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## CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED

### 招商局中國基金有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 133)

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Board of Directors (the “**Board**”) of China Merchants China Direct Investments Limited (the “**Company**”) announces that the consolidated results for the year ended 31 December 2025 of the Company and its subsidiaries (the “**Group**”) together with the 2024 comparative figures, extracted from the audited consolidated financial statements, are as follows:-

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025	2024
	<u>US\$</u>	<u>US\$</u>
Net gain on financial assets at fair value through profit or loss (Note 3)	230,107,998	137,499,663
Investment income (Note 4)	19,120,680	17,788,322
Other gains	1,433,158	5,159,948
Administrative expenses	<u>(2,669,108)</u>	<u>(12,112,055)</u>
Profit before taxation	247,992,728	148,335,878
Taxation (Note 6)	<u>(58,054,864)</u>	<u>(27,984,564)</u>
Profit for the year	189,937,864	120,351,314
Other comprehensive income for the year		
Item that will not be reclassified subsequently to profit or loss		
Exchange difference arising on translation to presentation currency	<u>15,618,405</u>	<u>(12,633,235)</u>
Total comprehensive income for the year	<u>205,556,269</u>	<u>107,718,079</u>
Profit for the year attributable to owners of the Company	<u>189,937,864</u>	<u>120,351,314</u>
Total comprehensive income for the year attributable to owners of the Company	<u>205,556,269</u>	<u>107,718,079</u>
Basic earnings per share (Note 7)	<u>1.247</u>	<u>0.790</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<u>2025</u> <u>US\$</u>	<u>2024</u> <u>US\$</u>
Non-current asset		
Financial assets at fair value through profit or loss	<u>964,198,129</u>	<u>770,688,567</u>
Current assets		
Financial assets at fair value through profit or loss	49,688,941	4,964,102
Other receivables and prepayments	1,582,153	194,801
Cash and cash equivalents	<u>30,194,316</u>	<u>30,946,711</u>
	<u>81,465,410</u>	36,105,614
Current liabilities		
Other payables	22,553,003	26,541,098
Taxation payable	<u>718,310</u>	<u>7,272,419</u>
	<u>23,271,313</u>	33,813,517
Net current assets	<u>58,194,097</u>	<u>2,292,097</u>
Total assets less current liabilities	<u>1,022,392,226</u>	<u>772,980,664</u>
Non-current liabilities		
Financial liabilities designated at fair value through profit or loss	2,240,924	1,153,126
Deferred taxation	<u>185,497,090</u>	<u>124,449,633</u>
	<u>187,738,014</u>	<u>125,602,759</u>
<b>Net assets</b>	<u><b>834,654,212</b></u>	<u><b>647,377,905</b></u>
<b>Capital and reserves</b>		
Share capital	139,348,785	139,348,785
Reserves	64,418,065	48,798,983
Retained profits	<u>630,887,362</u>	<u>459,230,137</u>
<b>Equity attributable to owners of the Company</b>	<u><b>834,654,212</b></u>	<u><b>647,377,905</b></u>
<b>Net asset value per share (Note 8)</b>	<u><b>5.479</b></u>	<u><b>4.250</b></u>

*Notes:*

**1. BASIS OF PRESENTATION**

The consolidated financial information has been reviewed by the Company's Audit Committee.

The consolidated financial information has been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). For the purpose of preparation of the consolidated financial information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial information has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results for 2025 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2025 in due course.

The Group's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

## 2. APPLICATION OF AMENDMENTS TO HKFRSs

### **Amendments to HKFRSs that are mandatorily effective for the current year**

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in this consolidated financial information.

### **Amendments to HKFRSs in issue but not yet effective**

Up to the date of issue of this financial information, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been early adopted in this financial information. These developments include the following which may be relevant to the Group.

Amendments to HKAS 9 and HKFRS 7	Amendments to the classification and measurement of financial instruments <sup>1</sup>
Amendments to HKFRS	Annual improvements to HKFRS Accounting Standards – Volume 11 <sup>1</sup>
HKFRS 18	Presentation and disclosure in financial statements <sup>2</sup>
HKFRS 19	Subsidiaries without public accountability: disclosures <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

The management anticipates that the application of the amendments to HKFRSs will have no material impact on the consolidated financial information in the foreseeable future, except for the following:

#### **HKFRS 18 *Presentation and disclosure in financial statements***

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

### 3. NET GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

The following is an analysis of net gain (loss) on investments of the Group for the year ended 31 December 2025. The amounts of realised gain (loss) represent the difference between the fair value at the beginning of the year or purchase date in the year and the disposal date of financial instruments while the amounts of unrealised gain (loss) represent the change of fair value during the year of financial instruments held by the Group as at the year end:

	<b>2025</b> <i>US\$</i>	2024 <i>US\$</i>
	<u>                    </u>	<u>                    </u>
Net gain (loss) on financial assets at FVTPL		
Listed investments		
Realised	<b>2,882,675</b>	-
Unrealised	<b>174,647,280</b>	102,269,061
Unlisted investments		
Realised	<b>3,341</b>	(92,282)
Unrealised	<b>52,574,702</b>	35,322,884
Total	<b><u>230,107,998</u></b>	<b><u>137,499,663</u></b>

### 4. INVESTMENT INCOME

	<b>2025</b> <i>US\$</i>	2024 <i>US\$</i>
	<u>                    </u>	<u>                    </u>
Interest income on bank deposits	<b>509,636</b>	608,748
Dividend income on financial assets at FVTPL		
Listed equity investments	<b>15,549,999</b>	15,431,368
Unlisted equity investments	<b>3,061,045</b>	1,748,206
	<b><u>18,611,044</u></b>	<b><u>17,179,574</u></b>
Total	<b><u>19,120,680</u></b>	<b><u>17,788,322</u></b>

#### 4. INVESTMENT INCOME - CONTINUED

The following is an analysis of investment income earned on financial assets, by category of asset:

	<b>2025</b> <i>US\$</i>	2024 <i>US\$</i>
	<u>                    </u>	<u>                    </u>
Interest income for financial assets at amortised cost	<b>509,636</b>	608,748
Dividend income on financial assets at FVTPL	<b><u>18,611,044</u></b>	<u>17,179,574</u>
Total	<b><u>19,120,680</u></b>	<u>17,788,322</u>

#### 5. SEGMENTAL INFORMATION

The Group's reportable segments, based on information reported to the chief operating decision maker for the purposes of resources allocation and performance assessment, are as follows:

- (a) Financial services: investees engaged in financial services activities;
- (b) Culture, media and consumption: investees engaged in culture, media and consumption activities; and
- (c) Information technology: investees engaged in information technology activities.

The Group also invested in manufacturing, energy and resources and medical activities (2024: manufacturing, energy and resources and medical activities), and none of these segments met the quantitative thresholds for the reportable segments in both current and prior years. Accordingly, these were grouped in "Others" during the current year.

Information regarding the above segments is reported below.

## 5. SEGMENTAL INFORMATION - CONTINUED

The following is an analysis of the Group's reportable and operating segments for the year under review.

### For the year ended 31 December 2025

	Reportable segments			Total reportable segments US\$	Others US\$	Total US\$
	Financial services US\$	Culture, media and consumption US\$	Information technology US\$			
Net gain (loss) on financial assets at FVTPL	65,358,822	(8,657,255)	169,945,832	226,647,399	3,460,599	230,107,998
Dividend income on financial assets at FVTPL	16,953,701	1,426,666	230,677	18,611,044	-	18,611,044
Other gains	-	1,587,021	-	1,587,021	-	1,587,021
Segment profit (loss)	<b>82,312,523</b>	<b>(5,643,568)</b>	<b>170,176,509</b>	<b>246,845,464</b>	<b>3,460,599</b>	<b>250,306,063</b>
Unallocated:						
- Administrative expenses						(2,669,108)
- Interest income on bank deposits						509,636
- Other losses						(153,863)
Profit before taxation						<b>247,992,728</b>

### For the year ended 31 December 2024

	Reportable segments			Total reportable segments US\$	Others US\$	Total US\$
	Financial services US\$	Culture, media and consumption US\$	Information technology US\$			
Net gain (loss) on financial assets at FVTPL	97,866,966	9,439,921	30,919,792	138,226,679	(727,016)	137,499,663
Dividend income on financial assets at FVTPL	15,310,581	1,651,634	217,359	17,179,574	-	17,179,574
Other gains	-	1,290,177	-	1,290,177	-	1,290,177
Segment profit (loss)	<b>113,177,547</b>	<b>12,381,732</b>	<b>31,137,151</b>	<b>156,696,430</b>	<b>(727,016)</b>	<b>155,969,414</b>
Unallocated:						
- Administrative expenses						(12,112,055)
- Interest income on bank deposits						608,748
- Other gains						3,869,771
Profit before taxation						<b>148,335,878</b>

Segment profit (loss) represents the net gain (loss) on financial assets at FVTPL, the corresponding dividend income and other gains earned by each segment without allocation of central administrative expenses (including fees to China Merchants China Investment Management Limited (the "Investment Manager")), interest income on bank deposits and certain other (losses) gains. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment. No separate segment revenue (i.e. investment income) is disclosed as it had been presented in the computation of segment profit (loss).

## 5. SEGMENTAL INFORMATION - CONTINUED

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2025 <i>US\$</i>	2024 <i>US\$</i>
	<u>                    </u>	<u>                    </u>
<b>Segment assets</b>		
Financial services	546,423,904	473,715,575
Culture, media and consumption	41,150,658	51,369,555
Information technology	<u>409,359,403</u>	<u>239,344,269</u>
Total assets for reportable segments	996,933,965	764,429,399
Others	16,953,105	11,223,270
Unallocated	<u>31,776,469</u>	<u>31,141,512</u>
Consolidated assets	<u><b>1,045,663,539</b></u>	<u><b>806,794,181</b></u>
<b>Segment liabilities</b>		
Financial services	52,549	70,971
Culture, media and consumption	13,542	60,916
Information technology	<u>2,093,380</u>	<u>951,004</u>
Total liabilities for reportable segments	2,159,471	1,082,891
Others	81,453	70,235
Unallocated	<u>208,768,403</u>	<u>158,263,150</u>
Consolidated liabilities	<u><b>211,009,327</b></u>	<u><b>159,416,276</b></u>

For the purposes of monitoring segment performance and allocating resources between segments:

All assets are allocated to reportable segments other than assets of non-reportable segments, certain other receivables and prepayments, cash and cash equivalents, and all liabilities are allocated to reportable segments other than liabilities of non-reportable segments, certain other payables, current and deferred tax liabilities.

During the year, the Group was principally involved in investing in companies with significant business involvement in the People's Republic of China ("PRC"), and hence no geographical information in relation to the investing activities is presented.

## 6. TAXATION

The tax charge for the year comprises:

	<b>2025</b>	2024
	<b>US\$</b>	US\$
	<u>                    </u>	<u>                    </u>
The Company and its subsidiaries		
Current tax:		
PRC Enterprise Income Tax	<b>(288,258)</b>	(4,823,104)
Withholding tax for distributed earnings	<b>(360,539)</b>	(2,814,548)
Deferred taxation		
Current year	<u><b>(57,406,067)</b></u>	<u>(20,346,912)</u>
Total	<u><b>(58,054,864)</b></u>	<u>(27,984,564)</u>

No provision for taxation in Hong Kong has been made as the Company and its subsidiaries did not have assessable profits for both years. PRC Enterprise Income Tax in the PRC is calculated at the rates prevailing in the relevant regions.

Under the Law of the PRC on Enterprise Income Tax, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has been provided for in the consolidated financial information in respect of temporary differences attributable to retained profits of the PRC subsidiaries.

## 7. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year of US\$189,937,864 (2024: US\$120,351,314) and the number of 152,333,013 ordinary shares (2024: 152,333,013 ordinary shares) with no par value in issue during the year.

No diluted earnings per share for both years were presented as there were no potential ordinary shares outstanding at the both year ends.

## 8. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share at the end of the reporting period is based on the net assets of US\$834,654,212 (2024: US\$647,377,905) and 152,333,013 ordinary shares (2024: 152,333,013 ordinary shares) with no par value in issue at 31 December 2025.

## **DIVIDEND**

The Directors declared and paid an interim dividend of US\$0.04 per share (2024: US\$0.04 per share) and a special interim dividend of US\$0.04 per share (2024: Nil), totaling US\$0.08 per share (2024: US\$0.04 per share) and amounting to US\$12,186,641 (2024: US\$6,093,321) during the year.

The Board has resolved to recommend at the forthcoming annual general meeting (AGM) to be held on 28 May 2026 the payment of a final dividend of US\$0.05 (or HK\$0.39) per share and a special dividend of US\$0.20 (or HK\$1.56) per share for 2025, totaling US\$0.25 per share (2024: a final dividend of US\$0.04 per share). The final and special dividends, if approved, are to be payable in cash on 24 July 2026. Total dividends for the year will be US\$0.33 (or HK\$2.574) per share (2024: US\$0.08), amounting to US\$50,269,894 (2024: US\$12,186,641).

Shareholders who wish to receive the dividends in Hong Kong Dollars have to complete a Hong Kong Dollar dividend election form and return the same to the Company's Share Registrar on or before 10 July 2026. Shareholders who have submitted the dividend election form previously do not need to re-submit this form.

## **BOOK CLOSURE**

The register of members of the Company will be closed from 22 May 2026 to 28 May 2026, both days inclusive, during which period no transfer of shares will be effected. In order to determine the identity of members who are entitled to attend, speak and vote at the forthcoming AGM, shareholders must ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 21 May 2026. Shareholders whose names appear on the register of members of the Company on 22 May 2026 will be entitled to attend and vote at the forthcoming AGM. Subject to the approval by shareholders at the forthcoming AGM, the final and special dividends will be payable to shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on 3 June 2026. In order to qualify for the final and special dividends, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at the above address not later than 4:30 p.m. on 3 June 2026.

## **REVIEW AND OUTLOOK**

### **Overall Performance**

The Group recorded a profit attributable to equity shareholders of US\$189.94 million for the year ended 31 December 2025, compared to a profit attributable to equity shareholders of US\$120.35 million for last year, representing an increase of US\$69.59 million or 57.82% – with the profit increase largely attributable to a significant rise in the overall value of the financial assets at fair value through profit or loss (the “**Financial Assets**”), especially increase in value of Arashi Vision Inc. after listing. As of 31 December 2025, the net assets of the Group were US\$834.65 million (31 December 2024: US\$647.38 million), with a net asset value per share of US\$5.479 (31 December 2024: US\$4.250).

## Overall Performance – continued

The net gain on the Financial Assets for the year was US\$230.11 million, representing a substantial increase of 67.35% compared to US\$137.50 million in the previous year. Looking deeper, the Group's listed and unlisted investments recorded net gains of US\$177.53 million and US\$52.58 million, respectively.

Total investment income for the year increased by 7.48% to US\$19.12 million (2024: US\$17.79 million) as compared to last year, due mainly to an increase in dividend income from investments.

## Acquisitions and Exits of Investments

In 2025, the Group continued to seek out and rigorously evaluate investment opportunities. During the year, the Group made investments in information technology industry and medical industry. The investments completed include the following:

On 31 March 2025, the Group entered into a capital increase agreement and other relevant agreements in relation to Jade Bird Display (Shanghai) Limited (“**JBD**”), pursuant to which the Group agreed to contribute capital of RMB30 million to JBD in order to acquire a 0.449% equity interest. The Group paid the investment amount of RMB30 million (equivalent to US\$4.18 million) on 26 May 2025 to complete the transaction. JBD is a company engaging in the research, development and manufacture of micro light-emitting diodes (MicroLED), specialising in the development of MicroLED display technology. It is currently the world's leading company in achieving mass production and delivery of MicroLED chips and optical engines for augmented reality (AR) glasses. Its products are known for their industry-leading performance across key attributes such as high brightness, low power consumption, and compact size. Its leading technologies have been recognised by many leading domestic and overseas customers.

On 28 October 2025, the Group entered into a share purchase agreement and other relevant agreements in relation to Neuracle Technology (Shanghai) Co., Ltd. (“**Neuracle Technology**”), pursuant to which the Group agreed to contribute capital of RMB15 million to Neuracle Technology to acquire its partial equity interests. The Group paid the investment amount of RMB15 million (equivalent to US\$2.12 million) on 7 November 2025 to complete the transaction. Neuracle Technology was founded in November 2011. It is a high-tech enterprise in Mainland China that centers around its proprietary innovative brain-computer interface (BCI) technology and specializes in the research, development, production, sales, and technical services of BCI systems. Neuracle Technology is dedicated to providing professional, comprehensive solutions for innovative neuroscience research and clinical studies in the diagnosis, treatment, and rehabilitation of neurological disorders.

In addition, the Group completed a full exit from two listed investments, as well as from one unlisted investment, during the year.

In February 2025, the Group completed the sale of its entire holding of 4.81 million A shares of Oriental Pearl Media Co., Ltd. (“**Oriental Pearl**”) for net proceeds of RMB44.66 million (equivalent to US\$6.69 million). The pre-tax internal rate of return to the Group from Oriental Pearl was negative 14.33%.

In February 2025, the Group sold its entire holding of 2.12 million H shares of China International Capital Corporation Limited (“**CICC**”) for net proceeds of HK\$33.98 million (equivalent to US\$4.37 million). The pre-tax internal rate of return to the Group from CICC was 101.69%.

## **Acquisitions and Exits of Investments – continued**

In May 2025, the Group completed a transfer of its entire 20% equity interest in Yunnan Jinlanmei International Travel Investment Development Co., Ltd. (“**Jinlanmei Travel**”) to another shareholder of Jinlanmei Travel, and has received the consideration of RMB2.79 million (equivalent to US\$0.39 million) in full. The pre-tax internal rate of return to the Group from Jinlanmei Travel was negative 13.91%.

## **Liquidity, Financial Resources, Gearing and Commitments**

The Group’s cash and cash equivalents decreased by 2.46%, from US\$30.95 million at the end of last year to US\$30.19 million (representing 2.89% of the Group’s total assets) as of 31 December 2025, due mainly to the payment of investment amounts for the JBD and Neuracle Technology by the Group during the year.

As of 31 December 2025, the Group had no outstanding bank loans (31 December 2024: Nil).

As of 31 December 2025, the Group had no commitments (31 December 2024: Nil).

## **Exposure to Fluctuations in Exchange Rates and Related Hedges**

Most of the Group’s investments are located in China where the official currency is the Renminbi (“**RMB**”). The conversion rate of RMB against the US dollar recorded an increase of 2.22% in 2025, which had a positive impact on the Group since it holds a considerable amount of assets denominated in RMB. The Group currently does not have a foreign currency hedging policy in place. Nevertheless, the Group will continue to monitor foreign exchange risks and will consider hedging material foreign currency exposures when necessary.

## **Employees**

Other than a qualified accountant whose remuneration package is determined and borne by the Investment Manager, the Group has no employees. The Investment Manager handles the portfolio and day-to-day administration of the Group.

## **The Portfolio**

As of 31 December 2025, the Group’s total investments amounted to US\$1,013.89 million. The sector distribution of investments was US\$546.43 million in financial services (representing 52.27% of the Group’s total assets), US\$41.15 million in culture, media and consumption (3.94%), US\$409.36 million in information technology (39.14%), and US\$16.95 million in other ventures (including manufacturing, energy and resources, and medical, etc.) (1.61%). In addition, cash and cash equivalents were US\$30.19 million, representing 2.89% of the Group’s total assets as of 31 December 2025.

## Prospects

In 2025, global economic growth was resilient enough to withstand a series of shocks but remained below its pre-coronavirus pandemic average due to risen trade tensions, higher policy uncertainty, and non-diminished geopolitical risks. The World Economic Situation and Prospects 2026, released by the United Nations, notes that stabilized inflation and ongoing flexible monetary policies adopted in many economies could provide a modest boost to global economic activity in 2026. However, a considerable degree of uncertainty persists, with risks stemming from rising trade barriers, increased fiscal pressures, and fluctuating borrowing costs in many parts of the world. According to the latest forecast of the International Monetary Fund (IMF), global economic growth will remain at 3.3% in 2026. Specifically, advanced economies will grow by about 1.8%, while emerging markets and developing economies will grow by about 4.2%. Nevertheless, China's 2025 macro data showed that the national economy was generally stable and showing signs of steady progress, with many advances in high-quality economic development, especially the timely deployment of a package of incremental policies, which effectively boosted social confidence and led to a significant rebound in the economy. 2026 is the beginning year for implementation of the "15th Five-Year" plan, and China's overall economic growth is expected to stabilize and to show continued progress in 2026 as well. It is expected that the operating results of the investment projects (mainly operating in China) held by the Group may continue to improve.

The Central Economic Work Conference held in December 2025 set the direction for China's economic development in 2026. In 2026, efforts will be made to promote effective quality improvement and reasonable quantity growth in respect of the economy, to ensure a good start to the implementation of the 15th Five-Year Plan. Eight key tasks were mentioned in the conference. The first was to adhere to the dominant position of domestic demand and build a strong domestic market. In-depth special campaigns should be carried out to boost consumption, and plans for increasing the income of urban and rural residents should be formulated and implemented. The supply of high-quality goods and services shall be expanded. The second is to persist in innovation-driven development and step up the cultivation and expansion of new drivers. A plan for integrated promotion of the development of educational and technical talents should be formulated. The third is to persist in tackling key problems through reform and enhance the fuel and vitality of high-quality development. Efforts should be made to formulate regulations on the construction of a unified national market and thoroughly rectify involutionary competition. The fourth is to persist in opening-up and promote win-win cooperation in multiple fields. It is imperative to steadily promote institutional opening-up, orderly expand the independent opening-up of service areas, optimize the layout of pilot free trade zones, and solidly propel the construction of Hainan Free Trade Port. The fifth is to adhere to coordinated development and promote integrated development of urban and rural areas and regional linkage. Efforts should be made to promote urbanization with county towns as important carriers and advance comprehensive rural revitalization under an overall plan so as to boost high-quality development of the county economy. The sixth is to adhere to the "Dual Carbon" principle to drive comprehensive green transformation. Energy saving and carbon reduction should be deepened in key industries.

## **Prospects – continued**

The seventh is to prioritize people's livelihood and strive to provide more practical services for the people. Efforts should be made to implement the campaign of stabilizing posts, expanding jobs, and improving employment quality, stabilize the employment of key groups such as college graduates and migrant workers, and encourage and support flexible employees and people employed in new forms to participate in employee insurance. The eighth is to keep the bottom line and proactively and steadily resolve risks in key areas. Efforts should be made to stabilize the real estate market by implementing differentiated policies in light of the actual situations of cities to control increment, destock, and optimize supply, and by encouraging the purchase of existing commercial housing, which should be offered as affordable housing afterward. Given that China's economy shows both resilience and great potential, its long-term supporting conditions and economic outlook for prosperity has not changed and the potential for investment demand remains strong. As an example, the artificial intelligence (AI) industry and new-type infrastructure construction will continue to receive greater support from government policies, as well as more attention from capital markets. With the AI industry ushering in an explosive technological transition, model capabilities, application boundaries, and industrial ecology have been reshaped via several core breakthroughs, open-source and efficient model ecology have exploded one after another, and embodied intelligence and super models in certain fields have been emerging, which will profoundly change the traditional industrial structure. It is here that the Group will continue to seek out the best opportunities for investment.

In this environment, where challenges and opportunities co-exist, the Group will continue to make every effort to identify new investment projects, and our investment focus will be on the financial industry with an emphasis on digital finance, on emerging technology industries featuring AI, on great cultural industry with an emphasis on culture and tourism, and on great healthcare industry with an emphasis on medicine and healthcare, as we seek to optimise our mix of investments in order to create greater shareholder value.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining high standards of corporate governance. The Board believes that good corporate governance practices are important to protect shareholders' interests and to promote investor confidence. The Company complies with the relevant requirements under the Hong Kong Companies Ordinance, the Hong Kong Securities and Futures Ordinance, the Listing Rules, the US Foreign Account Tax Compliance Act and the Common Reporting Standard. Further, the Company has complied with all the code provisions that were in force as set out in Appendix C1 to the Listing Rules (Corporate Governance Code) throughout the year under review, except for the deviations as stated below:

According to the Investment Management Agreement, the portfolio and day-to-day administration of the Company are handled by the Investment Manager. Meanwhile, except the qualified accountant whose remuneration package is determined and borne by the Investment Manager, the Company has no salaried employees. The Stock Exchange of Hong Kong Limited has granted a waiver to the Company for establishment of remuneration committee on condition that the Executive Directors and senior management of the Company will not receive any Directors' fee or emolument from the Company. Thus, no remuneration committee has been established by the Company. In addition, it is suitable for the Company to hold regular Board meeting twice a year at a minimum.

The Board continues to monitor and review the Company's corporate governance practices to ensure compliance.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and relevant employees of the Company. Having made specific enquiry to all Directors, the Company confirms that all Directors have complied with the Model Code throughout the year under review.

## **PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY**

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

## **SCOPE OF WORK OF KPMG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement of results have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

By Order of the Board  
**ZHOU Xing**  
Chairman

Hong Kong, 27 March 2026

*As at the date hereof, the Executive Directors of the Company are Mr. WANG Xiaoding and Ms. KAN Ka Yee, Elizabeth; the Non-executive Directors are Mr. ZHOU Xing, Ms. YAO Wang, Mr. KE Shifeng and Mr. ZOU Chuan; and the Independent Non-executive Directors are Mr. TSANG Wah Kwong, Dr. LI Fang, Dr. GONG Shaolin, Mr. Michael Charles VITERI and Mr. ZHU Qi.*