3 Financial risk management

Financial risk management objectives and policies

The Group's major financial instruments include loans and other receivables, financial assets and liabilities at FVPL, financial assets at FVOCI, cash and cash equivalents, other payables, third-party interests in consolidated investment funds, borrowings, bonds and notes payables and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in economic environment.

The Group's activities expose it primarily to the market risk of changes in interest rate, foreign currency and other prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk mainly arises from its bank deposits. At 31 December 2023, the Group's bank balances were HK$9,802,750,000 (2022: HK$5,867,655,000). A change in interest rate levels within the range foreseen by the directors for the next twelve months could have an impact on the Group.

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

In the opinion of the management of the Group, the Group is exposed to fair value interest rate risk as loans receivables, borrowings and bonds, notes payables and debt instrument measured at FVPL are carried at fixed interest rates in the current period. The reasonable possible shift of market interest rate will impact to the expected returns and expenses. The interest rate risk to these financial assets and liabilities are considered to be significant.

The Group currently does not have a fair value hedging policy. The management of the Group monitors the related interest exposures closely to ensure the interest rate risks are maintained at an acceptable level.

As observable prices are available for debt securities and underlying investments of convertible debt securities and total return swap contracts, no sensitivity analysis has been presented solely for fair value interest rate risk. Instead, they are covered in the sensitivity analysis of price risk.

The fair values of collateralised loan obligations ("CLOs") are sensitive to interest rate levels and volatility. Although CLOs are structured to have interest rate risk hedged to some degree through the use of matched funding, there may be some difference between the timing of interest rate resets on the liabilities and assets of a CLO, which could have a negative effect on the amount of funds distributed to residual tranche holders. Furthermore, in the event of a significant rising interest rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to affect the Group's cash flow, fair value of its assets and operating results adversely.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for interest-bearing financial assets and liabilities at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 25 basis point (2022: 25 basis point) increase or decrease represents management's assessment of the reasonably possible changes in interest rates.

If interest rates had been 25 basis points higher and all other variables were held constant, the potential effect on the Group's post-tax profit for the year is approximately as follows:

	2023 HK$'000	2022 HK$'000
Decrease in post-tax profit for the year	15,601	23,999

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

If interest rate had been 25 basis points lower and all other variables were held constant, there would be an equal and opposite impact on the Group's post-tax profit for the year.

In the opinion of the management of the Group, the sensitivity analysis is representative of the interest rate risk if the year-end exposure is assumed to reflect the exposure during the year.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The Group entities have financial assets and liabilities denominated in currencies other than their respective functional currencies. Consequently, the Group is exposed to risks that the exchange rates of functional currencies relative to other currencies may change in a manner that have adverse effects on the values of the positions of the Group's financial instruments denominated in foreign currencies.

The major financial assets and liabilities of the Group that are denominated in currencies other than the functional currencies of the respective Group entities include loans and other receivables, financial assets at FVPL, financial assets at FVOCI, cash and cash equivalents, bonds and notes payables, other payables and lease liabilities. In addition, the Group has intra-Group balances with certain subsidiaries denominated in foreign currencies which also expose the Group to currency risk. Other than the items stated above, the management of the Group considers that the Group's exposure to foreign currency risk is insignificant as the majority of the Group's transactions are denominated in the functional currencies of each individual Group entity.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposures and will consider hedging significant foreign exchange exposure should the need arise.

Sensitivity analysis

The management of the Group does not expect significant foreign currency risk arising from the exchange rate fluctuations between HK$ and US$ in view of the HK$ pegged system to the US$. Accordingly, no sensitivity analysis has been prepared for US$ denominated monetary items.

The table below indicates the potential effect on post-tax profit and other comprehensive income arising from a 5% appreciation or depreciation of RMB spot and forward foreign exchange rates against HKD on the net positions of foreign currency monetary assets and liabilities and derivative instruments in the consolidated statement of financial position.

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Currency risk (continued)

Sensitivity analysis (continued)

	2023 HK$'000	2022 HK$'000
Post-tax profit for the year		
- RMB	48,601	223,463
Impact on other components of equity		
- RMB	649,692	413,164

The effect on profit after tax and other comprehensive income is calculated based on the assumption that the Group's foreign currency sensitive exposures and foreign currency derivative instruments net position at the end of each reporting period remain unchanged. The Group mitigates its foreign exchange rate risk through active management of its foreign currency exposures. Such analysis does not take into account the correlation effect of changes in different foreign currencies, nor any further actions that could be taken by management to mitigate the effect of foreign exchange differences. Therefore, the sensitivity analysis above may differ from actual results occurring through changes in foreign exchange rates.

Other price risk

The Group is exposed to other price risks through its investments in equities and debt securities, convertible debt securities, total return swap contracts, short-selling of equity securities measured at FVPL and financial assets at FVOCI. Management of the Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a business team to monitor the price changes and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price changes at the reporting date. If the prices of respective investments had been 10% higher/lower for listed equity securities and 5% higher/lower for other investments, assuming all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2023 would increase/decrease by approximately HK$1,148,532,000 (2022: HK$1,099,943,000); and the Group's fair value reserve for the year ended 31 December 2023 would increase/decrease by approximately HK$4,734,000 (2022: HK$9,182,000).

In the opinion of management of the Group, the sensitivity analysis is representative of the price risk if the year end exposure is assumed to reflect the exposure during the year.

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Credit risk

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligations when due. The Group's major credit risks arise from its loans and receivables.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity and where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

Measurement of ECL

The Group applies the ECL model to calculate loss allowances for its financial instruments carried at amortised cost and debt instruments measured at FVOCI .

Methods applied by the Group in assessing the expected credit losses of its financial assets include ECL model based on risk parameters and the discounted cash flow ("DCF") model.

The Group assesses ECL in light of forward-looking information and uses models and assumptions in calculating the expected credit losses. These models and assumptions relate to the future macroeconomic conditions and the borrowers' creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). In assessing the expected credit risks in accordance with accounting standards, the Group uses the judgments, assumptions and estimates where appropriate, including:

- Parameters for measuring ECL
- Criteria for significant increase in credit risk and default definition
- Definition of credit-impaired financial asset
- Forward-looking information
- Estimation of future cash flows

Parameters for measuring ECL

According to whether there is a significant increase in credit risk and whether a financial asset has become credit-impaired, the Group recognises an impairment allowance based on the expected credit loss for the next 12 months or the entire lifetime of the financial asset. The key parameters of ECL measurement include probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). The Group establishes its PD model, LGD model and EAD model based on the internal rating based system as currently used for its risk management purpose, in accordance with the requirements of HKFRS 9 and forward-looking information. In 2023, management of the Group has taken into account the current economic environment and market forecasts in coming years, the influence of the coronavirus pandemic situation and loss pattern during the historical crisis. Management has also made reference to the economic forecasts by the government and other credit agencies.

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

Parameters for measuring ECL (continued)

The parameters are defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ("12m PD"), or over the remaining lifetime ("Lifetime PD") of the obligation;
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months ("12m EAD").
- LGD represents the Group's expectation of the extent of loss on defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default ("EAD"). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if default occurs over the remaining expected lifetime of the loan.

Criteria for significant increase in credit risk ("SICR") and default definition

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. For the purpose of staging assessment of its financial assets, the Group thoroughly considers various reasonable and supportable information that may reflect whether or not there has been a significant change in their credit risk, including forward-looking information. Key factors considered include:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group sets quantitative and qualitative criteria to determine whether or not the credit risk of a financial instrument has increased significantly since its initial recognition. The criteria include changes in the borrower's PD, changes in its credit risk classification and other factors. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

Criteria for significant increase in credit risk ("SICR") and default definition (continued)

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group recognises a financial instrument as having low credit risk if its internal rating is consistent with the globally accepted definition for low credit risk.

The definition of default refers to the failure to pay the debt as agreed in the contract, or other violations of the debt contract and have a significant impact on the normal debt repayment. For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due.

Definition of credit-impaired financial asset

The criteria adopted by the Group to determine whether a credit impairment occurs under HKFRS 9 is consistent with the internal credit risk management objectives for relevant financial instrument, in addition to consideration of quantitative and qualitative indicators. In assessing whether a borrower has become credit-impaired, the Group mainly considers the following factors:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event in relation to interest or principal payment;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- The borrower is overdue for more than 90 days in any principal, advances, interest due to the Group.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single discrete event.

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

Forward-looking information

The assessment of whether or not there has been a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various portfolio. External information includes economic data such as the cumulative growth rate of Gross Domestic Product ("GDP"), Consumer Price Index ("CPI"), and fixed assets investment – cumulative year on year ("FV_INV").

The impact of these economic indicators on the PDs and the LGDs varies from one portfolio to another. The Group comprehensively considers internal and external data, expert forecasts and statistical analyses to determine the correlation between these economic indicators and the PDs and LGDs. The Group assess and forecasts these economic indicators at least on an annual basis, calculates the best estimates for the future, and regularly reviews and assesses results.

For debt investments, the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group has concentration of credit risk towards its loans receivables, receivables from immediate holding company and other related parties, other receivables, deposits with brokers, debt securities and convertible debt securities entered into by the Group. The credit risk on bank balances and wealth management products is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group divides its loan portfolio into five categories including "pass", "special mentioned", "substandard", "doubtful" and "loss", based on the credit quality of the portfolio with reference to the regulator's guidelines and alignment with the regulation of parent company COAMC. Management will assess the debtors' repayment capacity to assign the credit rating on a regular basis.

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

The estimated loss rates for each class of financial assets are estimated based on historical observed default rates over the expected life of the respective class of financial assets and are adjusted for forward-looking information that is available without undue cost or effort. The internal credit rating for individual financial assets is regularly reviewed by the management to ensure relevant information about specific financial assets is updated. The Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of loan receivables at the end of each reporting period to ensure that adequate impairment provision for losses are made for expected credit losses. In this regard, the Group considers that the Group's credit risk is significantly reduced.

Bank balances and deposits with financial institutions are placed with various authorised institutions. Accordingly, the Group considers the credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk on receivables from immediate holding company and other related parties. The Group considers the credit risk on these receivables is not significant after assessing holding company and other related parties' financial background and creditability.

The Group invested in debt securities, convertible debt securities and total return swap contracts. The credit risk of these instruments are monitored by the Group regularly. The fair value of certain convertible debt securities and the total return swap were estimated by independent professional valuers.

The Group also invested in CLO equity tranches which are subject to potential non-payment risk. The Group will be in a first loss position with respect to realised losses on the collateral in each CLO investment. The directors of the Company seek to provide diversification in terms of underlying assets' geography and CLO managers. The maximum loss that the Group can incur on CLOs is limited to the fair value of these CLOs as disclosed in Note 18. The underlying loans are made up of a variety of credit ratings including investment grade, non-investment grade and junk status.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

The tables below detail the credit risk exposures of the Group's financial assets at amortised cost which are subject to ECL assessment:

	12m or lifetime ECL	2023 Gross carrying amount HK$'000	2023 Net carrying amount HK$'000	2022 Gross carrying amount HK$'000	2022 Net carrying amount HK$'000
Loan receivables	12m ECL (note 1)	6,326,296	6,155,450	9,025,813	8,527,931
	Lifetime ECL (not credit-impaired) (note 1)	3,871,682	3,755,024	1,387,749	1,323,190
	Lifetime ECL (credit-impaired)	6,707,033	5,046,608	13,629,858	8,664,797
Interest receivables	12m ECL (Note 1)	244,032	244,032	117,900	117,900
Dividend receivables	12m ECL (Note 2)	176	176	38	38
Receivables from immediate holding company	12m ECL (Note 3)	5,680,789	5,680,789	2,790,413	2,790,413
Receivables from related parties	12m ECL (Note 3)	99,758	99,758	98,902	98,902
Deposits with brokers and broker receivables	12m ECL (Note 4)	456,032	456,032	984,222	984,222
Bank balances	12m ECL (Note 5)	9,802,750	9,802,750	5,867,655	5,867,655
Other receivables	12m ECL (Note 6)	941,053	923,301	1,171,569	1,149,207
	Lifetime ECL (credit-impaired)	4,245,051	3,674,828	1,891,906	1,276,331

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

Notes:

1 The ECL of the loan and interest receivables of stage I and stage II are assessed by reference to the probability of default ("PD") and loss given default ("LGD") for the relevant internal credit rating assessments made by the Group and adjusted for forward-looking factors that are available without undue cost or effort.

2 There is no concentration of credit risk with respect to dividend receivables. The ECL allowance is immaterial.

3 For receivables from the immediate holding company and related parties, the credit risk is limited since majorities of counterparties are subsidiaries of COAMC, which is the ultimate holding company of the Group. COAMC is a state-owned large-scale non-banking financial institution jointly established by the MOF and the National Council for Social Security Fund. The ECL allowance is immaterial.

4 Deposits with brokers and broker receivables were mainly from reputable large brokers and financial institutions with the credit rating of A issued by Standard & Poor's. They have a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12m ECL. The ECL of these balances is assessed by reference to the PD and LGD for the relevant credit-rating grades published by international credit rating agencies, and adjusted for forward-looking factors that are available without undue cost or effort. The ECL allowance is immaterial.

5 The credit risk on bank balances and bank deposits is limited because the counterparties are major institutional banks with credit ratings of Baa or higher assigned by international credit-rating agencies. These institutional banks have a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12-month ECL. The ECL of the bank balances is assessed by reference to the PD and LGD for the relevant credit rating grades published by international credit rating agencies, and adjusted for forward-looking factors that are available without undue cost or effort. The ECL allowance is immaterial.

6 In respect of other receivables, the Group assesses the credit profile of each individual debtor by analysing many factors that influence the default probability, including (but not limited to) the counterparty's historical repayment pattern, business prospects and management, macroeconomic development, industrial and sovereign risk, and historical performance. In determining the ECL for other receivables at amortised cost, the Group has made reference to the PD and LGD together with forward-looking factors as appropriate, on an individual basis to assess whether credit risk has increased significantly since initial recognition.

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

The following table shows the reconciliation of loss allowances that have been recognised for loan receivables.

	Stage I HK$'000	Stage II HK$'000	Stage III HK$'000	Total HK$'000
As at 1 January 2022	1,151,013	242,272	4,997,520	6,390,805
Changes due to financial instruments recognised as at 1 January 2022:				
- Transfer to Stage I	-	-	-	-
- Transfer to Stage II	(92,000)	92,000	-	-
- Transfer to Stage III	(71,156)	(146,793)	217,949	-
- Impairment losses recognised	31,534	-	1,390,034	1,421,568
- Impairment losses reversed	(528,661)	(115,379)	(1,304,682)	(1,948,722)
- Unwinding of discount	-	-	319,565	319,565
New financial assets originated or purchased	6,187	-	240,543	246,730
Written-off	-	(11,031)	(875,304)	(886,335)
Exchange realignment	965	3,490	(20,564)	(16,109)
As at 31 December 2022 and 1 January 2023	497,882	64,559	4,965,061	5,527,502
Changes due to financial instruments recognised as at 1 January 2023:	497,882	64,559	4,965,061	5,527,502
- Transfer to Stage I	-	-	-	-
- Transfer to Stage II	(124,967)	155,037	(30,070)	-
- Transfer to Stage III	-	-	-	-
- Impairment losses recognised	44,353	(54,520)	748,628	738,461
- Impairment losses reversed	(241,282)	(54,339)	(464,048)	(759,669)
- Unwinding of discount	-	-	105,328	105,328
Written-off	-	-	(3,663,331)	(3,663,331)
Exchange realignment	(5,140)	5,921	(1,143)	(362)
As at 31 December 2023	**170,846**	**116,658**	**1,660,425**	**1,947,929**

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

The following table shows the reconciliation of loss allowances that have been recognised for other receivables.

	Stage I HK$'000	Stage III HK$'000	Total HK$'000
As at 1 January 2022	416,568	173,438	590,006
Transfer between Stage I and Stage III	(274,589)	274,589	-
Impairment losses recognised	217	173,652	173,869
Impairment losses reversed	(128,875)	(4,104)	(132,979)
Exchange realignment	9,041	-	9,041
As at 31 December 2022 and 1 January 2023	22,362	617,575	639,937
Impairment losses reversed	(428)	(46,566)	(46,995)
Exchange realignment	(4,182)	(786)	(4,967)
As at 31 December 2023	17,752	570,223	587,975

The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI. The loss allowance for debt investments at FVOCI as at 31 December reconciles to the opening loss allowance as follows:

	HK$'000
As at 1 January 2022	47,153
Increase in loan loss allowance recognised in profit or loss during the year	116,673
As at 31 December 2022 and 1 January 2023	163,826
Increase in loan loss allowance recognised in profit or loss during the year	211,362
As at 31 December 2023	375,188

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of borrowings and ensures compliance with loan covenants.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay.

Analysis of the undiscounted contractual cash flows

The tables below present the undiscounted cash flows of financial liabilities by remaining contractual maturities at the end of each reporting period. The Group's derivatives will be settled on net basis.

Liquidity tables

	On demand or less than 1 year HK$'000	1 year to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31 December HK$'000
2023					
Other payables	6,755,482	-	-	6,755,482	6,755,482
Financial liabilities at FVPL	206,951	-	-	206,951	206,951
Third-party interests in consolidated investment funds	50,013	-	-	50,013	50,013
Borrowings	11,810,769	2,168,972	-	13,979,741	13,710,158
Bonds and notes payables	17,329,202	23,608,762	8,929,276	49,867,240	44,410,990
Lease liabilities	42,168	64,129	10,641	116,938	107,201
Derivatives	10,278	-	-	10,278	10,278
	36,204,863	25,841,863	8,939,917	70,986,643	65,251,073

3 Financial risk management (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	On demand or less than 1 year HK$'000	1 year to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31 December HK$'000
2022					
Other payables	5,850,255	-	-	5,850,255	5,850,255
Financial liabilities at FVPL	1,486,517	-	-	1,486,517	1,486,517
Third-party interests in consolidated investment funds	39,177	-	-	39,177	39,177
Borrowings	11,973,117	962,745	180,900	13,116,762	12,841,386
Bonds and notes payables	5,711,008	54,194,270	9,109,620	69,014,898	42,560,737
Lease liabilities	22,992	32,724	15,913	71,629	64,215
Derivatives	494,578	-	-	494,578	494,578
	25,577,644	55,189,739	9,306,433	90,073,816	63,336,865

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

4 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost arising from loans and other receivables, is an area that requires the use of model and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note 3.

(b) Classification of investments

The Group invests in different assets, including equities, loans, interests in partnerships, unit trusts and other collective investment vehicles. The Group may have certain voting powers in these assets and may be able to exercise controls, joint controls or significant influences over these assets.

The Group applied critical judgements in determining the classifications of these investments. The Group has assessed the voting rights owned by the Group and other owners of the assets, covering areas such as the scopes of its decision-making over the relevant activities, rights held by investors and others, removal and liquidation rights, quorum of meetings, veto rights and other relevant factors related to decision-making powers and has applied critical judgements in determining the classifications of these assets into different categories including subsidiaries, joint ventures, associates and financial assets. A substantial or majority ownership by the Group does not necessarily indicate that the Group has control, joint control or significant influence over the relevant asset.

4 Critical accounting estimates and judgements (continued)

(c) Fair value estimation of financial instruments not quoted in an active market

The Group holds financial instruments that are not listed and are not traded in active markets. The Group employs a number of valuation methods and makes assumptions and judgements that are based on market or investment conditions existing at the reporting date. These investments are valued based on valuation techniques considered appropriate by the Group or valuers appointed by the Group, which may include an income approach using discounted cash flows model, referencing to recent comparable transactions and referencing to the underlying asset value of the financial instruments.

When using valuation techniques to determine the fair value of financial instruments, the Group would choose the input value in consistent with market participants, considering the transactions of related assets and liabilities. All related observable market parameters are considered in priority, including interest rate, foreign exchange rate, commodity prices and share prices or index. When related observable parameters are unavailable or inaccessible, the Group uses unobservable parameters and makes estimates for credit risks, market volatility and liquidity adjustments.

(d) Taxation

There are certain transactions and activities in the ordinary course of the Group's business for which the ultimate tax effect is uncertain. The Group made certain estimation and judgement for items of uncertainty in the application of tax legislations, taking into account existing tax legislation and past practice of tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially estimated, based on management's assessment, such differences will affect the current income tax and deferred income tax during the period in which such a determination is made.

Deferred tax assets relating to certain temporary differences is recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

5 Revenue

Revenue represents interest income arising from the provision of financing to investee companies by the Group.

6 Other income

	2023 HK$'000	2022 HK$'000
Bank interest income	104,893	69,171
Rental income from investment properties	99,592	66,812
Others	1,952	4,280
	206,437	140,263

7 Other gains or losses

	2023 HK$'000	2022 HK$'000
Net realised and unrealised gains/ (losses) (including dividend and interest income) of:		
- financial assets at FVPL	1,652,065	(667,178)
- financial liabilities at FVPL	455,150	1,694,079
Fair value changes from investment in an associate measured at FVPL (Note 18)	(806,695)	(1,955,599)
Reversal of discounted other receivables	-	788,477
Gain on repurchase of bond issued	-	73,095
Net foreign exchange (loss)/gain	(68,855)	263,263
Gain on payables waived	-	174,317
	1,231,665	370,454

8 Impairment (losses)/reversal, net

	2023 HK$'000	2022 HK$'000
Impairment losses, net of reversal:		
Loan receivables	21,208	280,424
Other receivables	46,995	(40,890)
Financial assets at FVOCI	(211,362)	(116,673)
	(143,159)	122,861

9 Profit for the year

	2023 HK$'000	2022 HK$'000
Profit for the year is arrived at after charging:		
Auditor's remuneration	6,128	5,361
Depreciation of equipment	1,081	3,161
Depreciation of investment properties	89,718	63,294
Depreciation of right-of-use assets	42,399	48,643
Staff costs		
- salaries and allowances	111,007	124,430
- other employee benefit expenses	37,821	66,006
Legal and professional expenses	40,022	78,521
Finance costs (Note)	2,467,856	2,178,914

Note: Finance costs represent interest incurred on the Group's borrowings and bonds and notes payables and lease liabilities.

10 Directors' remuneration

Remuneration of the directors disclosed pursuant to the Hong Kong Companies Ordinance is as follows:

	2023 HK$'000	2022 HK$'000
Fees	-	-
Salaries and allowances	6,336	6,313
	6,336	6,313

There were no other key management personnel other than the directors of the Company during the current year.

11 Taxation

(a) Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of Group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

For subsidiaries established in the PRC, the Enterprise Income Tax is calculated at 25% of the relevant income for both years.

Pursuant to the Enterprise Income Tax Law in the PRC and the Detailed Implementation Rules, distributions of the profits earned by the subsidiaries established in the PRC since 1 January 2008 to holding companies incorporated in Hong Kong are subject to withholding tax at the applicable tax rate of 5%.

	2023 HK$'000	2022 HK$'000
Current income tax		
- Hong Kong profits tax	(260,389)	15,160
- Overseas taxation	89,180	207,531
Deferred tax	161,360	438,801
	(9,849)	661,492

11 Taxation (continued)

(b) The reconciliation between the income tax and the product of profit before tax multiplied by the domestic tax rates applicable to profits of the consolidated entities is as follows:

	2023 HK$'000	2022 HK$'000
Profit before tax from continuing operations	228,014	1,104,043
Tax calculated at domestic tax rates applicable to profits in the respective countries	158,658	627,338
Tax effect of income that is not taxable	(292,158)	(579,878)
Tax effect of expenses that are not deductible	99,351	417,462
Tax losses and other temporary differences for which no deferred income tax asset was recognised	426,034	196,412
Overprovision in prior years	(401,835)	-
Effect of different tax rate	(165)	(165)
Others	266	323
Income tax expense	(9,849)	661,492

12 Dividend

No interim dividend for ordinary shareholders of the Company was recognised as distribution during the years ended 31 December 2023 and 2022.

No final dividend was paid or proposed during both years, nor has any final dividend been proposed since the end of the reporting period.

13 Equipment

	Furniture, fittings and equipment HK$'000	Vehicles HK$'000	Total HK$'000
Cost			
At 1 January 2022	54,916	5,693	60,609
Additions	970	867	1,837
Disposals	(295)	(767)	(1,062)
Exchange realignment	(332)	(181)	(513)
At 31 December 2022 and 1 January 2023	55,259	5,612	60,871
Additions	550	-	550
Disposals	(620)	-	(620)
Exchange realignment	(33)	(23)	(56)
At 31 December 2023	55,156	5,589	60,745
Depreciation			
At 1 January 2022	51,112	5,193	56,305
Charged for the year	2,826	335	3,161
Disposals	(303)	(759)	(1,062)
Exchange realignment	(352)	(167)	(519)
At 31 December 2022 and 1 January 2023	53,283	4,602	57,885
Charged for the year	821	260	1,081
Disposals	(436)	-	(436)
Exchange realignment	(26)	(23)	(49)
At 31 December 2023	53,642	4,839	58,481
Net book amounts			
At 31 December 2023	1,514	750	2,264
At 31 December 2022	1,976	1,010	2,986

14 Other assets

	2023 HK$'000	2022 HK$'000
Foreclosed assets	2,908,747	2,017,868
Others	150	150
	2,908,897	2,018,018

15 Investment Properties

The investment properties are located in the PRC and their net book value are analysed as follows:

	HK$'000
Cost	
At 1 January 2022	-
Addition	2,830,370
Exchange realignment	(234,839)
At 31 December 2022 and 1 January 2023	2,595,531
Exchange realignment	(33,949)
At 31 December 2023	2,561,582
Depreciation	
At 1 January 2022	-
Charged for the year	63,294
Exchange realignment	(2,749)
At 31 December 2022 and 1 January 2023	60,545
Charged for the year	89,718
Exchange realignment	(881)
At 31 December 2023	149,382
Net book amounts	
At 31 December 2023	2,412,200
At 31 December 2022	2,534,986

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes were measured using cost model and were classified and accounted for as investment properties.

(i) Amounts recognised in profit or loss for investment properties

	2023 HK$'000	2022 HK$'000
Rental income from operating leases	99,592	66,812
Direct operating expenses from property that generated rental income	8,485	8,666

As at 31 December 2023 and 2022, the Group had no significant contractual obligations for future repairs and maintenance of the investment properties.

As at 31 December 2023, the Directors estimated that the fair value of the investment properties was approximately HK$2,554,351,000 (2022: HK$2,758,020,000) by reference to the prices in the active market.

16 Leases

(i) Amounts recognised in the statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2023 HK$'000	2022 HK$'000
Right-of-use assets		
As at 1 January	60,579	105,782
Additions	84,384	8,339
Depreciation charge	(42,399)	(48,643)
Exchange realignment	4,657	(4,899)
As at 31 December	107,221	60,579
Lease liabilities		
Current	39,117	22,236
Non-current	68,084	41,979
	107,201	64,215

(ii) Amounts recognised in consolidated statement of profit or loss

	2023 HK$'000	2022 HK$'000
Depreciation charge of right-of-use assets	42,399	48,643
Interest expenses	2,712	3,397

The total cash outflow for leases in 2023 was HK$53,233,000 (2022: HK$53,918,000)

(iii) The Group's leasing activities and how these are accounted for

For both years, the Group leases offices for its operations. Lease contracts are entered into for a fixed term of three to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease arrangements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in note 3.

17 Deferred taxation

The following are the Group's major deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

Deferred tax assets

	Fair value Adjustments of financial assets at FVPL HK$'000	Impairment on loan receivables HK$'000	Tax loss HK$'000	Total HK$'000
At 1 January 2022	435,010	659,549	134,176	1,228,735
Credit/(debit) to profit or loss	17,309	(398,998)	31,478	(350,211)
Exchange realignment	(10,039)	(4,216)	(12,224)	(26,479)
At 31 December 2022 and 1 January 2023	442,280	256,335	153,430	852,045
Credit/(debit) to profit or loss	(28,357)	(156,286)	(30,196)	(214,839)
Exchange realignment	(5,118)	(9,241)	(2,007)	(16,366)
At 31 December 2023	408,805	90,808	121,227	620,840

Deferred tax liabilities

	Fair value adjustments of financial assets at FVPL HK$'000
At 1 January 2022	334,752
Debit to profit or loss	88,590
Exchange realignment	(26,875)
At 31 December 2022 and 1 January 2023	396,467
Credit to profit or loss	(53,479)
Exchange realignment	(17,445)
At 31 December 2023	325,543

Deferred income tax liabilities of HK$321,756,000 (2022: HK$317,899,050) in respect of unremitted earnings of approximately HK$6,435,116,000 as at 31 December 2023 (2022: HK$6,357,981,000), have not been recognised for the withholding tax as the Group controls the dividend policy of these subsidiaries.

18 Interests in associates and joint ventures

Set out below are the principal associates and joint ventures of the Group as at 31 December 2023 and 2022. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of relationship
		2023 %	2022 %	
Cos-Portman US Real Estate Fund, L.P.	Cayman Islands	**96.75**	96.75	Associate (b)
南京颐乐置业有限公司 (“南京颐乐”)	PRC	**54.08**	54.08	Associate (d)
露笑科技股份有限公司 (“露笑科技”)	PRC	**10.52**	13.52	Associate (e)
RXR VAF 61 Broadway Investor LP ("RXR")	USA	**49.00**	49.00	Joint Venture
China Orient Yun fan Credit Fund II L.P. ("Yunfan II")	Cayman Islands	**51.98**	51.98	Joint Venture
COS General Growth Fund L.P.	USA	**90.00**	90.00	Joint Venture
111 Murray Owner LLC	USA	**61.91**	-	Joint Venture (g)
石河子东兴博大股权投资合伙企业（有限合伙）	PRC	**66.67**	66.67	Associate
601 W COMPANIES CHICAGO LLC	USA	**21.14**	21.14	Associate

18 Interests in associates and joint ventures (continued)

Set out below are the principal associates and joint ventures of the Group as at 31 December 2022 and 2023. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business. (continued)

Name of entity	Place of business/ country of incorporation	% of ownership interest 2023 %	2022 %	Nature of relationship
CO-BB Delray Venture LLC	USA	**85**	85	Joint Venture
东方康佳一号（珠海）私募股权投资基金（有限合伙）	PRC	**49.95**	49.95	Joint Venture
COS Greater China Special Situation Fund, L.P. (the "Partnership")	Cayman Islands	**100**	100	Associate (a)
Dongxing Securities (Hong Kong) Company Limited ("Dongxing")	Hong Kong	**5.48**	5.48	Associate (c)
Orient Energy Opportunity Investment Limited Partnership Fund	Cayman Islands	**64.26**	66.4	Joint Venture (f)

Notes:

(a) As at 31 December 2023 and 2022, the Group held 40% of the holding company of the general partner of the Partnership. The holding company is referred to as "Entity A" hereafter. The Group has taken three out of seven seats in the board of directors of Entity A. In accordance with the shareholders deed entered into, any decisions for significant and relevant activities of Entity A shall be approved by at least 75% of the members of the board of directors of Entity A. In the opinion of the directors of the Company, the Group has no control over Entity A and thus the general partner, who has irrevocable power on the relevant activities of the Partnership. Based on the legal terms of the contractual arrangements, the interests in the Partnership have been classified as an associate as the Group has significant influence over the Partnership.

18 Interests in associates and joint ventures (continued)

Notes: (continued)

(b) Entity A established a joint venture with an independent third party in 2017 and the joint venture acts as the general partner of Portman. As at 31 December 2023, the Group owned 96.75 % (2022: 96.75%) equity interest as a limited partner in an investment fund. In the opinion of the directors of the Company, the Group does not have control over COS-Portman US Real Estate Fund, L.P. ("Portman") as it has no practical ability to direct the relevant activities of Portman, as the general partner of Portman, who has irrevocable power on the relevant activities of Portman. Hence Portman is only an associate of the Group and an independent third party. In making their judgement, the directors of the Company also considered various factors including the right to direct the relevant activities, the rights to variable returns from its involvement with Portman, and the ability to use its power to affect the returns from Portman. According to the limited partnership agreement,

- the Group has no right of removing the general partner although the appointment of a new general partner has to be approved by the Group;
- the Group is not permitted to withdraw from Portman except with the prior written consent of the general partner in its absolute discretion; and
- there is a positive correlation between the remuneration and significant exposure to variability of returns of the general partner and the return of the assets under management.

On this basis, the directors of the Company concluded that the Group has no control but significant influence on Portman and, accordingly, classified the interest in Portman as an associate.

(c) The Group invested in Dongxing for 30% of the shareholdings since 2016. In March 2018, a capital injection was made by the immediate holding company of Dongxing amounting to HK$600 million while there was no capital injection made by the Group. Therefore, the percentage of shareholding in Dongxing has been diluted to 5.48% as at 31 December 2020 and remained the same as at 31 December 2023. As the Company has a director seat out of five in the board of Dongxing, Dongxing is accounted for as the Company's associate.

(d) The Group invested in 54.08% of 南京颐乐 in 2018 through two limited partnerships owned by the Group. The general partner has sole power on the relevant activities of the partnerships. The general partner of these two partnerships is an associate of the Group. In the opinion of the directors of the Company, the Group has only significant influence over these partnerships and thus 南京颐乐. Accordingly, the interests in 南京颐乐 have been classified as an associate of the Group.

18 Interests in associates and joint ventures (continued)

Notes (continued) :

(e) As of 31 December 2023, the Group held 10.52% (2022 : 13.52%) of 露笑科技 and appointed two directors out of nine in the board of 露笑科技. In the opinion of the directors, the Group has significant influence over it and the interests have been accounted for as an associate of the Group. Under HKAS 28, management is allowed to elect to measure its investment at fair value instead of accounting for under the equity method if the investment is held by, or is held indirectly through, a venture capital organisation. As the investment was held by a venture capital organisation of the Group and management aims to hold this investment for a medium-term and would seek to exit upon expiration of the investment period, the Group has elected to measure this investment at fair value instead of accounting for under the equity method. Consequently, the Group elects to account for this investment as an associate measured at fair value through profit or loss. As of 31 December 2023, the fair value of the investment is HK$1,378,144,000 (2022: HK$2,671,811,000).

(f) During the year ended 31 December 2023, the Group owned 64.26% (2022:66.4%) equity interest as a limited partner in an investment fund. There is one other limited partner in the investment fund which holds the remaining 35.74% (2022:33.6%) equity interest. According to the limited partnership agreement and the investment management agreement, a subsidiary of the Group was appointed as the investment manager of the investment fund. The investment manager is responsible for the day-to-day operation and investment management functions of the investment fund. Based on the legal terms of the limited partnership agreement, the removal of the General Partner of the investment fund requires an aggregate 75% or above equity interest to consent should the General Partner of the investment fund either breached its obligations under the limited partnership agreement or conviction for or admission of fraud, wilful misconduct or gross negligence.

(g) During the year ended 31 December 2023, the Group obtained 61.91% equity interest in a joint venture 111 Murray which was exchanged with consideration of loan receivables amounting to HK$293,849,000

18 Interests in associates and joint ventures (continued)

(i) Summarised financial information for associates and joint ventures

Summarised financial information in respect of each of the Group's material associates and joint ventures is set out below. The summarised financial information below represents amounts shown in the associates and joint ventures' financial statements prepared in accordance with HKFRSs.

The tables below provide summarised financial information for those associates and joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

All of these associates and joint ventures in these consolidated financial statements.

	Portman		RXR		露笑科技		Chicago	
	2023	2022	2023	2022	2023	2022	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Current assets	905,670	761,475	78,376	75,198	4,363,419	5,547,254	475,893	756,856
Non-current assets	-	-	3,232,239	3,639,387	6,226,615	5,506,962	7,730,350	8,760,224
Current liabilities	(2,865)	(1,425)	(63,037)	(29,735)	(2,088,217)	(1,673,180)	(348,945)	(342,490)
Non-current liabilities	-	-	(2,655,772)	(2,676,116)	(1,847,835)	(2,578,648)	(7,455,112)	(7,476,653)
Revenue	192	59,981	23,271	191,274	3,047,170	3,721,842	757,911	643,310
Profit/(loss) and total comprehensive income/(expense) for the year	(102,626)	317,505	(95,418)	92,296	81,546	(336,828)	(222,885)	(267,632)
Dividend received from the associates and joint ventures during the year	-	-	-	-	-	-	-	-

18 Interests in associates and joint ventures (continued)

(i) Summarised financial information for associates and joint ventures (continued)

Reconciliation of the above summarised financial information to the carrying amounts of the interests in the associates and joint ventures recognised in these consolidated financial statements:

	Portman		RXR		Chicago	
	2023 HK$'000	2022 HK$'000	2023 HK$'000	2022 HK$'000	2023 HK$'000	2022 HK$'000
Net assets of the associates and joint ventures	902,805	760,050	591,807	1,008,734	402,186	1,697,937
Proportion of the Group's ownership interest in the associates and joint ventures	96.75%	96.75%	49%	49%	21.14%	21.14%
Carrying amount of the Group's interest in the associates and joint ventures	873,464	735,348	289,986	445,730	85,022	357,944

Aggregate information of associates and joint ventures that are not individually material

	2023 HK$'000	2022 HK$'000
The Group's share of (losses)/profits	(83,367)	18,441
Aggregate carrying amount of the Group's interests in these associates and joint ventures	2,358,867	2,227,587

18 Interests in associates and joint ventures (continued)

(i) Summarised financial information for associates and joint ventures (continued)

Movement of interests in an associate measured at fair value

	Total HK$'000
At 1 January 2022	6,578,363
Fair value changes from investment in an associate measured at FVPL (Note 7)	(1,955,599)
Exchange realignment	(599,298)
At 31 December 2022 and 1 January 2023	4,023,466
Fair value changes from investment in an associate measured at FVPL (Note 7)	(806,695)
Disposal of interest	(1,803,679)
Exchange realignment	(34,948)
As at 31 December 2023	1,378,144

19 Financial assets/liabilities at fair value through profit or loss

	2023 HK$'000	2022 HK$'000
Financial assets		
Financial assets measured at FVPL:		
Equity securities (Note a)	7,398,667	7,509,051
Debt and convertible debt securities	7,341,425	7,715,295
Derivatives (Note a)	1,411,282	1,671,312
Investment funds	6,215,742	6,433,616
Total return swap contracts (Note b)	769,746	752,347
Collateralised loan obligations ("CLOs") (Note c)	1,563,305	1,873,340
Wealth management products issued by banks	609,979	1,018,414
Distressed debt assets	1,116,055	752,415
	26,426,201	27,725,790
Less: non-current portion	(3,935,953)	(3,987,010)
Current portion	22,490,248	23,738,780
Financial liabilities		
Financial liabilities measured at FVPL:		
Listed equity securities	142,102	1,148,220
Debt and convertible debt securities	64,849	338,297
Derivatives (Note a)	10,278	494,578
	217,229	1,981,095
Less: non-current portion	-	-
Current portion	217,229	1,981,095

Changes in fair values are recorded as other gains or losses in the consolidated statement of profit or loss.

19 Financial assets/liabilities at fair value through profit or loss (continued)

Notes:

(a) As at 31 December 2023, equity securities of approximately HK$1,431,081,000 (2022: HK$1,527,794,000) have guarantee returns. The Group entered into agreements with the respective issuer/controlling shareholder of these equity securities that these issuers/controlling shareholders will guarantee the Group certain percentage of returns on the investments in these equity securities at the end of the specified periods (the "Guarantee Returns"). In addition, the Group entered into agreements with the respective issuer/controlling shareholder of certain equity securities that the Group will share with the respective issuer/controlling shareholder certain percentage of returns that exceed the Guarantee Returns. The fair values of these derivative financial assets arising from Guarantee Returns is approximately HK$354,048,000 (2022: HK$272,082,000).

As at 31 December 2023 and 2022, pursuant to the investment agreements, the Group is entitled to a fixed percentage of returns on the initial investment amount for the Group's investment in an associate with a total carrying amount of approximately HK$150,555,000 (2022: HK$357,944,000). The fair values of the derivative financial assets are approximately HK$531,139,000 (2022: HK$303,322,000). The remaining balances included in the derivatives represent warrants and equity options.

In addition, as at 31 December 2023 and 2022, pursuant to the investment agreements, the parent company of the Group's investment in an associate is able to exercise an option to repurchase the shares at a designed price within the specified period. Pursuant to the agreement, the Group is required to share certain percentage of realised gains to the parent company shall the selling price exceed a specified percentage of return. The fair value of the derivatives financial assets arising from such realised gains apportionment is approximately HK$73,506,000 and recognised under "financial assets at fair value through profit or loss" (2022: recognised under "financial liabilities at fair value through profit or loss" HK$493,979,000).

The notional amounts of derivative financial instruments provides a basis for comparison with instruments recognised on the consolidated statement of financial position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and do not therefore indicate the Group's exposure to credit or market price risks. The derivatives become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market price of the underlying assets, interest rates, credit quality or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivatives on hand depends on the extent to which instruments are favourable or unfavourable, as the aggregate fair values of derivatives can fluctuate significantly from time to time. As at 31 December 2023, the notional amount for financial assets at fair value through profit or loss is HK$700,856,000 (2022: HK$3,182,458,000) and the notional amount for financial liabilities at fair value through profit or loss is HK$180,266,000 (2022: HK$155,640,000).

(b) During the years ended 31 December 2023 and 2022, the Group entered into total return swap contracts with financial institutions, in which the Group is subject to interest and fair value changes of the underlying securities in these contracts and pays fixed interest to the counterparties.

(c) Balance represents the Group's investments in the CLO equity tranches. The underlying investments of a CLO usually consists of debt instruments including fixed rate and floating rate bonds and loans.

20 Financial assets at fair value through other comprehensive income

	2023 HK$'000	2022 HK$'000
Financial assets designated at FVOCI		
- Equity securities listed in Hong Kong	36,112	57,178
Debt securities listed overseas	22,458	69,286
	58,570	126,464

The above equity investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate the investments in equity instruments as at FVOCI as they believe that recognising short-term fluctuations in the investment's fair value in profit or loss would not be consistent with the Group's strategy of holding the investments for long-term purposes and realising their performance potential in the long run.

21 Loans, other receivables and prepaid expenses

	2023 HK$'000	2022 HK$'000
Loan receivables	16,905,011	24,043,420
Less: impairment allowances on loan receivables	(1,947,929)	(5,527,502)
Loan receivables, net (Note c)	14,957,082	18,515,918
Interest receivables	244,032	117,900
Dividend receivables	176	38
Receivables from immediate holding company	5,680,789	2,790,413
Receivables from related parties (Note a)	99,758	98,902
Deposits with brokers and broker receivables	456,032	984,222
Prepaid expenses	22,993	45,088
Other receivables (Note b)	5,186,104	3,063,475
Less: impairment allowances on other receivables (Note b)	(587,975)	(639,937)
	26,058,991	24,976,019
Less: non-current portion	(5,431,182)	(7,244,542)
Current portion	20,627,809	17,731,477

21 Loans, other receivables and prepaid expenses (continued)

Notes:

(a) Amounts being interest-free, unsecured and repayable on demand.

(b) As at 31 December 2023, included in other receivables were receivables of approximately HK$1,259,278,000 (2022: HK$1,771,300,000) from independent third parties arising from the Group's disposals of loan receivables, investments at FVPL, investments at FVOCI and interests in associates and joint ventures.

(c) Loan receivables are analysed by industry as follows:

	2023 HK$'000	2022 HK$'000
Real estate	9,101,069	9,719,845
Energy	1,043,681	1,868,439
Manufacturing	4,384,734	6,175,431
Media	2,230,235	2,558,975
Other industries	145,292	3,720,730
	16,905,011	24,043,420

Details of credit risk and impairment assessment are disclosed in note 3.

22 Cash and bank balances

	2023 HK$'000	2022 HK$'000
Cash and bank balances	9,802,750	5,867,655
Less: Time deposits with maturity over three months	(329,743)	(334,113)
Cash and cash equivalents	9,473,007	5,533,542
Cash and cash equivalents included in assets classified as held-for-sale	36,332	29,428
	9,509,339	5,562,970

As at 31 December 2023 and 2022, the Group's cash and cash equivalents comprise cash in hand, balances with banks and short-term bank deposits carrying prevailing market interest rates with original maturities of three months or less.

As at 31 December 2023, an aggregate amount of approximately HK$6,079,107,000 (2022: HK$2,459,747,000) of the Group's cash and cash equivalents was denominated in Renminbi ("RMB") and not freely convertible into other currencies.

As at 31 December 2023, the cash and cash equivalents of approximately HK$2,478,486,000 (2022: HK$513,745,000) were denominated in currencies other than the functional currencies of the respective Group entities.

23 Assets classified as held for sale / Liabilities associated with assets classified as held for sale

On 28 December 2022, the Group acquired a subsidiary exclusively with a view to its subsequent disposal. The subsidiary, which is expected to be sold within twelve months, has been classified as assets held for sale and is presented separately in the consolidated statement of financial position. The liabilities of the subsidiary classified as held for sale is also presented separately from other liabilities in the statement of financial position.

In June 2023, the Group obtained a subsidiary from a loan restructuring arrangement. The subsidiary, which is expected to be sold within twelve months, has been classified as assets held for sale and is presented separately in the consolidated statement of financial position.

Assets and liabilities of the disposal entities were reclassified as assets classified as held for sale and liabilities directly associated with asset classified as held for sale as at 31 December 2023.

Initially, the fair value less cost to sell of the subsidiary is approximately HK$662,557,000 after elimination of intercompany balances and the fair value of its identifiable liabilities was HK$41,460,000. The acquired assets of the subsidiary were measured at fair value at HK$664,017,000.

As at 31 December 2023, management has assessed the fair value less cost to sell of all the subsidiaries classified as held for sale, no impairment was required and the subsidiaries held-for-sale were stated at net carrying value of HK$3,476,026,000.

24 Other payables and accruals

	2023 HK$'000	2022 HK$'000
Interest payables	462,825	494,836
Payables to immediate holding company (Note)	1,784,754	1,789,367
Payables to related parties (Note)	841,518	640,841
Payroll payables	61,827	73,921
Broker payables	2,783,102	1,388,506
Other payables and accruals	883,283	1,536,705
	6,817,309	5,924,176

Note: Amounts being interest-free, unsecured and repayable on demand.

25 Third-party interests in consolidated investment funds

Third-party interests represent third-party investors' interests in consolidated investment funds which are reflected as liabilities since they can be put back to the Group for cash. The realisation of third-party interests in these consolidated investment funds cannot be predicted with accuracy since these represent the interests of third-party investors in consolidated investment funds that are subject to market risk and the actions of third-party investors. The non-current third-party interests in consolidated investment funds on the consolidated statement of financial position represent the interests that are restricted by a lock-up period during which the third parties cannot redeem their participating shares. As at 31 December 2023, the remaining term of the lock-up period is less than one year.

The Group involves a number of fund investments in the normal course of business, which meet the definition of 31 December 2023 unconsolidated structured entities.

The Group's investment holding interests in the unconsolidated structured entities were recognised in financial assets 31 December 2023 measured at FVPL. As at 31 December 2023, the total net asset value of unconsolidated structured entities sponsored by 31 December 2023 the Group amounted to HK$6,215,742,000 (2022: HK$6,433,616,000).

26 Borrowings

	2023 HK$'000	2022 HK$'000
Bank borrowings - unsecured	13,710,159	12,841,386
	13,710,159	12,841,386
The carrying amount of the above borrowings is repayable:		
Within one year	11,604,619	11,794,543
More than one year (Note)	2,105,540	1,046,843
	13,710,159	12,841,386
Less: Amount due within one year shown under current liabilities	(11,604,619)	(11,794,543)
Amount shown under non-current liabilities	2,105,540	1,046,843

Bank borrowings with an aggregate carrying amount of approximately HK$13,710,158,000 (2022: HK$12,841,386,000) were borrowings from various financial institutions.

Bank borrowings bear fixed interest rates or variable interest rates linked to the Hong Kong Interbank Offered Rate ("HIBOR"), the Secured Overnight Financing Rate ("SOFR") and the rates offered by the People's Bank of China. As at 31 December 2023, the average effective interest rate of bank borrowings is 4.90% (2022: 3.75%) per annum.

The directors consider that the carrying amounts of borrowings recognised in the consolidated financial statements approximate their fair values.

As at 31 December 2023, borrowings with an aggregate carrying amount of approximately HK$7,767,368,000 (2022: HK$6,793,986,000) were denominated in currencies other than the functional currencies of the respective Group entities.

Note: Pursuant to the borrowing agreements and repayment schedules, the principals of the borrowings will be repaid, by instalments, starting from the drawdown dates.

27 Bonds and notes payables

	2023 HK$'000	2022 HK$'000
Bonds:		
Denominated in US$, carries 3.875% semi-annual coupon, repayable in 2024 (Note a)	3,121,450	3,106,844
Denominated in US$, carries 4.5% semi-annual coupon, repayable in 2029 (Note a)	2,322,171	2,311,685
Denominated in US$, carries 2.875% semi-annual coupon, repayable in 2029 (Note b)	3,117,196	3,100,384
Denominated in US$, carries 3.5% semi-annual coupon, repayable in 2029 (Note b)	3,476,008	3,459,412
Denominated in RMB, carries 4.0% annual coupon, repayable in 2024 (Note c)	380,303	385,344
Denominated in RMB, carries 4.17% annual coupon, repayable in 2023 (Note d)	-	2,227,151
Denominated in RMB, carries 3.93% annual coupon, repayable in 2024 (Note e)	32,974	33,411
Denominated in US$, carries 1.875% semi-annual coupon, repayable in 2025 (Note f)	3,501,995	3,485,489
Denominated in US$, carries 2.75% semi-annual coupon, repayable in 2030 (Note f)	2,086,369	2,077,019
Denominated in RMB, carries 4.11% semi-annual coupon, repayable in 2023 (Note g)	-	556,704
Denominated in RMB, carries 4.40% semi-annual coupon, repayable in 2023 (Note h)	-	333,771
Denominated in RMB, carries 3.95% semi-annual coupon, repayable in 2024 (Note i)	1,648,512	1,668,680
Denominated in RMB, carries 3.95% semi-annual coupon, repayable in 2024 (Note j)	1,098,888	1,112,172
Denominated in RMB, carries 3.85% semi-annual coupon, repayable in 2024 (Note k)	1,647,939	1,668,062
Denominated in RMB, carries 3.88% semi-annual coupon, repayable in 2024 (Note l)	1,098,506	1,111,730
Denominated in RMB, carries 4.35% semi-annual coupon, repayable in 2024 (Note m)	548,991	556,825
Denominated in RMB, carries 4.78% annual coupon, repayable in 2025 (Note n)	1,646,418	-
Denominated in RMB, carries 4.48% annual coupon, repayable in 2025 (Note o)	548,564	-
Denominated in RMB, carries 3.9% annual coupon, repayable in 2025 (Note p)	1,644,585	-
Denominated in RMB, carries 3.68% annual coupon, repayable in 2025 (Note q)	1,096,545	-

27 Bonds and notes payables (Continued)

	2023 HK$'000	2022 HK$'000
Medium-term notes:		
Denominated in US$, carries 5% semi-annual coupon, repayable in 2024 (Note r)	3,118,790	3,102,979
Denominated in RMB, 5.5% semi-annual coupon, repayable in 2025 (Note s)	2,743,443	2,777,560
Denominated in US$, carries 4.5% semi-annual coupon, repayable in 2026 (Note t)	1,761,353	1,747,881
Denominated in US$, carries 4.375% semi-annual coupon, repayable in 2027 (Note u)	7,769,990	7,737,634
	44,410,990	42,560,737
Less: non-current portion	(28,597,440)	(39,443,111)
Current portion	15,813,550	3,117,626

Notes:

(a) On 20 March 2019, the Company's wholly owned subsidiary, Joy Treasure Assets Holdings Inc. ("Joy Treasures"), issued a US$400,000,000 bond at 3.875% per annum and will mature on 20 March 2024 and a US$300,000,000 bond at 4.5% per annum and will mature on 20 March 2029, both of which are listed on the Stock Exchange of Hong Kong Limited ("HKEx").

(b) On 24 September 2019, the Company's wholly owned subsidiary, Joy Treasures, issued a US$400,000,000 bond at 2.875% per annum and will mature on 24 September 2024 and a US$500,000,000 bond at 3.5% per annum and will mature on 24 September 2029, both of which are listed on the HKEx.

(c) On 24 February 2020, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 4% per annum and will mature on 24 February 2024. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance. During the year ended 31 December 2022 the Group exercised the right to redeem principal amount of RMB654,000,000. The outstanding bond of RMB346,000,000 has a rate of 4% per annum.

(d) On 24 February 2020, the Company's wholly owned subsidiary, 东方中国, issued a RMB2,000,000,000 bond at 4.17% per annum and will mature on 24 February 2025. The bond was issued with an original maturity of five years and an option to enable the investors to procure the Group to redeem the bond after three years from the date of issuance. During the year ended 31 December 2023, the Group redeemed all the outstanding bond.

(e) On 24 March 2020, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 3.79% and will mature on 24 March 2024. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance. During the year ended 31 December 2022, the Group exercised the right to redeem principal amount of RMB970,000,000. The outstanding bond of RMB30,000,000 has a rate of 3.93% per annum.

27 Bonds and notes payables (Continued)

(f) On 17 November 2020, the Company's wholly owned subsidiary, Joy Treasure Assets Holdings Inc. ("Joy Treasures"), issued a US$450,000,000 bond at 1.875% per annum and will mature on 17 November 2025 and a US$300,000,000 bond at 2.75% per annum and will mature on 17 November 2030, both of which are listed on the Stock Exchange of Hong Kong Limited ("HKEx").

(g) On 6 April 2021, the Company's wholly owned subsidiary, 东方中国, issued a RMB500,000,000 bond at 4.11% per annum and will mature on 6 April 2023. During the year ended 31 December 2023, the Group redeemed all the outstanding bond.

(h) On 25 November 2021, the Company's wholly owned subsidiary, 东方中国, issued a RMB300,000,000 bond at 4.4% per annum and will mature on 25 November 2023. During the year ended 31 December 2023, the Group redeemed all the outstanding bond.

(i) On 14 February 2022, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,500,000,000 bond at 3.95% per annum and will mature on 14 February 2024. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance.

(j) On 14 March 2022, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 3.95% per annum and will mature on 14 March 2024. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance.

(k) On 15 April 2022, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,500,000,000 bond at 3.85% per annum and will mature on 15 April 2024.

(l) On 24 June 2022, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 3.88% per annum and will mature on 24 June 2024. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance.

(m) On 18 November 2022, the Company's wholly owned subsidiary, 东方中国, issued a RMB500,000,000 bond at 4.35% per annum and will mature on 18 November 2024.

(n) On 26 April 2023, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,500,000,000 bond at 4.78% per annum and will mature on 26 April 2025. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance.

(o) On 22 September 2023, the Company's wholly owned subsidiary, 东方中国, issued a RMB500,000,000 bond at 4.48% per annum and will mature on 22 September 2025.

(p) On 18 December 2023, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,500,000,000 bond at 3.90% per annum and will mature on 17 December 2025. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance.

(q) On 27 December 2023, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 3.68% per annum and will mature on 27 December 2025.

27 Bonds and notes payables (Continued)

Notes (Continued):

On 4 September 2014, the Company's wholly owned subsidiary, Charming Light Investments Ltd. ("Charming Light"), established a US$2,000 million medium-term note programme (the "Medium-Term Notes"). During 2016 and 2017, Charming Light expanded the Medium-Term Notes to US$4,000 million and US$8,000 million, respectively. The details of medium-term notes are presented as follows:

(r) The US$400 million medium-term note at 5% due on 3 September 2024 was issued on 3 September 2014.

(s) The RMB2,500 million medium-term note at 5.5% due on 29 December 2025 was issued on 29 December 2015.

(t) The US$229 million medium-term note at 4.5% due on 21 December 2026 was issued on 21 December 2016.

(u) The US$1,000 million medium-term note at 4.375% due on 21 December 2027 was issued on 21 December 2017.

The Company's ultimate holding company, COAMC, provides keepwell deed to all the bonds and notes payables in issue under the Medium-Term Notes.

As at 31 December 2023, the bonds and notes payables with an aggregate carrying amount of approximately HK$2,743,443,000 (2022: HK$2,777,560,000) are denominated in currencies other than the functional currencies of the respective Group entities.

28 Share capital

	Number of shares	Share capital HK$
Issued and fully paid		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023		
- Ordinary shares	2	2

29 Discontinued operations

	2023 HK$'000	2022 HK$'000
Revenue	165,737	-
Expenses	(1,167,217)	-
Other losses	(607,785)	-
Loss before income tax	(1,609,265)	-
Income tax expense	67,826	-
Loss after income tax of discontinued operation	(1,541,439)	-
Gain on disposal of subsidiaries	1,465,325	
Profit from discontinued operations	(76,114)	-
Other comprehensive income from discontinued operations	88,233	-
Net cash from operating activities	425,514	-
Net cash from investing activities	(26,152)	-
Net cash from financing activities	(393,826)	-
Net decrease in cash generated by the subsidiary	5,536	-

30 Disposal of subsidiaries

During the year ended 31 December 2023, the Group disposed a subsidiary, Amore Resources Ltd. ("Amore") and a subsidiary, Long Profit Group Ltd ("Long Profit") was deemed disposed. Accordingly, as at 31 December 2023, the Group does not have control over those subsidiaries.

Long Profit

Analysis of assets and liabilities over which control was lost

	2023 HK$'000
Total assets disposed of	7,464,470
Total liabilities disposed of	(8,705,853)
Net assets disposed of	(1,241,383)

Gain on disposal of subsidiaries

	2023 HK$'000
Consideration received/receivable	-
Net liabilities disposed of	1,241,383
Non-controlling interest	210,915
Realisation of reserve upon disposal of subsidiaries	13,027
Gain on disposal	1,465,325

Net cash outflow arising on disposal

	2023 HK$'000
Cash consideration	-
Less: cash and cash equivalents disposed of	(4,268)
	(4,268)

30 Disposal of subsidiaries (Continued)

Amore

Analysis of assets and liabilities over which control was lost

	2023 HK$'000
Total assets disposed of	1,285,536
Total liabilities disposed of	(4,678)
Net assets disposed of	1,280,858

Gain on disposal of subsidiaries

	2023 HK$'000
Consideration received/receivable	1,083,658
Net (assets) disposed of	(1,280,858)
Non-controlling interest	197,200
Realisation of reserve upon disposal of subsidiaries	-
Gain on disposal	-

Net cash outflow arising on disposal

	2023 HK$'000
Cash consideration	-
Less: cash and cash equivalents disposed of	-
	-

31 Commitments

(i) Capital commitments

At 31 December 2023, the Group had commitments of approximately HK$1,417,488,000 (2022: HK$1,986,712,000) in respect of capital contributions to limited partnerships.

(ii) 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:

	2023 HK$'000	2022 HK$'000
Within 1 year	60,785	22,612
Between 1 and 2 years	60,383	16,529
Between 2 and 3 years	60,788	11,284
Between 3 and 4 years	63,473	6,355
Between 4 and 5 years	60,670	6,045
Later than 5 years	61,428	9,744

32 Related party transactions

Other than as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

	2023 HK$'000	2022 HK$'000
Administrative expense - fellow subsidiaries	3,073	5,427

COAMC provided keepwell deed to the Group for certain of its bonds and notes payables in issue during both years. Details of the securities issued are disclosed in note 27.

The Group is controlled by COAMC, which is indirectly controlled by the PRC government through the Ministry of Finance (the "MOF"). The MOF is the major shareholder of COAMC as at 31 December 2023 and 2022. For the current and prior years, the Group undertook transactions with certain entities directly or indirectly controlled by the PRC government, including but not limited to making bank deposits, receiving banking facilities, renting properties, rendering and obtaining other services. Management is of the opinion that these transactions were conducted on normal business terms and do not require separate disclosures.

33 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of debt, which includes borrowings (Note 26) and bonds and notes payables (Note 27), and equity attributable to owners of the Company, comprising issued share capital, retained earnings, other reserves and perpetual capital securities.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with capital. The Group will balance its overall capital structure through the issue of new debt and the redemption of existing debt.

34 Financial instruments

Categories of financial instruments

	2023 HK$'000	2022 HK$'000
Financial assets		
Financial assets at FVPL		
- measured at FVPL	25,014,919	26,054,478
- derivatives	1,411,282	1,671,312
Financial assets at FVOCI		
- Equity instruments	36,112	57,178
- Debt instruments	22,458	69,286
Financial assets at amortised cost	35,838,748	30,798,586
Financial liabilities		
Financial liabilities at FVPL		
- measured at FVPL	217,229	1,981,095
- third-party interests in consolidated investment funds	50,013	39,177
Financial liabilities at amortised cost	64,938,457	61,326,299
Lease liabilities	107,202	64,215

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

34 Financial instruments (continued)

Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (continued)

Fair value hierarchy

	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets at FVOCI								
Equity securities	36,112	-	-	36,112	57,178	-	-	57,178
Debt securities	-	22,458	-	22,458	-	69,286	-	69,286
Financial assets at FVPL								
Equity securities	5,917,993	1,320,098	160,576	7,398,667	5,832,092	1,226,423	450,536	7,509,051
Derivatives	-	211,162	1,200,120	1,411,282	2,373	49,899	1,619,040	1,671,312
Debt and convertible debt securities	-	1,501,494	5,839,931	7,341,425	-	1,808,944	5,906,351	7,715,295
Investment funds	16,806	63,613	6,135,323	6,215,742	82,200	147,026	6,204,390	6,433,616
Total return swap contracts	-	-	769,746	769,746	-	-	752,347	752,347
CLOs	-	-	1,563,305	1,563,305	-	-	1,873,340	1,873,340
Wealth management products	-	24,387	585,592	609,979	-	14,669	1,003,745	1,018,414
Distressed debt assets	-	-	1,116,055	1,116,055	-	-	752,415	752,415
Total	5,970,911	3,143,212	17,370,648	26,484,771	5,973,843	3,316,247	18,562,164	27,852,254
Financial liabilities at FVPL								
Equity securities	(142,102)	-	-	(142,102)	(1,148,220)	-	-	(1,148,220)
Debt securities	-	(64,849)	-	(64,849)	(119,016)	(219,281)	-	(338,297)
Derivatives	-	(10,278)	-	(10,278)	-	(599)	(493,979)	(494,578)
Third-party interests in consolidated investment funds	-	-	(50,013)	(50,013)	-	-	(39,177)	(39,177)
Total	(142,102)	(75,127)	(50,013)	(267,242)	(1,267,236)	(219,880)	(533,156)	(2,020,272)

34 Financial instruments (continued)

Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (continued)

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.
Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The level of fair value measurement depends on the lowest level of input that is significant to the entire fair value measurement.

Fair value measurements and valuation processes

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair values, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses valuation techniques that include inputs which are not based on observable market data to estimate the fair values of certain types of financial instruments.

For Level 3 financial instruments, the management of the Group obtains valuation quotations from counterparties or uses valuation techniques to determine the fair value, including discounted cash flow analysis, net asset value and market comparison approach, etc. The fair value of these financial instruments may be based on unobservable inputs which may have significant impact on the valuation of these financial instruments, and therefore, these assets and liabilities have been classified by the Group as Level 3. The unobservable inputs which may have impact on the valuation include weighted average cost of capital, liquidity discount, price-to-book ratio, discount rate, etc.

There were no significant transfers between Level 1 and Level 2 for the years ended 31 December 2023 and 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Financial instruments (continued)

Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (continued)

Fair value measurements use significant unobservable inputs (level 3). The following table presents the changes in level 3 items for the periods ended 31 December 2023:

	Financial assets at FVPL and Financial assets at FVOCI									Financial liabilities at FVPL		
	Equity securities HK$'000	Derivatives HK$'000	Debt and convertible debt securities HK$'000	Investment funds HK$'000	Total return swap contracts HK$'000	CLOs HK$'000	Wealth management products HK$'000	Distressed debt assets HK$'000	**Total assets HK$'000**	Derivatives HK$'000	Third-party interests in consolidated funds HK$'000	**Total liabilities HK$'000**
At beginning of the year	450,536	1,619,040	5,906,351	6,204,390	752,347	1,873,340	1,003,745	752,415	18,562,164	(493,979)	(39,177)	(533,156)
Total gains or losses recognised												
- in profit or loss	(113,499)	203,519	2,989	260,256	17,399	(310,035)	16,194	17,145	93,968	-	(2,424)	(2,424)
- in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Purchases	-	-	37,471	-	-	-	-	346,495	383,966			
Disposals/Matured	(176,461)	(622,439)	(106,880)	(329,323)	-	-	(434,347)	-	(1,669,450)	493,979	(8,412)	485,567
At the end of the year	160,576	1,200,120	5,839,931	6,135,323	769,746	1,563,305	585,592	1,116,055	17,370,648	-	(50,013)	(50,013)

34 Financial instruments (continued)

Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (continued)

Fair value measurements use significant unobservable inputs (level 3). The following table presents the changes in level 3 items for the periods ended 31 December 2022:

	Financial assets at FVPL and Financial assets at FVOCI									Financial liabilities at FVPL		
	Equity securities	Derivatives	Debt and convertible debt securities	Investment funds	Total return swap contracts	CLOs	Wealth management products	Distressed debt assets	**Total assets**	Derivatives	Third-party interests in consolidated funds	**Total liabilities**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**	HK$'000	HK$'000	**HK$'000**
At beginning of the year	340,499	838,923	6,376,995	5,918,048	5,046,944	1,938,143	245,068	203,472	20,908,092	(2,246,954)	(110,224)	(2,357,178)
Total gains or losses recognised												
- in profit or loss	(66,424)	197,183	(463,670)	(330,533)	451,255	(64,803)	-	32,652	(244,340)	1,610,392	11,407	1,621,799
- in other comprehensive income	-	-	-	-	-	-	-	-	-	-	59,640	59,640
Purchases	176,461	622,440	140,852	727,333	-	-	1,003,745	516,291	3,187,122	-	-	-
Disposals/Matured	-	(39,506)	(147,826)	(110,458)	(4,745,852)	-	(245,068)	-	(5,288,710)	142,583	-	142,583
At the end of the year	450,536	1,619,040	5,906,351	6,204,390	752,347	1,873,340	1,003,745	752,415	18,562,164	(493,979)	(39,177)	(533,156)

34 Financial instruments (continued)

Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (continued)

For financial assets at fair value through profit or loss, the total gains or losses recognised, including those for assets held at the end of reporting period, are presented in consolidated statement of profit or loss in "net realised and unrealised gains/(losses)".

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Fair value at 31 December 2023	Fair value at 31 December 2022	Fair value hierarchy	Valuation techniques	Unobservable inputs	31 December 2023 Range	31 December 2022 Range	Relationship of unobservable inputs to fair value
Financial assets at FVPL								
Equity securities	160,576	450,536	Level 3	Allocated net asset value	N/A	N/A	N/A	Directly correlated
				Recent transaction price	N/A	N/A	N/A	Directly correlated
				Discounted cash flow	Discount rate	4.12% to 12%	4.12% to 12%	Directly correlated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 Financial instruments (continued)

Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (continued)

Valuation inputs and relationships to fair value (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. (continued)

	Fair value at 31 December 2023	Fair value at 31 December 2022	Fair value hierarchy	Valuation techniques	Unobservable inputs	31 December 2023 Range	31 December 2022 Range	Relationship of unobservable inputs to fair value
Financial assets at FVPL (continued)								
Derivatives	1,200,120	1,619,040	Level 3	Black Scholes Model	Share price volatility	40%	40%	Directly correlated
				Discounted cash flow	Risk adjusted discount rate	10%	10%	Indirectly correlated
				Allocated net asset value	N/A	N/A	N/A	Directly correlated
				Binomial Option Pricing Model	Risk free Rate; Volatility	2.41%; 55.36%	2.41%; 55.36%	Indirectly correlated; Indirectly correlated

34 Financial instruments (continued)

Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (continued)

Valuation inputs and relationships to fair value (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. (continued)

	Fair value at 31 December 2023	Fair value at 31 December 2022	Fair value hierarchy	Valuation techniques	Unobservable inputs	31 December 2023 Range	31 December 2022 Range	Relationship of unobservable inputs to fair value
Financial assets at FVPL (continued)								
Debt and convertible debt securities	5,839,931	5,906,351	Level 3	Discounted cash flow	Risk adjusted discount rate	10%-12.5%	10%-12.5%	Indirectly correlated
				Recent transaction price	N/A	N/A	N/A	Directly correlated
				Waterfall analysis based on collateral value	Recovery ratio	20% to 60%	20% to 60%	Directly correlated
Investment funds	6,135,323	6,204,390	Level 3	Allocated net asset value	N/A	N/A	N/A	Directly correlated
				Recent transaction price	N/A	N/A	N/A	Directly correlated
Total return swap contracts	769,746	752,347	Level 3	Quotes from market makers	N/A	N/A	N/A	Directly correlated
CLOs	1,563,305	1,873,340	Level 3	Discounted cash flow	Discount rate	14%	14%	Indirectly correlated

34 Financial instruments (continued)

Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value (continued)

Valuation inputs and relationships to fair value (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. (continued)

	Fair value at 31 December 2023	Fair value at 31 December 2022	Fair value hierarchy	Valuation techniques	Unobservable inputs	31 December 2023 Range	31 December 2022 Range	Relationship of unobservable inputs to fair value
Financial assets at FVPL (continued)								
Wealth management products	585,592	1,003,745	Level 3	Recent transaction price	N/A	N/A	N/A	Indirectly correlated
Distressed debt assets	1,116,055	752,415	Level 3	Discounted cash flow	Discount rate	9%	9%	Indirectly correlated
				Recent transaction price	N/A	N/A	N/A	Directly correlated
Financial liabilities at FVPL								
Financial liabilities at FVPL								
Derivatives	-	(493,979)	Level 3	Binomial Option Pricing Model	Risk free Rate; Volatility	2.17%; 52%	2.17%; 52%	Indirectly correlated; Indirectly correlated
Third-party interests in consolidated investment funds	(50,013)	(39,177)	Level 3	Allocated net asset value	N/A	N/A	N/A	Directly correlated

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

34 Financial instruments (continued)

Fair value measurements of financial instruments (continued)

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value

The fair values of the Group's financial assets and financial liabilities measured at amortised cost were determined with reference to generally accepted pricing models based on a discounted cash flow analysis using prices or rates from observable current market transactions as inputs.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values, except for certain non-current borrowings, bonds and notes payables.

35 Cash flow information

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payables HK$'000	Payables to ultimate holding company, immediate holding company and related parties HK$'000	Lease liabilities HK$'000	Third-party interests in consolidated investment funds HK$'000	Borrowings HK$'000	Bonds and notes payables HK$'000
At 1 January 2023	494,836	2,430,208	64,215	39,177	12,841,386	42,560,737
Financing cash flows	(1,819,392)	196,064	(53,233)	-	990,847	1,828,516
Non-cash changes:						
Interest and amoritisation expenses	1,784,669	-	2,712	-	-	683,187
Share of profits by third-party interests consolidated investment funds	-	-	-	(1,800)	-	-
Additions of leases	-	-	84,384	-	-	-
Payable to third-party interests in consolidated investment funds	-	-	-	-	-	-
Effect of foreign exchange rates	2,712	-	9,123	12,636	(122,075)	(661,450)
At 31 December 2023	462,825	2,626,272	107,201	50,013	13,710,158	44,410,990

35 Cash flow information (continued)

(a) Reconciliation of liabilities arising from financing activities (continued)

	Interest payables HK$'000	Payables to ultimate holding company, immediate holding company and related parties HK$'000	Lease liabilities HK$'000	Third-party interests in consolidated investment funds HK$'000	Borrowings HK$'000	Bonds and notes payables HK$'000
At 1 January 2022	633,285	2,476,909	108,223	110,224	13,474,619	43,156,890
Financing cash flows	(1,758,459)	(46,701)	(53,918)	(58,448)	(1,189,420)	(271,830)
Non-cash changes:						
Interest and amortisation expenses	1,620,010	-	3,397	-	-	555,507
Share of profits by third-party interests consolidated investment funds	-	-	-	(11,408)	-	-
Additions of leases	-	-	8,339	-	-	-
Payable to third-party interests in consolidated investment funds	-	-	-	-	-	-
Effect of foreign exchange rates	-	-	(1,826)	(1,191)	556,188	(879,830)
At 31 December 2022	494,836	2,430,208	64,215	39,177	12,841,387	42,560,737

35 Cash flow information (continued)

(b) Non-cash activities

In the year ended 31 December 2023, major non-cash activities include (i) Additions of right-of-use assets amounting to HK$ 84,383,000 (2022: HK$8,339,000) (note 16), (ii) a joint venture 111 Murray (note 18) which was exchanged with consideration of loan receivables in equal value amounting to HK$293,849,000 and (iii) a subsidiary obtained from a loan restructuring arrangement with fair value at HK$664,017,000, which is expected to be sold within twelve months, has been classified as assets held for sale and is presented separately in the consolidated statement of financial position (note 23).

36 Particulars of principal subsidiaries of the company and consolidated structured entities

General information of principal subsidiaries

The following table lists the principal subsidiaries and consolidated structured entities of the Company which, in the opinion of the directors of the Company, principally affected the results, assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

Details of the principal subsidiaries directly or indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiary	Place of incorporation/ registration/ operations	Interest held		Principal activities
		2023	2022	
深圳祥源投资有限公司	PRC	90%	90%	Investment holding
深圳东方创业投资有限公司	PRC	100%	100%	Investment holding
深圳前海东方创业金融控股有限公司	PRC	100%	100%	Investment holding
Glory Rainbow Holdings Inc.	British Virgin Islands ("BVI")	100%	100%	Investment holding
Sino Trinity Investments Limited	Hong Kong	100%	100%	Investment holding
Sino Progress Investments Limited	Hong Kong	100%	100%	Investment holding
Sino Glister Limited	Hong Kong	100%	100%	Investment holding
Sino Gallery Limited	Hong Kong	100%	100%	Investment holding
Master Elite Limited	Hong Kong	100%	100%	Investment holding
China Orient Multi Strategy Fund	Cayman Islands	97.60%	97.60%	Investment holding
东方资产管理(中国)有限公司	PRC	100%	100%	Investment holding
东方弘远国际投资有限公司	PRC	100%	100%	Investment holding
China Orient International Asset Management Limited	Hong Kong	100%	100%	Financial advisory
China Orient International Fund Management Limited	Cayman Islands	100%	100%	Investment holding
Billion Capital Shine Inc.	BVI	100%	100%	Investment holding
Dorado International Investments Ltd.	BVI	100%	100%	Investment holding

36 Particulars of principal subsidiaries of the company and consolidated structured entities (continued)

General information of principal subsidiaries (continued)

Name of subsidiary	Place of incorporation/ registration/ operations	Interest held 2023	Interest held 2022	Principal activities
Blooming Rose Enterprises Corp.	BVI	100%	100%	Investment holding
Power Rider Enterprises Corp.	BVI	100%	100%	Investment holding
Bright Merit Resources Inc.	BVI	100%	100%	Investment holding
Surplus Delight Holdings Inc.	BVI	100%	100%	Investment holding
China Orient Advisors Inc.	USA	100%	100%	Management/ advisory services
Charming Light Investments Ltd.	BVI	100%	100%	Investment holding
Super Vision Resources Ltd.	BVI	100%	100%	Investment holding
Best Capital Strategies Ltd.	BVI	100%	100%	Financial advisory
Million Plus Development Inc.	BVI	100%	100%	Investment holding
Ascent Choice Holdings Limited	BVI	100%	100%	Investment holding
Optimus Prime Management Ltd.	BVI	100%	100%	Investment holding
COS Ferris 2 Co., Ltd.	Cayman Islands	100%	100%	Investment holding
Lucky Charm Development Inc.	BVI	100%	100%	Investment holding
Wisdom Mind Holdings Corp.	BVI	100%	100%	Investment holding
Chunlap Group Limited	Hong Kong	100%	100%	Investment holding
Joy Treasure Assets Holdings Inc.	BVI	100%	100%	Investment holding
Express Will Asset Holdings Inc.	BVI	100%	100%	Investment holding
China Orient Stable Income Fund SPI	Cayman Islands	100%	100%	Investment holding
China Orient Enhanced Income Fund	Cayman Islands	100%	100%	Investment holding
China Orient Alternative Investment Fund	Cayman Islands	100%	100%	Investment holding
Goldmark Success Ltd.	BVI	100%	100%	Investment holding
Myway Developments Limited	BVI	100%	100%	Investment holding
珠海东方明轩投资管理中心(有限合伙)	PRC	99.5%	99.5%	Investment holding
雁拂金河(上海)股权投资合伙企业(有限合伙)	PRC	100%	100%	Investment holding
宁波梅山保税港区东芷投资合伙企业(有限合伙)	PRC	98.8%	98.8%	Investment holding
宁波梅山保税港区东崟投资合伙企业(有限合伙)	PRC	98.8%	98.8%	Investment holding
宁波梅山保税港区东峪投资合伙企业(有限合伙)	PRC	98.8%	98.8%	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

37 Other reserves

	Exchange reserve HK$'000	Fair value reserve HK$'000	Share of reserves of associates and joint ventures HK$'000	Other reserve HK$'000	Total HK$'000
At 1 January 2022	333,861	(597,604)	20,127	17,975	(225,641)
Exchange differences on translating foreign operations	(1,743,319)	826	(1,833)	-	(1,744,326)
Net changes in unrealised gain on debt financial assets at fair value through other comprehensive income, net of tax	-	10,340	-	-	10,340
Net changes in unrealised gain on equity financial assets at fair value through other comprehensive income, net of tax	-	(16,251)	-	-	(16,251)
At 31 December 2022 and 1 January 2023	(1,409,458)	(602,689)	18,294	17,975	(1,975,878)
Exchange differences on translating foreign operations	(197,699)	(1,071)	(239)	-	(199,009)
Net changes in unrealised gain on debt financial assets at fair value through other comprehensive income, net of tax	-	171,574	-	-	171,574
Net changes in unrealised gain on equity financial assets at fair value through other comprehensive income, net of tax	-	(21,066)	-	-	(21,066)
Disposals of subsidiaries	(13,027)	-	-	-	(13,027)
At 31 December 2023	(1,620,184)	(453,252)	18,055	17,975	(2,037,406)

38 Statement of financial position and reserves of the Company

	2023 HK$'000	2022 HK$'000
ASSETS		
Non-current assets		
Equipment	1,652	2,334
Right-of-use assets	64,129	4,452
Deferred tax assets	556,921	556,921
Investments in subsidiaries	9,314,853	9,314,853
Interests in associate	72,259	87,478
Other assets	150	150
Loans, other receivables and prepaid expenses	4,318,501	3,664,045
Financial assets at fair value through profit or loss	2,944,550	3,141,978
Financial assets at fair value through other comprehensive income	36,112	57,178
	17,309,127	16,829,389
Current assets		
Financial assets at fair value through profit or loss	2,901,358	2,525,140
Loans, other receivables and prepaid expenses	50,369,908	52,639,086
Tax receivable	3,171	-
Cash and cash equivalents	3,149,305	1,685,655
	56,423,742	56,849,881
Total assets	73,732,869	73,679,270
Current liabilities		
Other payables and accruals	70,814,590	69,961,662
Tax payable	-	54,841
Financial liabilities at fair value though profit or loss	524,939	481,854
Borrowings	6,746,408	6,793,986
Lease liabilities	27,592	7,563
	78,113,529	77,299,906
Net current liabilities	(21,689,787)	(20,450,025)
Total assets less current liabilities	(4,380,660)	(3,620,636)
Non-current liabilities		
Lease liabilities	36,682	-
Deferred tax liabilities	18,190	18,190
	54,872	18,190
Net liabilities	(4,435,532)	(3,638,826)

38 Statement of financial position and reserves of the Company (continued)

	2023 HK$'000	2022 HK$'000
EQUITY		
Share capital	-	-
Fair value reserve	(280,822)	(259,757)
Other reserve	109,857	109,857
Accumulated losses	(4,264,567)	(3,488,926)
Total deficit	(4,435,532)	(3,638,826)

The statement of financial position was approved and authorised for issue by the board of directors on 3 0 APR 2024 and is signed on its behalf by:

ZHOU Jidong
Director

WANG Letian
Director

38 Statement of financial position and reserves of the Company (continued)

Movement in the Company's reserves

	Fair value reserve HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2022	(243,506)	109,857	(2,484,267)	(2,617,916)
Loss for the year	-	-	(1,004,659)	(1,004,659)
Net losses arising from fair value changes in investments at FVOCI, net of tax	(16,251)	-	-	(16,251)
Total comprehensive income for the year	(16,251)	-	(1,004,659)	(1,020,910)
At 31 December 2022 and 1 January 2023	(259,757)	109,857	(3,488,926)	(3,638,826)
Loss for the year	-	-	(775,641)	(775,641)
Net losses arising from fair value changes in investments at FVOCI, net of tax	(21,065)	-	-	(21,065)
Total comprehensive income for the year	(21,065)	-	(775,641)	(796,706)
At 31 December 2023	(280,822)	109,857	(4,264,567)	(4,435,532)

39 Events occurring after the reporting period

(a) On 1 February 2024, the Company's wholly owned subsidiary, Joy Treasure Assets Holdings Inc. ("Joy Treasures"), established a Medium Term Note Program of US$1,400,000,000 and issued a US$550,000,000 bond at 5.5% per annum and will mature on 1 February 2027 which is listed on the Stock Exchange of Hong Kong Limited ("HKEx").

(b) On 5 February 2024, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,500,000,000 bond at 3.20% per annum and will mature on 5 February 2026.

(c) On 22 March 2024, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 3.10% per annum and will mature on 22 March 2026.

(d) On 5 April 2024, the Company's wholly owned subsidiary, Joy Treasure, issued a US$200,000,000 bond at 5.5% per annum and will mature on 1 February 2027 which is listed on the HKEx.

40 Comparative amounts

Certain comparative amounts have been reclassified to conform with the current year's presentation. The directors consider that such reclassifications will allow a more appropriate presentation of the Group's state of affairs and better reflect the nature of the transactions.

41 Approval of the consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 30 April 2024.

ISSUER

Joy Treasure Assets Holdings Inc.
c/o Level 1, Palm Grove House, Wickham's Cay 1
Road Town, Tortola
British Virgin Islands

GUARANTOR

China Orient Asset Management (International) Holding Limited
中國東方資產管理（國際）控股有限公司
36/F, One International Financial Centre
1 Harbour View Street
Central, Hong Kong

TRUSTEE

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London, EC4V 4LA
United Kingdom

ISSUING AND PAYING AGENT

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London, EC4V 4LA
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Dublin Branch
Riverside two, Sir John Rogerson's Quay
Grand Canal Dock, Dublin 2, D02 KV60

LEGAL ADVISORS TO THE ISSUER AND THE GUARANTOR

As to Hong Kong law

Linklaters
11th Floor, Alexandra House
Chater Road
Central, Hong Kong

As to PRC law

Jingtian & Gongcheng
34/F, Tower 3, China Central Place
77 Jianguo Road
Beijing, China

LEGAL ADVISOR TO THE ISSUER

As to British Virgin Islands law

Walkers (Hong Kong)
15th Floor, Alexandra House
18 Chater Road
Central, Hong Kong

LEGAL ADVISORS TO THE JOINT LEAD MANAGERS

As to Hong Kong law

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central, Hong Kong

As to PRC law

JunHe LLP
26/F HKRI Centre One, HKRI Taikoo Hui
288 Shimen Road (No. 1)
Shanghai 200041, China

LEGAL ADVISORS TO THE TRUSTEE

As to Hong Kong law

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central, Hong Kong

INDEPENDENT AUDITOR OF THE GUARANTOR

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
Central
Hong Kong

APPENDIX 2 – PRICING SUPPLEMENT DATED 30 MAY 2024

Pricing Supplement

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**")) (the "**Professional Investors**") only.

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Notice to Hong Kong investors: Each of the Issuer and the Guarantor confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, each of the Issuer and the Guarantor confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

This pricing supplement (the "**Pricing Supplement**") (read together with the Offering Circular (as defined below)) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Pricing Supplement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Pricing Supplement dated 30 May 2024

Joy Treasure Assets Holdings Inc. (the "Issuer")

Issue of U.S.$650,000,000 5.75 per cent. Guaranteed Notes due 2029 (the "Notes")
unconditionally and irrevocably guaranteed by
China Orient Asset Management (International) Holding Limited
中國東方資產管理(國際)控股有限公司
(the "Guarantor")

under the U.S.$1,400,000,000 Medium Term Note Programme (the "Programme")

This document constitutes the Pricing Supplement relating to the issue of the Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated 25 January 2024, as supplemented by the supplemental offering circular dated 30 May 2024 (together, the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

1	(i)	Issuer:	Joy Treasure Assets Holdings Inc.
	(ii)	Guarantor:..	China Orient Asset Management (International) Holding Limited 中國東方資產管理(國際)控股有限公司
2	(i)	Series Number:	002
	(ii)	Tranche Number:...	001
	(iii)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency or Currencies................................		United States dollars ("**U.S.$**")
4	Aggregate Nominal Amount:		

	(i)	Series:	U.S.$650,000,000
	(ii)	Tranche:	U.S.$650,000,000
5	(i)	Issue Price:	99.384 per cent. of the Aggregate Nominal Amount
	(ii)	Gross proceeds:	U.S.$645,996,000
	(iii)	Use of Proceeds:	The Issuer intends to use the net proceeds from the offering of the Notes for the repayment of existing offshore indebtedness of the Group
6	(i)	Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(ii)	Calculation Amount:	U.S.$1,000
7	(i)	Issue Date:	6 June 2024
	(ii)	Interest Commencement Date:	Issue Date
8	Maturity Date:		6 June 2029
9	Interest Basis:		5.75 per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:		Redemption at par
11	Change of Interest Basis or Redemption/Payment Basis:		Not Applicable
12	Put/Call Options:		Call Option (further particulars specified below)
13	Date of NDRC Certificate:		29 December 2023
14	Listing:		The Hong Kong Stock Exchange (the expected effective listing date of the Notes is on or around 7 June 2024)
15	Method of distribution:		Syndicated

Provisions Relating to Interest (if any) Payable

16	Fixed Rate Note Provisions:		Applicable
	(i)	Rate of Interest:	5.75 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Date(s):	6 June and 6 December in each year, commencing on 6 December 2024

	(iii)	Fixed Coupon Amount(s) (Applicable to Notes in definitive form):	U.S.$28.75 per Calculation Amount
	(iv)	Broken Amount(s) (Applicable to Notes in definitive form):	Not Applicable
	(v)	Day Count Fraction:	30/360
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
17	Floating Rate Note Provisions:		Not Applicable
18	Zero Coupon Note Provisions:		Not Applicable
19	Dual Currency Note Provisions:		Not Applicable

Provisions Relating to Redemption

20	Call Option:		Applicable
	(i)	Optional Redemption Date(s):	The Issuer may, at its option, at any time and from time to time redeem the Notes, in whole or in part, in accordance with Condition 6(d), as amended by the below
	(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	If the Optional Redemption Date falls prior to 6 March 2029 (being the date falling three months prior to the Maturity Date) (the "**Par Call Date**"), an amount equal to the greater of (1) 100 per cent. of the nominal amount of the Note, and (2) (a) the sum of the then current values of the remaining scheduled payments of principal and interest discounted to the Optional Redemption Date (assuming the Notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points less (b) interest accrued to the Optional Redemption Date. If the Optional Redemption Date falls on or after the Par Call Date, an amount equal to 100 per cent. of the nominal amount of the Note. For these purposes, "**Comparable Treasury Issue**" means the United States Treasury security selected by an Independent Investment Bank that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities maturing on, or with a

	maturity that is closest to, the Par Call Date, as applicable. "**Comparable Treasury Price**" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if the Issuer obtains fewer than three such Reference Treasury Dealer Quotations, the average of all quotations obtained. "**Independent Investment Bank**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise selected and appointed by the Issuer. "**Reference Treasury Dealer**" means each of any three investment banks of recognized standing that is a primary U.S. government securities dealer in the United States, selected by the Issuer in good faith. "**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference Treasury Dealer as of 5:00 p.m., New York City time, on the third Business Day preceding such date of redemption. "**Treasury Rate**" means, with respect to any date of redemption, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, computed as of the third Business Day immediately preceding such redemption date).
(iii) If redeemable in part	
(a) Minimum Redemption Amount:	U.S.$200,000
(b) Maximum Redemption Amount:	Not Applicable
(iv) Notice period:	Not less than 15 nor more than 30 days' irrevocable notice in writing to the Trustee,

		the Issuing and Paying Agent and the Noteholders
21	Put Option:	Not Applicable
22	Final Redemption Amount:	U.S.$1,000 per Calculation Amount
23	Change of Control Redemption Amount:	U.S.$1,010 per Calculation Amount
24	Early Redemption Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	U.S.$1,000 per Calculation Amount

General Provisions Applicable to the Notes

25	Form of Notes:	Registered Notes: Global Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Certificate
26	Financial Centre(s) or other special provisions relating to payment dates:	New York City, Hong Kong
27	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	No
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29	Details relating to Instalment Notes:	
	(i) Instalment Amount(s)):	Not Applicable
	(ii) Instalment Date(s):	Not Applicable
30	Redenomination applicable:	Redenomination not applicable
31	Consolidation provisions:	Not Applicable
32	Other terms or special conditions:	Not Applicable

Distribution

33	(i) If syndicated, names of Managers:	Bank of China (Hong Kong) Limited Bank of Communications Co., Ltd. Hong Kong Branch BOCI Asia Limited

China CITIC Bank International Limited,

China Construction Bank (Asia) Corporation Limited

China International Capital Corporation Hong Kong Securities Limited

China Securities (International) Corporate Finance Company Limited

CLSA Limited

Citigroup Global Markets Limited

The Hongkong and Shanghai Banking Corporation Limited

Hua Xia Bank Co., Limited Hong Kong Branch

ICBC International Securities Limited

Mizuho Securities Asia Limited

Standard Chartered Bank

ABCI Capital Limited

Agricultural Bank of China Limited Hong Kong Branch

BOCOM International Securities Limited

CCB International Capital Limited

China Galaxy International Securities (Hong Kong) Co., Limited

China Zheshang Bank Co., Ltd. (Hong Kong Branch)

CMBC Securities Company Limited

CNCB (Hong Kong) Capital Limited

Crédit Agricole Corporate and Investment Bank

Deutsche Bank AG, Hong Kong Branch

Dongxing Securities (Hong Kong) Company Limited

Guotai Junan Securities (Hong Kong) Limited

		Haitong International Securities Company Limited
		Industrial Bank Co., Ltd. Hong Kong Branch
		Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch
		SMBC Nikko Securities (Hong Kong) Limited
		Soochow Securities International Brokerage Limited
		UBS AG Hong Kong Branch
	(ii) Date of Subscription Agreement:	30 May 2024
	(iii) Stabilisation Manager(s) (if any):	Any of the Managers other than China CITIC Bank International Limited
34	If non-syndicated, name of Relevant Dealer:	Not Applicable
35	U.S. Selling Restrictions:	Reg. S, Category 2, TEFRA not applicable
36	Prohibition of Sales to EEA Retail Investors:	Applicable
37	Prohibition of Sales to UK Retail Investors:	Applicable
38	Additional selling restrictions:	Not Applicable

Operational Information

39	ISIN:	XS2826701604
	Common Code:..	282670160
	CMU instrument number:..	Not Applicable
40	LEI Code of Issuer:	2549002TXU15P8D3F498
41	Any clearing system(s) other than Euroclear, Clearstream or the CMU and the relevant identification number(s):	Not Applicable
42	Delivery:	Delivery against payment
43	Additional Paying Agent(s) (if any):	Not Applicable
44	Ratings:	The Notes are expected to be rated "BBB" and "A-" by S&P Global Ratings and Fitch Ratings Ltd., respectively
45	The aggregate principal amount of Notes issued has been translated into U.S. dollars, producing a sum of (for Notes not denominated in U.S. dollars):	Not Applicable

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46	(i) Rebates:	Not Applicable
	(ii) Contact email addresses of the Managers where underlying investor information in relation to omnibus orders should be sent:	projectbrilliance@bochk.com; dcm@bankcomm.com.hk; debt.syndicate@bocigroup.com; TMG_Syndicate@cncbinternational.com; ccba_dcm@asia.ccb.com; CM_SYN_HK@cicc.com.cn; DebtSyndicate@csci.hk; ib.dcm.china@clsa.com; ficcsyndicate@citicclsa.com; dcm.omnibus@citi.com; hk_syndicate_omnibus@hsbc.com.hk; dcm@hxb.com.cn; icbcigdcm@icbci.icbc.com.cn; Omnibus_Bond@hk.mizuho-sc.com; SYNHK@sc.com; abcic.dcm@abci.com.hk; fmd.dcm@abchina.com; dcm_project.fi@bocomgroup.com; dcm@ccbintl.com; dcm.execution@chinastock.com.hk; dcm_hk@czbank.com; dcm@cmbccap.com; dcm@cncbinvestment.com; Project.Brilliance2023@ca-cib.com; HKG-Syndicate@ca-cib.com; Project.brilliance2024@list.db.com; dcm.ig@gtjas.com.hk; dcm@htisec.com; cmd_dcm@cibhk.com; dcmnea@smbcnikko-hk.com; sh-asia-ccs-dcm-filing@ubs.com
	(iii) Marketing and Investor Targeting Strategy:	Institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for the issue and listing of the Notes described herein pursuant to the U.S.$1,400,000,000 Medium Term Note Programme of the Issuer.

Responsibility

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Joy Treasure Assets Holdings Inc.:

By: ________________________________
Duly authorised

Signed on behalf of China Orient Asset Management (International) Holding Limited 中國東方資產管理(國際)控股有限公司:

By: ______________________________
Duly authorised