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CHINA MERCHANTS CHINA DIRECT INVESTMENTS LIMITED

招商局中國基金有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 133)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Board of Directors (the “**Board**”) of China Merchants China Direct Investments Limited (the “**Company**”) announces that the consolidated results for the year ended 31 December 2023 of the Company and its subsidiaries (the “**Group**”) together with the 2022 comparative figures, extracted from the audited consolidated financial statements, are as follows:-

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 <u>US\$</u>	2022 <u>US\$</u>
Net loss on financial assets at fair value through profit or loss <i>(Note 3)</i>	(9,028,514)	(199,780,049)
Investment income <i>(Note 4)</i>	19,117,038	14,847,528
Other gains	297,090	118,879
Administrative expenses	(11,479,636)	(11,573,620)
Loss before taxation	(1,094,022)	(196,387,262)
Taxation <i>(Note 6)</i>	6,820,333	43,216,843
Profit (loss) for the year	5,726,311	(153,170,419)
Other comprehensive expense for the year		
Item that will not be reclassified subsequently to profit or loss		
Exchange difference arising on translation to presentation currency	(8,693,665)	(59,629,969)
Total comprehensive expense for the year	(2,967,354)	(212,800,388)
Profit (loss) for the year attributable to owners of the Company	5,726,311	(153,170,419)
Total comprehensive expense for the year attributable to owners of the Company	(2,967,354)	(212,800,388)
Basic earnings (loss) per share <i>(Note 7)</i>	0.038	(1.005)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	2023 US\$	2022 US\$
	<u> </u>	<u> </u>
Non-current asset		
Financial assets at fair value through profit or loss	<u>599,257,512</u>	<u>656,253,381</u>
Current assets		
Financial assets at fair value through profit or loss	84,057,091	33,817,225
Other receivables and prepayments	117,520	59,450
Cash and cash equivalents	<u>8,627,649</u>	<u>25,489,216</u>
	<u>92,802,260</u>	<u>59,365,891</u>
Current liabilities		
Other payables	24,964,261	24,695,000
Taxation payable	<u>2,264,067</u>	<u>1,725,491</u>
	<u>27,228,328</u>	<u>26,420,491</u>
Net current assets	<u>65,573,932</u>	<u>32,945,400</u>
Total assets less current liabilities	<u>664,831,444</u>	<u>689,198,781</u>
Non-current liabilities		
Financial liabilities designated at fair value through profit or loss	1,067,166	872,416
Deferred taxation	<u>105,824,490</u>	<u>116,755,912</u>
	<u>106,891,656</u>	<u>117,628,328</u>
Net assets	<u>557,939,788</u>	<u>571,570,453</u>
Capital and reserves		
Share capital	139,348,785	139,348,785
Reserves	60,186,499	68,837,982
Retained profits	<u>358,404,504</u>	<u>363,383,686</u>
Equity attributable to owners of the Company	<u>557,939,788</u>	<u>571,570,453</u>
Net asset value per share (Note 8)	<u>3.663</u>	<u>3.752</u>

Notes:

1. BASIS OF PRESENTATION

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

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

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

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

The financial information relating to the years ended 31 December 2023 and 2022 included in this preliminary announcement of annual results for 2023 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2022 to the Registrar of Companies of Hong Kong as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2023 in due course.

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

2. APPLICATION OF AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 and relevant for the preparation of the consolidated financial information:

Amendments to HKAS 8	Definition of accounting estimates
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies

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

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective that are relevant to the business operation of the Group:

Amendments to HKAS 1	Classification of liabilities as current or non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
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¹ Effective for annual periods beginning on or after 1 January 2024.

The management anticipates that the application of the amendments to HKFRSs will have no material impact on the consolidated financial information in the foreseeable future.

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

The following is an analysis of net (loss) gain on investments of the Group for the year ended 31 December 2023. 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 (loss) gain represent the change of fair value during the year of financial instruments held by the Group as at the year end:

	2023 US\$	2022 <i>US\$</i>
Net (loss) gain on financial assets at FVTPL		
Listed investments		
Realised	44,889	(1,638,161)
Unrealised	(62,745,077)	(115,237,342)
Unlisted investments		
Realised	-	7,758,242
Unrealised	53,671,674	(90,662,788)
Total	<u>(9,028,514)</u>	<u>(199,780,049)</u>

4. INVESTMENT INCOME

	2023 US\$	2022 <i>US\$</i>
Interest income on bank deposits	<u>322,233</u>	<u>216,625</u>
Dividend income on financial assets at FVTPL		
Listed equity investments	13,729,919	13,205,386
Unlisted equity investments	5,064,886	1,425,517
	<u>18,794,805</u>	<u>14,630,903</u>
Total	<u>19,117,038</u>	<u>14,847,528</u>

4. INVESTMENT INCOME - CONTINUED

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

	2023 US\$	2022 <i>US\$</i>
Interest income for financial assets at amortised cost	322,233	216,625
Dividend income on financial assets at FVTPL	18,794,805	14,630,903
Total	<u>19,117,038</u>	<u>14,847,528</u>

5. SEGMENTAL INFORMATION

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

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

The Group also invested in manufacturing, energy and resources and medical activities (2022: manufacturing, energy and resources and medical activities), and none of these segments met the quantitative thresholds for the reportable segments in both current and prior years. Accordingly, these were grouped in "Others" during the current year.

Information regarding the above segments is reported below.

5. SEGMENTAL INFORMATION - CONTINUED

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

For the year ended 31 December 2023

	Reportable segments			Total reportable segments	Others	Total
	Financial services US\$	Culture, media and consumption US\$	Information technology US\$			
Net (loss) gain on financial assets at FVTPL	(66,029,160)	(11,127,621)	75,208,478	(1,948,303)	(7,080,211)	(9,028,514)
Dividend income on financial assets at FVTPL	17,449,648	836,371	508,786	18,794,805	-	18,794,805
Other gains	-	1,235,061	-	1,235,061	-	1,235,061
Segment (loss) profit	<u>(48,579,512)</u>	<u>(9,056,189)</u>	<u>75,717,264</u>	<u>18,081,563</u>	<u>(7,080,211)</u>	<u>11,001,352</u>
Unallocated:						
- Administrative expenses						(11,479,636)
- Interest income on bank deposits						322,233
- Other losses						<u>(937,971)</u>
Loss before taxation						<u><u>(1,094,022)</u></u>

For the year ended 31 December 2022

	Reportable segments			Total reportable segments	Others	Total
	Financial services US\$	Culture, media and consumption US\$	Information technology US\$			
Net (loss) gain on financial assets at FVTPL	(160,535,201)	8,791,597	(56,426,286)	(208,169,890)	8,389,841	(199,780,049)
Dividend income on financial assets at FVTPL	12,944,090	870,792	698,271	14,513,153	117,750	14,630,903
Other gains	-	559,632	-	559,632	-	559,632
Segment (loss) profit	<u>(147,591,111)</u>	<u>10,222,021</u>	<u>(55,728,015)</u>	<u>(193,097,105)</u>	<u>8,507,591</u>	<u>(184,589,514)</u>
Unallocated:						
- Administrative expenses						(11,573,620)
- Interest income on bank deposits						216,625
- Other losses						<u>(440,753)</u>
Loss before taxation						<u><u>(196,387,262)</u></u>

Segment (loss) profit represents the net (loss) gain 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. 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 (loss) profit.

5. SEGMENTAL INFORMATION - CONTINUED

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

	2023 <i>US\$</i>	2022 <i>US\$</i>
Segment assets		
Financial services	380,136,922	454,236,174
Culture, media and consumption	42,109,051	53,659,356
Information technology	249,027,329	162,887,995
Total assets for reportable segments	671,273,302	670,783,525
Others	12,041,301	19,287,081
Unallocated	8,745,169	25,548,666
Consolidated assets	<u>692,059,772</u>	<u>715,619,272</u>
Segment liabilities		
Financial services	30,682	38,955
Culture, media and consumption	80,620	175,413
Information technology	871,540	512,963
Total liabilities for reportable segments	982,842	727,331
Others	84,324	145,085
Unallocated	133,052,818	143,176,403
Consolidated liabilities	<u>134,119,984</u>	<u>144,048,819</u>

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

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

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

6. TAXATION

The tax credit (charge) for the year comprises:

	2023 US\$	2022 <i>US\$</i>
The Company and its subsidiaries		
Current tax:		
PRC Enterprise Income Tax	(144)	(870)
Withholding tax for distributed earnings	(2,200,021)	(1,322,341)
Deferred taxation		
Current year	9,020,498	44,540,054
Total	<u>6,820,333</u>	<u>43,216,843</u>

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

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

7. BASIC EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the profit for the year of US\$ 5,726,311 (2022: loss of US\$153,170,419) and the number of 152,333,013 ordinary shares (2022: 152,333,013 ordinary shares) with no par value in issue during the year.

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

8. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share at the end of the reporting period is based on the net assets of US\$557,939,788 (2022: US\$571,570,453) and 152,333,013 ordinary shares (2022: 152,333,013 ordinary shares) with no par value in issue at 31 December 2023.

DIVIDEND

No interim dividend was declared during the year.

The Board has resolved to recommend at the forthcoming annual general meeting (AGM) the payment of a final dividend of US\$0.07 (or HK\$0.546) per share (2022: US\$0.07 per share) and a special dividend of US\$0.01 (or HK\$0.078) per share (2022: Nil) in respect of the year ended 31 December 2023. The final and special dividends, if approved, are to be payable in cash on 26 July 2024. Total dividends for the year are US\$0.08 (or HK\$0.624) per share (2022: US\$0.07), amounting to US\$12,186,641 (2022: US\$10,663,311).

REVIEW AND OUTLOOK

Overall Performance

The Group recorded a profit attributable to equity shareholders of US\$5.73 million for the year ended 31 December 2023, compared to a loss attributable to equity shareholders of US\$153.17 million for last year. The reversal was mainly due to a significantly smaller decline in the overall value of the financial assets at fair value through profit or loss (the “**Financial Assets**”), while at the same time the investment income recorded a sizable increase as compared to last year. As of 31 December 2023, the net assets of the Group were US\$557.94 million (31 December 2022: US\$571.57 million), with a net asset value per share of US\$3.663 (31 December 2022: US\$3.752).

The net loss on the Financial Assets for the year was US\$9.03 million, compared to a net loss of US\$199.78 million for last year. Looking deeper, the Group’s listed and unlisted investments recorded a net loss of US\$62.70 million and a net gain of US\$53.67 million, respectively.

Total investment income for the year increased by 28.75% to US\$19.12 million (2022: US\$14.85 million) as compared to last year, due mainly to a significant increase in dividend income from investments.

Acquisitions and Disposals of Investments

In 2023, the Group continued to seek out and rigorously evaluate investment opportunities. During the year, the Group made investments in the information technology industry. The direct investments completed include the following:

On 7 July 2023, the Group entered into an investment agreement and other relevant agreements in relation to Beijing Hanwei Innovation Technology Co., Ltd. (“**Hanwei**”), pursuant to which the Group agreed to contribute capital of RMB50 million to Hanwei in order to subscribe to the preferred shares issued by Hanwei and to obtain a 6.42% equity interest. The Group paid the investment amount of RMB50 million (equivalent to US\$7.02 million) to Hanwei on 27 July 2023 to complete the transaction. Hanwei 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 automobiles, smartphones and wearables.

Acquisitions and Disposals of Investments – continued

On 6 December 2023, the Group entered into a preferred share purchase agreement and other relevant agreements in relation to Moonshot AI Ltd. (“**Moonshot AI**”), pursuant to which the Group agreed to contribute capital of US\$10 million to Moonshot AI in order to subscribe to the preferred shares issued by Moonshot AI and to obtain a 1.29% equity interest. The Group paid the said investment amount to Moonshot AI on 15 December 2023 to complete the transaction. Moonshot AI is a startup company that is focused on the research and development of general-purpose large multimodal model and end-customer applications.

In addition, the Group completed a full exit from a listed investment in the year.

During the period of September 2022 to January 2023, the Group sold its entire holding of 67.24 million H shares of China Reinsurance (Group) Corporation (“**China Re**”) for net proceeds of HK\$34.77 million (equivalent to US\$4.46 million), and has fully exited from the project. The pre-tax internal rate of return to the Group from China Re was negative 15.47%.

Liquidity, Financial Resources, Gearing and Commitments

The Group’s cash and cash equivalents decreased by 66.14%, from US\$25.49 million at the end of last year to US\$8.63 million (representing 1.25% of the Group’s total assets) as of 31 December 2023, due mainly to the investment payments made to the projects by the Group during the year.

As of 31 December 2023, the Group had no outstanding bank loans (31 December 2022: Nil).

As of 31 December 2023, the Group had no commitments (31 December 2022: Nil).

Exposure to Fluctuations in Exchange Rates and Related Hedges

Most of the Group’s investments are located in China where the official currency is the Renminbi (“**RMB**”). The conversion rate of RMB against the US dollar recorded a decrease of 1.70% in 2023, which had a negative impact on the Group since it holds a considerable amount of assets denominated in RMB. The Group currently does not have any foreign currency hedging policy. However, the Group continues to monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees

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

The Portfolio

As of 31 December 2023, the Group's total investments amounted to US\$683.31 million. The sector distribution of investments was US\$380.13 million in financial services (representing 54.93% of the Group's total assets), US\$42.11 million in culture, media and consumption (6.08%), US\$249.03 million in information technology (36.00%), and US\$12.04 million in other ventures (including manufacturing, energy and resources, and medical, etc.) (1.74%). In addition, cash and cash equivalents were US\$8.63 million, representing 1.25% of the Group's total assets as of 31 December 2023.

Prospects

In 2023, due to factors such as monetary tightening and ongoing inflation stress in developed economies, the trends of a tightening global financial environment, weakening trade growth, and declining business and consumer confidence have become more notable. The World Economic Situation and Prospects 2024 issued by the United Nations indicates that persistently high interest rates, escalation of geopolitical conflicts, sluggish international trade, and increasing climate disasters pose severe challenges to the global economy, while at the same time, tighter credit conditions and elevated borrowing costs have made it more difficult to stimulate the economy. However, China's 2023 macro data shows that the major expected goals of economic and social development have been successfully achieved. China's economy continues to demonstrate a positive trend of recovery and improvement, with both macro indicators and micro perception of individuals consistently improving. The intensity, effectiveness, accuracy and precision of macro-regulatory policies have also steadily increased. And economic growth, structural optimisation, and quality and efficiency enhancements have been advancing by means of incrementally adding new elements while managing existing ones. An equal balance between quality enhancements and reasonable growth in quantity seems to have been achieved. As high-quality economic development has been steadily promoted, positive factors in favour of medium- and long-term development have thus been further strengthened. In 2024, given that China's overall economic growth environment is expected to stabilise and to pursue progress, and that China's economic restructuring is continuing under the "14th Five-Year" plan, it is expected that the operating results of the investment projects (mainly operating in China) held by the Group may continue to improve.

Prospects – continued

The Central Economic Working Conference held in December 2023 set the direction for China's economic development in 2024. The focus of the year will be on promoting high-quality economic development, with an emphasis on important points and controlling the key areas. Nine key tasks were mentioned in the conference. The first was to spearhead the development of a modern industrial system through technological innovation. The second was to strive to expand domestic demand in order to stimulate potential consumption and expand productive investment, so as to form a virtuous cycle of mutually reinforcing growth between consumption and investment. The third was to deepen reforms in key areas. The fourth was to pursue a high-standard opening of the economy, primarily to speed up the cultivation of new momentum in foreign trade; to consolidate the basics of foreign investment and foreign trade; to expand the intermediate goods trade, services trade, digital trade and cross-border e-commerce exports; to ease market access in telecommunications, medical and other service industries; to seriously resolve issues such as cross-border data flow and equal participation in government procurement in accordance with international high-standard economic and trade rules; and finally to continuously build a market-oriented, law-based and internationalised first-class business environment, so as to create a brand name of "Investing in China." The fifth was to continuously and effectively prevent and defuse risks in key areas, so as to make an overall plan to mitigate risks related to the real estate sector, local government debt and small and medium-sized financial institutions, to rigorously crack down on illegal financial activities, and to resolutely guard against systemic risks. The sixth was to make persistent efforts to focus work on agriculture, rural areas and farmers. The seventh was to promote urban-rural integration and regional coordinated development, so as to organically combine the promotion of new urbanisation and the comprehensive revitalisation of rural areas, facilitate a two-way flow of various factors, and drive the construction of a new type of urbanisation with towns as an important carrier, in a way to form a new pattern of integrated urban-rural development. The eighth was to deeply advance the construction of an ecologically-minded civilisation and to promote green and low-carbon development. And, lastly, the ninth was to secure and improve people's livelihoods. Given that China's economy shows both resilience and great potential, its long-term economic outlook for prosperity has not changed and the potential for investment demand remains strong. As an example, the artificial intelligence (AI) industry and new-type infrastructure construction will continue to receive greater support from government policies, as well as more attention from capital markets. With the advent of the big data era, along with improvements in algorithms and enhancements in the accuracy of unsupervised learning, as well as the rapid development of generative AI, AI enters a period of rapid growth, which will profoundly change the structure of traditional industries. It is here that the Group will continue to seek out the best opportunities for investment.

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

CORPORATE GOVERNANCE

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

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

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

DIRECTORS' SECURITIES TRANSACTIONS

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

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

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

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By Order of the Board
ZHOU Xing
Chairman

Hong Kong, 27 March 2024

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