



China Merchants China Direct Investments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 133)

CREATING VALUE
IN CHINA



ANNUAL REPORT 2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. ZHOU Xing* (*Chairman*)
Ms. YAO Wang*
Mr. WANG Xiaoding#
Ms. KAN Ka Yee, Elizabeth#
Mr. KE Shifeng*
Mr. ZOU Chuan*
Mr. TSANG Wah Kwong**
Dr. LI Fang**
Dr. GONG Shaolin**
Mr. Michael Charles VITERI**
Mr. ZHU Qi**

Executive Directors

* *Non-executive Directors*

** *Independent Non-executive Directors*

INVESTMENT COMMITTEE

Mr. ZHOU Xing
Ms. YAO Wang
Mr. WANG Xiaoding
Ms. KAN Ka Yee, Elizabeth

AUDIT COMMITTEE

Mr. TSANG Wah Kwong
Dr. LI Fang
Mr. ZHU Qi

NOMINATION COMMITTEE

Mr. ZHOU Xing
Mr. TSANG Wah Kwong
Dr. LI Fang

COMPANY SECRETARY

Mr. LEUNG Chong Shun

INVESTMENT MANAGER

China Merchants China Investment Management Limited

1604-09, Three Pacific Place,
1 Queen's Road East,
Hong Kong

AUDITOR

KPMG

Registered Public Interest Entity Auditor
8th Floor, Prince's Building,
10 Chater Road,
Central,
Hong Kong

LEGAL ADVISERS

Herbert Smith Freehills
Victor Chu & Co
Woo Kwan Lee & Lo

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
China Merchants Bank Co., Ltd.

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wan Chai,
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

1609, Three Pacific Place,
1 Queen's Road East,
Hong Kong

Stock Code: 00133.HK

Website: www.cmcdi.com.hk



Mr. ZHOU Xing

Chairman



CHAIRMAN'S STATEMENT

The board of directors (the “**Board**”) announces that the audited consolidated net asset value of China Merchants China Direct Investments Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as of 31 December 2025 amounted to US\$834.65 million, representing an increase of 28.92% compared to US\$647.38 million in 2024. The net asset value per share was US\$5.479, representing the same percentage increase of 28.92% compared to US\$4.250 in 2024. The Group’s audited consolidated profit after taxation for 2025 was US\$189.94 million, representing an increase of 57.82% compared to an audited consolidated profit after taxation of US\$120.35 million for last year.

The Board has recommended the payment of a final dividend of US\$0.05 per share and a special final dividend of US\$0.20 per share for the year 2025. Together with the interim dividend and special interim dividend of US\$0.08 per share already paid by the Company during the year, total dividends payable for the year 2025 were US\$0.33 per share, representing an increase of 312.50% compared to the total final dividend and interim dividend of US\$0.08 per share last year.

In 2025, global economic growth faced challenges such as rising trade barriers and heightened policy uncertainties, with the growth rate slowing compared to the previous year. The World Bank estimated global economic growth at 2.7% in 2025, with advanced economies maintaining the same growth rate as in 2024, while emerging markets and developing economies experienced a slight slowdown. The US economy grew by 2.1%, the Eurozone economy grew by 1.4% and the Japanese economy by 1.3%. In 2025, China’s economy operated under pressure while maintaining overall stability, successfully achieving its annual growth target. According to a preliminary report by the National Bureau of Statistics, in 2025, China’s gross domestic product (GDP) was RMB140.2 trillion, representing an increase of 5.0%, calculated in constant prices, as compared to last year. In terms of industries, the added value of the primary industry was RMB9.3 trillion, with a year-on-year increase of 3.9%; the added value of the secondary industry was RMB50.0 trillion, with an increase of 4.5%; the added value of the tertiary industry was RMB80.9 trillion, with an increase of 5.4%. In terms of quarters, GDP grew by 5.4% year-on-year in the first quarter, by 5.2% year-on-year in the second quarter, by 4.8% year-on-year in the third quarter, and by 4.5% year-on-year in the fourth quarter. In addition, consumer prices remained generally low throughout 2025, with the full-year Consumer Price Index (CPI) remaining flat compared with last year.

In 2025, the overall performance of China’s A-share market exhibited a robust upward trend. Underpinned by sustained policy support, technology and innovation drivers, and improved liquidity conditions, the market demonstrated pronounced structural bull characteristics. The SSE Composite Index, after opening at the beginning of the year, climbed steadily through several rounds of adjustments, surpassing the threshold of 4,000 points at its mid-year peak. Thereafter, it maintained high-level volatility and eventually closed at 3,969 points at the end of 2025, up 18.41% from the end of 2024. In 2025, the Hong Kong stock market continued its strong rebound, shaking off its previous sluggish trajectory and entering an accelerated upward trend. The Hang Seng Index, starting from its early-year low, rose steadily and reached its peak of over 27,000 points in the middle of the year. Thereafter, it maintained high-level volatility and eventually closed at approximately 25,630 points at the end of 2025, up approximately 27.77% from the end of 2024, marking its best annual performance since 2017 and outperforming major global indices.

CHAIRMAN'S STATEMENT (CONTINUED)

At the end of 2025, the Group's total holdings in investment projects amounted to US\$1,013.89 million (US\$775.65 million at the end of 2024), accounting for 96.96% of the Group's total asset value and representing an increase of US\$238.24 million. This was largely due to a net increase in the fair value of investment projects. Meanwhile, cash and cash equivalents were US\$30.19 million, accounting for 2.89% of the total asset value of the Group.

In 2025, the Investment Manager actively sought new investment opportunities, with intensive due diligence and the rigorous screening of many prospects. Consequently, the Group invested in an information technology project in 2025, namely Jade Bird Display (Shanghai) Limited, with an investment amount of US\$4.18 million, and a medical project, namely Neuracle Technology (Shanghai) Co., Ltd., with an investment amount of US\$2.12 million. The total investment amount for the above two projects is US\$6.30 million.

The existing investment management agreement had its expiration date on 31 December 2025. In order to allow more time for the Company to consider and decide on and to ensure the continuity of its investment management operations, the Company entered into a new investment management agreement with the Investment Manager on 22 December 2025 that has a term of 6 months and takes effect from 1 January 2026. The terms of the new investment management agreement were arrived at after arm's length negotiations between the Company and the Investment Manager, and the annual cap was determined with reference to the total amount of remuneration under the previous investment management agreement. Compared to the previous investment management agreement, the new investment management agreement offers a more competitive remuneration structure for the Investment Manager and better aligns with the interests of the Company and its shareholders. This is specifically reflected in: (i) The maximum amount of remuneration under the new investment management agreement is being set at HK\$8 million (or the equivalent amount in US dollars or RMB), (ii) the remuneration under the new investment management agreement comprises two components, namely, the management fee and the discretionary performance fee, and (iii) the cap on the Investment Manager's discretionary performance fee is HK\$1 million (or the equivalent amount in US dollars or RMB). The payment of the discretionary performance fee is subject to certain performance conditions, with the main payment condition linked to the exit amount of the Group's existing investments during the management period. This will incentivize the investment manager to optimize the Group's investment portfolio as of the date of the new investment management agreement, thereby further increasing the Company's investable capital through organic means and enabling the Company to capture better investment opportunities in a timely manner.

Looking ahead to 2026, there will be challenges as well as opportunities. In its Global Economic Prospects report released in January 2026, the World Bank points out that despite persistent trade tensions and policy uncertainties, the global economy has demonstrated stronger-than-expected resilience. Global economic growth is projected at 2.6% in 2026, a modest upward revision from previous forecasts. The growth rate, however, remains in a low-expansion phase. Growth in advanced economies is estimated at approximately 1.6%, while emerging markets and developing economies are expected to grow by 4.0%, representing an increase of 0.2 percentage points from the Bank's forecast in June 2025. As for China's economy in 2026, growth is supported by continued expansion of domestic demand, deeper supply-side structural reforms, and innovation-led technological advancement. In terms of consumption, with the rise in per capita GDP, China's consumption structure is shifting from a goods-dominant model toward one led by services consumption. In 2025, the growth rate of services consumption dropped to 5.5%,



CHAIRMAN'S STATEMENT (CONTINUED)

down from 6.2% in the previous year. However, guided by policy directions outlined in the 15th Five-Year Plan, including raising the consumption rate, promoting paid leave and staggered holidays, and enhancing the alignment between consumer supply and demand. Specific measures to boost services consumption are likely to be introduced in the coming year, leaving considerable room for further expansion. In terms of investment, the Central Economic Work Conference held in late 2025 emphasized the need to “stabilise investment and reverse its downtrend”, demonstrating significantly increased attention to the slowing pace of investment growth. As 2026 marks the inaugural year of the 15th Five-Year Plan, the pace of fund allocation and disbursement is expected to accelerate, with major projects likely to be implemented early to provide support. While “anti-involution” initiatives continue to weigh on manufacturing investment, high-tech sector investment remains structurally resilient. In terms of imports and exports, trade frictions between the U.S. and China have entered the stage of “tactical” détente. Despite base effects exerting pressure on exports, multiple sources of resilience remain. Given that a number of emerging market economies are in a stage of rapid industrialization, China retains substantial potential for exporting intermediate goods to Belt and Road Initiative participating countries, Africa, and other emerging markets. Moreover, AI-driven investment is boosting trade in related products, providing further support to China’s electromechanical exports. In summary, China’s economic growth is expected to be maintained in 2026. Although we expect that various asset price risks, arising from slowing growth in the global economy (including China) in medium- to long-term, along with greater volatility in the capital markets, will pose certain challenges to our investment portfolio, the Company and the Investment Manager, as always, will face the challenges ahead and strive to identify new investment opportunities, as well as to seek to optimise our mix of investments in a way that will increase shareholders’ return.

Lastly, on behalf of the Board, I would like to offer my heartfelt gratitude to the members of the Audit Committee, Nomination Committee and Investment Committee, and to the entire staff of the Investment Manager, for their many contributions and dedicated effort, and to the shareholders for their support. As always, I, with the Board, will continue to give our best effort in leading the Group as we seek to create value for shareholders in the coming year.

Mr. ZHOU Xing

Chairman

Hong Kong, 27 March 2026

A professional portrait of Mr. YANG Baiqian, a middle-aged man with dark hair, smiling. He is wearing a dark suit jacket, a white collared shirt, and a patterned tie. The background is a vibrant purple and blue gradient with abstract financial data visualizations, including a large Japanese Yen symbol (¥) and various line and bar charts. A bright starburst light is visible in the lower-left quadrant of the background.

Mr. YANG Baiqian

*Chairman of the Board
of the Investment Manager*



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

China Merchants China Direct Investments Limited and its subsidiaries (the “**Fund**”) 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 Fund 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).

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 Fund's listed and unlisted investments recorded net gains of US\$177.53 million and US\$52.58 million, respectively. For more information on the change in fair value of each of the listed and unlisted investments, please see the section titled “Review of Investments” in this Investment Manager's Discussion and Analysis.

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

On 31 March 2025, the Fund entered into a capital increase agreement and other relevant agreements in relation to Jade Bird Display (Shanghai) Limited (“**JBD**”), pursuant to which the Fund agreed to contribute capital of RMB30 million to JBD in order to acquire a 0.449% equity interest. The Fund 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 Fund entered into a share purchase agreement and other relevant agreements in relation to Neuracle Technology (Shanghai) Co., Ltd. (“**Neuracle Technology**”), pursuant to which the Fund agreed to contribute capital of RMB15 million to Neuracle Technology to acquire its partial equity interests. The Fund 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.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

ACQUISITIONS AND EXITS OF INVESTMENTS (CONTINUED)

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

In February 2025, the Fund 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 Fund from Oriental Pearl was negative 14.33%.

In February 2025, the Fund 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 Fund from CICC was 101.69%.

In May 2025, the Fund 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 Fund from Jinlanmei Travel was negative 13.91%.

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND COMMITMENTS

The Fund'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 Fund's total assets) as of 31 December 2025, due mainly to the payments of investment amounts for the projects JBD and Neuracle Technology by the Fund during the year.

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

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

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

Most of the Fund'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 Fund since it holds a considerable amount of assets denominated in RMB. The Fund currently does not have a foreign currency hedging policy in place. Nevertheless, the Fund will continue to monitor foreign exchange risks and will consider hedging material foreign currency exposures when necessary.

EMPLOYEES

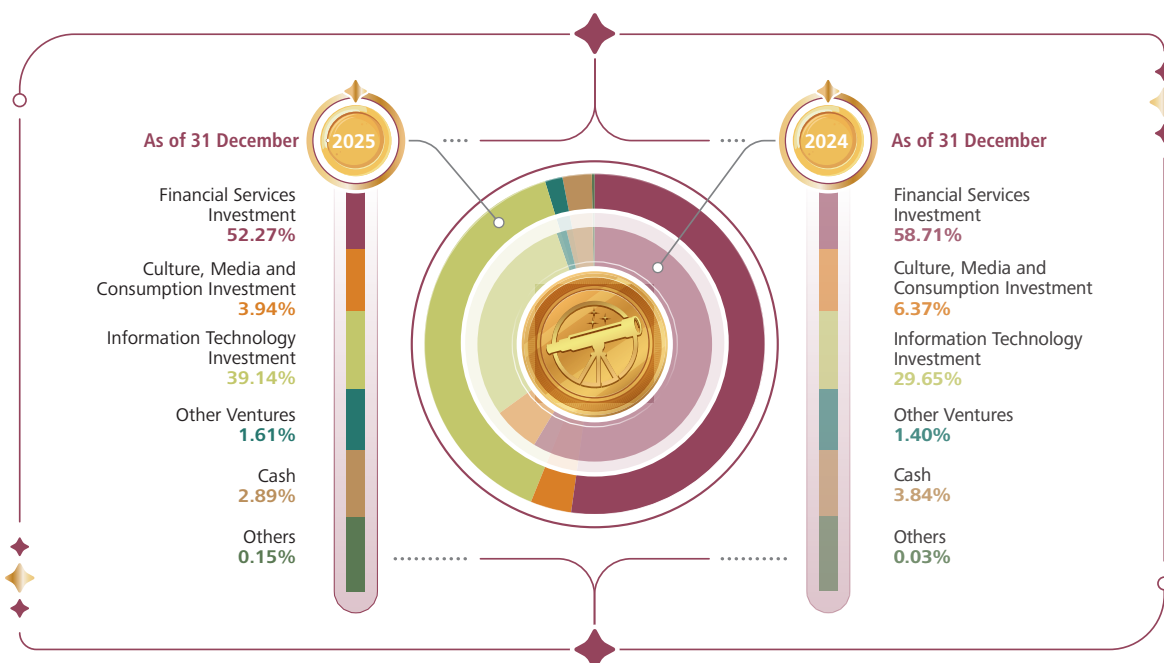
Other than a qualified accountant whose remuneration package is determined and borne by the Investment Manager, the Fund has no employees. The Investment Manager handles the portfolio and day-to-day administration of the Fund.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

THE PORTFOLIO

As of 31 December 2025, the Fund'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 Fund'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 Fund's total assets as of 31 December 2025.

TOTAL ASSETS DISTRIBUTION





Mr. WANG Xiaoding

*Director and General Manager
of the Investment Manager*

14509.08

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS

The following table shows the major investment projects held by the Fund as at 31 December 2025:

Name of projects	Location of headquarters	Main business	Listed (Stock Exchange)/ unlisted	Carrying	Percentage	Percentage	
				value	of total	of net	
				US\$ million	%	%	
Financial Services:							
#1. China Merchants Bank Co., Ltd.	Shenzhen, Guangdong	Banking	Shanghai Stock Exchange	331	31.62	39.61	
#2. China Credit Trust Co., Ltd.	Beijing	Trust management	Unlisted	188	17.99	22.54	
#3. JIC Leasing Co., Ltd.	Beijing	Finance leasing	Unlisted	27	2.55	3.19	
4. China Media (Tianjin) Investment Management Co., Ltd.	Tianjin	Fund management	Unlisted	1	0.11	0.13	
				Sub-total:	547	52.27	65.47
Culture, Media & Consumption:							
5. China Media Creative Industry Private Equity (Shanghai) Centre (Limited Partnership)	Shanghai	Media investment	Unlisted	2	0.22	0.27	
#6. NBA China, L.P.	Beijing	Sports marketing	Unlisted	39	3.72	4.66	
				Sub-total:	41	3.94	4.93
Information Technology:							
7. Xi'an Jinpower Electrical Co., Ltd.	Xi'an, Shaanxi	Power grid monitoring system	Unlisted	0	0.04	0.05	
#8. Anhui Iflytek Information Technology LLP	Hefei, Anhui	Information technology investment	Unlisted	19	1.81	2.27	
#9. iFLYTEK Co., Ltd.	Hefei, Anhui	Intelligent speech technology	Shenzhen Stock Exchange	49	4.65	5.83	
10. Ningbo Meishan Free Trade Port Area Jiangmen Venture Capital LLP	Beijing	Information technology investment	Unlisted	5	0.51	0.64	
#11. Pony AI Inc.	Guangzhou, Guangdong	Autonomous driving	NASDAQ	23	2.21	2.76	
#12. Arashi Vision Inc.	Shenzhen, Guangdong	360-degree video products	Shanghai Stock Exchange	187	17.88	22.40	
#13. Xunfei Healthcare Technology Co., Ltd.	Hefei, Anhui	Artificial intelligence medical	Hong Kong Stock Exchange	43	4.07	5.10	
#14. China UnionPay Co., Ltd.	Shanghai	Financial payment	Unlisted	25	2.43	3.05	
15. CASREV FUND III-RMB L.P.	Beijing	Technology & medical investment	Unlisted	10	0.92	1.15	
16. Flexiv Ltd.	Shanghai	Adaptive robots	Unlisted	14	1.38	1.72	

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

Name of projects	Location of headquarters	Main business	Listed (Stock Exchange)/ unlisted	Carrying value <i>US\$ million</i>	Percentage of total assets %	Percentage of net assets %
Information Technology:						
17. Beijing Huashun Xin'an Technology Co., Ltd.	Beijing	Cyber security	Unlisted	2	0.17	0.21
18. Xinyi Information Technology (Shanghai) Co., Ltd.	Shanghai	System on a chip for Internet of Things	Unlisted	5	0.44	0.56
19. Rizhao Azuri Technologies Co., Ltd.	Rizhao, Shandong	Direct modulated lasers	Unlisted	1	0.14	0.18
20. Beijing Hanwei Innovation Technology Co., Ltd.	Beijing	Ultra-wideband chip	Unlisted	5	0.49	0.61
21. Moonshot AI Ltd.	Beijing	Large multimodal model	Unlisted	17	1.60	2.01
22. Hue Inc.	Shanghai	MicroLED technology	Unlisted	4	0.40	0.50
Sub-total:				409	39.14	49.04
Others:						
(i) Manufacturing:						
23. Hwagain Group Co., Ltd.	Nanning, Guangxi	Printing paper & tissue paper	Unlisted	3	0.28	0.35
(ii) Energy & Resources:						
24. Wuhan Rixin Technology Co., Ltd.	Wuhan, Hubei	Solar energy	New Third Board ^{Note}	1	0.09	0.12
(iii) Medical:						
25. Nanning Huiyou Xingyao Equity Investment Fund L.P.	Nanning, Guangxi	Biopharmaceutical investment	Unlisted	2	0.21	0.27
26. Immvira Bioscience Inc.	Shenzhen, Guangdong	Biotech research & development	Unlisted	9	0.83	1.04
27. Neuracle Technology (Shanghai) Co., Ltd.	Shanghai	Brain-computer interface technology	Unlisted	2	0.20	0.26
Sub-total:				17	1.61	2.04
Total:				1,014	96.96	121.48

Ten largest investments of the Fund as of 31 December 2025

Note: New Third Board means National Equities Exchange and Quotations



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

China Merchants Bank Co., Ltd. ("CMB") is China's first joint-stock commercial bank, with its headquarters in Shenzhen, Guangdong and with its shares listed on the Shanghai Stock Exchange since 2002 and on the Hong Kong Stock Exchange since 2006. As of 31 December 2025, the Fund held 55.20 million A shares of CMB, accounting for 0.219% of the total issued share capital of CMB, with a corresponding investment cost of RMB154.61 million (equivalent to US\$19.79 million). In July 2025 and January 2026, the Fund received a cash dividend of RMB110 million from CMB for 2024 and a cash dividend of RMB55.91 million for 2025 interim, respectively.

As of the end of 2025, the carrying value of the Fund's interest in CMB was US\$330.61 million, representing an increase of 9.56% over US\$301.77 million at the end of last year. The Fund's unrealised gain attributable to its investment in CMB for 2025 was US\$21.64 million, down 75.70% year-over-year.

On 27 March 2026, CMB announced that its audited net profit for 2025 was RMB151.126 billion, up 1.05% year-over-year.

In November 2025, CMB announced that China Merchants Bank Financial Asset Investment Co., Ltd., its wholly owned subsidiary, had been approved to commence operations. Through the professional implementation of market-oriented debt-to-equity swap business, CMB will deepen industry-finance integration and intra-group collaboration, thereby serving the real economy. At the same time, it will actively carry out pilot equity investment business to support technological innovation, further enhance its integrated operating capabilities, and comprehensively promote high-quality development.

In December 2025, The Asian Banker announced the results of its series of awards. CMB was honored with the "Best Managed Bank in China" in the 2025 Leadership Achievement Awards program. In the Wealth and Society Awards category, it received two prestigious recognitions: "Best Private Bank in China" and "Best Private Bank in China – Joint-Stock Bank".

In 2025, the Fund did not dispose of any A shares of CMB.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

China Credit Trust Co., Ltd. ("CCT") was established in 1995, with its headquarters in Beijing. The principal activities of CCT are trust management, fund management, investments and loan financing. It is the first trust company with a full range of licenses for international business in the Chinese trust industry. As of 31 December 2025, the Fund held a 6.94% equity interest in CCT, with a total investment cost of US\$50.49 million. In July 2025, the Fund received total cash dividends (pre-tax) of US\$1.50 million from CCT for 2024.

As of the end of 2025, the carrying value of the Fund's interest in CCT was US\$188.10 million, representing an increase of 30.30% from the value at the end of last year of US\$144.36 million. The Fund's unrealised gain attributable to its investment in CCT for 2025 was US\$39.81 million, while the relevant amount for 2024 was negative US\$1.81 million.

For 2025, CCT recorded an unaudited net profit of RMB469 million, down 46.27% year-over-year. During the year, interest income for the year decreased compared to the previous year. Income from handling fees and commissions also decreased compared to the previous year, while investment income and gains from changes in fair value increased significantly compared to the previous year. In addition, non-operating income for the year decreased significantly year-on-year, while non-operating expenses increased significantly compared to the previous year.

CCT achieved solid progress across multiple business segments: First, its standardised trust business continued to expand cooperation with bank wealth management subsidiaries, with service capabilities steadily improving and the scale of entrusted business continuing to grow rapidly. At the same time, it accelerated the development of its proprietary investment capabilities, further enriched its product portfolio, and diversified its external sources of funding. Secondly, its inclusive finance (small and micro) business continued to deepen cooperation with leading internet institutions, broaden its business models, and strengthen its independent risk control capabilities. Thirdly, in wealth management, it focused on deepening cooperation with banking and insurance distribution channels, optimised its business management systems and internal processes, and enhanced product and service innovation. Fourthly, it continued to explore innovation in other asset service trust businesses, successfully implementing three bankruptcy reorganisation service trusts and, in cooperation with the Shenzhen Data Exchange, launching one data trust project.



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

In September 2025, the results of the Fourth China Trust Industry “Golden Bull Awards”, organised by China Securities Journal, were announced. CCT’s “Chenghui Zengzeng Rishang No.1 Collective Fund Trust Plan” was awarded the “Golden Bull Award for One-Year Hybrid Product” in recognition of its stable and outstanding performance.

In November 2025, the 16th “Golden Tripod Financial Awards” ceremony, organised by National Business Daily, was held in Beijing. In light of its outstanding performance in serving the real economy and advancing transformation and innovation, CCT was once again honoured with the “Outstanding Trust Company of the Year” award, marking the third consecutive year in which the company has received this accolade.

JIC Leasing Co., Ltd. (“JIC Leasing”) was established in Beijing in 1989 and is a leading independent finance leasing firm in China, principally engaged in finance leasing for businesses in a wide range of industries, including information technology; high-end equipment manufacturing; and healthcare, environmental protection and new energy. The Fund invested RMB246 million (equivalent to US\$38.78 million) in October 2015 and held a 4.98% equity interest in JIC Leasing as of 31 December 2025. In November 2025, the Fund listed all of its shareholdings in JIC Leasing on the Beijing Equity Exchange in an attempt to identify potential transferees. In January 2026, the Fund entered into an equity transaction agreement with an independent third party, pursuant to which it agreed to transfer all of its shareholding in JIC Leasing at a consideration of RMB271.85 million (equivalent to US\$38.68 million). Completion of the transaction remains subject to certain pre-requisition conditions.

As of the end of 2025, the carrying value of the Fund’s interest in JIC Leasing was US\$26.62 million, representing an increase of 15.79% over US\$22.99 million at the end of last year. The Fund’s unrealised gain attributable to its investment in JIC Leasing for 2025 was US\$3.05 million, down 66.99% year-over-year.

In 2025, notwithstanding the impact of the broader economic environment and developments in the leasing industry, JIC Leasing adhered to prudent operations and implemented measures such as controlling the pace of new business deployment, managing customer tiers, and limiting individual credit exposure. In response to national strategic priorities, it also intensified support for real-sector enterprises and small and micro-sized businesses. In 2025, JIC Leasing recorded an unaudited net profit of RMB337 million, up 5.11% year-over-year.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

China Media (Tianjin) Investment Management Co., Ltd. ("China Media Management") was established in Tianjin, with registered capital of RMB60 million. The Fund invested RMB4.62 million (equivalent to US\$0.68 million) in April 2010 for a 7.70% equity interest in China Media Management. As the general partner and investment manager of China Media Investment (see the section on China Media Investment below), China Media Management is responsible for defining and executing the investment strategy for China Media Investment, as well as for managing their operations.

As of the end of 2025, the carrying value of the Fund's interest in China Media Management was US\$1.10 million, representing an increase of 0.92% over US\$1.09 million at the end of last year.

During the investment period, China Media Management helped China Media Investment to invest in an aggregate of seven projects, and also completed the disposal of five projects, namely OCJ (東方購物), Shanghai Jade East Propagation Co., Ltd., Renren Inc., IMAX China Holding, Inc. and Beijing Weiyong Technology Co., Ltd. Presently, China Media Management is still actively assisting with exit arrangements for the remaining two projects, namely Star China and Shanghai Oriental DreamWorks Co., Ltd. ("**Oriental DreamWorks**").

China Media Creative Industry Private Equity (Shanghai) Centre (Limited Partnership) ("China Media Investment") was established in Shanghai, and is the first fund in the culture and media sector approved for registration by the National Development and Reform Commission. Its total capitalisation is RMB2 billion. China Media Investment has an investment horizon of 10 years (Note: With the consent of all limited partners, the investment horizon has been extended three times for a total of six years in order to meet the exit requirements of the projects held). The scope of investment for China Media Investment includes major projects in broadcasting and media publishing, animation and creative media. China Media Management, in which the Fund has an interest, is the general partner and investment manager of China Media Investment. In April 2010, the Fund agreed to make a capital investment of RMB200 million by installment in China Media Investment, representing 10% of the total capitalisation of China Media Investment. Since June 2010, the Fund had made successive capital injections into China Media Investment for an aggregate amount of RMB158.66 million (equivalent to US\$24.76 million), representing 79.33% of the total investment of RMB200 million committed by the Fund. China Media Investment is currently in the late stages of its investment exit period, and the Fund has received confirmation that no further capital contribution shall be required. In addition, through the end of December 2025, the Fund actually received a total cash distributions of RMB239 million from China Media Investment, representing approximately 151% of the cumulative actual amount invested by the Fund.



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

As of the end of 2025, the carrying value of the Fund's interest in China Media Investment was US\$2.27 million, representing a decrease of 44.50% from the value at the end of last year of US\$4.09 million.

Through the end of December 2025, China Media Investment completed a full exit from five projects, while continuing to hold two projects, namely Star China (the listing vehicle of which, namely Star CM Holdings Limited, was listed on the Hong Kong Stock Exchange in December 2022) and Oriental DreamWorks.

NBA China, L.P. ("NBA China") is a limited liability partnership incorporated in the Cayman Islands in 2007. NBA China conducts all of the NBA's businesses in the Greater China Region, including television broadcasting rights, advertising, sponsorships, events, digital media, and merchandising, among other new businesses. The original investment by the Fund in 2008 was US\$23 million, representing a 1% partnership interest in NBA China. The Fund subsequently received returns of capital from NBA China for a cumulative amount of US\$23 million in 2017, representing a full recovery of the capital invested in NBA China by the Fund. As of 31 December 2025, the Fund held a 1% partnership interest in NBA China. The Fund received a cash distribution from NBA China of US\$3.01 million and US\$3.34 million in the first quarter of both 2025 and 2026, respectively.

As of the end of 2025, the carrying value of the Fund's interest in NBA China was US\$38.88 million, representing a decrease of 4.05% over US\$40.52 million at the end of last year. The Fund's unrealised gain attributable to its investment in NBA China for 2025 was negative US\$1.64 million, while the amount in the previous year was US\$12.62 million.

In October 2025, the "NBA Sands Macau Games 2025" were successfully held. The event primarily featured preseason games between the Brooklyn Nets and the Phoenix Suns, together with associated fan day activities and NBA Cares Community Week events, attracting star players and a large number of fans. Sands China Ltd. acted as the principal partner.

Qinghai Provincial Qinghai Lake Tourism Group Co., Ltd. ("Qinghai Lake Tourism") was established in Xining, Qinghai in 2008. It is a tourism operator with a focus on Qinghai Lake, a national 5A-class scenic spot, and is principally engaged in product development, business operations and provision of services related to tourism in Qinghai Lake and the surrounding regions. The Fund agreed to advance cash of RMB200 million in total to Qinghai Lake Tourism for a period of 3 years, with the right to convert the loan into an equity interest in Qinghai Lake Tourism during the term of the loan, subject to the fulfillment of certain precedent conditions. In August and September 2017, the Fund disbursed RMB50 million (equivalent to US\$7.50 million) and RMB150 million (equivalent to US\$22.93 million), respectively, amounting to RMB200 million (equivalent to US\$30.43 million) in aggregate. Pursuant to a supplemental agreement to the convertible loan agreement entered into between the Fund and Qinghai Lake Tourism dated 9 May 2019, the Fund had received aggregate loan repayments of RMB200 million from Qinghai Lake Tourism before the end of 2020, representing a full recovery of the loan made by the Fund.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

As of the end of 2025, the carrying value of the Fund's debt in Qinghai Lake Tourism was nil. The Fund will continue to retain the right to pursue interest payments from Qinghai Lake Tourism.

Xi'an Jinpower Electrical Co., Ltd. ("Jinpower Electrical") was established in Xi'an, Shaanxi in 2001 and is a high technology enterprise principally engaged in the research and development, and production, of intelligent online monitoring systems for transmission lines and substation equipment for the power grid. The Fund invested RMB20 million (equivalent to US\$3.03 million) in January 2011 and held 2.89 million shares in Jinpower Electrical as of 31 December 2025, accounting for 4.825% of the issued share capital of Jinpower Electrical.

As of the end of 2025, the carrying value of the Fund's interest in Jinpower Electrical was US\$0.44 million, representing an increase of 22.22% over US\$0.36 million at the end of last year.

In 2025, Jinpower Electrical experienced operational difficulties and continued to incur losses. For the year ended 2025, Jinpower Electrical recorded an unaudited net loss of RMB5.36 million, compared with a net loss of RMB9 million in the previous year.

Anhui Iflytek Venture Capital LLP ("Iflytek IT") is a new limited partnership of a non-fund nature, with a license period of 5 years. It was formerly Anhui Iflytek Venture Capital LLP ("**Iflytek Venture Capital**"), established in Hefei, Anhui in December 2015, with a fund size of RMB602 million. As the business license of Iflytek Venture Capital expired on 29 January 2025, Iflytek Venture Capital was subsequently restructured as Iflytek IT. Its major investment targets are industries related to the Internet and applications of artificial intelligence(AI) in China, primarily to areas including education, healthcare, tourism, motor vehicles, Internet of Things (IoT), smart hardware, information security, e-commerce, interactive entertainment, smart toys, robotics and Internet advertising. Presently, the general partner and investment manager of Iflytek IT is Hefei Iflytek Ruijin Enterprise Management LLP, which is responsible for defining and executing the investment strategy for Iflytek IT, as well as for managing their operations. The Fund has committed to subscribe to an aggregate amount of RMB90 million by installment, for a 14.95% interest in Iflytek Venture Capital. Since December 2016, the Fund had made successive capital contributions to Iflytek Venture Capital for an aggregate amount of RMB90 million (equivalent to US\$13.28 million), representing 100% of the subscription amount committed by the Fund. In addition, through the end of December 2025, the Fund received cash distributions from Iflytek IT in a cumulative amount of RMB71.47 million.

As of the end of 2025, the carrying value of the Fund's interest in Iflytek IT was US\$18.97 million, representing a decrease of 0.99% from the value at the end of last year of US\$19.16 million.

As of the end of 2025, the unaudited net asset value of Iflytek IT was RMB2,210 million, representing a decrease of 7.53%, compared to an audited net asset value of RMB2,390 million as of the end of last year.



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

Through the end of December 2025, Iflytek IT made investments in twenty-seven projects. Currently, Iflytek IT has entered into the investment exit period. Of these projects, eleven projects have been fully exited and two projects (including below mentioned Xunfei Healthcare) have been partially exited.

iFLYTEK Co., Ltd. ("iFLYTEK") was established in 1999 and is headquartered in Hefei, Anhui. It was listed on the SME Board of the Shenzhen Stock Exchange in May 2008. It is a national key software enterprise dedicated to the research of intelligent speech, language technologies, and AI technologies; the development of software and chip products; the provision of speech information services; and the integration of e-government systems. During the period of November to December 2016, the Fund acquired 4.54 million A shares of iFLYTEK at an average price of RMB19.09 (adjusted) per share on the secondary stock market with an aggregate invested amount of RMB130 million (equivalent to US\$18.83 million). As of 31 December 2025, the Fund held a total of 6.81 million A shares of iFLYTEK, as a result of the receipt of 2.27 million new shares via a capitalisation issue from iFLYTEK in 2018, accounting for 0.295% of the issued share capital of iFLYTEK. In July 2025, the Fund received a cash dividend (net of tax) of RMB0.65 million from iFLYTEK for 2024.

As of the end of 2025, the carrying value of the Fund's interest in iFLYTEK was US\$48.66 million, representing an increase of 6.41% over US\$45.73 million at the end of last year. The Fund's unrealised gain attributable to its investment in iFLYTEK for 2025 was US\$1.87 million, up 0.21% year-over-year.

On 21 October 2025, iFLYTEK announced an unaudited net loss of RMB66.67 million for the first three quarters of 2025, representing a narrowing from the net loss of RMB344 million recorded in the corresponding period of the previous year. During the first three quarters of 2025, the industrial ecosystem of "Spark Desk" was further strengthened. The number of developers continued to grow at a rapid pace, with more than 1.22 million new developers added, including 690,000 new large-model developers, thereby accelerating industry empowerment.

On 6 November 2025, iFLYTEK launched the "Spark Desk X1.5" model. The model adopts a Mixture-of-Experts (MoE) architecture, with inference efficiency improved by 100% compared to Spark Desk X1. Its six core capabilities, comprising language understanding, text generation, knowledge-based question answering, logical reasoning, mathematical capability, and coding capability, benchmark against leading international large models, with its mathematical capability continuing to rank among the international leaders.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

Ningbo Meishan Free Trade Port Area Jiangmen Venture Capital LLP (the "Jiangmen Ventures Fund")

was established in Ningbo, Zhejiang in September 2016, with an investment horizon of 5 to 7 years (Note: With the consent of all limited partners, the investment horizon has been extended twice for a total of two years in order to meet the exit requirements of the projects held) and with a paid-in capital amounting to RMB262 million. It reached its expiry date on 31 December 2025 and has entered the liquidation process. Its major investment targets are chiefly early-stage business ventures related to machine intelligence, Internet of Things (IoT), natural user interface, and enterprise computing. The general partner and investment manager of the Jiangmen Ventures Fund is Jiangmen Capital Management (Beijing) Co., Ltd., which is responsible for defining and executing the investment strategy for the Jiangmen Ventures Fund, as well as for managing their operations. The Fund completed a capital contribution of RMB30 million (equivalent to US\$4.74 million) in January 2018, representing 11.45% of the paid-in capital of the Jiangmen Ventures Fund as of 31 December 2025. In addition, through the end of December 2025, the Fund received cash distributions from the Jiangmen Ventures Fund in a cumulative amount of RMB13.97 million.

As of the end of 2025, the carrying value of the Fund's interest in the Jiangmen Ventures Fund was US\$5.38 million, representing a decrease of 31.46% from the value at the end of last year of US\$7.85 million.

Through the end of December 2025, the Jiangmen Ventures Fund has made investments in nineteen projects for a total of RMB233 million. Currently, the Jiangmen Ventures Fund has entered into the investment exit period. Of these projects, five projects have been fully exited, and two projects have achieved partial exits. In addition, one project completed a new round of financing in 2025.

Pony AI Inc. ("Pony AI") was established in Cayman Islands in November 2016, with its headquarters in Guangzhou, Guangdong. It is a research and development company in China that focuses on technology solutions for autonomous driving, and now has become a global leader in achieving large-scale commercialisation of autonomous mobility. In July 2018 and in April 2019, the Fund invested a total of US\$8.61 million and then held a 0.889% equity interest in Pony AI. Pony AI completed several rounds of equity financing in January 2021, March 2022 and October 2023, respectively. The Fund's equity interest in Pony AI was diluted from 0.889% to 0.649%, accordingly. In September 2024, in order to balance the interests of investors in disparate rounds of equity financing, Pony AI passed a resolution at the special general meeting to adjust the shareholding percentage of certain investors, thereby expediting the initial public offering (IPO) process. As a result, the Fund's equity interest in Pony AI was further diluted from 0.649% to 0.609%. Upon the listing of Pony AI in November 2024, the Fund held 2,274,605 ordinary shares of Pony AI, accounting for 0.560% of its issued share capital. From August to September 2025, the Fund cumulatively completed the sale of 682,382 shares of Pony AI American Depositary Shares, generating net proceeds of US\$10.21 million. As at 31 December 2025, the Fund still held 1,592,223 ordinary shares of Pony AI. In addition, in January 2026, the Fund further completed the sale of 1,083,943 shares of Pony AI American Depositary Shares, with net proceeds of US\$18.31 million.



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

As of the end of 2025, the carrying value of the Fund's interest in Pony AI was US\$23.07 million, representing a decrease of 17.93% over US\$28.11 million at the end of last year. The Fund's unrealised gain attributable to its investment in Pony AI for 2025 was US\$3.39 million, down 70.93% year-over-year.

On 6 November 2025, Pony AI completed its listing on the Hong Kong Stock Exchange, achieving a dual listing in both the United States and Hong Kong following its prior listing on the NASDAQ.

Pony AI announced on 26 March 2026 its unaudited net loss for 2025 of US\$76.758 million, compared with a loss of US\$275 million in the previous year. In 2025, the unaudited revenue from Pony AI's Robotruck services amounted to US\$40.601 million USD, representing a year-on-year increase of 0.6%. The fleet includes autonomous trucks at both L2+ and L4 levels. For the Robotaxi service, unaudited revenue reached US\$16.607 million, reflecting a year-on-year increase of 128.6%. The fleet consists of more than 1,400 vehicles. Commercial operations are now conducted in four Tier-1+ cities in China (Beijing, Guangzhou, Shenzhen, and Shanghai), with a total operational area exceeding 2,000 square kilometers. The coverage includes key transportation hubs such as central business districts, airports, and high-speed rail stations. Pony AI has also established presence in South Korea, Luxembourg, Singapore, and Saudi Arabia. Additionally, at Auto Shanghai 2025, Pony AI officially unveiled its seventh-generation autonomous driving system, the Gen 7 system. The company has entered into partnerships with BAIC (Beijing Automotive), GAC (Guangzhou Automobile Group), and Toyota, integrating the Gen 7 system into three vehicle models. Compared with the previous Gen 6 system, the Gen 7 adopts Pony AI's self-developed autonomous driving domain controller — the world's first product to achieve full-scenario L4 autonomous driving based on automotive-grade chips. It features a longer product lifecycle, a driving durability of 600,000 kilometers, a 70% reduction in material costs, as well as guaranteed production capacity and supply assurance for all related components. Following the launch of the Gen 7 system, Pony AI achieved breakeven in its unit economics in both Guangzhou and Shenzhen.

Arashi Vision Inc. ("Arashi Vision") was established in Shenzhen, Guangdong in July 2015 and is striving to become a global leader engaged in the research, development and manufacture of 360-degree video products. The Fund invested RMB20 million (equivalent to US\$2.83 million) and RMB10 million (equivalent to US\$1.44 million) in September and November 2019, respectively, bringing the Fund's total investment in Arashi Vision to RMB30 million (equivalent to US\$4.27 million), for a 1.625% equity interest in the company. Upon the listing of Arashi Vision in June 2025, the Fund held 5,849,989 shares of Arashi Vision, accounting for 1.459% of the issued share capital of Arashi Vision. In addition, the shares of Arashi Vision held by the Fund are subject to a lock-up period of 12 months.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

As of the end of 2025, the carrying value of the Fund's interest in Arashi Vision was US\$186.99 million, representing an increase of 433.95% over US\$35.02 million at the end of last year. The Fund's unrealised gain attributable to its investment in Arashi Vision for 2025 was US\$148.76 million, up 758.40% year-over-year.

On 11 June 2025, Arashi Vision was successfully listed on the STAR Market of the Shanghai Stock Exchange.

In 2025, Arashi Vision continued to expand its market presence, launched new products, and further increased both online and offline sales. On 14 February 2026, Arashi Vision announced its unaudited revenue for 2025 of RMB9.858 billion, representing a year-over-year increase of 76.85%, and unaudited net profit attributable to owners of the parent company of RMB964 million, down 3.08% year-over-year.

During 2025, Arashi Vision launched several new products. In January 2025, it introduced the Flow 2 Pro smartphone stabiliser, which enables dynamic telephoto tracking and intelligent multi-person tracking through its gimbal system, enhancing the content creation experience. In April 2025, it launched the flagship 8K panoramic camera X5, equipped with a 1/1.28-inch sensor, a 5nm AI chip, and two professional imaging chips. The hardware was comprehensively upgraded, with improvements over the previous generation in image quality, computing performance and battery life. In September 2025, Arashi Vision released the AI recording omnidirectional microphone Wave, optimised for use in meetings, live streaming, and content creation scenarios. In October 2025, it launched the 8K panoramic camera X4 Air, which focuses on a lightweight and portable user experience. In December 2025, its panoramic drone, Yingling Antigravity A1 was officially launched. The product enables uncropped panoramic recording through dual 360° fisheye lenses and seamless stitching algorithms and is paired with head-controlled glasses and a motion-sensing remote controller to provide an immersive operating experience.

In 2025, Arashi Vision's global brand influence continued to strengthen. In June 2025, Arashi Vision was named, for the third consecutive year, in the BrandZ Top 50 Chinese Global Brand Builders ranking jointly released by Google and KANTAR BRANDZ, ranking 24th in 2025. In October 2025, the US "Time" magazine published its list of the Best Inventions of 2025, and Arashi Vision's Antigravity A1 panoramic drone was selected for inclusion.

Xunfei Healthcare Technology Co., Ltd. ("Xunfei Healthcare") was established in the High-tech Development Zone, Hefei, Anhui in 2016 and is an AI-empowered healthcare solution provider, offering products and solutions that support a range of healthcare services, ranging from health risk warnings, early screening, auxiliary diagnosis and treatment as well as treatment effect evaluation to post-discharge management and chronic disease management. Xunfei Healthcare has independently developed AI technologies that underpin its products and solutions. The Fund invested RMB60 million (equivalent to US\$8.60 million) in February 2020 and RMB50 million (equivalent to US\$7.80 million) in November 2021, for an investment of RMB110 million (equivalent to US\$16.40 million) in Xunfei Healthcare. In December 2024, the Fund subscribed for the H shares of Xunfei Healthcare through the global offering of Xunfei Healthcare at an offer price of HK\$82.80, in the amount of HK\$28 million (equivalent to US\$3.61 million), and the number of H shares allocated to the Fund was 338,150. After the completion of the global offering and listing of Xunfei Healthcare, together with the existing investment, the Fund has cumulatively invested an equivalent amount of RMB136 million (equivalent to US\$20.01 million) in Xunfei Healthcare, and holds 4,238,150 H shares, accounting for 3.506% of the issued share capital of Xunfei Healthcare. As at the end of December 2025, the lock-up periods relating to the 4,238,150 shares of Xunfei Healthcare H shares held by the Fund had all expired.



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

As of the end of 2025, the carrying value of the Fund's interest in Xunfei Healthcare was US\$42.53 million, representing a decrease of 0.19% over US\$42.61 million at the end of last year. The Fund's unrealised gain attributable to its investment in Xunfei Healthcare for 2025 was negative US\$0.94 million, down 13.10% year-over-year.

On 27 March 2026, Xunfei Healthcare announced that its audited net loss for 2025 was RMB65.767 million, compared with a net loss of RMB137 million in the previous year.

In November 2025, the 35th Great Wall International Congress of Cardiology and the Asian Heart Congress were successfully held at the China National Convention Center in Beijing. At the conference, the "Cardiac Ultrasound Diagnostic Decision-Making System V1.0", a multimodal large model jointly developed by Beijing Anzhen Hospital of Capital Medical University, Xunfei Healthcare, and Beihang University, was officially launched.

In December 2025, Xunfei Healthcare announced that its major shareholder had voluntarily extended the lock-up period. Xunfei Healthcare stated that the extension of the lock-up period reflects the major shareholder's confidence in its future prospects. Market commentators considered that the voluntary extension demonstrates strong recognition by key stakeholders of the company's future development and indirectly affirms the feasibility of its AI healthcare strategy and its medium- to long-term growth potential.

China UnionPay Co., Ltd. ("China UnionPay") was established in March 2002, with its headquarters in Shanghai. It is a leading enterprise in the financial payment industry and is responsible for the construction and operation of a nationwide unified inter-bank information exchange network for bank cards, the provision of professional services related to inter-bank information exchange for bank cards, the management and operation of the "UnionPay" brand name, and the formulation of business specifications and technical standards for inter-bank transactions for bank cards. The Fund invested RMB220 million (equivalent to US\$31.12 million) in June 2020 for a 0.17% equity interest in China UnionPay. In November 2023, the Fund signed an equity transaction contract with an independent third party, pursuant to which the Fund agreed to sell a 0.12% equity interest in China UnionPay to the independent third party, thereby realising investment gains from this partial disposal and obtaining funds of RMB275 million (equivalent to US\$38.7 million) for working capital. The equity transfer was completed in the first quarter of 2024. As of 31 December 2025, the Fund held a 0.05% equity interest in China UnionPay, with a corresponding investment cost of RMB66.00 million (equivalent to US\$9.33 million). In December 2025, the Fund received a cash dividend of RMB0.97 million from China UnionPay for 2024.

As of the end of 2025, the carrying value of the Fund's interest in China UnionPay was US\$25.43 million, representing an increase of 9.28% from the value at the end of last year of US\$23.27 million. The Fund's unrealised gain attributable to its investment in China UnionPay for 2025 was US\$1.61 million, down 78.27% year-over-year.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

In November 2025, UnionPay International, a wholly owned subsidiary of China UnionPay, announced the deepening of its global partnership with Worldpay, a leading independent payment business operator. The parties will strengthen their strategic cooperation and, through mutual empowerment, expand the coverage of online payments across multiple industries globally, thereby providing enhanced service experiences for merchants and cardholders.

In December 2025, the China International Travel Mart officially opened at the Hainan International Convention and Exhibition Center. During the Cultural and Tourism Innovation Launch and related events held at the Mart, China UnionPay formally released the "Nihao China" app. The app is designed to provide inbound visitors to China with one-stop digital services across multiple scenarios, including payments, transportation, daily living, and cultural and tourism activities. By delivering a convenient, intelligent, and user-friendly full-cycle experience during their stay in China, the app aims to enhance the facilitation of inbound tourism and actively support the country's broader opening-up strategy.

CASREV FUND III-RMB L.P. ("CASREV Fund III") was established in Shenzhen, Guangdong in February 2020, with an investment horizon of 8 to 10 years and with a total fund subscription amount of RMB6 billion (presently, the paid-in capital amounts to RMB4.5 billion). The major investment targets of CASREV Fund III include enterprises related to smart manufacturing, smart products and services, big data and cloud computing, AI, Internet of Things (IoT), blockchain, biological engineering, chips and sensors, operating system, kernel modules, communication networks, materials and other emerging technologies. The general partner and investment manager of CASREV Fund III is CAS Investment Management Co., Ltd., which is responsible for defining and executing the investment strategy for CASREV Fund III, as well as for managing their operations. The Fund holds a beneficial interest in CASREV Fund III via CASRF Fund L.P. The Fund has committed to subscribe to an aggregate amount of RMB50 million by installment, representing 1.11% of the paid-in capital of CASREV Fund III. Since September 2020, the Fund had made successive capital contributions to CASREV Fund III for an aggregate amount of RMB50 million (equivalent to US\$7.50 million), representing 100% of the subscription amount committed by the Fund. In addition, through the end of December 2025, the Fund received cash distributions from CASREV Fund III in a cumulative amount of RMB20.29 million.

As of the end of 2025, the carrying value of the Fund's interest in CASREV Fund III was US\$9.58 million, representing an increase of 2.46% from the value at the end of last year of US\$9.35 million.

Through the end of December 2025, the investment committee of CASREV Fund III has approved a total of sixty-nine investment projects, for a total approved investment amount of RMB4.27 billion, of which RMB4.27 billion has been paid. At present, among the portfolio companies invested by CASREV Fund III, six have been listed on stock exchanges (of which three have already completed share reductions and full exits). In addition, three companies have respectively submitted listing applications to the United States, Hong Kong, and the STAR Market of the Shanghai Stock Exchange.



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

Flexiv Ltd. ("Flexiv") was established in Silicon Valley, the United States, in June 2016 and is a technology company in China that focuses on the development and application of adaptive robots. It, based on Flexiv robotic systems, provides innovative turnkey solutions and services for its customers in a range of industries. The Fund invested US\$5 million in December 2020. Flexiv completed a new round of equity financing in October 2025, and the equity interest held by the Fund in Flexiv was diluted from 1.58% to 1.41%, accordingly.

As of the end of 2025, the carrying value of the Fund's interest in Flexiv was US\$14.38 million, representing an increase of 181.96% from the value at the end of last year of US\$5.10 million.

In 2025, Flexiv recorded an unaudited revenue growth of 180% year-over-year. The existing products, Rizon and Grav, continued to be delivered, while cost reductions and efficiency enhancements for the products have been achieved through the successful self-development of more spare parts, such as motors. The new product, Moonlight (a parallel self-adjusting robot), was launched in volume in September. At the same time, the company has signed recurring purchase orders with a number of key customers and has also established stable cooperative relationships with a number of leading automotive companies and tier-1 manufacturers.

In August 2025, Flexiv collaborated with Huawei to develop an intelligent solution for optical communication manufacturing. Leveraging industrial-grade force control, hierarchical intelligence, and embodied large models, the solution overcame traditional automation bottlenecks, enabling the intelligent upgrade of optical communication production. Specifically, for the terminal insertion, a challenge difficult to address with conventional automation, the solution achieved over 90% general applicability, representing a significant breakthrough.

In November 2025, Flexiv launched the FMR 300 mobile robot platform, with long endurance, precise positioning, and high compatibility. It has been deployed in CNC tool management, mobile precision assembly, sorting and material handling (including loading and unloading), lab automation, and other scenarios.

In April and October 2025, Noematrix, the embodied intelligence subsidiary strategically incubated by Flexiv, completed two rounds of equity financing for hundreds of millions of RMB, which will further accelerate the application and implementation of embodied intelligence large models in a wide range of commercial scenarios.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

Beijing Huashun Xin'an Technology Co., Ltd. ("Huashun Xin'an") was established in Beijing in 2018 and is a cyber security company with a search engine for cyberspace resources. It is focused on the fields of big data security and cyberspace resources for surveying and mapping, and is primarily engaged in the research and development of technologies and products in the field of cyber information security. The Fund completed capital contributions of RMB24 million (equivalent to US\$3.67 million) and RMB6 million (equivalent to US\$0.93 million) in April and July 2021, respectively, for an aggregate investment of RMB30 million (equivalent to US\$4.60 million). In April 2022, in a new round of equity financing carried out by Huashun Xin'an, the Fund increased its investment in Huashun Xin'an by RMB6.50 million (equivalent to US\$1.02 million), for an aggregate investment of RMB36.50 million (equivalent to US\$5.62 million), amounting to a 4.295% equity interest in Huashun Xin'an as of 31 December 2025.

As of the end of 2025, the carrying value of the Fund's interest in Huashun Xin'an was US\$1.77 million, representing an increase of 200.00% from the value at the end of last year of US\$0.59 million.

In December 2025, Huashun Xin'an released FOFA 5.0. The launch of the new version is set to break through traditional cybersecurity boundaries, extending the company's business into diverse financial sectors, including commercial intelligence and market analysis. By integrating nearly ten years of historical network asset data, Huashun Xin'an allows users not only to conduct retrospective asset security analysis but also to effectively identify potential opportunities for market research and commercial analysis.

Xinyi Information Technology (Shanghai) Co., Ltd. ("Xinyi") was established in Zhang Jiang District, Shanghai in March 2017. It is a company that focuses on the research and development of SoC (system on a chip) for Internet of Things (IoT) for low-power wide-area network (LPWAN), and is committed to becoming a world-class manufacturer of Internet of Things intelligent terminal SoCs for the 5th generation mobile communications (5G), with applications mainly covering smart meters, smart security, smart transportation, smart cities, the sharing economy and other scenarios. In November 2025, Xinyi successfully completed its conversion into a joint-stock company and was renamed from Xinyi Information Technology Ltd. to Xinyi Information Technology (Shanghai) Co., Ltd. The Fund invested RMB35 million (equivalent to US\$5.42 million) in September 2021 and held a 1.28% equity interest in Xinyi as of 31 December 2025.

As of the end of 2025, the carrying value of the Fund's interest in Xinyi was US\$4.64 million, representing an increase of 487.34% from the value at the end of last year of US\$0.79 million.

In 2025, Xinyi's unaudited revenue grew approximately 75% year-over-year. Shipments of its NB-IoT chips continued to rise in overseas markets, ranking among the industry leaders. The second-generation SoC chips, the XY1200/XY2100 series, specifically developed for smart metering applications, maintained stable shipments and gradually expanded into overseas markets. The medium-speed IoT CAT-1 chip, the XY4100 series, continued to achieve mass shipments.

REVIEW OF INVESTMENTS (CONTINUED)

In October 2025, Xinyi was approved in the seventh batch of specialised and new “Little Giant” enterprises by the Shanghai Municipal Commission of Economy and Informatisation.

Rizhao Azuri Technologies Co., Ltd. (“Azuri”) was established in Rizhao, Shandong in August 2016. It is a company that develops and manufactures laser diode chips, optical devices and optical module products for high-speed optical communications, mainly targeting the fiber to the home (FTTH), 5th generation mobile communications (5G), enterprise networking and data centre markets. The Fund invested RMB30 million (equivalent to US\$4.72 million) in December 2021 for a 2.50% equity interest in Azuri.

As of the end of 2025, the carrying value of the Fund’s interest in Azuri was US\$1.49 million, representing an increase of 98.67% from the value at the end of last year of US\$0.75 million.

In 2025, Azuri’s 10G-EPON modules and BOSA components continued to ship both domestically and to North America, and its business with leading domestic and overseas customers continued to advance. The low-power consumption modules of DML XGS have been introduced in small-batch production for certain customers. The high-power CW-DFB laser with a novel waveguide structure, targeting silicon photonics-based applications, has completed its first tape-out and is now engaging with downstream customers. Azuri’s self-built epitaxial production line, which can further reduce chip costs while accelerating the speed of research and development, has now begun full-scale tape-out.

Beijing Hanwei Innovation Technology Co., Ltd. (“Hanwei”) was established in Shanghai in June 2019. It is a fabless IC (Integrated Circuit) design company focusing on ultra-wideband (UWB) technology, and its high-precision positioning products developed primarily for consumer goods such as automotives, smartphones and wearables. The Fund invested RMB50 million (equivalent to US\$7.02 million) in July 2023 for a 6.42% equity interest in Hanwei. Hanwei completed a new round of equity financing in February 2025. As this round of equity financing has triggered the anti-dilution protection clause as stipulated in the investment agreement, the Fund is then compensated with some shareholding and the equity interest held by the Fund in Hanwei has increased from 6.42% to 8.85%, accordingly.

As of the end of 2025, the carrying value of the Fund’s interest in Hanwei was US\$5.08 million, representing a decrease of 4.33% from the value at the end of last year of US\$5.31 million.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

In 2025, Hanwei continued to advance the downstream applications of its second-generation UWB product, MK8080 chip. The Industrial Internet of Things (IoT) was further promoted and has begun downhole application deployment for key customers. In terms of automotive applications, the company has conducted further cooperation with first-tier companies to develop and explore the application of UWB in car keys and radar. In terms of consumer IoT applications, Hanwei has tried to promote collaboration in the products' research and development.

Moonshot AI Ltd. ("Moonshot AI") was established in Cayman Islands in May 2023. It is a startup company that is focused on the research and development of general-purpose large multimodal model and end-customer applications. The Fund invested US\$10 million in December 2023 for a 1.29% equity interest in Moonshot AI. Moonshot AI completed four new rounds of equity financing in February, March and June 2024, and March 2025, respectively, and the equity interest held by the Fund in Moonshot AI was diluted from 1.29% to 0.66%, accordingly. During January and February 2026, Moonshot AI once again completed a new round of financing, as a result of which the Fund's equity interest in Moonshot AI was diluted from 0.66% to 0.58%.

As of the end of 2025, the carrying value of the Fund's interest in Moonshot AI was US\$16.76 million, representing an increase of 9.19% over US\$15.35 million at the end of last year.

In 2025, Moonshot AI continued to advance its self-developed models. In January 2025, Moonshot AI released the Multimodal Thinking Model, K1.5, which has surpassed certain global benchmark models on test sets covering mathematics, coding, vision-based multimodal tasks, and general ability. In February 2025, Moonshot AI introduced its Mixture of Block Attention (MoBA) and its technical report, which further optimised the model's long-context understanding ability and its overall performance. In April 2025, Moonshot AI successively open-sourced the Kimi-VL and Kimina-Prover models, both of which demonstrated leading performance in terms of basic function, long context, and multimodal reasoning capabilities. The open-source initiative is expected to enhance the company's technological influence. In June 2025, Moonshot AI launched Kimi-Researcher, a foundational pre-trained model, which it tested in small-scale.

Kimi-Researcher is an end-to-end reinforcement learning-trained agent model capable of generating comprehensive, in-depth research reports through integrated retrieval and autonomous reasoning. In July 2025, Kimi released the open-source K2 model, with a total of 1 trillion parameters supporting 128K long-context input, achieving leading performance across coding generation, mathematical reasoning, and tool utilisation benchmarks, and ranked 11th globally on the LMArena leaderboard (October 2025). In November 2025, Kimi released the open-source reasoning model K2-Thinking, which achieved State-of-the-Art (SOTA) performance across multiple benchmarks, including Humanity's Last Exam, BrowseComp (autonomous web browsing capability), and SEAL-0 (complex information gathering and reasoning). The model also demonstrated comprehensive improvements in agentic search, agentic programming, writing, and general reasoning abilities.

REVIEW OF INVESTMENTS (CONTINUED)

According to the AI Champion Product Board (aicpb.com), Moonshot AI's traffic data ranks among the top domestic products. In December 2025, Kimi Intelligent Assistant (Web) recorded 38.83 million monthly visits, and its app version had 235,900 monthly active users (MAU), ranking among domestic leaders.

In January 2026, Moonshot AI released and open-sourced the multimodal K2.5 model, which achieved open-source SOTA performance across agent, code, image, video, and general intelligence tasks. K2.5 is built on a native multimodal architecture, supporting visual-to-text input, thinking-to-non-thinking modes, and dialogue-to-agent tasks. According to usage data published by OpenRouter on 2 February 2026, the K2.5 model ranked among the top ten globally in monthly API calls.

Hue Inc. ("JBD"), formerly known as Jade Bird Display (Shanghai) Limited, was established in Shanghai in October 2015. It is a company engaging in the research, development and manufacture of micro light-emitting diodes (MicroLED), specialising in the development of MicroLED display technology. Its products are known currently for their industry-leading performance across key attributes such as high brightness, low power consumption, and compact size. In December 2025, JBD successfully completed its conversion into a joint-stock company and was renamed from Jade Bird Display (Shanghai) Limited to Hue Inc. The Fund invested RMB30 million (equivalent to US\$4.18 million) in May 2025 for a 0.449% equity interest in JBD. In August and September 2025, JBD completed two additional rounds of financing. As a result, this fund's equity interest in JBD was diluted from 0.449% to 0.388%.

As of the end of 2025, the carrying value of the Fund's interest in JBD was US\$4.19 million.

In 2025, JBD's augmented reality (AR) display business continued to thrive. The performance metrics of its AR optical engines continued to maintain an industry-leading position, and collaborations with leading domestic and overseas customers continued to advance. Several customers launched consumer-grade AR glasses powered by JBD's optical engines in 2025. In September 2025, JBD released the "Hummingbird II" polychrome projector, featuring JBD's new 0.1-inch MicroLED microdisplay. Based on the X-cube solution, it achieved an ultra-compact volume of 0.2 cubic centimeters and an ultra-light weight of 0.5 grams, both reduced by 50% compared to the previous generation, making it the smallest mass-produced polychrome projector to date. In December 2025, JBD released the "Roadrunner I" polychrome projector, equipped with a newly developed MicroLED microdisplay panel whose pixel pitch has been reduced from 4 microns in the "Hummingbird" series to 2.5 microns through breakthrough iterative computation, resulting in a comprehensive enhancement of display quality. The pixel density of the "Roadrunner" series microdisplay panels reached 10,160 PPI. In other business areas, JBD unveiled its MicroLED printhead module in February 2025, featuring compact size, high speed, high precision, low power consumption, ultra-quiet operation, and greater reliability, offering printer manufacturers more commercially viable solutions.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

Hwagain Group Co., Ltd. ("Hwagain") was formed by the merger of two paper manufacturers located in Nanning, Guangxi in 1998. It is principally engaged in the research and development, production, and sale of high quality printing paper and tissue paper. The Fund invested RMB119.99 million (equivalent to US\$19.00 million) in January 2012 for a 7.10% equity interest in Hwagain.

As of the end of 2025, the carrying value of the Fund's interest in Hwagain was US\$2.92 million, representing an increase of 17.74% from the value at the end of last year of US\$2.48 million.

In 2025, Hwagain's factory experienced prolonged machine maintenance downtime with post-restart production below expectations, which has significantly affected its performance. The company plans to focus on eliminating safety hazards, improving production efficiency, and enhancing environmental governance to ensure sustainable development. In 2025, Hwagain recorded an unaudited net loss of RMB 43.89 million, compared with a net profit of RMB 3.16 million in the previous year.

Wuhan Rixin Technology Co., Ltd. ("Wuhan Rixin") was established in Wuhan, Hubei in 2001 and is a state-accredited high technology enterprise engaged in the design, production and installation of solar modules and Building Integrated Photovoltaic (BIPV) products, as well as in the operation, maintenance and management of solar powered electric systems. The stock of Wuhan Rixin was listed for trading on the New Third Board in February 2016. The Fund invested RMB15 million (equivalent to US\$2.20 million) in Wuhan Rixin in July 2009. As of 31 December 2025, the Fund held a total of 4.95 million shares in Wuhan Rixin, as a result of the receipt of 1.65 million new shares via a capitalisation issue from Wuhan Rixin in May 2019, accounting for 3.90% of the issued share capital of Wuhan Rixin.

As of the end of 2025, the carrying value of the Fund's interest in Wuhan Rixin was US\$0.99 million, representing a decrease of 4.81% from the value at the end of last year of US\$1.04 million.

On 15 September 2025, Wuhan Rixin issued an announcement stating that on 11 September 2025, Mr. Xu Jinming, the company's controlling shareholder and actual controller, and Wuhan Baishide New Energy Equity Investment Center (Limited Partnership) reached a settlement on the investment contract dispute between the two parties.

On 13 October 2025, Wuhan Rixin issued an announcement stating that the company received the "Civil Mediation Letter" issued by the People's Court of Wuchang District, Wuhan City, on 10 October 2025, and the company and the Wuchang Branch of Hankou Bank Co., Ltd. reached a settlement in terms of the dispute case of the letter of credit.



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

On 21 November 2025, Wuhan Rixin issued an announcement stating that through inquiries, it learned that some company bank accounts had been frozen, and the company and Mr. Xu Jinming, its legal representative, had been restricted from high consumption.

On 4 March 2026, Wuhan Rixin issued an announcement stating that the company has been placed on the List of Dishonest Persons Subject to Enforcement. This may have a certain adverse impact on the company's reputation and daily operations.

The Fund will closely monitor subsequent developments of the above events and the potential impact on the Fund and will take appropriate measures to protect the interests of the Fund when necessary.

Nanning Huiyou Xingyao Equity Investment Fund L.P. ("Huiyou Xingyao Fund") was established in Nanning, Guangxi in September 2020, with an investment horizon of 5 to 7 years and with a total fund subscription amount of RMB113 million. Huiyou Xingyao Fund is a single-project equity investment fund, making equity investments solely in Wuhan YZY Biopharma Co., Ltd. ("**YZY Biopharma**"). YZY Biopharma is a pharmaceutical company with a bispecific antibody platform and related biopharmaceutical research and development capabilities. The fund manager of Huiyou Xingyao Fund is Tongde Qianyuan (Beijing) Investment Management Co., Ltd., which is responsible for providing consultation and advice on investment matters, as well as providing daily operations and investment management services. The Fund has committed to subscribe to an aggregate amount of RMB24 million by installment, representing 21.24% of the total fund subscription amount of Huiyou Xingyao Fund. The Fund made capital contributions to Huiyou Xingyao Fund in November 2020 and July 2021 for an aggregate amount of RMB24 million (equivalent to US\$3.66 million), representing 100% of the subscription amount committed by the Fund. In September 2025, all partners of Huiyou Xingyao Fund convened a partners' meeting and resolved to place Huiyou Xingyao Fund into liquidation proceedings.

As of the end of 2025, the carrying value of the Fund's interest in Huiyou Xingyao Fund was US\$2.23 million, representing a decrease of 3.46% over US\$2.31 million at the end of last year.

On 27 March 2026, YZY Biopharma announced that its audited net loss for 2025 was RMB84.732 million, compared to a net loss of RMB97.599 million for last year.

In October 2025, the interim data of the phase II clinical study of M701, a bispecific antibody (BsAb) drug candidate dually targeting epithelial cell adhesion molecule (EpcAM) and cluster of differentiation 3 (CD3) independently developed by YZY Biopharma for the treatment of malignant pleural effusion caused by advanced non-small cell lung cancer (NSCLC) in China, were announced at the European Society for Medical Oncology (ESMO) in 2025 in the form of a conference poster. In December 2025, the drug's development and clinical trial results for the treatment of malignant ascites caused by advanced epithelial tumors in China were published in *Experimental Hematology & Oncology*, an internationally renowned medical journal.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

In December 2025, the Investigational New Drug (IND) application for YZY Biopharma's biosimilar Y225 was approved by the National Medical Products Administration (NMPA) of the People's Republic of China. Y225 is a biosimilar of Hemlibra® (emicizumab injection, anti-FIX and FX), a bispecific antibody used for the treatment of hemophilia A.

Immvisa Bioscience Inc. ("Immvisa") was established in Cayman Islands in May 2018 and is a biotech research and development company, principally engaged in clinical research and development of vector technologies as potential cancer therapeutics. Leveraging intrinsic mechanisms of action and tumor microenvironment modifications, Immvisa is focused on developing a new generation of novel anti-cancer drug vectors, including replicating and non-replicating herpes simplex virus vectors, drug delivery exosomes and tumor vaccines. The Fund invested US\$8 million in October 2022 and eventually held a 1.65% equity interest in Immvisa.

As of the end of 2025, the carrying value of the Fund's interest in Immvisa was US\$8.68 million, representing an increase of 60.74% over US\$5.40 million at the end of last year.

On 25 June 2025, Immvisa submitted an application proof of prospectus to the Hong Kong Stock Exchange. According to the prospectus, the company strives to discover, develop, produce and commercialise novel oncolytic immunotherapy and engineered exosome therapy, through its bioengineering technology and independent intellectual property rights. According to the updated version of the prospectus submitted in January 2026, Immvisa recorded net losses of RMB482 million, RMB524 million, and RMB375 million for the years 2023 and 2024, and for the nine months ended 30 September 2025, respectively.

Neuracle Technology (Shanghai) Co., Ltd. ("Neuracle Technology") was preceded by Neuracle Technology (Changzhou) Co., Ltd., which was founded in Changzhou City, Jiangsu Province, 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 November 2025, the Fund invested RMB15 million (equivalent to US\$2.12 million) in Neuracle Technology to subscribe for part of its equity interests.

As of the end of 2025, the carrying value of the Fund's interest in Neuracle Technology was US\$2.13 million.



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF INVESTMENTS (CONTINUED)

Since the first implantation of the world's first minimally invasive brain-computer interface system (NEO), independently developed by Neuracle Technology using epidural implantation and wireless transmission design, was completed at Xuanwu Hospital in October 2023, feasibility trials have been successively implemented at Tiantan Hospital, Huashan Hospital, and Jiangsu Provincial People's Hospital and have achieved remarkable results. In August 2024, NEO officially entered the special review channel of innovative medical devices of the National Medical Products Administration, laying an institutional foundation for clinical registration trials. In December 2025, the NEO Wireless Minimally Invasive Implantable Brain-Computer Interface Multicenter GCP Registration Clinical Trial Summary Meeting was successfully held during the 2025 Brain-Computer Interface Conference hosted by the Brain-Computer Interface Industry Alliance.

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 Fund may continue to improve.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

PROSPECTS (CONTINUED)

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. 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 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 Fund will continue to seek out the best opportunities for investment.

CORPORATE CULTURE, BUSINESS STRATEGY AND INVESTMENT RESTRICTIONS

The Fund is an investment company listed on the Hong Kong Stock Exchange. We have built our investment philosophy and corporate culture on the concept of “Focus, Prudence, Innovation, and Win-win,” as well as on the standards of Environmental, Social and Governance (ESG). It is with these principles in mind that we determine our investment direction and strategy, as we seek to create value for our shareholders and achieve sustainable corporate development.

Currently, our main business is to invest directly in quality unlisted enterprises in China, as well as in China-concept shares listed on domestic and overseas markets. Our strategies are: to primarily invest in quality and mature investment projects while also seizing good opportunities in emerging industries; to invest in outstanding and leading listed enterprises and cooperate with them so as to explore quality unlisted projects in their respective industry chains; to closely monitor changes in global financial conditions and in China's economic policies for diverse investments; to continue to view industry developments from a broad perspective and avoid the risk of investing in overheated sectors, to focus on relatively regulated industries and relatively large projects, and to pay more attention to key projects with government support and with the backing of state-owned enterprises or listed companies; to constantly optimise the investment portfolio and to manage the level of risk; to avoid blindly engaging in price competition when bidding on investment projects; and to fulfill our goal of long-term capital preservation and appreciation. Our future investment focus is 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. We continue to explore the means for proper participation in investments in potential listed companies, as guided by our direct investment concepts.

For investment restrictions of the Fund, please refer to the prospectus dated 15 July 1993 issued by the Fund which is available on the Fund's website.

KEY RISK FACTORS

The Fund faces various risks and uncertainties in its operations. Taking into account the operations of the Fund, the key risks and uncertainties considered to be faced by the Fund are listed below. Please note that in addition to those listed below, the Fund may also be exposed to other risks and uncertainties.

Economic Risk

The Fund invests in enterprises with businesses or incomes derived from China. The businesses, financial conditions, operational results and prospects of Chinese enterprises are largely subject to the macroeconomic development of China. As China is still an emerging economy, its economy is different from developed economies in many respects, including but not limited to the government regulations, the models of economic growth, foreign exchange controls and the allocation of resources.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

KEY RISK FACTORS (CONTINUED)

Market Competition Risk

The main business of the Fund is equity investments. With a booming private equity investment market in China, more and more investment companies or funds in the industry are entering the market, which results in keener competition among investment institutions for potential investment targets. The Fund is also facing increasingly intense competition in the industry and the market challenges of rising prices of investment targets.

Operation Risk

In evaluating and screening investment projects, the Fund must select relevant investment tools, consider the investment size, and adapt its investment strategies in different stages of an enterprise. This involves many complicated processes and factors. Although the Fund strives to consider and manage risk with skill and experience, the potential risks and uncertainties in investment analysis cannot be fully mitigated.

The enterprises in which the Fund has invested face various risks in their businesses and operations, including changes in the market environment of the industry, economic recession, incorrect operational decisions (such as over expansion or premature diversification), improper internal controls, the failure of management to meet expectations, and unstable management teams. The risks from the businesses and operations of the enterprises in which the Fund has invested will have an effect on the investment time cost and investment returns of the Fund.

In addition, according to the relevant listing rules of the Hong Kong Stock Exchange, the Fund cannot, either on its own or in conjunction with any core connected parties, take legal or effective management control of enterprises in which the Fund has invested, and furthermore cannot own or control more than 30% of the voting rights in any one enterprise or body. As a result, the Fund may act only as a strategic investor in an enterprise, and cannot actively participate in the management or operations of the enterprise. Although the Fund strives to safeguard its rights according to applicable laws and regulations, it may incur investment losses if the controlling shareholder or management of an enterprise intentionally deceives or conceals significant matters related to the operations of the enterprise.

Stock Market Risk

The Fund currently holds a large quantity of stocks of listed companies and the Fund may also allocate a portion of its assets to the secondary stock market. The stock market is subject to political, economic, social and other macro factors, which will result in the fluctuation of stock prices. As the stocks of listed companies held by the Fund are marked to market, such fluctuations will affect the value of the listed stocks held by the Fund and will cause fluctuation in the net asset value of the Fund.



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

KEY RISK FACTORS (CONTINUED)

Legal Uncertainty

The enterprises and assets in which the Fund has invested are mainly located in China and are subject to the laws and regulations of China. China's legal system is based on written statutes. Prior court decisions may be cited as reference but have limited precedential value. In addition, since the late 1970s, with a view towards developing a comprehensive system of commercial law to deal with economic matters, the Central Government has promulgated relevant laws and regulations on the issuance and trading of securities, shareholders' rights, foreign investment, corporate organisation and governance, commerce, taxation, and trade, among other topics. However, as these laws and regulations are relatively new and the external environment continues to evolve, the effect of these laws and regulations on the rights and obligations of relevant institutions, enterprises and individuals may involve uncertainty. As a result, the legal protections for assets in China available to investors under Chinese commercial laws and regulations may be limited.

Policy and Regulatory Risk

The enterprises in which the Fund has invested involve different industries and their value is subject to the development of or changes in government policies, taxation, laws and regulations. The relevant policies, laws and regulations, or relevant interpretations of these statutes, may change in the future, which may affect the value of the enterprises in which the Fund has invested.

Exchange Rate Fluctuation Risk

Most of the Fund's investments are located in China where the official currency is the RMB. The conversion rates of RMB against US dollar and other currencies may fluctuate as they are subject to domestic and international political and economic conditions, as well as to the fiscal and monetary policies of governments, among other factors. The businesses, financial conditions, operational results and prospects of the enterprises in which the Fund has invested may be affected by fluctuations in the RMB, which will in turn affect the value of the enterprises in which the Fund has invested. In addition, the Fund is also subject to fluctuations in the RMB exchange rate on currency swaps and conversions, which will eventually affect the net asset value of the Fund reported in US dollars.

Foreign Exchange Control Risk

The RMB is not a freely convertible currency currently. The remittance of profits, dividends, investment principal and returns by overseas investors to jurisdictions outside of China is subject to relevant regulations of China. Generally speaking, overseas investors can remit their profits, dividends, investment principal and returns to jurisdictions outside of China, but they must first obtain approval from the relevant national foreign exchange authorities. The Fund, as an overseas investor, cannot make assurances as to when it can obtain such approval if an application is made, which may limit the ability of the Fund to pay dividends or make other distributions

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

SUB-PARTICIPATION SCHEME

In order to strengthen the investment management process, and to align the interests of management and staff with the interests of the Fund in entering new investment projects, the Investment Manager, with the consent of the Fund, has administered the sub-participation scheme (the “**Scheme**”) since 2009.

Under the Scheme, the Fund has entered into sub-participation agreements (the “**Agreements**”) with certain Directors of the Fund, certain Directors and employees of the Investment Manager, and persons nominated by shareholders of the Investment Manager (collectively the “**Participants**”), with respect to new investments made by the Fund beginning in 2009. Pursuant to the Agreements, the Participants will receive a portion of the return (in the form of dividends, interest, or other distributions or proceeds from realisation) from the Fund’s investment in the project company that is proportional to the amount provided by the Participants to the Fund as a percentage of the total Fund’s investment in the project company. If the Fund suffers a loss from its investment in the project company, the Participants will correspondingly share a loss in the amount they provided to the Fund on a pro rata basis. The Agreements will terminate upon either the realisation of the investment in the project company by the Fund, or upon the Investment Manager, who provides a guarantee to the Participants for the performance of the Fund’s obligations under the Agreements, ceasing to be investment manager of the Fund. In the former case, the Participants shall receive a pro rata portion of the proceeds from disposal of the Fund’s interest in the project company. In the latter case, the Participants will receive a pro rata portion of the value of the equity interest in the project company held by the Fund as of 90 days prior to the termination date of the Agreements. The value of the equity interest in the project company will be assessed by an independent valuer appointed jointly by the Fund and the Investment Manager. In addition, the costs and expenses incurred for the preparation and execution of the Agreements, the costs incidental to the implementation of the Scheme, and the relevant portion of the identifiable costs related to the Fund’s investment in the project company that corresponds to the amount provided by the Participants to the Fund under the Agreements will be borne by the Investment Manager.

Under the Scheme, it was originally determined that the aggregate amount provided by the Participants in each of the Fund’s new investment projects should not exceed 2% of the Fund’s investment in each project (the “**Ceiling of Relative Proportion**”). In order to further strengthen the investment management process, with the consent of the Fund and starting from 26 August 2011, the Ceiling of Relative Proportion for each of the Fund’s new investment projects is revised as follows: 1) for projects with an investment amount of RMB30 million or less, the Ceiling of Relative Proportion will be 5%; 2) for projects with an investment amount of more than RMB30 million and up to RMB100 million, the Ceiling of Relative Proportion will be RMB1.50 million or 2%, whichever is higher; and 3) for projects with an investment amount of more than RMB100 million, the Ceiling of Relative Proportion will be 2%.

Given the transitional nature of the investment management agreement effective from 1 January 2025, and in accordance with the Investment Manager’s request, new investment projects commencing on or after 1 January 2025 are temporarily not eligible to participate in the Scheme.

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

SUB-PARTICIPATION SCHEME (CONTINUED)

As of 31 December 2025, details of aggregate amounts actually provided by the Participants and their relative proportion to the investment amounts actually paid by the Fund were as follows:

Name of projects	Original investment amount of the Fund US\$*	Original amounts actually paid by the Participants US\$*	Relative proportion
Wuhan Rixin	2,195,500	43,900	2.000%
China Media Management	676,100	4,500	0.666%
China Media Investment (1st installment capital contribution)	5,858,300	38,800	0.662%
Jinpower Electrical	3,033,500	60,300	1.988%
China Media Investment (2nd installment capital contribution)	953,500	6,100	0.638%
Hwagain	19,004,900	161,100	0.847%
China Media Investment (3rd installment capital contribution)	1,075,300	6,200	0.575%
China Media Investment (4th installment capital contribution)	4,566,600	26,300	0.577%
China Media Investment (5th installment capital contribution)	484,900	2,800	0.580%
China Media Investment (6th installment capital contribution)	5,555,100	32,200	0.579%
China Media Investment (7th installment capital contribution)	3,352,500	18,900	0.562%
China Media Investment (8th installment capital contribution)	2,055,100	11,500	0.559%
China Media Investment (9th installment capital contribution)	859,600	4,830	0.562%
JIC Leasing	38,781,800	65,810	0.170%
iFLYTEK	18,827,500	33,500	0.178%

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

SUB-PARTICIPATION SCHEME (CONTINUED)

Name of projects	Original investment amount of the Fund <i>US\$*</i>	Original amounts actually paid by the Participants <i>US\$*</i>	Relative proportion
Iflytek Venture Capital (1st installment capital contribution)	5,193,900	9,270	0.178%
Iflytek Venture Capital (2nd installment capital contribution)	2,008,800	3,480	0.178%
Qinghai Lake Tourism (1st installment capital contribution)	7,502,800	9,590	0.128%
Qinghai Lake Tourism (2nd installment capital contribution)	22,927,700	28,800	0.126%
Iflytek Venture Capital (3rd installment capital contribution)	2,146,800	3,480	0.178%
The Jiangmen Ventures Fund	4,741,800	20,470	0.432%
Pony AI (1st round capital injection)	8,000,000	35,680	0.446%
Iflytek Venture Capital (4th installment capital contribution)	1,991,910	3,480	0.178%
Pony AI (2nd round capital injection)	607,270	10,200	1.680%
Arashi Vision	4,268,200	26,820	0.632%
Xunfei Healthcare (1st round capital injection)	8,600,700	48,790	0.567%
Iflytek Venture Capital (5th installment capital contribution)	646,170	1,160	0.178%
China UnionPay	31,116,080	51,610	0.166%
Iflytek Venture Capital (6th installment capital contribution)	1,286,760	2,320	0.178%
CASREV Fund III (1st installment capital contribution)	1,849,360	2,580	0.140%
CASREV Fund III (2nd installment capital contribution)	1,896,900	2,580	0.140%
Huiyou Xingyao Fund (1st installment capital contribution)	2,469,420	14,900	0.603%
Flexiv	5,000,000	95,450	1.909%



INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

SUB-PARTICIPATION SCHEME (CONTINUED)

Name of projects	Original investment amount of the Fund US\$*	Original amounts actually paid by the Participants US\$*	Relative proportion
Huashun Xin'an (1st installment capital contribution for 1st round capital injection)	3,669,220	18,510	0.504%
Huashun Xin'an (2nd installment capital contribution for 1st round capital injection)	927,190	4,630	0.504%
Huiyou Xingyao Fund (2nd installment capital contribution)	1,187,000	7,030	0.603%
CASREV Fund III (3rd installment capital contribution)	1,931,490	2,580	0.140%
Xinyi	5,416,700	23,150	0.427%
Xunfei Healthcare (2nd round capital injection)	7,804,570	19,250	0.247%
Azuri	4,724,560	24,370	0.516%
Huashun Xin'an (2nd round capital injection)	1,020,090	11,470	1.125%
CASREV Fund III (4th installment capital contribution)	1,816,810	2,580	0.140%
Immvira	8,000,000	21,660	0.271%
Hanwei	7,016,070	30,780	0.439%
Moonshot AI	10,000,000	38,430	0.384%
Xunfei Healthcare (3rd round capital injection)	3,605,900	19,320	0.536%

* Calculated with prevalent exchange rates at the time of the amounts paid

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

SUB-PARTICIPATION SCHEME (CONTINUED)

In addition, as of 31 December 2025, details of the amounts actually paid by some of the Directors of the Fund as well as two Directors of the Investment Manager for the Scheme were as follows:

Name of projects	Mr. ZHOU	Mr. ZHANG	Mr. WANG	Mr. TSE	Mr. YANG	Mr. KANG
	Xing	Rizhong	Xiaoding	Yue Kit	Baiqian	Dong
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)
	US\$	US\$	US\$	US\$	US\$	US\$
Wuhan Rixin	4,390	N/A	3,510	1,290	N/A	N/A
China Media Management	300	N/A	1,160	30	N/A	N/A
China Media Investment (1st installment capital contribution)	2,510	N/A	10,040	250	N/A	N/A
Jinpower Electrical	6,030	N/A	6,030	1,280	N/A	N/A
China Media Investment (2nd installment capital contribution)	390	N/A	1,570	40	N/A	N/A
Hwagain	19,330	N/A	12,880	1,290	N/A	N/A
China Media Investment (3rd installment capital contribution)	430	N/A	1,710	40	N/A	N/A
China Media Investment (4th installment capital contribution)	1,820	N/A	7,260	180	N/A	N/A
China Media Investment (5th installment capital contribution)	190	N/A	780	20	N/A	N/A
China Media Investment (6th installment capital contribution)	2,220	N/A	8,880	220	N/A	N/A
China Media Investment (7th installment capital contribution)	1,300	N/A	5,200	130	N/A	N/A
China Media Investment (8th installment capital contribution)	790	N/A	3,170	80	N/A	N/A
China Media Investment (9th installment capital contribution)	330	N/A	1,330	30	N/A	N/A
JIC Leasing	12,900	N/A	12,900	1,290	N/A	N/A
iFLYTEK	N/A	N/A	12,890	1,290	N/A	N/A

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

SUB-PARTICIPATION SCHEME (CONTINUED)

Name of projects	Mr. ZHOU	Mr. ZHANG	Mr. WANG	Mr. TSE	Mr. YANG	Mr. KANG
	Xing	Rizhong	Xiaoding	Yue Kit	Baiqian	Dong
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)
	US\$	US\$	US\$	US\$	US\$	US\$
Iflytek Venture Capital (1st installment capital contribution)	N/A	N/A	2,580	520	N/A	N/A
Iflytek Venture Capital (2nd installment capital contribution)	N/A	N/A	970	190	N/A	N/A
Qinghai Lake Tourism (1st installment capital contribution)	N/A	640	3,200	320	N/A	N/A
Qinghai Lake Tourism (2nd installment capital contribution)	N/A	1,920	9,600	960	N/A	N/A
Iflytek Venture Capital (3rd installment capital contribution)	N/A	N/A	970	190	N/A	N/A
The Jiangmen Ventures Fund	N/A	1,280	3,840	1,280	N/A	N/A
Pony AI (1st round capital injection)	N/A	1,270	6,370	1,270	N/A	N/A
Iflytek Venture Capital (4th installment capital contribution)	N/A	N/A	970	190	N/A	N/A
Pony AI (2nd round capital injection)	N/A	1,280	1,280	1,280	N/A	N/A
Arashi Vision	N/A	1,280	3,830	1,280	N/A	N/A
Xunfei Healthcare (1st round capital injection)	N/A	6,420	19,260	1,280	N/A	N/A
Iflytek Venture Capital (5th installment capital contribution)	N/A	N/A	320	60	N/A	N/A
China UnionPay	N/A	3,870	12,900	1,290	N/A	N/A
Iflytek Venture Capital (6th installment capital contribution)	N/A	N/A	640	130	N/A	N/A
CASREV Fund III (1st installment capital contribution)	N/A	320	320	320	N/A	N/A
CASREV Fund III (2nd installment capital contribution)	N/A	320	320	320	N/A	N/A
Huiyou Xingyao Fund (1st installment capital contribution)	N/A	1,750	880	880	N/A	N/A
Flexiv	N/A	1,290	20,640	1,290	N/A	N/A

INVESTMENT MANAGER'S DISCUSSION AND ANALYSIS (CONTINUED)

SUB-PARTICIPATION SCHEME (CONTINUED)

Name of projects	Mr. ZHOU	Mr. ZHANG	Mr. WANG	Mr. TSE	Mr. YANG	Mr. KANG
	Xing	Rizhong	Xiaoding	Yue Kit	Baiqian	Dong
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)
	US\$	US\$	US\$	US\$	US\$	US\$
Huashun Xin'an (1st installment capital contribution for 1st round capital injection)	N/A	1,030	1,030	1,030	N/A	N/A
Huashun Xin'an (2nd installment capital contribution for 1st round capital injection)	N/A	260	260	260	N/A	N/A
Huiyou Xingyao Fund (2nd installment capital contribution)	N/A	830	410	410	N/A	N/A
CASREV Fund III (3rd installment capital contribution)	N/A	320	320	320	N/A	N/A
Xinyi	N/A	6,430	1,290	1,290	N/A	N/A
Xunfei Healthcare (2nd round capital injection)	N/A	N/A	1,280	N/A	3,850	1,280
Azuri	N/A	N/A	1,280	N/A	3,850	1,280
Huashun Xin'an (2nd round capital injection)	N/A	N/A	1,270	N/A	3,820	1,270
CASREV Fund III (4th installment capital contribution)	N/A	320	320	320	N/A	N/A
Immvisa	N/A	N/A	1,270	N/A	3,820	1,270
Hanwei	N/A	N/A	1,280	N/A	1,280	1,280
Moonshot AI	N/A	N/A	1,280	N/A	2,560	1,280
Xunfei Healthcare (3rd round capital injection)	N/A	N/A	1,290	N/A	3,860	1,290

Note 1: The Chairman of the Fund

Note 2: Director of the Fund (resigned on 20 June 2025)

Note 3: Director of the Fund and Director & General Manager of the Investment Manager

Note 4: Director of the Fund (resigned on 30 September 2025) and Director of the Investment Manager (resigned on 20 June 2025)

Note 5: Director and Chairman of the Investment Manager

Note 6: Director of the Investment Manager

Mr. WANG Xiaoding

Director & General Manager

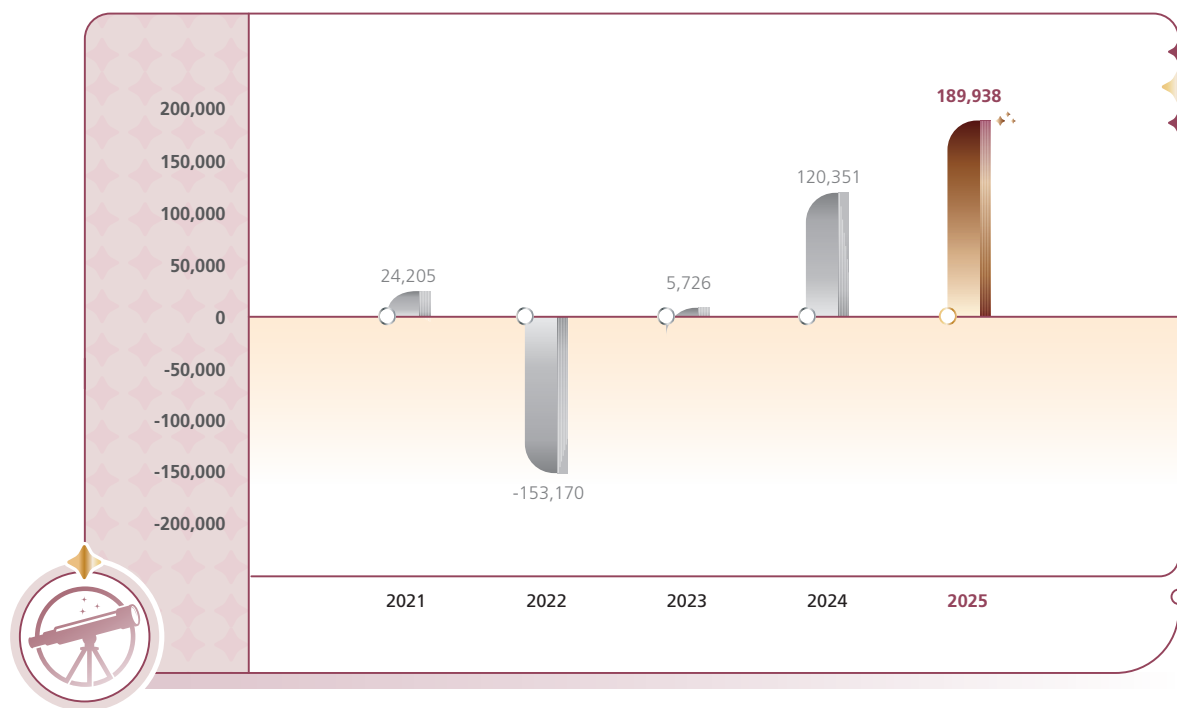
China Merchants China Investment Management Limited

Hong Kong, 27 March 2026

FINANCIAL HIGHLIGHTS

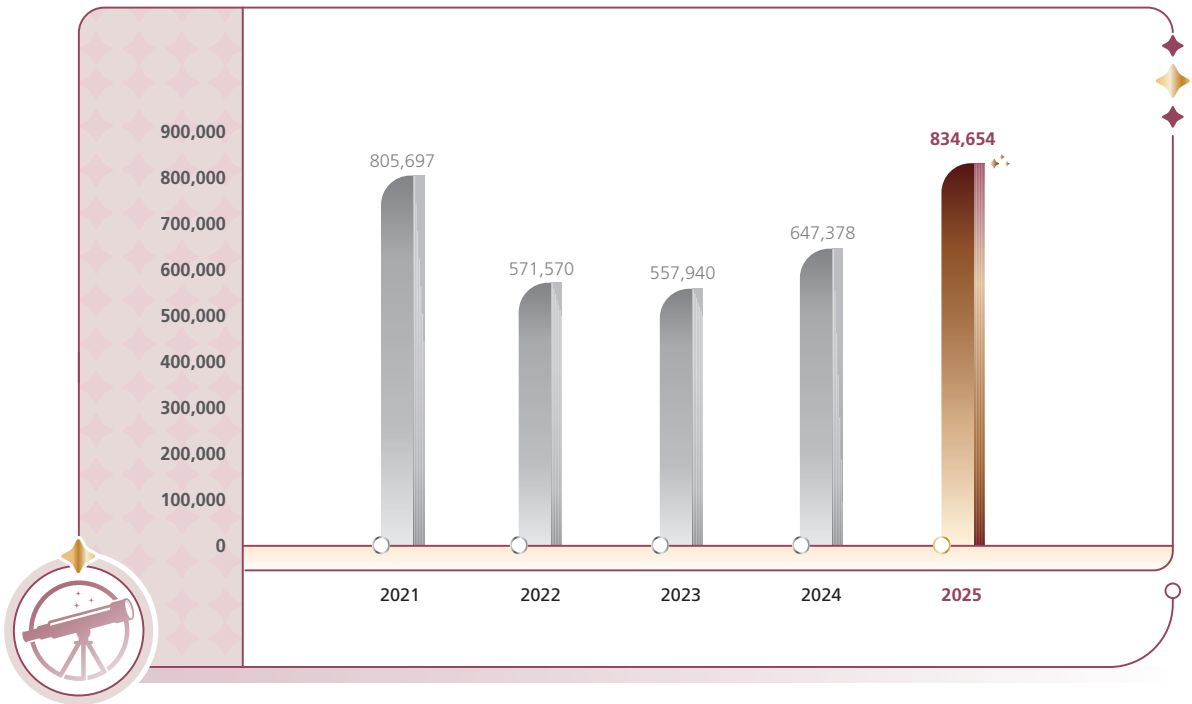
YEAR	NET PROFIT (LOSS) <i>US\$'000</i>	NET ASSETS <i>US\$'000</i>
2025	189,938	834,654
2024	120,351	647,378
2023	5,726	557,940
2022	(153,170)	571,570
2021	24,205	805,697

NET PROFIT (LOSS) (US\$'000)



FINANCIAL HIGHLIGHTS (CONTINUED)

NET ASSETS (US\$'000)





DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of the subsidiaries are set out in note 28 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's prospects are provided in the Chairman's Statement and the Investment Manager's Discussion and Analysis on pages 4 to 6 and pages 8 to 45 of the Annual Report, respectively. Description of key risk factors and uncertainties that the Group is facing is provided in the Investment Manager's Discussion and Analysis on pages 36 to 38 of the Annual Report and in note 4 to the consolidated financial statements while the financial risk management objectives and policies of the Group can be found in note 5 to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Summary on page 160 of the Annual Report. In addition, discussions on the Group's compliance with relevant laws and regulations which have a significant impact on the Group, relationships with its key stakeholders and environmental policy are contained in the Corporate Governance Report on pages 63 to 78 of the Annual Report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 and the financial position of the Group at that date are set out in the consolidated financial statements on pages 112 to 113.

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). The interim and special interim dividends are amounted to US\$12,186,641 (2024: US\$6,093,321) during the year. The Directors recommend the payment of a final dividend of US\$0.05 per share (2024: US\$0.04 per share) and a special dividend of US\$0.20 per share (2024: Nil), totaling US\$0.25 per share (2024: US\$0.04 per share) for 2025 to the shareholders amounting to US\$38,083,253 (2024: US\$6,093,321). The final and special dividends, if approved by the shareholders at the forthcoming annual general meeting, are to be payable in cash on 24 July 2026. Total dividends for the year will amount to US\$50,269,894 (2024: US\$12,186,641). Shareholders may choose to receive dividend in US dollars or Hong Kong dollars.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 160 of the Annual Report.

DISTRIBUTABLE RESERVES OF THE COMPANY AND DIVIDEND POLICY

The Company has an amount of US\$61,854,612 (31 December 2024: US\$69,015,419) available for distribution as at 31 December 2025.

DISTRIBUTABLE RESERVES OF THE COMPANY AND DIVIDEND POLICY (CONTINUED)

In consideration of maintaining a balance between investing for business growth and sharing the investment results with our shareholders, the Company intends to, under normal circumstances, adopt a relatively stable dividend policy and the dividends will be paid out in cash once a year, usually in the form of final dividends payable in July in each year. The Directors may also from time to time declare interim dividends as they see justified by the profits of the Company. In addition, the Company will give due consideration, including status of the investment portfolio, investment opportunities, commitments, etc., to the distribution of a special dividend upon receiving a satisfactory return from the realisation of its investments.

ISSUED SHARES

Details of movements during the year in the issued shares of the Company are set out in note 23 to the consolidated financial statements.

EMOLUMENT POLICY

The emoluments of the Directors of the Company are fixed by the Board of Directors with the authorisation by the shareholders meeting.

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.

DIRECTORS

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

Mr. ZHOU Xing* (<i>Chairman</i>)	
Ms. YAO Wang*	(Appointed on 20 June 2025)
Mr. WANG Xiaoding [#]	
Ms. KAN Ka Yee, Elizabeth [#]	
Mr. KE Shifeng*	
Mr. ZOU Chuan*	(Appointed on 11 September 2025)
Mr. TSANG Wah Kwong**	
Dr. LI Fang**	
Dr. GONG Shaolin**	
Mr. Michael Charles VITERI**	
Mr. ZHU Qi**	
Mr. ZHANG Rizhong*	(Resigned on 20 June 2025)
Mr. TSE Yue Kit*	(Resigned on 30 September 2025)

[#] Executive Directors

* Non-executive Directors

** Independent Non-executive Directors

As at the date of this report, in accordance with Article 101 and Article 105 of the Articles of Association of the Company, Ms. YAO Wang, Mr. KE Shifeng, Mr. ZOU Chuan, Dr. LI Fang, Dr. GONG Shaolin and Mr. Michael Charles VITERI retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmation from each of the Independent Non-executive Directors as regards their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and considers that each of the Independent Non-executive Directors is independent to the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



Mr. ZHOU Xing, aged 45, has been the Chairman and Non-executive Director of the Company since April 2021. He is currently the Deputy General Manager and Secretary of the board of China Merchants Financial Holdings Co., Ltd., a substantial shareholder of the Company. Prior to this, he was a Standing Member of the Executive Committee of China Merchants Financial Services Business Unit under China Merchants Group Limited ("**China Merchants Group**"). He is also a Director of China Merchants Capital Investment Co., Ltd. Mr. ZHOU has joined the China Merchants Group over 10 years. He has a number of years practical experiences in strategic research, merger & acquisition and investment, asset management, etc. Mr. ZHOU obtained his bachelor's degrees in Economics and in Management from the Huazhong University of Science and Technology, PRC.



Ms. YAO Wang, aged 39, was appointed as a Non-executive Director of the Company on 20 June 2025. She is currently a Deputy General Manager, a member of the Executive Committee and also the person in charge of compliance and risk control of China Merchants Capital Investment Co., Ltd., an associate of China Merchants Group which is a substantial shareholder of the Company. Ms. YAO was previously the Deputy General Manager and the Department In-charge in the Direct Investment Department of China Merchants Financial Holdings Co., Ltd. (a subsidiary of China Merchants Group). Ms. YAO has over 15 years of experience in the operation of private equity fund platforms. She has participated in the preparation for the establishment of a number of private equity and enterprise venture capital fund management platforms, and promoted the integration of domestic and international fund management companies at hundred-billion level. Ms. YAO holds a Master of Philosophy in Economics from the Chinese University of Hong Kong, a bachelor's degree in Economics and a bachelor's degree in Science from Peking University.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(CONTINUED)



Mr. WANG Xiaoding, aged 57, has been an Executive Director of the Company since September 2014 and holds directorship in a number of subsidiaries of the Company. He has also been the Director and General Manager of the Investment Manager since May 2014. He served as the Chief Representative of the Investment Manager's Shenzhen Representative Office from March 2009 to May 2017. He served as the Chief Investment Officer of the Investment Manager from June 2011 to May 2014. Before joining the Investment Manager, Mr. WANG served as Chief Executive Officer of Guangxi Baihe Chemicals Corp., Chief Financial Officer of Guangxi Fenglin Group Co., Ltd., Senior Software Engineer of Thrive Media Corporation in Canada, Finance Manager of Wellkent International Corporation in Canada. Currently, Mr. WANG serves as a Director of China Media (Tianjin) Investment Management Co., Ltd. and Hwagain Group Co., Ltd. Mr. WANG is licensed with the Securities and Futures Commission in Hong Kong as responsible officer. Mr. WANG studied in Peking University, People's (Renmin) University of China and University of Alberta in Canada, where he obtained his bachelor's degree in Geo-economics, master's degree in Regional Economics and master's degree in Economics, respectively.



Ms. KAN Ka Yee, Elizabeth, aged 68, has been an Executive Director of the Company since April 2020. She was the Alternate Director to Mr. CHU Lap Lik, Victor (former Executive Director of the Company) from May 1999 to April 2020. Ms. KAN was Deputy Managing Director and a Director of the Investment Manager from 1993 to 2006. She has been re-appointed as a Director of the Investment Manager since October 2017. Ms. KAN is Managing Director of First Eastern Investment Group with which she has been a founding member since its establishment in 1988. She serves on boards of various companies which include Camper & Nicholsons Marina Investments Limited, Sustainable Development Capital (Asia) Limited and Grand Harbour Marina PLC, a company listed on the Malta Stock Exchange. Ms. KAN is licensed with the Securities and Futures Commission in Hong Kong. She is a Certified Public Accountant (U.S.A.) and a Fellow Member of the Hong Kong Institute of Certified Public Accountants. Ms. KAN is also a Member of the Hong Kong Securities and Investment Institute. She began her professional career with the Hong Kong office of Arthur Andersen & Co. in the area of audit and business advisory services. Ms. KAN obtained her Bachelor of Science degree in Business Administration and Accounting and Bachelor of Arts degree in Economics from the University of Minnesota, Minneapolis, USA.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(CONTINUED)



Mr. KE Shifeng, aged 60, has been a Non-executive Director of the Company since December 2009. He has 29 years' investment experience. Between 1997 and 2011, Mr. KE was the senior portfolio manager for Martin Currie Investment Management Limited providing research and investment management services to its clients investing in the Greater China (including Taiwan) markets. Mr. KE and his team ran a range of China strategies, including the China Fund Inc. (CHN US, a NYSE listed company), Martin Currie China Hedge Fund, Taiwan Opportunities Fund and Martin Currie China A Share Fund with total assets under management reaching US\$5.5 billion at the end of 2011. In November 2011, Mr. KE as a founding partner co-founded Open Door Group providing investment management services to foreign institutional clients investing in the Greater China area. In May 2017, Mr. KE with three senior investment analysts co-founded Shanghai Heartland Investment Management Limited, an onshore investment management platform providing Renminbi investment management services to domestic high-net-worth clients and institutional investors investing in the Greater China area. Mr. KE holds a law degree from Renmin University of China and an MBA degree from The University of Edinburgh, UK.



Mr. ZOU Chuan, aged 44, was appointed as a Non-executive Director of the Company on 11 September 2025. He is currently the Chief Executive Officer of TF International Securities Group Limited (being an associate of TFI Asset Management Limited which is a substantial shareholder of the Company), the Board Director of the Hong Kong Chinese Enterprises Association, the Vice Chairman of the Chinese Financial Association of Hong Kong, Executive Deputy Director of the 3rd Belt and Road Financial Cooperation Committee of AFCA, Deputy Director of the 3rd Green Finance Cooperation Committee of AFCA. Mr. ZOU previously held positions as the Head of the Financial Markets Department at The Bank of Tokyo-Mitsubishi UFJ (now known as MUFG Bank), the Executive Director and Head of Trading at Bank of America Merrill Lynch Greater China, and the Co-Head of the Financial Markets Department at CEB International Capital Corporation Limited. Mr. ZOU has extensive experience working in Chinese and foreign financial institutions both domestically and internationally, with deep understanding and expertise in areas such as investment, trading and sales, cross-border business, and financing operations. Mr. ZOU holds a dual bachelor's degree in Japanese and Economics from Peking University.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(CONTINUED)



Mr. TSANG Wah Kwong, aged 73, has been an Independent Non-executive Director of the Company since September 2012. He is a former partner of Hong Kong and China firm of PricewaterhouseCoopers. He has over 30 years of experience in auditing and providing support for initial public offerings and acquisition transactions. Currently, Mr. TSANG is an Independent Non-executive Director of a number of companies, including Sihuan Pharmaceutical Holdings Group Ltd. (Stock Code: 460.HK), TK Group (Holdings) Limited (Stock Code: 2283.HK) and Shirble Department Store Holdings (China) Limited (Stock Code: 312.HK), and an Independent Director of HUYA Inc. (listed on the New York Stock Exchange). Mr. TSANG was an Independent Non-executive Director of CA Cultural Technology Group Limited (Stock Code: 1566.HK) from November 2014 to November 2022. Mr. TSANG is a Fellow Member of the Hong Kong Institute of Certified Public Accountants, a Member of the Chinese Institute of Certified Public Accountants, and a Fellow Member of The Association of Chartered Certified Accountants, UK. Mr. TSANG received a bachelor's degree of Business Administration from the Chinese University of Hong Kong.



DIRECTORS' REPORT (CONTINUED)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(CONTINUED)



Dr. LI Fang, aged 68, has been an Independent Non-executive Director of the Company since October 2014. She is currently the Managing Director of Yuanta Securities (Hong Kong) Company Limited. Dr. LI has over 20 years of professional experience in securities, asset management, insurance and banking. Dr. LI was a Senior Research Assistant in Financial Research Bureau at the headquarters of the People's Bank of China, a Research Fellow at the Asia-Pacific Operations of Aetna International Inc., the Head of Research Centre for Asian/Pacific Regional Pensions of ING Group, a Senior Business Advisor of Global Retirement Services of ING Group, the Chief Strategist at Corporate Finance of Yuanta Securities (Hong Kong) Company Limited, and the Vice Chairman of CR Yuanta Fund Management Co., Ltd. Dr. LI holds a doctorate degree in Economics from Monash University in Australia, a master's degree in Banking and Finance from the Graduate School of the People's Bank of China (now known as PBC School of Finance, Tsinghua University) and a master's degree in Public Administration from the International Christian University in Japan.



Dr. GONG Shaolin, aged 70, has been an Independent Non-executive Director of the Company since September 2020. He has extensive experience in the securities and finance industry. Dr. GONG was the Chairman of China Merchants Securities Co., Ltd. (its shares are listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange) from November 2001 to May 2017, and served as Senior Adviser of China Merchants Securities Co., Ltd. from May 2017 to May 2018. Prior to this, Dr. GONG was a Vice President of China Merchants Bank from 1997 to 2001 and held a number of senior positions in the People's Bank of China between 1982 and 1997. Dr. GONG is also an Independent Non-executive Director of Lujiazui International Trust Co., Ltd. Dr. GONG obtained his bachelor's degree in Finance from the Central Institute of Finance and Economics, PRC and obtained his doctorate degree in Economics from the Southwestern University of Finance and Economics, PRC. He is also a qualified senior economist in China.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(CONTINUED)



Mr. Michael Charles VITERI, aged 63, has been an Independent Non-executive Director of the Company since October 2021. He is the Chief Investment Officer for the Arizona State Retirement System ("**ASRS**") which manages investment portfolios such as public equity, private equity, public fixed income, private credit, and real estate with a market value of US\$64 billion. He also serves as a member on the FTSE Russell Indexes Client Advisory Committee, Standard & Poor's Dow Jones Indices Client Advisory Panel and the MSCI Indexes Client Advisory Board. Mr. VITERI has extensive experience in the investment and trading industry. From June 2008 through May 2021, Mr. VITERI served as the Senior Investment Officer for Oregon State Treasury ("**OST**") which managed investment portfolios for various state agencies with a combined market value of US\$119 billion, including the US\$86 billion Oregon Public Employees Retirement Fund. Mr. VITERI joined OST in 2008, where he created the internally managed equity program requiring the acquisition and integration of infrastructure governing portfolio management, order management, trading, settlement, and risk management. He also supervised the investment oversight of the US\$2.5 billion Oregon Savings Growth Plan and served as the de-facto Chief Investment Officer for the US\$2 billion Common School Fund Endowment. From July 2000 through June 2008, Mr. VITERI served as the Public Equity Portfolio Manager and Assistant Chief Investment Officer for the US\$28 billion ASRS. From January 1999 through July 2000, Mr. VITERI served as a Portfolio Manager at Fan Asset Management in Mountain View, California. Mr. VITERI also served as an Adjunct Instructor of Finance in the Thunderbird School of Global Management at Arizona State University, USA for 13 years, from 2004 through 2017, where he created and implemented course curriculum for three MBA capstone finance courses while teaching over 27 graduate classes. Mr. VITERI obtained his bachelor's degrees in Anthropology and in Spanish from Arizona State University, and obtained his master's degree in International Management from the Thunderbird School of Global Management.



DIRECTORS' REPORT (CONTINUED)

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(CONTINUED)



Mr. ZHU Qi, aged 65, has been an Independent Non-executive Director of the Company since December 2022. He has extensive experience in the banking and finance industry. He joined CMB Wing Lung Bank in September 2008, where he served as the Chief Executive Officer and Executive Director from September 2008 to June 2019 and the Chairman and Executive Director from October 2019 to January 2022. He was also a Vice President of China Merchants Bank from September 2008 to February 2019. In addition, he served as the Chairman and a Director of CMB International Capital Corporation Limited from July 2009 to July 2012 and from January 2016 to January 2022, respectively. Prior to this, Mr. ZHU joined Industrial and Commercial Bank of China in August 1986. He successively served as the Deputy General Manager, General Manager of Hong Kong Branch of Industrial and Commercial Bank of China and the Director, Managing Director and Chief Executive Officer of Industrial and Commercial Bank of China (Asia) Limited from June 1994 to July 2008. Currently, Mr. ZHU is an Independent Non-executive Director of Great Eagle Holdings Limited (Stock Code: 41.HK), ZA Bank and China Merchants Financial Holdings Co., Ltd. Mr. ZHU graduated with a bachelor's degree in Economics from Dongbei University of Finance and Economics, PRC and obtained his master's degree in Economics from Central South University of Finance and Economics, PRC.

DIRECTORS OF SUBSIDIARIES

The name of persons who have served on the board of the subsidiaries of the Company during the year and up to the date of this report are set out in note 28 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 2025, the interests of the Directors and their associates in the shares of the Company as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Name of Director	Number of ordinary shares interested	Capacity	Percentage of total issued shares
Mr. WANG Xiaoding	212,000	Beneficial owner	0.14%

Save as disclosed above, none of the Directors or chief executives, or their associates, had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as recorded in the register required to be kept under Section 352 of the SFO as at 31 December 2025, and none of the Directors or chief executives, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company or its associated corporations, or had exercised any such right during the year ended 31 December 2025.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company at any time during the year or subsisted at the end of the year.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, its parent company, its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.



DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Details of the sub-participation scheme are set out on pages 39 to 45 of the Annual Report. Save as disclosed, no transactions, arrangements or contracts of significance, to which the Company, its parent company, its subsidiaries or fellow subsidiaries was a party and in which a Director of the Company or his/her connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

COMPETING INTERESTS

Mr. ZHOU Xing is a Director of China Merchants Capital Investment Co., Ltd. ("**CM Capital**") while Ms. YAO Wang is a Deputy General Manager and a member of the Executive Committee of CM Capital, which is actively involved in direct investments and which may compete, either directly or indirectly, with the business of the Group. Ms. KAN Ka Yee, Elizabeth is a Director of various companies within First Eastern Investment Group which is actively involved in direct investments in the PRC and which may compete, either directly or indirectly, with the business of the Group. Mr. ZOU Chuan is the Chief Executive Officer of TF International Securities Group Limited ("**TF International**") which together with its subsidiaries are engaged in securities and futures dealing, corporate finance, asset management service and proprietary investment which may compete, either directly or indirectly, with the business of the Group. However, the Group is managed by China Merchants China Investment Management Limited which has its own management team of staff separate from those of CM Capital, First Eastern Investment Group, and TF International and its subsidiaries, and is capable of carrying on its business independently of, and at arm's length from, the businesses of the aforesaid companies. If conflict of interest arises on the part of Mr. ZHOU Xing, Ms. YAO Wang, Ms. KAN Ka Yee, Elizabeth or Mr. ZOU Chuan, as the case may be, he or she shall, pursuant to the Articles of Association of the Company, not vote nor be counted in the quorum on the relevant resolution of the Board.

Save as disclosed, in so far as the Directors are aware, none of the Directors or any of their respective associates has an interest in a business that competes or may compete with the business of the Group.

DIRECTORS' SERVICE CONTRACTS

The Directors proposed for re-election at the forthcoming annual general meeting do not have service contracts which are not determinable by the Company within one year without payment of compensation (other than statutory compensation).

PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provides that subject to the provisions of the Hong Kong Companies Ordinance and so far as may be permitted by the Hong Kong Companies Ordinance, every Director of the Company shall be entitled to be indemnified by the Company out of the assets of the Company against all losses or liabilities (except any liability in relation to a Director as mentioned in section 469(2) of the Hong Kong Companies Ordinance) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the Directors of the Company.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, the following persons, other than a Director or chief executives of the Company, had interests in the shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO:

Name of shareholder	Long/ short position	Capacity	Number of ordinary shares interested	Percentage of total issued shares
China Merchants Group Limited (Note 1)	Long position	Interest of controlled corporation	42,022,041	27.59%
China Merchants Steam Navigation Company Limited (Note 1)	Long position	Interest of controlled corporation	42,022,041	27.59%
China Merchants Financial Holdings Co., Ltd. (Note 1)	Long position	Interest of controlled corporation	42,022,041	27.59%
China Merchants Financial Holdings (Hong Kong) Company Limited (Note 1)	Long position	Interest of controlled corporation	42,022,041	27.59%
Good Image Limited	Long position	Beneficial owner	42,022,041	27.59%
Lazard Asset Management LLC	Long position	Investment manager	29,032,819	19.06%
TFI ASSET MANAGEMENT LIMITED	Long position	Investment manager	14,884,000	9.77%

Note 1: China Merchants Group Limited, China Merchants Steam Navigation Company Limited, China Merchants Financial Holdings Co., Ltd. and China Merchants Financial Holdings (Hong Kong) Company Limited are deemed to have corporate interests in the shares by virtue of its entire shareholding in the company whose name is set out immediately under it.

Save as disclosed above, there was no person, other than a Director or chief executives of the Company, who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, throughout the year of 2025, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

During the year, the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

Existing Investment Management Agreements

China Merchants China Investment Management Limited, a company incorporated in Hong Kong, is the Investment Manager of the Company for both listed and unlisted investments. Mr. WANG Xiaoding, Ms. KAN Ka Yee, Elizabeth and Mr. TSE Yue Kit (resigned as a Director of the Company and Investment Manager on 30 September 2025 and 20 June 2025 respectively) are Directors of both the Company and the Investment Manager. Ms. KAN Ka Yee, Elizabeth has indirect beneficial interests in the Investment Manager. The Investment Manager is a connected person of the Company under Rule 14A.08 of the Listing Rules. For continuing the investment management operations of the Company, the Company and the Investment Manager entered into a temporary investment management agreement on 17 December 2024 for a term of six months from 1 January 2025, under which the Investment Manager undertook all investment and management duties arising pursuant to the operations of the Company. On 20 June 2025, the Company further entered into a supplemental agreement with the Investment Manager to extend the term of re-appointment of the Investment Manager to 31 December 2025 (the "**Existing Investment Management Agreements**"). Details of the Existing Investment Management Agreements, including the term of appointment, scope of services and remuneration were set out in the announcements of the Company dated 17 December 2024 and 20 June 2025.

For the year ended 31 December 2025, the management fee is a fixed amount of US\$1,274,722 (2024: US\$10,673,598) as stipulated under the Existing Investment Management Agreements. The fee, which is amortised over the agreed management period, was paid or payable to the Investment Manager.

New Investment Management Agreement

On 22 December 2025, the Company and the Investment Manager entered into a new investment management agreement for the re-appointment of the Investment Manager as the investment manager of the Company immediately following the expiry date of the Existing Investment Management Agreements for the period from 1 January 2026 to 30 June 2026 ("**New Investment Management Agreement**"). Under the New Investment Management Agreement, the Investment Manager shall be entitled to a management fee of HK\$7million (payable in six equal installments) and a discretionary performance fee of up to HK\$1 million (payable after termination of the New Investment Management Agreement). As the Investment Manager is a connected person of the Company under Rule 14A.08 of the Listing Rules and the transaction contemplated under the New Investment Management Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules, the entering into of the New Investment Management Agreement was subject to the reporting and announcement requirements, but exempt from the circular and the independent shareholders' approval requirements under Rule 14A.76(2)(b) of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

New Investment Management Agreement (continued)

An announcement dated 22 December 2025 and a clarification announcement dated 16 January 2026 were published. These announcements set out, among others, further details of the New Investment Management Agreement including the term of appointment, scope of services, remuneration, basis of determination of the remuneration and the annual cap.

The Independent Non-executive Directors have reviewed the above continuing connected transactions and have confirmed that the transactions have been entered into:

1. in the ordinary and usual course of the business of the Company and its subsidiaries;
2. on normal commercial terms or better; and
3. in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company engaged its external auditor to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions set out above in accordance with Rule 14A.56 of the Listing Rules.

Save as disclosed above, details of significant related party transactions are disclosed in note 27 to the consolidated financial statements. The Company has complied with the disclosure requirements in accordance with chapter 14A of the Listing Rules.



DIRECTORS' REPORT (CONTINUED)

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 30 to the consolidated statements.

AUDITOR

KPMG were first appointed as auditor of the Company in 2024 upon the retirement of Messrs. Deloitte Touche Tohmatsu at the conclusion of the annual general meeting of the Company held on 20 June 2024.

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Mr. ZHOU Xing

Chairman

Hong Kong, 27 March 2026

CORPORATE GOVERNANCE REPORT

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 (the "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.

BOARD OF DIRECTORS

As at 31 December 2025, the Board consisted of two Executive Directors, four Non-executive Directors and five Independent Non-executive Directors. Further details of the composition of the Board and the biography of the Directors are set out on page 2 and pages 50 to 56 of the Annual Report, respectively. In addition, an updated list of the Directors identifying their role and function is available on the Company's website. Save as disclosed, members of the Board are not related to each other, including financial, business, family or other material relationship.

During the Reporting Period, Ms. YAO Wang and Mr. ZOU Chuan were appointed as Non-executive Directors on 20 June 2025 and 11 September 2025, respectively. Each of them obtained the legal advice required under Rule 3.09D of the Listing Rules on 11 June 2025 and 21 August 2025, respectively, and confirmed that he/she fully understands his/her obligations and responsibilities as a Director.

The Company has appointed an Investment Manager to manage its investment portfolio and day-to-day administration of the Company. According to the Investment Management Agreement entered into between the Company and the Investment Manager, the Investment Manager undertakes all investment and management duties arising pursuant to the operations of the Company and its responsibilities include identifying and evaluating investment opportunities, executing investment decisions, monitoring and enhancing investments of the Company, making decisions on investments and realisations for the Company, managing the corporate affairs of the Company and dealing with its day-to-day administration.



CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD OF DIRECTORS (CONTINUED)

The Board is responsible for formulating the Company's overall investment strategy and guidelines that the Investment Manager shall follow to make the investments. The Board is also responsible for performing the following corporate governance duties as required under the Code:

- developing and reviewing the Company's policies and practices on corporate governance;
- reviewing and monitoring the training and continuous professional development ("CPD") of the Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the employees and Directors; and
- reviewing the Company's compliance with the Code and disclosure in the corporate governance report.

During the year under review, the Board has performed the above duties.

For ensuring that independent views and input are available to the Board, the Company has in place the following mechanism:

- the Board has a number of five Independent Non-executive Directors representing more than one-third of the Board and all of them have different backgrounds and qualifications;
- Independent Non-executive Directors may take independent professional advice if they so wish at the expense of the Company to assist them to perform their duties;
- meeting held at least once a year between the Chairman and all Independent Non-executive Directors without the presence of other Directors provides a useful forum for the Independent Non-executive Directors to express their views on the Company's affairs; and
- company visits to investee companies are arranged for the Independent Non-executive Directors to enhance their understanding of the Company's investments.

During the year under review, the Board has reviewed and considers that the above mechanism has been properly implemented and remains effective to ensure an independent element on the Board.

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD OF DIRECTORS (CONTINUED)

Regular Board meetings are held at least twice a year with at least 14 days' notice and additional meetings with reasonable notice are held as and when the Board considers appropriate. Directors are also consulted to include matters in the agenda for every regular Board meeting. The Board held two regular meetings during the year under review. The attendance of each of the Directors is as follows:

	Attendance/ number of regular meetings during the Director's term of office in 2025
Mr. ZHOU Xing* (<i>Chairman</i>)	2/2
Ms. YAO Wang* (<i>Appointed on 20 June 2025</i>)	1/1
Mr. WANG Xiaoding#	2/2
Ms. KAN Ka Yee, Elizabeth#	2/2
Mr. KE Shifeng*	2/2
Mr. ZOU Chuan* (<i>Appointed on 11 September 2025</i>)	0/0
Mr. TSANG Wah Kwong**	2/2
Dr. LI Fang**	2/2
Dr. GONG Shaolin**	2/2
Mr. Michael Charles VITERI**	2/2
Mr. ZHU Qi**	2/2
Mr. ZHANG Rizhong* (<i>Resigned on 20 June 2025</i>)	0/1
Mr. TSE Yue Kit* (<i>Resigned on 30 September 2025</i>)	2/2

Executive Directors

* *Non-executive Directors*

** *Independent Non-executive Directors*

Note: In addition to the regular Board meetings, there were four Board meetings convened by short notice and held during the year under review and attended by the Directors as follows: Mr. ZHOU Xing 4/4; Ms. YAO Wang 3/4; Mr. WANG Xiaoding 4/4; Ms. KAN Ka Yee, Elizabeth 4/4; Mr. KE Shifeng 4/4; Mr. ZOU Chuan 3/4; Mr. TSANG Wah Kwong 4/4; Dr. LI Fang 4/4; Dr. GONG Shaolin 4/4; Mr. Michael Charles VITERI 4/4; Mr. ZHU Qi 4/4.

All Directors have access to the services of the Company Secretary or his assistant who regularly updates the Board on governance and regulatory matters so as to ensure that all applicable rules and regulations are followed.

The Board has three committees during the year under review, namely the Audit Committee, Nomination Committee and Investment Committee for assisting to monitor the management of the Company. The details of the Committees are as below:



CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD OF DIRECTORS (CONTINUED)

Audit Committee

The Board has established an Audit Committee with specific written terms of reference which follow the guidelines set out by the Hong Kong Institute of Certified Public Accountants and the requirements of the Code. The latest version terms of reference of the Audit Committee are available on the Company's website. All the Committee members, including the Chairman, are Independent Non-executive Directors. The duties of the Audit Committee include but not limited to the following:

- considering the appointment of the independent auditor, the audit fee, and any questions of resignation or dismissal of that auditor;
- reviewing the interim and annual results and reports;
- reviewing financial and internal controls and risk management system;
- considering major investigation findings on risk management and internal control matters; and
- monitoring and reviewing the effectiveness of the Company's whistle-blowing policy and the actions resulting from the investigation.

The Audit Committee is provided with sufficient resources enabling it to perform its duties.

The Audit Committee held two meetings during the year under review. The attendance of individual members of the Audit Committee is as follows:

	Attendance/ number of meetings
Mr. TSANG Wah Kwong (<i>Chairman of the Audit Committee</i>)	2/2
Dr. LI Fang	2/2
Mr. ZHU Qi	2/2

The scope of work done by the Audit Committee during the year under review includes the following:

- reviewed and recommended the Board to approve the audit fee proposal for the year 2025;
- reviewed the interim report and the interim results announcement for the six months ended 30 June 2025;
- reviewed the audit plan for the year 2025 to assess the general scope of audit work;
- reviewed the annual report (including audited consolidated financial statements) and the final results announcement for the year 2024; and
- considered the internal controls assessment report prepared by the international accountancy firm.

BOARD OF DIRECTORS (CONTINUED)

Nomination Committee and Nomination Policy

The Board has established a Nomination Committee with specific terms of reference in accordance with the Code and it comprises a majority of Independent Non-executive Directors. The terms of reference of the Nomination Committee have been revised during the year and are available on the Company's website. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, assisting the Board in monitoring a Board skills matrix and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. It also supports the Company's regular evaluation of the Board's performance. It shall consider the suitability of a candidate to become Board member and assess the independence of Independent Non-executive Directors taking into account the independence requirements set out in Rule 3.13 of the Listing Rules. When considering a candidate to be appointed or re-elected as a Director of the Company, the Nomination Committee shall follow the nomination criteria and process as described below and as adopted by the Board from time to time. It is also provided with sufficient resources enabling it to perform its duties.

In identifying and selecting a suitable candidate, the Nomination Committee will follow the nomination criteria set out below: (a) character and integrity; (b) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy; (c) willingness to devote adequate time to discharge duties as Board member; (d) board diversity policy and any measurable objectives adopted for achieving diversity on the Board; (e) requirement for the Board to have Independent Non-executive Directors in accordance with the Listing Rules; and (f) such other perspectives appropriate to the Company's business or as suggested by the Board.

The nomination process is as follows:

- (a) For nomination by the Nomination Committee: (i) the Nomination Committee will review the structure, size and composition of the Board periodically and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) when it is necessary to fill a casual vacancy or appoint an additional Director, the Nomination Committee will identify, evaluate or select candidates as recommended to the Nomination Committee, with or without assistance from external agencies or the Company, pursuant to the criteria as mentioned above; (iii) if the process yields one or more desirable candidates, the Nomination Committee will rank them by order of preference based on the needs of the Company and make reference check of each candidate (where applicable); (iv) the Nomination Committee will make recommendation to the Board including the terms and conditions of appointment; (v) the Board will consider and decide on the appointment based on the recommendations made by the Nomination Committee.



CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD OF DIRECTORS (CONTINUED)

Nomination Committee and Nomination Policy (continued)

- (b) For re-election of retiring Directors at annual general meeting (AGM) of the Company: (i) according to the Articles of Association of the Company, at each AGM, one-third of the Directors for the time being (or, if their number is not three nor a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years; (ii) the Nomination Committee will review the overall contributions and services to the Company of the retiring Directors and their tenure of services as well. The Nomination Committee will also review the expertise and professional qualifications of the retiring Directors, who offer themselves for re-election at the AGM, to determine whether such Directors continue to meet the criteria as mentioned above; (iii) based on the review made by the Nomination Committee, the Board will make recommendations to shareholders on candidates standing for re-election at the AGM and will provide the biographical information of the retiring Directors in a shareholder circular in accordance with the requirements of the Listing Rules to enable shareholders to make the informed decision on the re-election of such candidates at the AGM.
- (c) For nomination by shareholders: shareholders of the Company may propose a person for election as a Director in accordance with the Articles of Association of the Company, details of which are set out in the “Procedures for Shareholders to Propose a Person for Election as a Director” which is available on the Company’s website.

During the year under review, the Nomination Committee has resolved to recommend the appointment of Ms. YAO Wang and Mr. ZOU Chuan as Non-executive Director of the Company, respectively. Also the re-election of Mr. ZHOU Xing, Mr. WANG Xiaoding, Mr. TSANG Wah Kwong and Mr. ZHU Qi as Directors of the Company at the AGM held on 28 May 2025; it has also reviewed the structure, size and composition of the Board in a meeting. The attendance of individual members of the Nomination Committee is as follows:

	Attendance/ number of meetings
Mr. ZHOU Xing* (<i>Chairman of the Nomination Committee</i>)	3/3
Mr. TSANG Wah Kwong**	3/3
Dr. LI Fang**	3/3

* *Non-executive Director*

** *Independent Non-executive Directors*

According to the prevailing Articles of Association of the Company, any Directors appointed by the Board shall hold office only until the first AGM after their appointment, and shall then be eligible for re-election.

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD OF DIRECTORS (CONTINUED)

Investment Committee

The Board has established an Investment Committee, of which currently has four members, to approve transactions (investments or realisations) of over US\$20 million each (effective from 5 February 2010) and to supervise the day-to-day management functions of the Investment Manager. Currently, the Committee members include two Executive Directors and two Non-executive Directors.

During the year under review, the Investment Committee has considered and approved the proposal relating to disposal all interests of JIC Leasing Co., Ltd, the proposal relating to further extension of investment horizon of China Media Creative Industry Private Equity (Shanghai) Centre (Limited Partnership) and the proposal relating to disposal of Shares in Pony AI Inc.

BOARD DIVERSITY POLICY

The Company has a board diversity policy (the “**BD Policy**”) since August 2013. A summary of the BD Policy, together with the measurable objectives set for implementing the BD Policy, and the progress made towards achieving those objectives are disclosed as below.

Summary of the BD Policy

The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board’s composition, the Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity (including gender diversity) on the Board.

Measurable Objectives

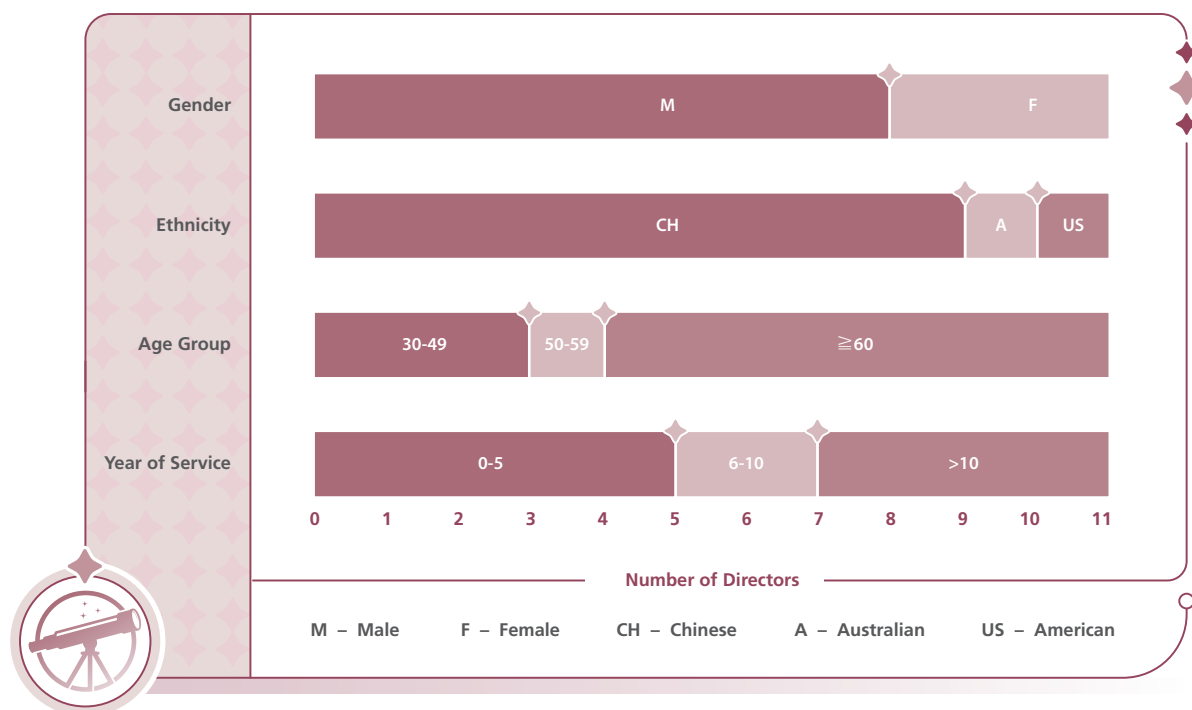
Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD DIVERSITY POLICY (CONTINUED)

Implementation

As at 31 December 2025, the Board's composition under major diversified perspectives was summarised as follows:



CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. ZHOU Xing is the Chairman of the Company. The functions of the Chief Executive Officer have been undertaken by the Investment Manager. The Director and General Manager of the Investment Manager is Mr. WANG Xiaoding, who is also a Director of the Company. The roles of the Chairman and Chief Executive Officer are segregated and are not exercised by the same individual.

NON-EXECUTIVE DIRECTORS

There is no specific term of office for each Non-executive Director (including Independent Non-executive Director) since 1 January 2022. However, they will be subject to rotational retirement and re-election requirements at AGMs pursuant to the Articles of Association of the Company.

CORPORATE GOVERNANCE REPORT (CONTINUED)

TRAINING AND SUPPORT FOR DIRECTORS

Directors must keep abreast of their collective responsibilities. Each newly appointed Director shall receive an induction package covering the Company's businesses and the statutory and regulatory obligations of a director of a listed company. The Company continuously updates the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to the Directors and senior management, where appropriate, to ensure awareness of best corporate governance practices.

Participation of the Directors in the CPD during the year under review is as follows:

	Type of CPD
Mr. ZHOU Xing* (<i>Chairman</i>)	a, b
Ms. YAO Wang* (<i>Appointed on 20 June 2025</i>)	a, b
Mr. WANG Xiaoding#	a, b
Ms. KAN Ka Yee, Elizabeth#	a, b
Mr. KE Shifeng*	a, b
Mr. ZOU Chuan* (<i>Appointed on 11 September 2025</i>)	a, b
Mr. TSANG Wah Kwong**	a, b
Dr. LI Fang**	a, b
Dr. GONG Shaolin**	a, b
Mr. Michael Charles VITERI**	a, b
Mr. ZHU Qi**	a, b

Executive Directors

* *Non-executive Directors*

** *Independent Non-executive Directors*

Notes:

a: attending training courses, in-house briefings, seminars, conferences, or forums

b: reading newspapers, journals and updates relating to the economy, general business, investment, or director's duties and responsibility, etc.

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.

REMUNERATION OF DIRECTORS

The Company has no salaried employees, except the qualified accountant whose remuneration package is determined and borne by the Investment Manager. The Company has applied for and 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.

The remuneration of the Directors is determined by the shareholders at the AGM of the Company. At the AGM of the Company held on 28 May 2025, it was resolved that the remuneration of the Directors for the year ended 31 December 2025 be fixed by the Board. All the Executive Directors and one of Non-Executive Director did not receive any remuneration from the Company for the year ended 31 December 2025 (2024: Nil). The total remuneration payable to other Directors for the year ended 31 December 2025 is disclosed in note 10 to the consolidated financial statements.

AUDITOR'S REMUNERATION

The Company has appointed KPMG as the Company's independent auditor. In order to maintain the independence of auditor, the Company has reviewed the services provided by KPMG to the Company and it would only be engaged for non-audit work if such work does not compromise the auditor's independence. During the year under review, the fees paid or payable to the Company's independent auditor for audit services provided is US\$126,356 and for non-audit services provided is US\$55,399 which was mainly for the purposes of reviewing the Company's interim financial report for the year 2025 and providing tax advisory services.

FINANCIAL REPORTING

The Directors acknowledge their responsibility to prepare financial statements in accordance with generally accepted accounting principles in Hong Kong for each financial year which gives a true and fair view of the financial position of the Company and its subsidiaries and in presenting the interim results, annual financial statements, and related announcements to shareholders. All Directors are provided with monthly updates on the Company's major business activities and year-to-date financials, which give the Directors a balanced and understandable assessment of the Company's performance, position and prospects, enabling the Board as a whole and each Director to discharge their responsibility.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 109 to 111.

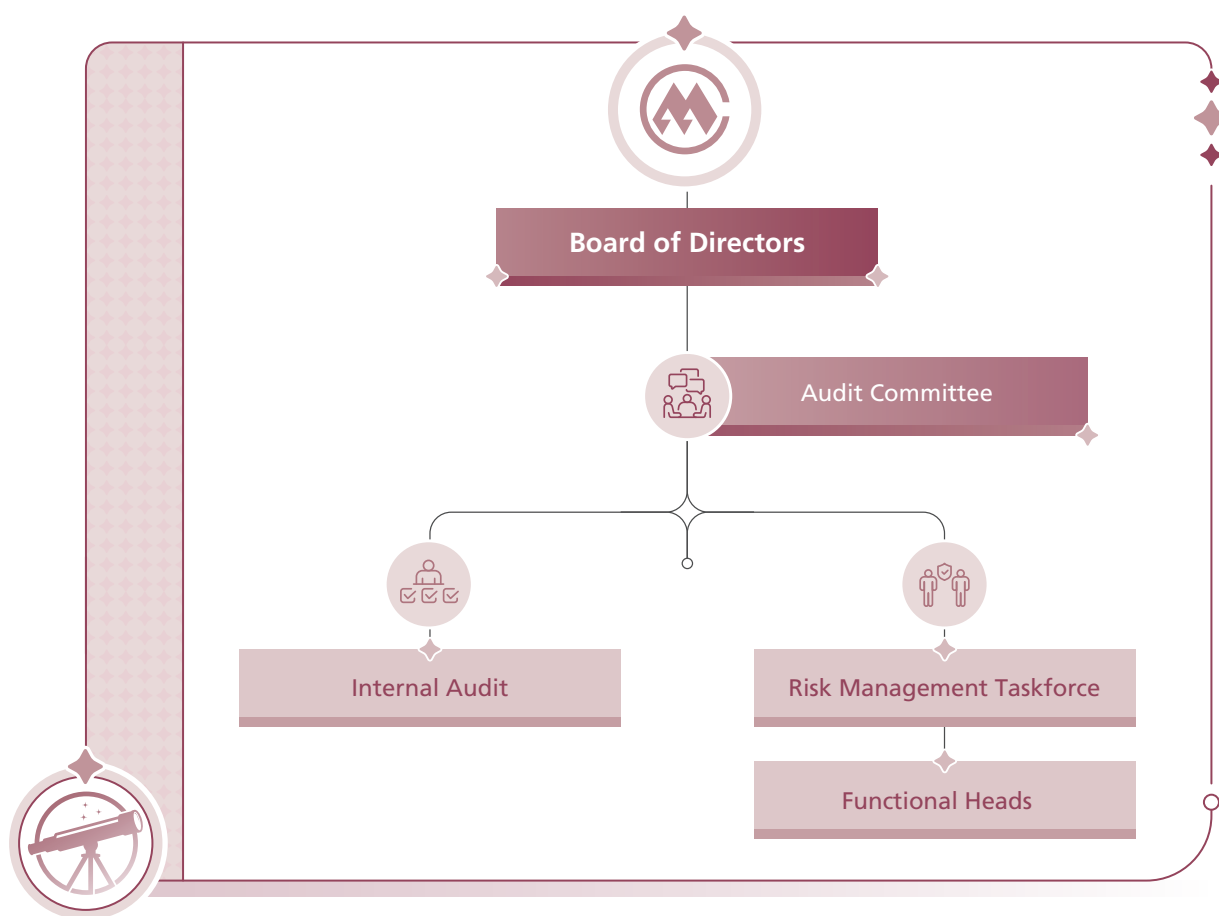
RISK MANAGEMENT AND INTERNAL CONTROL

To manage and monitor the various risk factors which the Company may be exposed, the Board is responsible for establishing and overseeing the Company’s risk management and internal control systems on an ongoing basis, and ensuring the review of the effectiveness of the risk management and internal control systems has been properly conducted. The main features of this system, which continue to operate, are described below.

The Company has reviewed its risk management framework and processes and has implemented relevant measures resulting from this exercise that aim to enhance its framework and processes. In particular, the Company has developed, approved and implemented a risk management system, which is defined and supported by its risk management policy. The terms of reference of the Audit Committee have included its responsibility for effective systems of risk management and internal control.

Risk Governance Structure

The Company’s governance structure for its risk management system is shown below. Each party has well defined and detailed roles and responsibilities.





CORPORATE GOVERNANCE REPORT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Risk Assessment Methodology

The Company's methodology for its risk assessment comprises four core stages (i.e. Risk Identification, Risk Assessment, Risk Responses, and Risk Monitoring and Reporting). These processes are performed at least once a year to address changes in the Company's business environment.

Review on Effectiveness of Risk Management and Internal Control Systems

The Board has conducted an annual review on the effectiveness of risk management and internal control systems, covering all material controls such as financial, operational and compliance controls.

In addition, the Board has appointed an international accountancy firm to review the internal control systems of the Company on an ongoing basis. The review covered all material controls, including financial, operational and compliance controls, as well as risk management functions.

Board's Responsibility

The Board has the overall responsibility to ensure that effective and sound risk management and internal control systems are maintained, while management is responsible for designing and implementing an internal control system to manage risks, including environmental, social and governance (ESG) risks. The Board is also responsible for reviewing the effectiveness of the Company's risk management and internal control systems.

The risk management and internal control systems can provide reasonable and not absolute assurance against material misstatement or loss, and are designed to manage rather than eliminate the risk of failure in the process of attaining business objectives. Based on the results of the annual review, the Board is satisfied and confident with the effectiveness of risk management and internal control systems currently put in place for the Company.

Communication of Risk Events

Where risk events, including ESG risks, arise, our communications, both within the Company and to external parties, are an integral part of the risk management system. To enable the Company to make the appropriate decisions and responses to mitigate or address any risk event, relevant information on the incident needs to be communicated by and to the right functions and individuals, completely and accurately, and in a timely manner.

With respect to procedures and internal controls for handling and dissemination of inside information, the Company:

- has set out written policies and procedures in relation to the handling of inside information under the regulatory requirements of Hong Kong, including but not limited to maintenance of confidentiality, prohibition of insider dealings by the management;
- is aware of its obligation under the Listing Rules;

CORPORATE GOVERNANCE REPORT (CONTINUED)

RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Communication of Risk Events (continued)

- conducts its affairs with closely reference to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission of Hong Kong; and
- has set out rules and procedures in dealing with enquiries from regulatory bodies, trading halt and additional disclosures to correct a false market.

COMPANY SECRETARY

The Company Secretary, Mr. LEUNG Chong Shun, is a practicing solicitor in Hong Kong. Although he is not a full time employee of the Company, he reports to the Board and is responsible for advising the Board on governance matters. The primary contact person of the Company with the Company Secretary is Mr. WANG Xiaoding, Executive Director of the Company. The Company Secretary has confirmed that he has taken no less than 15 hours of relevant professional training during the year.

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no significant change in the Company’s constitutional documents.

SHAREHOLDERS’ RIGHTS

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirements under Paragraph K of the Code.

Convening of General Meeting on Request

Shareholder(s) may request the Directors to call a general meeting pursuant to Sections 566 to 568 of the Hong Kong Companies Ordinance.

In accordance with Section 566 of the Hong Kong Companies Ordinance, the Directors are required to call a general meeting if the Company has received requests to do so from members of the Company representing at least 5% of the total voting rights of all the members having a right to vote at general meeting. Such requests (a) must state the general nature of the business to be dealt with at the meeting; and (b) may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Such requests (a) may be sent to the Company in hard copy form (by depositing at the registered office of the Company at 1609, Three Pacific Place, 1 Queen’s Road East, Hong Kong for the attention of the Board) or in electronic form (by email: info@cmcdi.com.hk); and (b) must be authenticated by the person or persons making it. In accordance with Section 567 of the Hong Kong Companies Ordinance, the Directors must call a meeting within 21 days after the date on which they become subject to the requirement under Section 566 of the Hong Kong Companies Ordinance and such meeting must be held on a date not more than 28 days after the date of the notice convening the meeting.

SHAREHOLDERS' RIGHTS (CONTINUED)

Putting Forward Proposals at AGM/General Meeting

To put forward a resolution at an AGM, shareholders are requested to follow the requirements and procedures set out in Sections 615 and 616 of the Hong Kong Companies Ordinance.

Section 615 of the Hong Kong Companies Ordinance provides that the Company must give notice of a resolution if it has received requests that it do so from (a) the members of the Company representing at least 2.5% of the total voting rights of all the members who have a right to vote on the resolution at the AGM to which the requests relate; or (b) at least 50 members who have a right to vote on the resolution at the AGM to which the requests relate. Such requests (a) may be sent to the Company in hard copy form (by depositing at the registered office of the Company at 1609, Three Pacific Place, 1 Queen's Road East, Hong Kong for the attention of the Board) or in electronic form (by email: info@cmcdi.com.hk); (b) must identify the resolution of which notice is to be given; (c) must be authenticated by the person or persons making it; and (d) must be received by the Company not later than (i) 6 weeks before the AGM to which the requests relate; or (ii) if later, the time at which notice is given of that meeting. Section 616 of the Hong Kong Companies Ordinance provides that the Company that is required under Section 615 of the Hong Kong Companies Ordinance to give notice of a resolution must send a copy of it at the Company's own expense to each member of the Company entitled to receive notice of the AGM (a) in the same manner as the notice of the meeting; and (b) at the same time as, or as soon as reasonably practicable after, it gives notice of the meeting.

Pursuant to Article 100 of the Articles of Association of the Company, no person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company provided that the minimum length of the period, during which such notices are given, shall be at least 7 days. The period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting. Detailed procedures for shareholders to propose a person for election as a Director can be found on the Company's website.

Enquiries to the Board

Shareholders have been provided with contact details of the Company on the Company's website, such as telephone number, fax number, email address and postal address, in order to enable them to make any enquiries that they may have with respect to the Company. They can also send their enquiries to the Board using these means. In addition, shareholders can contact Computershare Hong Kong Investor Services Limited, the share registrar of the Company, if they have any enquiries about their shareholdings and entitlements to dividend.

INVESTOR RELATIONSHIP AND COMMUNICATION

The Company endeavours to maintain a high level of transparency when communicating with shareholders and the investment community at large. The Company is committed to maintaining an open and effective communication policy, and updates its shareholders and investors on relevant information on our business through general meetings, annual and interim reports, notices, announcements and circulars. The Company (through the Investment Manager) has also actively responded to the investors' queries by emails or letters and held a number of meetings with shareholders and institutional investors on their requests throughout the year under review so as to discuss and explain the Company's investment strategies and hear their opinions. Shareholders may refer to the shareholders communication policy (the "**SC Policy**") that posted on the Company's website for more details. The Company has reviewed the prevailing SC Policy during the year under review and believes the SC Policy remains effective.

General meetings, including AGM, provide a useful forum for shareholders to exchange their views with the Board. Separate resolutions are proposed at general meetings on each substantially separate issue. To serve the purpose of communication, Chairman of the Company, Chairman of the Company's Audit Committee, some Directors and the external auditor were present at the AGM of the Company held on 28 May 2025 to answer shareholders' questions.

General meeting proceedings are reviewed from time to time to ensure that the Company follows good corporate governance practices. The notice of general meeting is distributed to all shareholders at least 21 clear days prior to an AGM and at least 14 clear days prior to an extraordinary general meeting (EGM) according to the Articles of Association of the Company and the accompanying circular also sets out details of each proposed resolution and other relevant information as required under the Listing Rules. The chairman of a general meeting exercises his power under the Articles of Association of the Company to put each proposed resolution to the vote by way of a poll. The procedures for demanding and conducting a poll are explained at the meeting prior to the polls being taken. Voting results are posted on the Company's website on the day of the general meeting.



CORPORATE GOVERNANCE REPORT (CONTINUED)

INVESTOR RELATIONSHIP AND COMMUNICATION (CONTINUED)

The Company held one general meeting during the year under review. The attendance of each of the Directors is as follows:

		Attendance/number of meetings
		AGM held on 28 May 2025
Mr. ZHOU Xing* (<i>Chairman</i>)		1/1
Ms. YAO Wang*	<i>(Appointed on 20 June 2025)</i>	0/0
Mr. WANG Xiaoding#		1/1
Ms. KAN Ka Yee, Elizabeth#		1/1
Mr. KE Shifeng*		1/1
Mr. ZOU Chuan	<i>(Appointed on 11 September 2025)</i>	0/0
Mr. TSANG Wah Kwong**		1/1
Dr. LI Fang**		0/1
Dr. GONG Shaolin**		0/1
Mr. Michael Charles VITERI**		1/1
Mr. ZHU Qi**		0/1
Mr. ZHANG Rizhong*	<i>(Resigned on 20 June 2025)</i>	0/1
Mr. TSE Yue Kit*	<i>(Resigned on 30 September 2025)</i>	1/1

Executive Directors

* *Non-executive Directors*

** *Independent Non-executive Directors*

ENVIRONMENTAL POLICY

The Company is an investment company listed under Chapter 21 of the Listing Rules. The Company has appointed an Investment Manager to manage its investment portfolio as well as corporate affairs and to deal with its day-to-day administration under the Investment Management Agreement. The Company, therefore, has no salaried employees, premises, manufacturing or other operations. The Investment Manager is requested to take into account the environmental matters (for example, minimising use of paper, using of recycled paper, minimising office energy consumption, etc.) when managing the corporate affairs of the Company and to take into account the ESG policies of potential investee companies as part of its investment process. Please refer to pages 79 to 106 of the Annual Report for the Company's ESG Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OVERVIEW

In accordance with the requirements set forth in Appendix C2 Environmental, Social and Governance Reporting Code to the Main Board Listing Rules (“**Listing Rules**”) and guidance published by The Stock Exchange of Hong Kong Limited, the Company (“**we**”, “**our**”) hereby presents this Environmental, Social and Governance (“**ESG**”) report (“**this Report**”).

The Company is an investment company listed under Chapter 21 of the Listing Rules. The Company has appointed China Merchants China Investment Management Limited (the “**Investment Manager**”, “**CMCIM**”) to manage its investment portfolio and corporate affairs, and to deal with its day-to-day administration under the Investment Management Agreement. The Company, therefore, has no salaried employees, premises, manufacturing or other operations.

The Company discharges its corporate social responsibility through balancing the interests between its stakeholders, including its shareholders, and the community to optimise its investment portfolio, to maximise shareholders’ return and at the same time to minimise the related social and environmental impact, in order to achieve the ultimate goal of operating as a sustainable corporation.

This Report summarises the ESG policies in addressing the material ESG (including climate-related) issues, as well as the compliance with laws and regulations relevant to those issues, of the Company and the Investment Manager, for the year ended 31 December 2025 (the “**Reporting Period**”). The preparation of this Report adhered to the four principles including but not limited to:

Materiality: Materiality assessment is performed to identify material ESG matters related to the Company’s businesses, and to assess the level of significance of both direct and indirect implications to the Company’s sustainable development and stakeholders.

Quantitative: Quantitative information is provided, where appropriate, which helps users assess the Company’s ESG performance objectively. Please refer to the relevant data points and their notes for details.

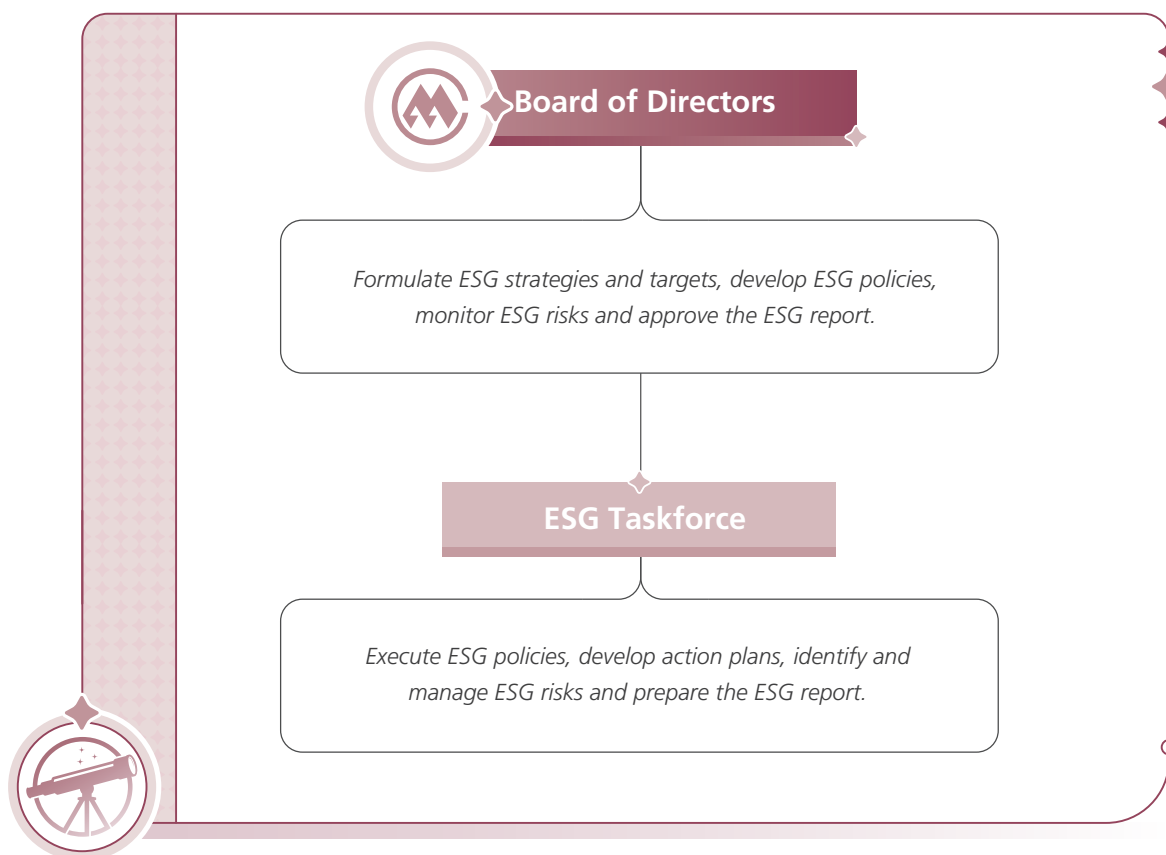
Balance: The Company discloses both positive and negative information and performance regarding its business operations.

Consistency: ESG data presented in this Report are prepared using consistent methodologies over time, unless otherwise specified either in text or in notes.

ESG GOVERNANCE STRUCTURE

We have established an ESG governance structure to further implement sustainable values for both the Company and our stakeholders, through consistent management and effective communication of ESG issues and constant improvement on the Company's ESG policies, action plans, performances, and reporting.

Structure below depicts the reporting line of the ESG governance structure and a summary of responsibilities of the governance body.



The Board holds ultimate responsibility for overseeing ESG matters, including climate-related matters, of the Company, including ESG-related risks and opportunities, strategies, policies, performance and reporting. It formulates the Company's ESG vision, objectives and action plans to ensure that they are set in accordance with the Company's strategic goals and vision, as well as the latest ESG trends and issues that may affect the Company's operations. In addition, ESG risks are regularly reviewed and closely monitored to ensure that adequate ESG risk management and internal control are in place. This Report has been reviewed and approved by the Board.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ESG GOVERNANCE STRUCTURE (CONTINUED)

The ESG Taskforce is led by an Executive Director and supported by respective officers from different functional departments of CMCIM, and the Board has authorised the ESG Taskforce to manage the Company's ESG matters, and their responsibilities include:

- executing ESG policies set by the Board;
- reviewing ESG policies to make sure that they remain valid and fit for purposes;
- evaluating, prioritising and managing material ESG-related, including climate-related, issues;
- advising the Board on resources allocation on ESG initiatives;
- developing action plans and procedures to achieve ESG goals;
- reviewing and managing material ESG-related risks and opportunities;
- providing regular updates, at least once per year, on the Company's ESG-related, including climate-related, risks and opportunities to the Board;
- organising climate-related training sessions for the Board and relevant employees to keep them informed with up-to-date knowledge and skills to support their oversight of climate-related issues;
- monitoring and evaluating the progress against ESG targets and advising its implementation plan;
- reviewing and suggesting changes, if needed, to the Company's ESG strategies, targets, and action plans to the Board;
- monitoring the Company's operations to ensure that they are in compliance with relevant ESG policies and procedures, as well as applicable laws, regulations and standards; and
- drafting ESG report.

As the Board and the ESG Taskforce join forces, this not only ensures that the Company's ESG governance structure is running smoothly in accordance with the relevant ESG guidelines and regulations, but also helps the Company better manage its ESG risks and opportunities effectively.

STAKEHOLDER ENGAGEMENT

The Company values the importance of stakeholders' participation and the long-term success in its business, as this can guarantee that the expectations of the stakeholders can be properly conveyed and understood, which can also help further demonstrate the Company's current and future sustainability strategies.

It is important to maintain close communication with its key stakeholders, as this allows the Company to understand their views and expectations of the Company's operations and sustainability performances. The Company also frequently engages with its key stakeholders to listen to their opinions and suggestions, as well as to understand their concerns and demands. Such key stakeholder groups include shareholders and investors, employees of the Investment Managers, investee companies, communities, and government and regulatory bodies.

The table below highlights the Company's key stakeholders as well as its efforts in communicating with and responding to their concerns.

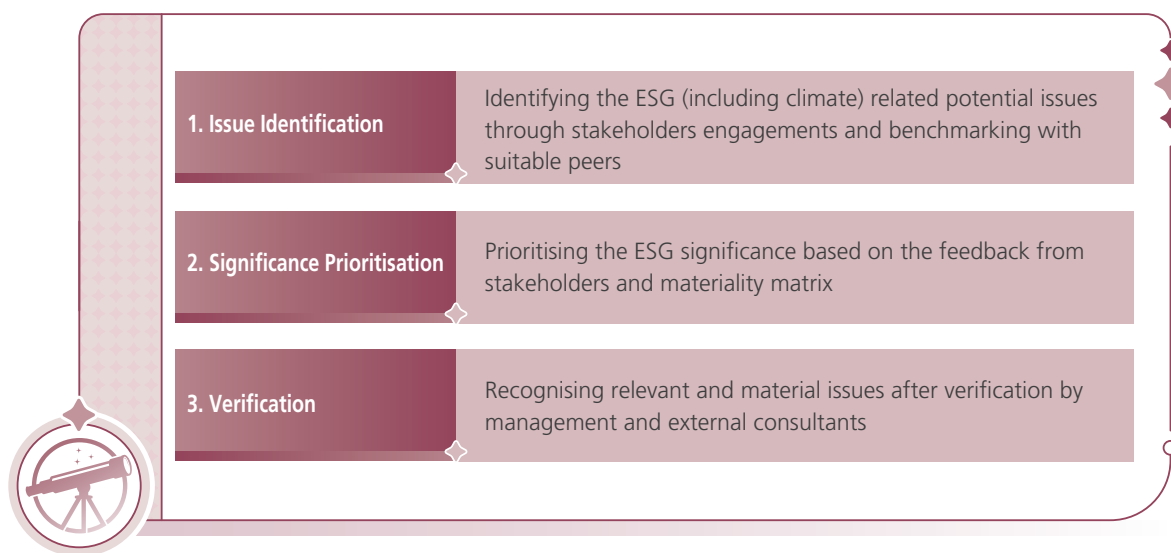
Stakeholder Group	Engagement Channel
Shareholders and investors	<ul style="list-style-type: none"> • Annual general meeting • Publication of interim and annual reports • Company website
Employees of the Investment Manager	<ul style="list-style-type: none"> • Internal policies and regulations • Internal emails • Trainings • Performance appraisal
Investee companies	<ul style="list-style-type: none"> • Due diligence • On-site visit and discussion • Social media and news exposure • Feedback form
Communities	<ul style="list-style-type: none"> • Social media • Company website
Government and regulatory bodies	<ul style="list-style-type: none"> • Examination and inspection • Compliance documentation

We believe the Company has great responsibility in addressing the stakeholders' concerns regarding our ESG and climate related practices in our ESG report and improving our practices step by step.

MATERIALITY ASSESSMENT

In order to understand the needs of stakeholders and the latest sustainability trends, an ESG materiality assessment has been performed. This also ensures that our ESG report addresses the relevant and material ESG issues of the Company.

We have adopted a 3-step approach when performing the materiality assessment:

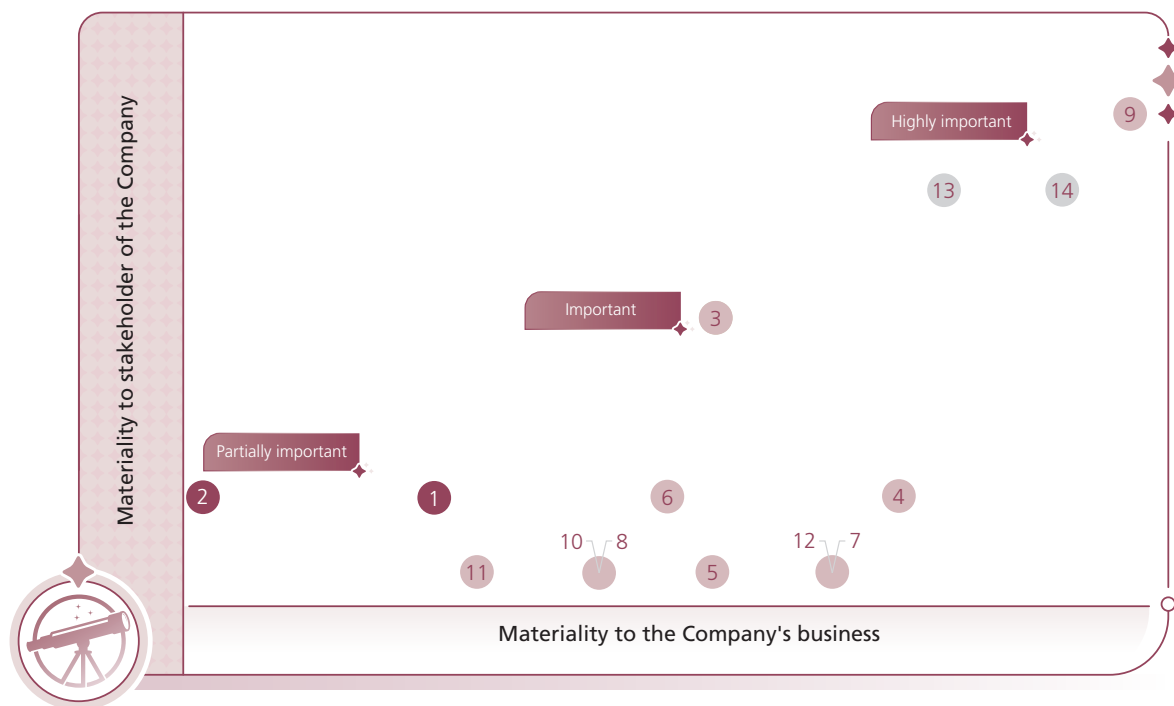


We utilise results from the materiality assessment to define the scope to the extent of our ESG report, which is used to identify the focus of the Company's ESG effort, and this also allows the development of a more comprehensive, transparent and specific responses to further enhance the quality of our ESG report and meet stakeholders' expectations.

We have identified the following 14 ESG issues that are considered important by the Company and the Investment Manager. Based on the results obtained through internal and external materiality assessment in the form of questionnaire, this allows us to analyse and understand the importance of each of the ESG issues. These issues are ranked and listed below:

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

MATERIALITY ASSESSMENT (CONTINUED)



Environmental Protection	1 Green Office and Operation 2 Climate Change Mitigation and Adaptation
Social Responsibility	3 Employment Practices 4 Diversity, Equity and Inclusion 5 Occupational Health and Safety 6 Talent Attraction, Retention and Development 7 Prevention of Child and Forced Labour 8 Sustainable Supply Chain 9 Responsible Investment 10 Community Investment 11 Privacy and Data Protection 12 Protection of Intellectual Property Rights
Governance	13 Business Ethics 14 Anti-corruption and Money Laundering

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION

The Company has always cared a great amount for the environment. The main objective to our environmental management approach is to comply with all the relevant environmental laws in the market regions that the Company operates in, which includes the implementation of a sound monitoring system to manage environmental risks, accurately reporting the Company's environmental impacts and performance in our ESG report, and most importantly, establishing achievable environmental targets and making efforts to reach these goals.

During the Reporting Period, there were no cases of non-compliance noted in relation to relevant environmental laws and regulations, including the air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to the Laws of Hong Kong: Air Pollution Control Ordinance (Cap. 311) and the Noise Control Ordinance (Cap. 400).

Climate-related Disclosure

Climate-related Governance

Climate change has gradually become a global concern in recent years. In response, the Company has established a two-tier governance structure to oversee climate-related issues, with the Board bearing ultimate responsibility, supported by the ESG Taskforce.

Authorised by the Board, the ESG Taskforce, comprising officers from different functional departments of CMCIM, implements controls and procedures integrated with existing internal functions to identify and assess climate-related risks and opportunities, monitor key metrics and progress against targets, and ensure the completeness and consistency of climate-related reporting.

For further details, please refer to the Section of ESG Governance Structure of this Report.

Climate-related Strategy

The Company recognises that climate-related matters may impact its investment returns. Such risks should be identified promptly, and measures should be established in order to mitigate the risks posed by extreme weather conditions. The Company has established a climate change policy to provide guidelines for itself and the Investment Manager to identify and mitigate these risks and their potential impact on the Company and its shareholders. Moreover, the climate change policy also provides guidance on identifying, mitigating and adapting to climate-related risks to help build resilience to potential climate events and assist management in preventing and coping with the impacts of extreme weather.

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Climate-related Strategy (continued)

During the Reporting Period, we have carried out a climate-related risks and opportunities assessment to identify factors that may reasonably influence our financial performance, financial position, cash flows, operations, strategies, and long-term resilience. In performing this assessment, we took into account our operational profile and geographical footprint, and referenced relevant industry research and regulatory guidance to determine the climate-related risks and opportunities most pertinent to our sector.

However, certain aspects of climate-related information, particularly those associated with value chain activities and forward-looking assumptions, remain subject to estimation uncertainties. These include those arising from the frequency and severity of climate-related events, measurement methodologies, and other evolving standards. Accordingly, we applied reliefs and employed a qualitative assessment approach during the Reporting Period, considering the limited availability and reliability of climate-related data and analytical methodologies. The assessment primarily focused on identifying the key physical and transition risks and opportunities that are material to our business operations, rather than undertaking a quantitative financial impact analysis or scenario analysis at this stage.

To align with Hong Kong's Climate Action Plan 2050, which targets carbon neutrality by 2050, we categorise our assessment of climate-related risks and opportunities into three time horizons: (i) 2026 as short-term, reflecting immediate actions and regulatory responses; (ii) 2030 as medium-term, capturing progressive policy adjustments and technological advancements; and (iii) 2050 as long-term, ensuring strategic alignment with Hong Kong's overarching environmental goals.

The assessment results¹ are presented in the climate-related risks and opportunities tables below, which summarise of the key risks and opportunities identified, together with their nature, anticipated time horizons, and their potential implications for our operations and overall financial performance.

¹ We identify Hong Kong as the key jurisdiction where climate-related impacts are most material to our operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Climate-related Strategy (continued)

Climate-related risks and their potential financial impacts

Type	Category	Time Horizon	Description	Potential Financial Impacts
Physical Risk				
Acute Risk	Rainfall Flood	Short-, Medium- and Long-term (2026, 2030 and 2050)	An event where intense, sustained rainfall overwhelms drainage systems, causing water accumulation and overflow in various areas.	<ul style="list-style-type: none"> Higher flood risk may result in increased insurance costs, impacting financial planning Disruptions in commuting and transportation can lead to staff shortages or delays, adversely affecting profit-generating activities
Chronic Risk	Increase in Annual Average Temperature	Medium- and Long-term (2030 and 2050)	A gradual increase in the average annual temperature, typically linked to global warming and broader climate change trends.	<ul style="list-style-type: none"> Potential increase in operational costs associated with cooling and climate control Rising average temperatures could result in more frequent extreme weather events, increasing the likelihood of business disruptions and associated financial losses Increased volatility in portfolio values may affect overall financial performance

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Climate-related Strategy (continued)

Climate-related risks and their potential financial impacts (continued)

Type	Category	Time Horizon	Description	Potential Financial Impacts
Transition Risks				
Policy and Legal Risk	Stringent Emission Disclosure Requirements	Medium- and Long-term (2030 and 2050)	Mandatory detailed reporting of greenhouse gas emissions requires companies to disclose their environmental impacts more transparently.	<ul style="list-style-type: none"> Rising due diligence and reporting costs to meet stringent emission disclosure requirements may strain the Company's financial resources Excluding or reducing investments in high-emission sectors to comply with disclosure standards may affect overall portfolio performance and revenue The growing demand for expertise in environmental accounting and emissions reporting may result in higher operational costs for recruiting and training skilled personnel
Market Risk	Market Reorientation Due to Climate Change	Medium- and Long-term (2030 and 2050)	Market dynamics and investment strategies are shifting due to climate change, including changes in regulatory environments.	<ul style="list-style-type: none"> Investor preferences are increasingly shifting toward companies that demonstrate resilience to climate change, transforming investment landscapes Sectors adversely affected by climate impacts face risks of devaluation and waning investment interest, which could jeopardise their financial stability

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Climate-related Strategy (continued)

Climate-related opportunities and their potential financial impacts

Type	Time Horizon	Description	Potential Financial Impacts
Improved Reputation Driven by Low-Carbon Transition	Medium- and Long-term (2030 and 2050)	Escalating climate risks intensify stakeholder scrutiny. By advancing a low-carbon transition, through emission reduction, green logistics, and circular initiatives, the Company can strengthen trust, enhance brand credibility, and secure reputational advantages, reinforcing long-term competitiveness and resilience in evolving market landscapes.	<ul style="list-style-type: none"> Enhanced corporate reputation strengthens stakeholder trust, improving market positioning Long-term cost efficiencies from sustainability-linked operational improvements
Enhanced ESG disclosures	Medium- and Long-term (2030 and 2050)	The Company can capitalise on the growing emphasis on ESG by strengthening disclosures and embedding sustainable practices, thereby attracting environmentally conscious investors while creating new revenue streams through green finance products and partnerships.	<ul style="list-style-type: none"> Lower cost of capital and enhanced access to green financing Expanded revenue opportunities through participation in sustainable finance

To mitigate the climate-related risks, we believe it is essential to consider climate-related issues across both our operations and investment activities. Adopting green office practices, such as enhancing energy efficiency, helps to reduce our environmental impact. We also take climate-related issues and trends into account when making key business and investment decisions, after assessing the associated costs and benefits. For example, we evaluate climate-related risks before adding new investments to the Company's portfolio. Our climate change policy also provides guidance on identifying, mitigating and adapting climate-related risks, helping us strengthen our resilience to potential climate events. All climate initiatives are embedded into our daily operations and funded through proprietary fund. Although we currently do not have a climate-related transition plan, we will explore the feasibility of establishing one in the future.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Climate-related Strategy (continued)

Based on the current assessment, and considering the mitigation and adaptation measures already implemented, the residual level of climate-related risk in the short, medium, and long term is regarded as minimal. Accordingly, such risks are not expected to exert a material effect on our financial statements, cash flows, access to financing, or cost of capital, either at present or in the foreseeable future.

Risk Management

The Company adopts a qualitative approach to identifying and assessing climate-related risks and opportunities. The scope of the assessment covers all of the Company's operations and business units. Senior management, together with members of the ESG Taskforce, conduct qualitative evaluations at least annually to identify emerging climate-related issues, such as evolving climate trends, regulatory developments, industry dynamics, technological advancements, and stakeholder expectations, with the support of an external ESG consultant.

The likelihood and potential financial impact of the risks and opportunities identified are evaluated with reference to the Company's operations and value chain, providing a comprehensive understanding of our exposure. The findings and outcomes of the assessment are subsequently submitted to the Board for oversight and review.

ESG-related risks and opportunities, including those associated with climate change, are included in the Company's enterprise-wide risk management framework, which covers risk identification, risk assessment, risk response, and risk monitoring and reporting. These risks are managed through the same governance structure used for other material business risks, such as financial, operational, and compliance risks, to ensure consistency, comparability, and accountability across all risk categories.

The Board, supported by the Audit Committee, holds overall responsibility for establishing, maintaining, and overseeing the effectiveness of the risk management and internal control systems on an ongoing basis, including conducting an annual review of their effectiveness across all material controls (financial, operational, and compliance). In addition, the Board has appointed an international accountancy firm to perform ongoing reviews of the internal control systems, covering material controls and risk.

For further details, please refer to the section of Risk Management and Internal Control of the Annual Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Risk Management (continued)

Metrics and Targets

Metrics

To support the effective monitoring of climate-related risks and opportunities, the Company is committed to mitigating GHG emissions and minimising the environmental impacts arising from its daily operations and investment activities². The Company continuously measures and analyses its carbon footprint across the value chain to identify potential areas for emission reduction and to enhance transparency for stakeholders regarding its emissions performance and progress.

As the majority of the Company's business activities are performed in an office environment and it does not own any vehicles, there is no generation of Scope 1 direct greenhouse gas ("GHG") emissions. Similarly, as the Company does not directly acquire or consume electricity, steam, heat, or cooling, there is no generation of Scope 2 indirect GHG emissions.

The Company currently monitors and reports on selected Scope 3 GHG emissions, including those arising from waste generated in operations and business travel. Going forward, the Company will continue to explore the feasibility of expanding our Scope 3 GHG emissions coverage to include additional upstream and downstream value chain activities, with the aim of enhancing the completeness and transparency of our carbon footprint disclosures:

GHG Emissions ³	CO2 Equivalent (tonnes CO2e)
Scope 3 GHG emissions: Category ⁵ – Waste Generated in Operations ⁴	0.0013
Scope 3 GHG emissions: Category ⁶ – Business Travel ⁵	70.1366

² The Company does not incorporate specific climate-related performance metrics into our current management remuneration policies. We will explore the feasibility in factoring climate-related considerations into the executive's remuneration where appropriate.

³ GHG emissions are calculated with reference to the GHG Protocol published by the World Resources Institute and the World Business Council on Sustainable Development, the Calculation Tools and Guidance: Emission Factors published by GHG Protocol, UK Government GHG Conversion Factors for Company Reporting published by the Department for Business, Energy and Industrial Strategy in the UK, GHG Emission Factors Hub published by the United States Environmental Protection Agency and other national and local grid emission factors, to guide the emissions measurement approach where applicable. During the Reporting Period, there were no changes to our measurement approaches, inputs or assumptions. The Company applies operational control measurement approach due to the ability to take full ownership of all GHG emissions we can directly influence and reduce. The emission factors are updated annually to reflect the actual situation regarding emissions.

⁴ Scope 3 GHG emissions (Category 5) cover the emissions from paper recycled.

⁵ Scope 3 GHG emissions (Category 6) cover the emissions from all modes of transportation associated with business trips of CMCDI and the Investment Manager.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Risk Management (continued)

Moreover, the Company has disclosed the number and value of proprietary investments and loans by sector in the Investment Manager's Discussion and Analysis section of the Annual Report, among which the following proprietary investments deployed towards climate-related risks and opportunities:

Name of Projects	Main Business	Value (US\$ million)
Wuhan Rixin Technology Co., Ltd.	Solar Energy	0.99

Given the current challenges and resource constraints in conducting a reliable and meaningful quantitative analysis, the Company has applied the relevant disclosure reliefs and therefore does not provide quantitative financial information on assets or business activities affected by climate-related physical risks, transition risks, and opportunities at this stage. Looking ahead, we will continue to explore the feasibility to enhance our monitoring and measurement capabilities to support more robust tracking of climate-related financial metrics. Details relating to internal carbon pricing, together with quantitative financial information on assets or business activities affected by climate-related physical risks, transition risks and opportunities, may be considered for disclosure in future reporting periods, subject to data availability.

Targets

Considering the Company has no Scope 1 and Scope 2 GHG emissions, we have established five climate-related targets⁶, covering paper, plastic, electricity, and water consumption, as well as sustainable investment. The targets, formulated by the Board, are reviewed and monitored by the ESG Taskforce, which reports to the Board on progress at least annually.

⁶ The current targets have been set based on the Company's nature and business conditions, rather than international commitments or sectoral decarbonisation pathways, and have not been validated by any third party. All targets focus on gross GHG emissions, and the Company has no short-term intention to employ carbon credits to offset emissions in achieving any net-emissions target.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Risk Management (continued)

Target 1 5% reduction on paper consumption intensity by 2025 as compared with 2020.

Target 2 The Investment Manager continues to reduce the consumption of single-use plastics and aim to achieve zero plastic bottles by 2025.

The ESG Taskforce is responsible for adopting measures to reach the established goals, which are as follows:

- promoting resources conservation through posters and internal communications;
- setting up suggestion boxes for employees to provide additional resource conservation practices ideas;
- placing recycling bins at different spaces in the offices;
- phasing out paper documents and replacing them with electronic documents;
- encouraging employees to bring and use their own cups to work; and
- avoiding the purchase of bottled water or other single-use plastic products.

During the Reporting Period, we have achieved the Target 1, by reducing the paper consumption intensity (kg/total number of employees) by 72% from 52.11 in 2020 to 14.83 in 2025. Also, the Investment Manager have been regularly implementing the above measures to pursuing Target 2.

Target 3 To consider the electricity conservation policy and measures adopted by the buildings as one of the selection criteria for new rental offices by 2025.

With the target set previously, the Board and the ESG Taskforce have worked collaboratively to update the procurement policy of office equipment by reviewing energy efficiency options whilst promoting an energy saving culture within the offices. We consider that we have achieved energy efficiency target set previously (i.e. to incorporate energy efficiency as one of the criteria for the procurement of office equipment by 2022) and continued to attain it during the Reporting Period by incorporating energy efficiency into the procurement policy and procedures.

Further, a number of considerations will be taken into account when selecting new rental offices; for example, if the landlord has been:

- replacing traditional lighting with energy saving LED lighting; and
- installation of occupancy/motion sensor to automatically switch on and off the air conditioning in those areas infrequently used.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Risk Management (continued)

During the Reporting period, we continue to consider the electricity conservation policy in place for selection of new rental offices to attain Target 3.

Target 4 *To consider the ESG performance of potential investments during the investment evaluation process, as a regular practice.*

The Investment Manager is responsible for adopting the following measure to realise the goals:

- incorporating ESG performance as one of the key performance indicators (KPIs) when making any investment decisions; and
- requiring the investment team to consider whether there are significant non-compliance ESG issues happened with the proposed investment projects and to report such issues in the investment proposals.

During the Reporting Period, all the new investment proposals indicated that no significant non-compliance ESG issues have been identified. Therefore, we consider that we have achieved Target 4 during the Reporting Period.

Target 5 *To consider the water conservation policy and measures adopted by the buildings as one of the selection criteria for new rental offices by 2025.*

We would consider a number of factors when selecting new rental offices; for example, whether the landlord has been:

- implementing efficient water system design with a smart function of leakage detection;
- collecting used water for cooling purposes, floor cleaning and yard washing; and
- turning off the water supply system at night and on holidays.

During the Reporting period, we continue to consider the water conservation policy in place for selection of new rental offices to attain Target 5.

The Company will review its existing climate-related targets in FY2026 to ensure they better reflect current business and operational realities, while remaining aligned with our long-term sustainability commitment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Green Office and Operation

The Company and the Investment Manager's main emission sources are electricity, paper consumption and business travels. Even though the impact of the direct consumption to the environment is minor, the Company and the Investment Manager have adopted a series of measures to closely monitor and ensure that the environmental targets can be met. Below are some of the few key measures that the Company and the Investment Manager follow:

- establishing functional telecommunication systems to allow effective communication between staff;
- encouraging staff to reduce the number of business-related travels and/or unnecessary travels;
- motivating staff to use electronic documents if possible;
- promoting the behaviour of paper recycling and the use of recycled paper when possible; and
- promoting the use of smart thermostats and energy management systems to optimize ventilation and air conditioning, and encouraging natural ventilation when possible.

We have exerted reasonable effort to maintain emission at a low level with the help from the Investment Manager of adopting a green office culture. The Investment Manager also ensures that its operations comply with Hong Kong government's environmental laws and regulations completely.

Waste Management

The non-hazardous waste generated by the Company and the Investment Manager was mainly made up of paper. During the Reporting Period, the Company and the Investment Manager did not generate considerable amount of hazardous waste in the office-only operations. The table below shows the amount of non-hazardous waste generated and recycled:

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Green Office and Operation (continued)

Non-hazardous office waste				
	Total consumption in 2025 (kg)	Consumption intensity in 2025 (kg/total number of employees)	Total consumption in 2024 (kg)	Consumption intensity in 2024 (kg/total number of employees)
Waste disposed and recycled (Note 1)	267.00	14.83	363.50	18.18

Note 1: The reported amount includes the amount of paper recycled chiefly used for printing annual and interim reports.

The paper purchased was primarily used for printing internal reports. In 2024, the increased frequency of special meetings, including two extraordinary meetings, led to a temporary rise in paper usage. By 2025, paper usage had returned to its usual pattern, and the amount of paper recycled correspondingly followed the same trend.

Waste generated by the Company and the Investment Manager are collected by waste management service provided by the building service providers, which are then processed at their discretion. Although the amount of waste that the Company and the Investment Manager produce each year is little, we strongly believe that it is still important to promote the concept of practicing zero waste at the offices, as no resources should be wasted.

Energy Consumption

The Company is committed to conserving the scarce resources. In order to improve energy efficiency and reduce the office energy consumption, a series of practices have been adopted by the Investment Manager. It is also the Investment Manager's goal to help employees develop a better green mind-set by integrating energy saving behaviours into the daily habits of employees in and out of the office. We hope that with the above-mentioned practices, the energy consumption and greenhouse gas emissions would be kept at minimal.

As the electricity usage is included in the building management fee and as the Company and the Investment Manager have no separate electricity metre, there was no electricity acquisition or consumption during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

ENVIRONMENTAL PROTECTION (CONTINUED)

Climate-related Disclosure (continued)

Green Office and Operation (continued)

Environmental Impact Management

The Company aims to reduce the footprint on the environment and natural resources. An environmental management system has been founded and is carried out along with the “Green Office Guideline” that is included in the induction package, offering useful sustainable office tips for employees and the management to adapt in and out of the office environment. The ESG Taskforce is in charge of promoting and updating the guideline.

Given the business nature of the Company and the Investment Manager, we have not been aware that there is any significant impact from our business operations on the environment, natural resources and climate change. Nevertheless, the Company and the Investment Manager will try to minimise the impacts on the environment to a reasonable extent. An example is to consider environmental friendliness as one of the criteria when making procurement decision.

Water consumption

The Company and Investment Manager operate in a sub-leased office and the source of water and its supply are controlled and managed by the office’s management. Therefore, there is no designated water meter to monitor the water usage of the office of operations.

We fully understand that water is very precious and measures are necessary to be taken to keep the consumption of water to minimal. For example, to emphasise the importance of cultivating employees’ awareness and habits of water conservation, the Investment Manager constantly encourage employees to develop good habit of conserving all types of resources including water in order to reasonably avoid water wastage. The water source is from Hong Kong Water Supplies Department and it poses no sourcing and issues or risks to our operations.

SOCIAL RESPONSIBILITY

Employment Practices

The Company considers that employees are indispensable assets to the success of the Company, and the Company and the Investment Manager are constantly striving to attract and retain talents. In order to further improve the employees' satisfaction, well-being and loyalty, the Investment Manager has developed a well-rounded human capital policy on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Diversity, Equity and Inclusion

The Investment Manager is an equal opportunity employer and has zero tolerance against discrimination on age, gender, race and sexual preference, disability, religion, national origin, etc. Equal opportunity is the core idea of its human capital policy, which covers areas of compensation and dismissal, recruitment and promotion, working hours, rest periods, other benefits and welfare, etc. The level of compensation of employees is reviewed annually and adjusted according to their performance, qualification and market standards. Benefits such as medical, life and disability insurance and retirement scheme are provided to employees. Staff leisure activities are also organised.

Total workforce by gender, employment type, position, age and geographical location is shown below:

Specification		Number of employees in 2025 (CMCIM)	% of employees in 2025 (CMCIM)	Number of employees in 2024 (CMCIM)	% of employees in 2024 (CMCIM)
Gender	Male	6	33.33%	8	40.00%
	Female	12	66.67%	12	60.00%
Employment type	Permanent	18	100.00%	20	100.00%
	Contract	0	0.00%	0	0.00%
Position	Director	1	5.56%	1	5.00%
	Management	1	5.56%	1	5.00%
	Others	16	88.89%	18	90.00%
Age	18-30	1	5.56%	2	10.00%
	31-50	10	55.56%	13	65.00%
	Above 50	7	38.89%	5	25.00%
Geographical location	Hong Kong	14	77.78%	15	75.00%
	Mainland China	4	22.22%	5	25.00%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

SOCIAL RESPONSIBILITY (CONTINUED)

Diversity, Equity and Inclusion (continued)

Employee turnover rate (Note 2) by gender, employment type, position, age and geographical location is shown below:

Specification		Number of employees in 2025 (CMCIM)	% of employees in 2025 (CMCIM)	Number of employees in 2024 (CMCIM)	% of employees in 2024 (CMCIM)
Gender	Male	0	0.00%	0	0.00%
	Female	0	0.00%	1	8.33%
Employment type	Permanent	0	0.00%	1	5.00%
	Contract	0	0.00%	0	0.00%
Position	Director	0	0.00%	0	0.00%
	Management	0	0.00%	0	0.00%
	Others	0	0.00%	1	5.56%
Age	18-30	0	0.00%	0	0.00%
	31-50	0	0.00%	0	0.00%
	Above 50	0	0.00%	1	20.00%
Geographical location	Hong Kong	0	0.00%	1	6.67%
	Mainland China (Shenzhen)	0	0.00%	0	0.00%

Note 2: Including only voluntary turnover (i.e. including resignation and excluding termination, retirement, etc.), excluding turnover of part-time and temporary employees and excluding turnover of employees during their probation period.

During the Reporting Period, there were no cases of non-compliance noted in relation to the relevant employment laws and regulations, including but not limited to the Laws of Hong Kong: Employment Ordinance (Cap. 57), Employees' Compensation Ordinance (Cap. 282), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), Race Discrimination Ordinance (Cap. 602), and Mandatory Provident Fund Schemes Ordinance (Cap. 485).



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

SOCIAL RESPONSIBILITY (CONTINUED)

Occupation Health and Safety

The Investment Manager cares a great amount to provide a safe working environment as well as protect its employees from occupational hazards. On top of that, it is important for the Investment Manager to track with relevant regulatory requirements to make sure that there is no non-conformity occurred. Every employee is responsible to maintain a safe and healthy working space, with the goal to foster a zero-injury work culture. These guidelines and standards are outlined in employees' induction package, and such guidelines and standards are subjected to review for continuous improvement.

Work-related fatalities:

	2025	2024	2023
Number of work related fatalities of employees	0	0	0

Lost days due to work injury:

	2025	2024	2023
Number of lost days of employees caused by work injury	0	0	0

The Investment Manager has always devoted to strengthening its measures to prevent and control the spread of contagious diseases in order to ensure the health and safety of its employees and management. Health advice from the government has been closely observed with proactive measures taken to ensure that the health of the employees is safeguarded. Besides, the Investment Manager has been pursuing the following measures to safeguard the health and safety of its employees:

- providing face masks and sanitiser in offices for employees who are in need;
- providing annual medical check-up package for all employees;
- providing sufficient storage space for files and stationeries;
- providing a first-aid kit with sufficient supplies in offices; and
- maintaining a tidy and clean working environment.

Employees are also encouraged to participate in the annual fire drill to maintain awareness on fire safety. Building management office also inspects the fire exit regularly to ensure a non-obstructed escape passage whenever there is an occurrence of fire emergency.

During the Reporting Period, there were no cases of non-compliance noted in relation to relevant health and safety law and regulations, including but not limited to Occupational Safety and Health Ordinance (Cap. 509, Law of Hong Kong).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

SOCIAL RESPONSIBILITY (CONTINUED)

Talent Attraction, Retention and Development

We believe that creating a culture of continuous improvement and providing education opportunity is one of the most essential parts to the Company's success. The Investment Manager provides opportunities for employees to develop, for example, on-the-job coaching, professional experience sharing sessions, peer cross-trainings, induction programmes, and in-house seminars in an on-going basis. Employees are also encouraged to attend job-related seminars or training courses held by professional organisations or authorities to improve their knowledge and skills about the Listing Rules as well. The Investment Manager believes providing continuous learning opportunities for employees is mutually beneficial and it is expected that employees should be able to bring positive impacts to the Company's and the Investment Manager's operations and performance.

Percentage of employees trained:

Percentage of employees trained in CMCIM (Note 3)		2025	2024
Total	All employees	72.20%	65.00%
Gender	Male	20.00%	23.08%
	Female	80.00%	76.92%
Employee category	Investment staff	46.15%	53.85%
	Back office staff	53.85%	46.15%

Average training hours completed per employee:

Average training hours completed per employee in CMCIM (Note 3)		2025 Hours	2024 Hours
Total	All employees	18.74	11.05
Gender	Male	13.67	5.88
	Female	21.27	14.50
Employee category	Investment staff	16.69	11.80
	Back office staff	20.38	10.25

Note 3: The data only includes the trainings supported, reimbursed or organised by the Company and the Investment Manager. The training hours data includes those participated by resigned employee but excludes those participated by part-time and temporary employee and related to employee's self-finance examination leave.

SOCIAL RESPONSIBILITY (CONTINUED)

Talent Attraction, Retention and Development (CONTINUED)

Prevention of Child and Forced Labour

The Investment Manager prohibits the employment of any child or forced labour in the operations and services. To ensure compliance with the labour laws and regulations, the Investment Manager has sound and effective human resource procedures in place to conduct prudent due diligence on employees' backgrounds. And the human resource procedures are regularly reviewed in response to the change in regulatory requirements and market trends.

There is no tolerance to the employment of child and forced labour, and should such violation be discovered, responsible person will be subjected to internal disciplinary actions or handled by authorities when deemed suitable.

During the Reporting Period, there were no cases of non-compliance noted in relation to relevant laws and regulations regarding child and forced labour, including but not limited to Employment Ordinance (Cap. 57, Law of Hong Kong).

Sustainable Supply Chain

The Company and the Investment Manager mainly engage with professional service providers for services such as risk advisory, business consulting and legal advisory. A clear and fair procurement procedure is in place for selecting our professional service providers. All professional service providers are selected on a competitive basis and critical factors are taken into account. Such factors include, but not limited to, reputation, price, integrity and competency. The quality of their service is closely monitored to ensure that the service provided is in accordance with agreed contractual terms. The staff is trained to enact with reference to the procurement procedures to make sure that proper internal controls are well in place.

Ethical standards and our ESG policy are taken into consideration when it comes to service provider selections. The Company and the Investment Manager will avoid those service providers who are publicly known to have significant ESG non-compliances. With this practice, we believe the environmental and social risks of our supply chain are properly managed and are kept to minimal. Feedback is provided regarding their ESG performance whenever it is possible and suitable. The service providers are closely monitored and the Company and the Investment Manager reserve the right to review their ESG policies and procedures and their ESG regulation compliance evidence.

The Company and the Investment Manager also encourage the service providers:

- complying with our anti-fraud policies;
- respecting employees' right and equal opportunity; and
- integrating sustainability principles into business operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

SOCIAL RESPONSIBILITY (CONTINUED)

Sustainable Supply Chain (continued)

Number of the Company's active suppliers by geographical region:

Geographical location	Number of active suppliers in 2025	Number of active suppliers in 2024
Hong Kong	14	17
Mainland China	6	5

The Company and the Investment Manager have requested the service providers to maintain confidentiality of our business information. The business agreement will be terminated should there be any breaches in relation to the confidential information leakage and the Company and the Investment Manager retain the right to pursue legal action for any loss resulting from the breach. Therefore, to reduce the regulatory risks, the Company and the Investment Manager closely monitor news outlet for any ESG non-compliances of the service providers.

Responsible Investment

Responsible investment is upheld by the Board and the Investment Manager, as it is believed that responsible investment practice is the key to deliver long-term sustainable value to our investors and shareholders.

As the topic of sustainability is gradually becoming increasingly considered by investors during their process of making strategic investment decisions, it is with a clear sign that responsible investment will be widely recognised. Hence, the Board and the Investment Manager do take steps through considering environmental and social criteria when making investment decisions, and not engaging in financing activities which may violate any environmental or labour laws purposefully for profits.

A due diligence process is in place when the Board and the Investment Manager examine our investment targets. It is important that the targets are not only performing exceptionally and having good development prospects, but are also fulfilling their ESG responsibility. ESG factors are taken into consideration when the Board and the Investment Manager are assessing the risks posed by our investment targets. For example, the Board and the Investment Manager would understand their ESG policies and consider if they had any significant ESG non-compliances in the past.

Although we have minimal control over the business and operation decisions of the investee companies, we still pay close observation to their ability to fulfil ESG responsibility. Whenever appropriate, we will attend their general meetings to obtain a better understanding of their ESG policy and performance. When they fall short, we may raise questions in the meeting regarding their ESG performance. Apart from the above mentioned, we request investee companies to disclose significant non-compliance ESG issues in a timely basis and monitor news outlet for any ESG non-conformity.

SOCIAL RESPONSIBILITY (CONTINUED)

Responsible Investment (continued)

Due Diligence Process

The Company and the Investment Manager have incorporated quality assurance into practice. Comprehensive due diligence review, business prospects analysis and ESG risk assessments are conducted by the Investment Manager before taking investment targets into consideration and adding them to the Company's portfolio. Thus, it is believed that the investment quality will be guaranteed, and values are brought to our investors and shareholders.

Community Investment

The Company and the Investment Manager acknowledge the influence their operations may have in the society, thus are seeking different ways to give back to the community. The staff of the Investment Manager are encouraged to engage the community and fulfil their civil duties, for example, volunteering in any areas they see fits, participating in voting to express their views. The Investment Manager is considering to engage non-governmental organisations (NGOs) and charities for its employees volunteering and other suitable opportunities. In 2025, the employees of the Company and Investment Manager contributed 40 hours to community activities.

The core principles we promote are:

- showing love, to give hope and to support the disadvantaged;
- encouraging compassion and empathy in the employees of the Investment Manager;
- fostering a sense of community within the Investment Manager; and
- empowering through education.

Privacy and Data Protection

The Company and the Investment Manager strictly uphold the relevant privacy laws and regulations as well as contractual obligations for the limited privacy data retained by having proper maintenance in a secure place and internal control. The data is only to be used for the purposes upon owners' agreement and the data will be deleted whenever requested by the owners. When handling the privacy information, employees are instructed to exercise with due care.

During the Reporting Period, there were no cases of non-compliance noted in relation to privacy matters regarding services provided and methods of redress. We also did not receive any services-related written complaints with such practices adopted.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

SOCIAL RESPONSIBILITY (CONTINUED)

Protection of Intellectual Property Rights

Although the Company does not have products or services provided to stakeholders, all intellectual property right infringement is not allowed, including but not limited to the download and usage of pirated software, the use of intellectual property without the owners' consent.

GOVERNANCE

Business Ethics

The Company and the Investment Manager uphold a strong commitment to integrity and compliance, and have established various internal regulations and policies, including but not limited to the Staff Code of Conduct, Securities Dealing Policy, and Whistle-blowing Policy.

These internal regulations and policies are designed to foster a workplace culture based on strict legal and ethical standards, and cover key areas such as the prevention of conflicts of interest, professional incompetence, the protection of client assets, and the prohibition of unethical activities such as insider trading and fraud, compliance with the Fund Manager Code of Conduct promulgated by the Securities and Futures Commission of Hong Kong, and mechanisms for reporting and addressing employee misconduct and compliant.

All Directors of the Company and all Directors and staff of the Investment Manager are required to comply with these internal regulations and policies.

Anti-corruption and Money Laundering

The Company and the Investment Manager have made our commitment to maintain the highest level of integrity and accountability as instructed by the anti-bribery and anti-corruption guidelines. All Directors of the Company and all Directors and staff of the Investment Manager are expected to act on the highest ethical, personal and professional standard. The Investment Manager strongly encourages its employees to report any business irregularities and misconducts. Whistle-blowing channels and procedures are provided for the purpose of such reporting. Hence, employees, with anonymous identity, can raise concerns without the fear of retaliation. Any form of retaliation against the whistle-blower is prohibited.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

GOVERNANCE (CONTINUED)

Anti-corruption and Money Laundering (continued)

The table below shows the total number of concluded legal cases regarding corrupt practices brought against the Company or CMCIM and its employees during the Reporting Period and the outcomes of the cases:

Number of concluded legal cases regarding corrupt practices	2025	2024
Brought against the Company and CMCIM	0	0
Brought against CMCIM's employees	0	0

It is the Board's responsibility to monitor the effectiveness of the whistle-blowing procedures for the Company's and the Investment Manager's stakeholders. The procedures are reviewed and updated as and when required. The Board is also responsible for ensuring a proper independent investigation is conducted regarding the matters and there are proper follow-up actions.

The Company and the Investment Manager are also committed to proactively preventing money laundering and terrorist financing and to complying with applicable laws and regulations in respect of anti-money laundering and in relevant jurisdictions throughout our business operations.

New staff of the Investment Manager and newly appointed Directors of the Company are required to take induction courses with contents including anti-corruption polices, Securities & Futures Ordinance (Cap. 571, Law of Hong Kong), Listing Rules, etc. within one month of their employment/appointment. These are tailored to the responsibilities and the obligations of the staff and the Directors.

Throughout the duration of the employment/terms of tenure, the staff of the Investment Manager and Directors of the Company shall receive continuous training covering topics of their responsibilities which also include internal and external updates on anti-corruption and anti-money laundering guidelines and practices. These trainings can be in various form, such as video briefing, internal seminar and webinar.

During the Reporting Period, there were no cases of non-compliance noted in relation to bribery, extortion, fraud, corruption and money laundering related laws and regulations, including but not limited to the Prevention of Bribery Ordinance (Cap. 201, Law of Hong Kong) and Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615, Law of Hong Kong).

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of China Merchants China Direct Investments Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 112 to 159, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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**”) as 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 are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Level 3 financial instruments

Refer to notes 4 and 5 to the consolidated financial statements and the accounting policies in note 3.

The Key Audit Matter

As at 31 December 2025, financial instruments carried at fair value accounted for a significant portion of the Group's assets. The total fair value of financial assets and financial liabilities measured at fair value through profit or loss classified as Level 3, amounted to US\$382 million and US\$0.67 million, respectively.

Management engaged external valuation specialists to assist the valuations for the Group's certain financial instruments. The valuation of the Group's Level 3 financial instruments were measured using valuation techniques that involve significant inputs that were not based on observable market data ("**unobservable inputs**"). Where unobservable inputs were used, significant management judgement and estimates were made in the valuation process.

We identified assessment of the fair value of Level 3 financial instruments as a key audit matter because of the degree of complexity involved in valuing these financial instruments and the degree of judgement exercised by management in determining the inputs used in the valuation models.

How the matter was addressed in our audit

Our audit procedures to assess the valuation of Level 3 financial instruments included the following:

- assessing the design and implementation of key internal controls over the valuation of the financial instruments;
- reading investment agreements for Level 3 financial instruments, on a sample basis, to understand the relevant investment terms and identify any conditions that were relevant to the valuation of these financial instruments;
- evaluating the competence, capability and objectivity of the external valuation specialists;
- with the assistance of our valuation specialists, assessing the fair value of financial instruments, on a sample basis, by evaluating the appropriateness of the Group's valuation models, evaluating the reasonableness of the inputs and the appropriateness of the application by the Group; either conducting independent valuation or obtaining inputs independently, and comparing our valuation results with that of the Group; and
- assessing the reasonableness of the disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than 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 the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as 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.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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. This report is made 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.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

From the matters communicated with the Audit Committee, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is HUI, Chuen Ho (practising certificate number: P05551).

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 US\$	2024 US\$
Net gain on financial assets at fair value through profit or loss	6	230,107,998	137,499,663
Investment income	7	19,120,680	17,788,322
Other gains		1,433,158	5,159,948
Administrative expenses		(2,669,108)	(12,112,055)
Profit before taxation	9	247,992,728	148,335,878
Taxation	12	(58,054,864)	(27,984,564)
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		15,618,405	(12,633,235)
Total comprehensive income for the year		205,556,269	107,718,079
Profit for the year attributable to owners of the Company		189,937,864	120,351,314
Total comprehensive income for the year attributable to owners of the Company		205,556,269	107,718,079
Basic earnings per share	14	1.247	0.790

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 US\$	2024 US\$
Non-current asset			
Financial assets at fair value through profit or loss	15	964,198,129	770,688,567
Current assets			
Financial assets at fair value through profit or loss	15	49,688,941	4,964,102
Other receivables and prepayments	16	1,582,153	194,801
Cash and cash equivalents	17	30,194,316	30,946,711
		81,465,410	36,105,614
Current liabilities			
Other payables	18	22,553,003	26,541,098
Taxation payable	19	718,310	7,272,419
		23,271,313	33,813,517
Net current assets		58,194,097	2,292,097
Total assets less current liabilities		1,022,392,226	772,980,664
Non-current liabilities			
Financial liabilities designated at fair value through profit or loss	20	2,240,924	1,153,126
Deferred taxation	21	185,497,090	124,449,633
		187,738,014	125,602,759
Net assets		834,654,212	647,377,905
Capital and reserves			
Share capital	23	139,348,785	139,348,785
Reserves		64,418,065	48,798,983
Retained profits		630,887,362	459,230,137
Equity attributable to owners of the Company		834,654,212	647,377,905
Net asset value per share	25	5.479	4.250

The consolidated financial statements on pages 112 to 159 were approved and authorised for issue by the Board of Directors on 27 March 2026 and are signed on its behalf by:

Mr. WANG Xiaoding
Director

Ms. KAN Ka Yee, Elizabeth
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital <i>US\$</i>	Translation reserve <i>US\$</i>	General reserve <i>US\$</i>	Retained profits <i>US\$</i>	Equity attributable to owners of the Company <i>US\$</i>
Balance at 1 January 2024	139,348,785	46,508,813	13,677,686	358,404,504	557,939,788
Profit for the year	—	—	—	120,351,314	120,351,314
Exchange difference arising on translation to presentation currency	—	(12,633,235)	—	—	(12,633,235)
Total comprehensive income for the year	—	(12,633,235)	—	120,351,314	107,718,079
2023 final and special dividends paid (note 13)	—	—	—	(12,186,641)	(12,186,641)
2024 interim dividend paid (note 13)	—	—	—	(6,093,321)	(6,093,321)
Transfer to general reserve	—	—	1,245,719	(1,245,719)	—
Balance at 31 December 2024	139,348,785	33,875,578	14,923,405	459,230,137	647,377,905
Balance at 1 January 2025	139,348,785	33,875,578	14,923,405	459,230,137	647,377,905
Profit for the year	—	—	—	189,937,864	189,937,864
Exchange difference arising on translation to presentation currency	—	15,618,405	—	—	15,618,405
Total comprehensive income for the year	—	15,618,405	—	189,937,864	205,556,269
2024 final dividend paid (note 13)	—	—	—	(6,093,321)	(6,093,321)
2025 interim and special interim dividends paid (note 13)	—	—	—	(12,186,641)	(12,186,641)
Transfer to general reserve	—	—	677	(677)	—
Balance at 31 December 2025	139,348,785	49,493,983	14,924,082	630,887,362	834,654,212

The general reserve represents the general reserve fund, which is 10% of its net profit set aside by each of the subsidiaries incorporated in The People's Republic of China ("PRC") until the balance reaches 50% of its registered capital, in accordance with relevant laws and regulations of the PRC and is not available for distribution.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	2025 US\$	2024 US\$
OPERATING ACTIVITIES			
Profit before taxation		247,992,728	148,335,878
Adjustments for:			
Interest income		(509,636)	(608,748)
Dividend income from equity investments		(18,611,044)	(17,179,574)
Net gain on financial assets at fair value through profit or loss		(230,107,998)	(137,499,663)
Gain on disposal of a subsidiary		—	(4,099,814)
Operating cash flows before movements in working capital		(1,235,950)	(11,051,921)
Proceeds from disposal of financial assets at fair value through profit or loss		16,147,098	38,693,591
Return of capital from financial assets at fair value through profit or loss		677,908	2,803,765
Purchases of financial assets at fair value through profit or loss		(6,402,231)	(5,771,535)
Decrease in other receivables and prepayments		1,150	19,987
(Decrease)/increase in other payables		(3,852,068)	1,572,616
Decrease in financial liabilities designated at fair value through profit or loss		(250,133)	(25,759)
Cash generated from operations		5,085,774	26,240,744
Interest received		459,065	623,197
Dividends received		18,611,044	17,179,574
Income taxes paid		(7,261,335)	(2,573,537)
NET CASH GENERATED FROM OPERATING ACTIVITIES		16,894,548	41,469,978
CASH USED IN FINANCING ACTIVITIES			
Dividends paid	26	(18,279,962)	(18,279,962)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(1,385,414)	23,190,016
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY		30,946,711	8,627,649
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		633,019	(870,954)
TOTAL CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER		30,194,316	30,946,711



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

China Merchants China Direct Investments Limited (the “**Company**”) is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information of the Annual Report. The Company and its subsidiaries are collectively referred to as the “**Group**”.

The Company acts as an investment holding company. The activities of the subsidiaries are set out in note 28. The major sources of income of the Group arising in the course of the ordinary activities which are the revenue of the Group are net gain on financial assets at fair value through profit or loss (“**FVTPL**”) and investment income.

The functional currency of the Company is Renminbi (“**RMB**”). For the purpose of convenience of the consolidated financial statements users, the consolidated financial statements are presented in United States dollars (“**USD**”).

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**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 these consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

Up to the date of issue of these financial statements, 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 these financial statements. 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 ¹
Amendments to HKFRS HKFRS 18	Annual improvements to HKFRS Accounting Standards – Volume 11 ¹
HKFRS 19	Presentation and disclosure in financial statements ²
	Subsidiaries without public accountability: disclosures ²

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

Amendments to HKFRSs in issue but not yet effective (continued)

The management anticipates that the application of the amendments to HKFRSs will have no material impact on the consolidated financial statements 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. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include 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 Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have 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, as explained in the accounting policies set out below.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that, at initial recognition, the results of the valuation technique equal the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Levels 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The material accounting policy information is set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When an investment in an associate or a joint venture is held by, or is held indirectly through, a group entity that is a venture capital organisation and similar entities, the Group may elect to measure investments in those associates and joint ventures at FVTPL in accordance with HKFRS 9.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL and financial liabilities designated at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL or financial liabilities designated at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those classified as financial assets at FVTPL, for which interest income is included in net gain or loss on financial assets at FVTPL.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income (“**OCI**”) if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition, it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss, excludes any dividend earned on the financial assets but includes the interest earned on the financial assets and is included in the “Net gain on financial assets at fair value through profit or loss” line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including other receivables and cash and cash equivalents), which are subjected to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience, market condition, financial health of counterparty and other forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- an actual or expected significant deterioration in the operating results of the debtor.

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, unless the Group has reasonable and supportable information that demonstrates otherwise.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Significant increase in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default; ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

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.

Definition of default

The Group considers that default has occurred when the instrument is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

The Group considers a financial asset being credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired may include observable data about the following events:

- (a) significant financial difficulty of the issuer;
- (b) a breach of contract, such as a default; or
- (c) it is becoming probable that the issuer of the financial asset will enter bankruptcy or other financial reorganisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information available without undue cost and effort. Estimation of ECL reflects an unbiased and probability weighted amount that is determined with the respective risks of default occurring as the weights.

ECL is estimated as 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, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

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 recognises its retained interest in the asset and an associated liability for amounts it may have to pay. 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 measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified either as financial liability or as equity according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using effective interest method or FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities designated at FVTPL

A financial liability may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract (asset or liability) to be designated at FVTPL.

For financial liabilities that are designated at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities, including other payables, are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. USD) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in equity under the heading of translation reserve and are not reclassified to profit or loss subsequently.

Taxation

Income tax expense represents the sum of the current and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items of income or expense that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group as a parent is able to control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied on the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in OCI or directly in equity, in which case the current and deferred tax are also recognised in OCI or directly in equity, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

4. KEY SOURCE OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year are as follows:

Fair value of financial assets at FVTPL and financial liabilities designated at FVTPL

As indicated in notes 5, 15 and 20, the Group selects appropriate valuation techniques for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The fair values of unlisted financial assets at FVTPL and financial liabilities designated at FVTPL are determined in accordance with generally accepted pricing models. To the extent practical, models use only market data. However, areas such as specific risk of investees and marketability discount require management to make estimates. Changes in assumptions about these factors could affect the estimated fair value of financial instruments. The values assigned to the financial assets and liabilities are based upon available information and professional judgement. They do not necessarily represent amounts which might ultimately be realised, since such amounts depend on future circumstance and cannot be reasonably determined until the individual position is realised.

5. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025 US\$	2024 US\$
Financial assets		
At FVTPL	1,013,887,070	775,652,669
Amortised cost	31,748,788	31,112,680
Financial liabilities		
Amortised cost	2,896,051	6,993,848
Designated at FVTPL	2,240,924	1,153,126

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objective and policies

The Group's major financial instruments include financial assets at FVTPL, other receivables, cash and cash equivalents, other payables and financial liabilities designated at FVTPL. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Currency risk

The Group undertakes certain transactions which expose the Group to foreign currency risk. The related balances include other receivables, cash and cash equivalents and other payables, denominated in a currency other than the functional currency, and so exposures to exchange rate fluctuations arise.

The Group currently does not have any foreign currency hedging policy. However, the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's monetary assets and monetary liabilities which are denominated in a currency other than the functional currency of the relevant group entities at the reporting date are as follows:

	2025 US\$	2024 US\$
Monetary assets		
USD	13,054,782	6,251,842
Hong Kong Dollar	2,123,820	9,355,625
Monetary liabilities		
USD	5,074,690	8,051,065
Hong Kong Dollar	53,348	68,537



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Currency risk (continued)

Foreign currency sensitivity

For the currency risk of the Group, if RMB had appreciated/depreciated against USD by 5%, the Group's after taxation result and equity for the year would decrease/increase by US\$400,000 (2024: US\$90,000). If RMB had appreciated/depreciated against Hong Kong Dollar by 5%, the Group's after taxation result and equity for the year would decrease/increase by US\$104,000 (2024: US\$466,000).

In the opinion of the management, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is not subject to material fair value interest rate risk as the Group's fixed interest rate bearing financial assets are measured at amortised cost. The Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets (mainly short-term bank deposits at market rate) at market rates.

At 31 December 2025, bank balances of US\$9,711,842 (2024: Nil) were interest bearing and withdrawable on demand. Since the prevailing market interest rates are low, the Group considers that the overall interest rate risk is not significant.

Interest rate sensitivity

No sensitivity analysis on cash flow interest rate risk is prepared as the Group considers the effect would be minimal at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Price risk

The Group is exposed to price risk through its investments as disclosed in note 15 and financial liabilities in note 20 which are measured at FVTPL.

Price sensitivity

The sensitivity analyses below have been determined based on the exposure to price risk at the end of the reporting period.

If the market bid prices of the listed equity securities had been 20% (2024: 20%) higher/lower, the Group's after taxation result for the year would increase/decrease by US\$97,090,000 (2024: US\$70,051,000). This is mainly attributable to the changes in fair values of the listed equity investments held by the Group.

If the fair value of the investments other than listed equity securities had been 20% (2024: 20%) higher/lower, the Group's after taxation result for the year would increase/decrease by US\$62,569,000 (2024: US\$57,397,000). This is mainly attributable to the changes in fair values of the investments held by the Group.

In the opinion of the management, the sensitivity analysis is unrepresentative of the price risk as the year end exposure does not reflect the exposure during the year.

Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's financial assets include financial assets at FVTPL, other receivables, and cash and cash equivalents.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Although the cash and cash equivalents are concentrated with certain counterparties, the credit risk on liquid funds is limited because the counterparties are banks with good credit ratings assigned by international credit rating agencies. In this regard, the management considers that the Group's credit risk on such authorised institutions is low. Accordingly, cash and cash equivalents are subject to 12m ECL assessment. In the opinion of the management, the 12m ECL's balance is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk and impairment assessment (continued)

For the purpose of internal credit risk management, the Group uses past due information and available financial background of the debtors to assess whether credit risk has increased significantly since initial recognition of other receivables of US\$1,554,472 (2024: US\$165,969). As such balance is not past due, the Group considers there is no significant change in credit risks of these balances since initial recognition. Accordingly, they are subject to 12m ECL assessment. In the opinion of the management, the 12m ECL balance is not significant.

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	12m or lifetime ECL	2025 Gross carrying amount US\$	2024 Gross carrying amount US\$
Cash and cash equivalents	17	A	12m ECL	30,194,316	30,946,711
Other receivables	16	N/A	12m ECL	1,554,472	165,969

The Group has concentration of credit risk in the PRC.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet their payment obligations associated with its financial liabilities when they fall due. The Group manages liquidity risk by maintaining adequate reserves, as well as continuously monitoring forecast and actual cash flows.

Internally generated cash flow is the main source of funds to finance the operations of the Group. The Group regularly reviews the major funding positions to ensure adequate financial resources are available to meet its financial obligations.

The Group's financial liabilities mainly represent management fee payable and financial liabilities designated at FVTPL related to sub-participation agreements. Apart from financial liabilities designated at FVTPL which are repayable upon realisation of the corresponding investments, the other financial liabilities are all interest free and repayable on demand. In the opinion of the management, the liquidity risk of the Group is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurement of financial instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Most 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 (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Financial assets	31 December	31 December	Fair value hierarchy	Valuation techniques	Significant unobservable input(s)	31 December	31 December	Relationship of unobservable inputs to fair value	31 December	31 December
	2025	2024				2025	2024		Increase(+)/ decrease(-) in fair value of assets if	Increase(+)/ decrease(-) in fair value of assets if
	US\$	US\$				Range	Range		10% increase/ decrease of the unobservable inputs (Note 2)	10% increase/ decrease of the unobservable inputs (Note 2)
									US\$	US\$
Financial assets at FVTPL										
Listed equity securities (Note 1)	444,877,624	352,071,881	Level 1	Quoted bid prices in active market	N/A	N/A	N/A	N/A	N/A	N/A
Listed equity securities within lock-up period (Note 1)	186,990,244	70,720,956	Level 2	Quoted bid prices in active market and adjusted for lack of marketability	- Discount rate for lack of marketability	4.4%	9.1%-13.9%	The higher the discount rate, the lower the fair value	-858,000/ +858,000	-1,817,000/ +1,817,000
Equity securities (including equity securities traded on the National Equities Exchange and Quotations ("New Third Board") and unlisted equity securities), unlisted preferred equity and participating preferred unit (Note 1)	305,030,693	287,967,026	Level 3	Market comparable companies	- Earnings multiples - Revenue multiples - Book value multiples - R&D expense multiples - AUM multiples	20.7x 2.1x - 29.2x 0.9x - 6.2x 20.2x 0.01x	25.7x - 37.4x 1.6x - 5.9x 0.9x - 6.9x 11.3x 0.01x	The higher the multiples, the higher the fair value	+18,635,000/ -18,635,000	+17,924,000/ -17,924,000
Unlisted equity (Note 1)	39,524,528	49,542,806	Level 3	Net asset value	- Discount rate for lack of marketability and specific risk - Net asset value of the underlying investments	46.5%	50.1%	The higher the discount rate, the lower the fair value	-3,296,000/ +3,296,000	-9,531,000/ +9,531,000
Unlisted equity securities and unlisted preferred equity (Note 1)	37,463,981	15,350,000	Level 3	Recent transaction price with discount/premium	- Discount/premium for events/changes after transaction price	0%	0%	The higher the discount/premium, the lower/higher the fair value	+3,746,000/ -3,746,000	+1,535,000/ -1,535,000
Closing balance	1,013,887,070	775,652,669								

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurement of financial instruments (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Note 1: Financial assets at FVTPL represent those investments are measured at fair value with subsequent fair value gains or losses to be recognised in profit or loss.

Note 2: Amount represents increase(+)/decrease(-) in fair value of the financial assets if the unobservable inputs were 10% increase/decrease while all the other variables were held constant.

Note 3: The analysis of financial liabilities is set out in note 20.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at both year ends.

	Level 1 US\$	Level 2 US\$	Level 3 US\$	2025 Total US\$
Financial assets at FVTPL	444,877,624	186,990,244	382,019,202	1,013,887,070
Financial liabilities designated at FVTPL	390,137	1,182,227	668,560	2,240,924

	Level 1 US\$	Level 2 US\$	Level 3 US\$	2024 Total US\$
Financial assets at FVTPL	352,071,881	70,720,956	352,859,832	775,652,669
Financial liabilities designated at FVTPL	120,044	330,762	702,320	1,153,126

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurement of financial instruments (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Reconciliation of Level 3 fair value measurements of financial assets:

	Financial assets at FVTPL US\$
Balance at 1 January 2024	420,992,681
Transfer from Level 3 to Level 2	(57,127,721)
Gains recognised in profit or loss	34,670,341
Exchange difference arising on translation to presentation currency	(4,178,113)
Disposals	(38,693,591)
Return of capital	(2,803,765)
Balance at 31 December 2024	352,859,832
Balance at 1 January 2025	352,859,832
Transfer from Level 3 to Level 2	(131,181,382)
Gains recognised in profit or loss	148,636,866
Exchange difference arising on translation to presentation currency	6,371,516
Purchases	6,402,231
Disposals	(391,953)
Return of capital	(677,908)
Balance at 31 December 2025	382,019,202

Of the total gains for the year included in profit or loss, gain of US\$148,636,866 (2024: US\$34,670,341) relates to financial assets at FVTPL categorised in Level 3 held at year end. Fair value gains or losses on financial assets at FVTPL are included in "Net gain on financial assets at fair value through profit or loss". Transfers between levels of the fair value measurement hierarchy are recognised as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurement of financial instruments (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Reconciliation of Level 3 fair value measurements of financial liabilities:

	Financial liabilities designated at FVTPL US\$
Balance at 1 January 2024	974,107
Transfer from Level 3 to Level 2	(256,386)
Change in fair value	(15,401)
Balance at 31 December 2024	702,320
Balance at 1 January 2025	702,320
Transfer from Level 3 to Level 2	(221,412)
Redemptions	(15,859)
Change in fair value	203,511
Balance at 31 December 2025	668,560

Fair value measurements and valuation processes

A guideline on the fair value measurements has been applied to the regular assessment of fair value of an asset. Fair value of listed investments, except those listed on the New Third Board, is determined based on the quoted market bid prices available on the relevant stock exchanges. Fair value of listed investments within lock-up period is assessed based on the quoted market bid prices available on the relevant stock exchanges and adjusted for lack of marketability. Fair value of certain unlisted investments is arrived at by reference to their recent transaction prices. For unlisted investments and investments listed on the New Third Board with no recent transactions noted, their fair values are arrived at on the basis of valuations carried out by an independent valuer on a half-yearly basis. Determination of fair value is based on the best information available in the circumstances and includes appropriate risk adjustments for lack of marketability. Factors considered in determining the fair value of these investments include multiples of comparable companies listed on stock exchanges and discount rates based on market information. The valuation report prepared by the independent valuer is reported to and reviewed by the management on a half-yearly basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

6. NET GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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:

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

7. INVESTMENT INCOME

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

7. INVESTMENT INCOME (CONTINUED)

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

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

8. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

8. 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				Others	Total
	Financial services	Culture, media and consumption	Information technology	Total reportable segments		
	US\$	US\$	US\$	US\$	US\$	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)	82,312,523	(5,643,568)	170,176,509	246,845,464	3,460,599	250,306,063
Unallocated:						
– Administrative expenses						(2,669,108)
– Interest income on bank deposits						509,636
– Other losses						(153,863)
Profit before taxation						247,992,728

For the year ended 31 December 2024

	Reportable segments				Others	Total
	Financial services	Culture, media and consumption	Information technology	Total reportable segments		
	US\$	US\$	US\$	US\$	US\$	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)	113,177,547	12,381,732	31,137,151	156,696,430	(727,016)	155,969,414
Unallocated:						
– Administrative expenses						(12,112,055)
– Interest income on bank deposits						608,748
– Other gains						3,869,771
Profit before taxation						148,335,878

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

8. SEGMENTAL INFORMATION (CONTINUED)

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).

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

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

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 PRC, and hence no geographical information in relation to the investing activities is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

9. PROFIT BEFORE TAXATION

	2025 US\$	2024 US\$
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	182,316	175,265
Net foreign exchange loss	153,862	230,097
Investment Manager's management fee (note 27 (a))	1,274,722	10,673,598
Directors' fees	213,358	220,319

10. DIRECTORS' EMOLUMENTS

The Group has no chief executives and the Directors' fees paid or payable to each of the 13 (2024: 11) Directors were as follows:

	2025 US\$	2024 US\$
Executive Directors:		
Mr. WANG Xiaoding	—	—
Ms. KAN Ka Yee, Elizabeth (Note a)	—	—
	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

10. DIRECTORS' EMOLUMENTS (CONTINUED)

	2025 US\$	2024 US\$
Non-executive Directors:		
Mr. ZHOU Xing	—	—
Mr. KE Shifeng	30,856	30,742
Ms. YAO Wang [#]	—	N/A
Mr. ZOU Chuan [#]	—	N/A
Mr. ZHANG Rizhong [*]	—	—
Mr. TSE Yue Kit [*]	23,079	30,742
	53,935	61,484
Independent Non-executive Director and Chairman of the Audit Committee:		
Mr. TSANG Wah Kwong	35,999	35,867
Independent Non-executive Directors:		
Dr. LI Fang	30,856	30,742
Dr. GONG Shaolin	30,856	30,742
Mr. Michael Charles VITERI	30,856	30,742
Mr. ZHU Qi	30,856	30,742
	123,424	122,968
Total	213,358	220,319

* The Director resigned as Non-executive Director during the year 2025.

The Director was appointed as Non-executive Director during the year 2025.

Notes:

- (a) Ms. KAN Ka Yee, Elizabeth has indirect beneficial interests in the Investment Manager which entered into a temporary investment management agreement with the Company on 17 December 2024 for a term of six months from 1 January 2025. On 20 June 2025, the Company further entered into a supplemental agreement with the Investment Manager to extend the term of re-appointment of the Investment Manager to 31 December 2025. Details of the existing investment management agreements, including the term of appointment, scope of services and remuneration were set out in the announcements of the Company dated 17 December 2024 and 20 June 2025. The amount of management fee paid or accrued to the Investment Manager is disclosed in note 27 to the consolidated financial statements.
- (b) The emoluments for Executive Directors, Non-executive Directors and Independent Non-executive Directors shown above were paid or payable in accordance with their service contracts and for their services as Directors of the Company.
- (c) There was no arrangement under which the above Directors waived or agreed to waive any remuneration during both years.
- (d) There was no amount as inducement for the above Directors to join the Company and compensation for the loss of office as Directors in connection with the management of the affairs of the Group during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

11. EMPLOYEES' EMOLUMENTS

The five (2024: five) highest paid individuals in the Group were all Directors of the Company and details of their emoluments are included in note 10 above.

12. TAXATION

The tax charge for the year comprises:

	2025 US\$	2024 US\$
The Company and its subsidiaries		
Current tax:		
PRC Enterprise Income Tax	(288,258)	(4,823,104)
Withholding tax for distributed earnings	(360,539)	(2,814,548)
Deferred taxation (note 21)		
Current year	(57,406,067)	(20,346,912)
Total	(58,054,864)	(27,984,564)

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 statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

12. TAXATION (CONTINUED)

The tax (charge) credit for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 US\$	2024 US\$
Profit before taxation	247,992,728	148,335,878
Tax at the domestic income tax rate of 25% (2024: 25%) (Note)	(61,998,182)	(37,083,969)
Tax effect of expenses not deductible for tax purpose	(193,616)	(3,452,962)
Tax effect of income not taxable for tax purpose	4,572,952	6,350,475
Tax effect of tax losses not recognised	(640,968)	(1,214,594)
Utilisation of tax losses not recognised	606,368	374,064
Withholding tax for undistributed earnings of PRC subsidiaries	(7,494,547)	(31,714)
Withholding tax for distributed earnings	(360,539)	(2,814,548)
Effect of different tax rates of the Company and its subsidiaries operating in other regions in the PRC	7,741,571	9,870,148
(Under) Over provision in prior years	(287,903)	18,536
Taxation	(58,054,864)	(27,984,564)

Note: The domestic tax rate (which is PRC Enterprise Income Tax rate applicable to the Company's major subsidiaries in the PRC) represents the tax rate in the jurisdiction where the investments of the Group are substantially located.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

13. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend of US\$0.05 per share (2024: US\$0.04 per share) and a special dividend of US\$0.20 per share (2024: Nil), in an aggregate amount of US\$38,083,253, in respect of the year ended 31 December 2025 have been proposed by the Directors and are subject to approval by the shareholders at the forthcoming annual general meeting.

An interim dividend of US\$0.04 per share (2024: dividend of 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) for the year ended 31 December 2025 were paid in cash on 7 November 2025 (2024: 8 November 2024). Total dividends will be US\$0.33 per share (2024: US\$0.08 per share) with an aggregate amount of US\$50,269,894 (2024: US\$12,186,641), in respect of the year ended 31 December 2025 (2024: year ended 31 December 2024).

Final dividend of US\$6,093,321 (2024: final and special dividends of US\$12,186,641) for the year ended 31 December 2024 (2024: year ended 31 December 2023) were paid in cash on 25 July 2025 (2024: 26 July 2024).

14. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2025	2024
Profit for the purpose of basic earnings per share (US\$)	189,937,864	120,351,314
Number of ordinary shares for the purpose of basic earnings per share	152,333,013	152,333,013
Basic earnings per share (US\$)	1.247	0.790

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 US\$	2024 US\$
Equity and debt securities at FVTPL:		
– listed equities in PRC (Note a)	379,272,018	348,569,986
– listed equity in HK (Note a)	42,534,295	3,501,895
– listed equity in US (Note a)	23,071,311	—
– listed equity within lock-up period in PRC (Note a)	186,990,244	—
– listed equity within lock-up period in HK (Note a)	—	42,610,956
– listed equity within lock-up period in US (Note a)	—	28,110,000
– listed equity on New Third Board (Note a)	988,789	1,035,001
– unlisted equities (Notes b and c)	342,150,413	306,007,407
– unlisted participating preferred unit (Note b)	38,880,000	40,520,000
– unlisted debt investment (Note b)	—	5,297,424
Total	1,013,887,070	775,652,669
Analysed to reporting purposes as		
Current assets	49,688,941	4,964,102
Non-current assets	964,198,129	770,688,567
Total	1,013,887,070	775,652,669

Notes:

- (a) The listed equity securities represent the Group's interest held in China Merchants Bank Co., Ltd., iFLYTEK Co., Ltd., Xunfei Healthcare Technology Co., Ltd. and Pony AI Inc. whose fair values are determined based on the quoted market bid prices available on the relevant stock exchanges. The listed equity securities within lock-up period in PRC represent the Group's interest held in Arashi Vision Inc. subject to trading moratorium, and whose fair value is determined based on the quoted market bid price available on the relevant stock exchange and adjusted for lack of marketability. For equity securities listed on the New Third Board, namely Wuhan Rixin Technology Co., Ltd., whose fair value was arrived at by reference to the basis of valuation carried out by an independent valuer not connected with the Group. Determination of fair value is based on the best information available in the circumstances and includes appropriate risk adjustments for lack of marketability. Factors considered in determining the fair value of this investment include multiples of comparable companies listed on stock exchanges. Please refer to note 5 to the consolidated financial statements for further details of the valuation techniques.
- (b) As at 31 December 2025, fair values of unlisted equity investments amounting to US\$37,463,981 (2024: US\$15,350,000) were arrived at by reference to their recent transaction prices. For other unlisted investments, their fair values were arrived at on the basis of valuations (including net asset value) carried out by an independent valuer not connected with the Group. Determination of fair value is based on the best information available in the circumstances and includes appropriate risk adjustments for lack of marketability. Factors considered in determining the fair value of these investments include multiples of comparable companies listed on stock exchanges and/or latest available information about financial performance or financial position of investees.
- (c) As at 31 December 2024, included in unlisted equities investments amounting to US\$388,612 was investment in an associate. The management elected not to apply the equity method and instead the investment is recognised as a financial asset at FVTPL. As at 31 December 2025, the Group has no investment in associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The following are the details of all investments with a value of more than 5% of the Group's total assets as at 31 December 2025 and 31 December 2024 and also details of ten largest investments of the Group.

For the year ended 31 December 2025

Name of investees	Description of the business	Proportion of investee's capital owned	Investment cost <i>US\$ million</i>	Carrying value <i>US\$ million</i>	Dividend/ distribution received during the year <i>US\$ million</i>	% of the Group's net assets as at year end attributable to the investment
China Merchants Bank Co., Ltd.	Banking	0.22%	19.79	331	15.44	39.61%
China Credit Trust Co., Ltd.	Trust management	6.94%	50.49	188	1.43	22.54%
Arashi Vision Inc.	360-degree video products	1.46%	4.27	187	Nil	22.40%
iFLYTEK Co., Ltd.	Intelligent speech technology	0.29%	18.83	49	0.09	5.83%
Xunfei Healthcare Technology Co., Ltd	Artificial intelligence medical	3.51%	20.01	43	Nil	5.10%
NBA China, L.P.	Sports marketing	1% participating preferred unit	0.00	39	3.01	4.66%
JIC Leasing Co., Ltd.	Finance leasing	4.98%	38.78	27	Nil	3.19%
China UnionPay Co., Ltd.	Financial payment	0.05%	9.33	25	0.14	3.05%
Pony AI Inc.	Autonomous driving	0.37%	6.03	23	Nil	2.76%
Anhui Iflytek Information Technology LLP	Information technology investment	14.95%	2.76	19	Nil	2.27%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

For the year ended 31 December 2024

Name of investees	Description of the business	Proportion of investee's capital owned	Investment cost <i>US\$ million</i>	Carrying value <i>US\$ million</i>	Dividend/distribution received during the year <i>US\$ million</i>	% of the Group's net assets as at year end attributable to the investment
China Merchants Bank Co., Ltd.	Banking	0.22%	19.79	302	15.26	46.61%
China Credit Trust Co., Ltd.	Trust management	6.94%	50.49	144	Nil	22.30%
iFLYTEK Co., Ltd.	Intelligent speech technology	0.30%	18.83	46	0.09	7.06%
Xunfei Healthcare Technology Co., Ltd.	Artificial intelligence medical	3.51%	20.01	43	Nil	6.58%
NBA China, L.P.	Sports marketing	1% participating preferred unit	0.00	41	2.57	6.26%
Arashi Vision Inc.	360-degree video products	1.63%	4.27	35	Nil	5.41%
Pony AI Inc.	Autonomous driving	0.56%	8.61	28	Nil	4.34%
China UnionPay Co., Ltd.	Financial payment	0.05%	9.33	24	0.12	3.59%
JIC Leasing Co., Ltd.	Finance leasing	4.98%	38.78	23	Nil	3.55%
Anhui Iflytek Venture Capital LLP	Information technology investment	14.95%	2.76	19	1.62	2.96%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

16. OTHER RECEIVABLES AND PREPAYMENTS

	2025 US\$	2024 US\$
Interest receivable	50,571	—
Other receivables and prepayments	1,531,582	194,801
Total	1,582,153	194,801

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise current accounts, savings accounts and short-term bank deposits at fixed prevailing market interest rates.

Cash and cash equivalents held by subsidiaries in the PRC are subject to exchange control restrictions. The carrying amount of such balances in the consolidated financial statements as at 31 December 2025 was approximately of US\$15.99 million (2024: US\$15.51 million).

18. OTHER PAYABLES

	2025 US\$	2024 US\$
Management fee payable	2,833,766	6,897,939
Other payables	19,719,237	19,643,159
Total	22,553,003	26,541,098

19. TAXATION PAYABLE

The taxation payable represents applicable PRC taxes calculated at the rates prevailing in the relevant regions mainly for the Enterprise Income Tax arose from PRC subsidiaries.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

20. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial liabilities designated at FVTPL as at 31 December 2025 were related to the sub-participation agreements (the “**Sub-participation Agreements**”) entered into between the Company and the participants in respect of the investments by the Group in 武漢日新科技股份有限公司 (Wuhan Rixin Technology Co., Ltd.), 華人文化 (天津) 投資管理有限公司 (China Media (Tianjin) Investment Management Co., Ltd.), 華人文化產業股權投資 (上海) 中心 (有限合夥) (China Media Creative Industry Private Equity (Shanghai) Centre (Limited Partnership)), 西安金源電氣股份有限公司 (Xi’an Jinpower Electrical Co., Ltd.), 華勁集團股份有限公司 (Hwagain Group Co., Ltd.), 中建投租賃股份有限公司 (JIC Leasing Co., Ltd.), 科大訊飛股份有限公司 (IFLYTEK Co., Ltd.), 安徽科訊創業信息技術合夥企業 (有限合夥) (Anhui Iflytek Information Technology LLP), 青海省青海湖旅遊集團有限公司 (Qinghai Provincial Qinghai Lake Tourism Group Co., Ltd.), 寧波梅山保稅港區將門創業投資中心 (有限合夥) (Ningbo Meishan Free Trade Port Area Jiangmen Venture Capital LLP), Pony AI Inc., 影石創新科技股份有限公司 (Arashi Vision Inc.), 訊飛醫療科技股份有限公司 (Xunfei Healthcare Technology Co., Ltd.), 中國銀聯股份有限公司 (China UnionPay Co., Ltd.), 深圳市國科瑞華三期股權投資基金合夥企業 (有限合夥) (CASREV FUND III-RMB L.P.), 南寧匯友興曜股權投資基金合夥企業 (有限合夥) (Nanning Huiyou Xingyao Equity Investment Fund L.P.), Flexiv Ltd., 北京華順信安科技有限公司 (Beijing Huashun Xin’an Technology Co., Ltd.), 芯翼信息科技 (上海) 股份有限公司 (Xinyi Information Technology (Shanghai) Co., Ltd.), 日照市艾銳光電科技有限公司 (Rizhao Azuri Technologies Co., Ltd.), Immvira Bioscience Inc., 北京瀚巍創芯電子技術有限公司 (Beijing Hanwei Innovation Technology Co., Ltd.) and Moonshot AI Ltd. (collectively referred to as the “**Project Companies**”). All above mentioned investments by the Group in the Project Companies are classified as financial assets at FVTPL categorised in Level 1, Level 2 or Level 3. The classification and fair value of the Sub-participation Agreements are associated directly with these underlying investments and their valuation details are set out in note 5 to the consolidated financial statements. As the Group considers that the Group’s exposure to price risk of such financial liabilities is insignificant, no sensitivity analysis on price risk of such financial liabilities is presented. As at 31 December 2025 and 2024, the financial liabilities designated at FVTPL are classified as non-current liabilities and presented in the consolidated statement of financial position.

Pursuant to the Sub-participation Agreements, the participants will receive a portion of the return (in the form of dividends, interest, or other distributions or proceeds from realisation) from the Group’s investment in the Project Companies that is proportional to the amount provided by the participants to the Group as a percentage of the total Group’s investment in the Project Companies. If the Group suffers a loss from its investment in the Project Companies, the participants will correspondingly share a loss in the amount they provided to the Group on a pro rata basis. In general, the Sub-participation Agreements would be terminated upon the realisation of the Group’s investment in the Project Companies. Details of the Sub-participation Agreements are disclosed in the section of Investment Manager’s Discussion and Analysis and under the heading of Sub-participation Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

21. DEFERRED TAXATION

The following is the deferred tax liability recognised by the Group and movements thereon during the current and prior years:

	Unrealised capital gains for investments (Note) US\$	Undistributed earnings of PRC subsidiaries US\$	Total US\$
Balance at 1 January 2024	88,491,559	17,332,931	105,824,490
Charged to profit or loss for the year	20,315,198	31,714	20,346,912
Exchange differences	(1,466,902)	(254,867)	(1,721,769)
Balance at 31 December 2024	107,339,855	17,109,778	124,449,633
Charged to profit or loss for the year	49,911,520	7,494,547	57,406,067
Exchange differences	3,252,886	388,504	3,641,390
Balance at 31 December 2025	160,504,261	24,992,829	185,497,090

Note: Deferred taxation has been provided for in the consolidated financial statements in respect of the unrealised capital gains for investments based on the tax rate of capital gain tax in the PRC or local income tax rate in Hong Kong or the PRC, whichever is applicable.

At the end of the reporting period, the Group has unused tax losses of US\$32.28 million (2024: US\$26.74 million) available for offsetting against future profits. Included in unrecognised tax losses are losses of US\$1.99 million (2024: US\$2.37 million) that will expire in 2028, losses of US\$0.32 million (2024: US\$0.32 million) that will expire in 2029 and losses of US\$2.61 million (2024: Nil) that will expire in 2030. Other losses may be carried forward indefinitely.

No deferred tax asset has been recognised in relation to tax losses due to the unpredictability of future relevant taxable profit against which the tax losses can be utilised and deductible temporary difference is nil (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

22. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 US\$	2024 US\$
Non-current assets			
Investments in subsidiaries		44,739,496	44,739,496
Financial assets at fair value through profit or loss		90,254,296	69,268,678
Amounts due from subsidiaries		24,350,104	58,101,455
		159,343,896	172,109,629
Current assets			
Amounts due from subsidiaries		136,606,536	108,712,043
Other receivables and prepayments		1,581,375	194,041
Cash and cash equivalents		14,083,866	15,369,515
		152,271,777	124,275,599
Current liabilities			
Amounts due to subsidiaries		22,305,918	19,294,153
Other payables		3,480,474	7,478,731
Taxation payable		703,057	3,226,083
		26,489,449	29,998,967
Net current assets		125,782,328	94,276,632
Total assets less current liabilities		285,126,224	266,386,261
Non-current liabilities			
Financial liabilities designated at fair value through profit or loss		2,240,924	1,153,126
Deferred taxation		7,495,556	5,396,994
		9,736,480	6,550,120
Net assets		275,389,744	259,836,141
Capital and reserves			
Share capital	23	139,348,785	139,348,785
Reserves	24	136,040,959	120,487,356
Equity attributable to owners of the Company		275,389,744	259,836,141

Mr. WANG Xiaoding
Director

Ms. KAN Ka Yee, Elizabeth
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

23. SHARE CAPITAL OF THE COMPANY

	Number of shares	US\$
Issued and fully paid:		
At 1 January and 31 December 2024, 1 January and 31 December 2025 – Ordinary shares with no par value	152,333,013	139,348,785

24. RESERVES OF THE COMPANY

	Translation reserve US\$	Retained profits US\$	Total US\$
Balance at 1 January 2024	(1,540,618)	99,249,734	97,709,116
Profit for the year	—	42,015,589	42,015,589
Exchange difference	(957,387)	—	(957,387)
Total comprehensive income for the year	(957,387)	42,015,589	41,058,202
2023 final and special dividends paid	—	(12,186,641)	(12,186,641)
2024 interim dividend paid	—	(6,093,321)	(6,093,321)
Balance at 1 January 2025	(2,498,005)	122,985,361	120,487,356
Profit for the year	—	32,104,772	32,104,772
Exchange difference	1,728,793	—	1,728,793
Total comprehensive income for the year	1,728,793	32,104,772	33,833,565
2024 final dividend paid	—	(6,093,321)	(6,093,321)
2025 interim and special interim dividends paid	—	(12,186,641)	(12,186,641)
Balance at 31 December 2025	(769,212)	136,810,171	136,040,959



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

25. 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.

26. 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.

	Dividend payable US\$
At 1 January 2024	—
Dividends declared	18,279,962
Financing cash flow	(18,279,962)
At 31 December 2024	—
At 1 January 2025	—
Dividends declared	18,279,962
Financing cash flow	(18,279,962)
At 31 December 2025	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

27. RELATED PARTY TRANSACTIONS

The Company has appointed the Investment Manager for managing both listed and unlisted investments. Certain Directors of the Company are also Directors and/or shareholders of the Investment Manager.

During the year, other than as disclosed elsewhere in the consolidated financial statements, the Group has incurred the following related party transactions:

- (a) The Company paid or accrued to the Investment Manager management fees totaling US\$1,274,722 (2024: US\$10,673,598). The fee is a fixed amount as agreed under the investment management agreement dated 17 December 2024 and the supplemental agreement dated 20 June 2025 and is amortised over the agreed management period (Note).
- (b) The amount due to the Investment Manager included in other payables in the consolidated statement of financial position as at 31 December 2025 was US\$2,896,050 (2024: US\$6,993,848). Amount due to the Investment Manager is unsecured, interest free and is repayable on demand.
- (c) Securities brokerage commission fee and portfolio fee, totaling US\$6,341 (2024: US\$2,187), were paid to subsidiaries of a substantial shareholder of the Company who has significant influence over the Company.
- (d) Pursuant to the Sub-participation Agreements, the financial liability of the Group with Mr. WANG Xiaoding, a Director of both the Company and the Investment Manager, was US\$384,663 (31 December 2024: US\$222,235). The financial liability of the Group with Mr. TSE Yue Kit, a Director of both the Company and the Investment Manager and who resigned as a Director of the Company and the Investment Manager on 30 September 2025 and 20 June 2025 respectively, was US\$83,571 (31 December 2024: US\$37,141). The financial liability of the Group with Mr. ZHOU Xing, a Director of the Company, was US\$16,071 (31 December 2024: US\$16,757). The financial liability of the Group with Mr. ZHANG Rizhong, a Director of the Company and who resigned on 20 June 2025, was US\$95,927 (31 December 2024: US\$45,298). Moreover, the financial liabilities of the Group with Mr. YANG Baiqian and Mr. KANG Dong, who are Directors of the Investment Manager, were US\$24,627 and US\$9,544, respectively (31 December 2024: US\$25,516 and US\$10,492, respectively).
- (e) Key management compensation and services are disclosed in notes 10 and 27(a) to the consolidated financial statements.

Note: These related party transactions also constitute continuing connected transactions and are disclosed in accordance with Chapter 14A of the Listing Rules.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

28. PARTICULARS OF SUBSIDIARIES

Particulars of all subsidiaries at 31 December 2025 and 2024, which are all wholly-owned by the Company, are as follows:

Name	Classes of shares held	Place of incorporation/ registration and operation	Principal activities	Issued and paid-up capital	Name of Directors
China Merchants Industry Development (Shenzhen) Limited	Registered capital	PRC/PRC	Investment holding	US\$10,000,000 (Directly owned & wholly-owned foreign enterprise)	Mr. WANG Xiaoding Mr. NG Chi Keung Ms. HO Man Yi Ms. MA Xiaonan
Goshing Investment Limited	Ordinary	BVI/PRC	Investment holding	US\$1 (Directly owned limited liability company)	Mr. WANG Xiaoding Mr. NG Chi Keung
Leadman Investment Limited	Ordinary	HK/HK	Inactive	HK\$1 (Directly owned limited liability company)	Mr. WANG Xiaoding Mr. NG Chi Keung
Main Star Investment Limited	Ordinary	HK/HK	Investment holding	HK\$40,000,000 (Directly owned limited liability company)	Mr. WANG Xiaoding Mr. NG Chi Keung
Star Group Limited	Ordinary	HK/HK	Investment holding	HK\$2 (Directly owned limited liability company)	Mr. WANG Xiaoding Mr. NG Chi Keung
Shenzhen Tian Zheng Investment Co., Ltd.	Registered capital	PRC/PRC	Investment holding	RMB700,000,000 (Indirectly owned limited liability company)	Mr. WEI Pengchong
Xinjiang Tian Hong Equity Investment Co., Ltd.	Registered capital	PRC/PRC	Investment holding	RMB30,000,000 (Indirectly owned limited liability company)	Mr. WEI Pengchong

None of the subsidiaries had any issued debt securities subsisting at 31 December 2025 and 2024 or at any time during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

29. CAPITAL RISK MANAGEMENT

The Group manages the 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 capital structure of the Group is equity attributable to owners of the Company, comprising share capital, reserves and retained profits as disclosed in the consolidated statement of changes in equity.

The Directors review the capital structure by considering the cost of capital and the risks associated with capital. In view of this, the Group will balance its overall capital structure through new shares issues as well as the issue of new debt. The Group's overall strategy remains unchanged throughout the year.

30. EVENTS AFTER THE REPORTING PERIOD

- (a) Subsequent to the reporting period, the Group has disposed of 1,083,943 shares in Pony AI Inc. for net proceeds of US\$18.31 million.
- (b) On 8 January 2026, the Group has signed an agreement to transfer all its 4.98% equity interest in JIC Leasing Co., Ltd. to an independent third party with a consideration of RMB271.85 million (equivalent to US\$38.68 million) subject to certain pre-requisition conditions.



FINANCIAL SUMMARY

CONSOLIDATED RESULTS

	For the year ended 31 December				
	2021	2022	2023	2024	2025
	US\$	US\$	US\$	US\$	US\$
Net gain (loss) on financial assets at fair value through profit or loss	48,648,395	(199,780,049)	(9,028,514)	137,499,663	230,107,998
Investment income	14,144,426	14,847,528	19,117,038	17,788,322	19,120,680
Profit (loss) from operations	43,020,768	(196,387,262)	(1,094,022)	148,335,878	247,992,728
Taxation	(18,815,401)	43,216,843	6,820,333	(27,984,564)	(58,054,864)
Profit (loss) attributable to owners of the Company	24,205,367	(153,170,419)	5,726,311	120,351,314	189,937,864
Basic earnings (loss) per share	0.159	(1.005)	0.038	0.790	1.247
Dividend per share					
– Final	0.07	0.07	0.07	0.04	0.05
– Interim	—	—	—	0.04	0.04
– Special	0.07	—	0.01	—	0.24
– Total	0.14	0.07	0.08	0.08	0.33

CONSOLIDATED ASSETS AND LIABILITIES

	As at 31 December				
	2021	2022	2023	2024	2025
	US\$	US\$	US\$	US\$	US\$
Total assets	1,017,755,249	715,619,272	692,059,772	806,794,181	1,045,663,539
Total liabilities	(212,057,786)	(144,048,819)	(134,119,984)	(159,416,276)	(211,009,327)
Net assets	805,697,463	571,570,453	557,939,788	647,377,905	834,654,212
Net asset value per share	5.289	3.752	3.663	4.250	5.479