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CHINA INNOVATION INVESTMENT LIMITED

中國創新投資有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1217)

2024 ANNUAL RESULTS ANNOUNCEMENT

The directors of China Innovation Investment Limited (the “Company”) announced the audited annual results of the Company for the year ended 31 December 2024 as follows:

RESULTS

Turnover for the year ended 31 December 2024 amounted to approximately HK\$687,883,000, while turnover for the year ended 31 December 2023 amounted to approximately HK\$387,620,000.

The net realised gains on disposal of investments at fair value through profit or loss and other investment products for the year ended 31 December 2024 was approximately HK\$12,505,000 comparing to the net realised losses on disposal of investments at fair value through profit or loss and other investment products of approximately HK\$3,149,000 for the same period in 2023.

The Company recorded a net profit attributable to equity shareholders of approximately HK\$5,005,000 for the year ended 31 December 2024, comparing to net profit attributable to equity shareholders of approximately HK\$2,193,000 for the same period in 2023. Such profit was mainly come from net realised gains on disposal of investments at fair value through profit or loss and other investment products.

As at 31 December 2024, the net assets of the Company were approximately HK\$542,711,000 (2023: HK\$547,668,000), with a net asset value per share of approximately HK\$0.042 (2023: HK\$0.043). The decrease of net asset of the Company mainly comes from the net effect of other comprehensive expense of approximately HK\$9,962,000 to the fair value changes of equity investments at fair value through other comprehensive income due to adverse worldwide economic condition and profit for the year of HK\$5,005,000.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Turnover	4	<u>687,883</u>	<u>387,620</u>
REVENUE	4	20,258	9,509
Other income	4	–	22
Administrative and other operating expenses		(14,434)	(7,261)
Share of result of an associate		(713)	–
Finance costs		<u>(106)</u>	<u>(77)</u>
PROFIT BEFORE TAX		5,005	2,193
Income tax expense	5	<u>–</u>	<u>–</u>
PROFIT FOR THE YEAR	6	5,005	2,193
OTHER COMPREHENSIVE EXPENSE			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes of equity investments at fair value through other comprehensive income		<u>(9,962)</u>	<u>(17,871)</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		<u>(4,957)</u>	<u>(15,678)</u>
EARNINGS PER SHARE	7	HK cents	HK cents
— Basic		<u>0.039</u>	<u>0.017</u>
— Diluted		<u>N/A</u>	<u>N/A</u>

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		265	362
Right-of-use assets		1,321	2,202
Investment in an associate	9	11,887	–
Equity investments at fair value through other comprehensive income	10	200,259	210,221
Total non-current assets		213,732	212,785
CURRENT ASSETS			
Investments at fair value through profit or loss	11	86,251	137,382
Prepayments, deposits and other receivables		35,006	159,473
Cash and bank balances	12	213,589	40,578
Total current assets		334,846	337,433
CURRENT LIABILITIES			
Other payables and accruals		4,486	315
Lease liabilities		907	854
Total current liabilities		5,393	1,169
NET CURRENT ASSETS		329,453	336,264
TOTAL ASSETS LESS CURRENT LIABILITIES		543,185	549,049
NON-CURRENT LIABILITY			
Lease liabilities		474	1,381
NET ASSETS		542,711	547,668
EQUITY			
Share capital	13	128,016	128,016
Reserves		414,695	419,652
TOTAL EQUITY		542,711	547,668

Notes:

1. CORPORATE INFORMATION

China Innovation Investment Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Sinclair Group Centre, 3rd Floor Genesis Building, Genesis Close P.O. Box 498, George Town, Grand Cayman KY1-1106, Cayman Islands. The principal place of business is situated at 26/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 28 August 2002.

The Company’s principal activity has not changed during the year and is principally engaged in investments. Its principal investment objective is to achieve medium to long term capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the People’s Republic of China (the “PRC”).

The financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company has applied the following amendments to HKFRSs and interpretation issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Company annual period beginning on 1 January 2024 for the preparation of the financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Hong Kong Interpretation 5 (“HK Int 5”) (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The application of the amendments to HKFRSs and interpretation in the current year had no material impact on the Company’s financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Company has not early applied the following new and amendments to HKFRSs and interpretation that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs and interpretation will not have material impact on the financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Company is in the process of assessing the detailed impact of HKFRS 18 on the Company's financial statements.

3. OPERATING SEGMENT INFORMATION

The Company's operating segment is investments which involve investing in listed and unlisted companies to achieve medium and long term capital appreciation. Since this is the only operating segment of the Company from which its revenue, results, assets and liabilities are entirely derived, no further analysis thereof is presented.

Geographical information

The Company's revenue is solely generated from, and non-current assets are located in Hong Kong, based on the location of the Company's operations.

4. TURNOVER, REVENUE AND OTHER INCOME

Turnover represents the gross sales proceeds from disposal/redemption of investments at fair value through profit or loss and other investment products.

	2024 HK\$'000	2023 HK\$'000
Turnover		
Gross sales proceeds from disposal/redemption of investments at fair value through profit or loss and other investment products	<u>687,883</u>	<u>387,620</u>
	2024 HK\$'000	2023 HK\$'000
Revenue		
Bank interest income	2,890	534
Dividend income from equity securities listed in Hong Kong	4,736	5,712
Net realised gains (losses) on disposal of investments at fair value through profit or loss and other investment products	12,505	(3,149)
Net unrealised holding gains from investments at fair value through profit or loss	<u>127</u>	<u>6,412</u>
	<u>20,258</u>	<u>9,509</u>
	2024 HK\$'000	2023 HK\$'000
Other income		
Sundry income	<u>-</u>	<u>22</u>

5. INCOMETAX EXPENSE

Hong Kong Profits Tax is calculated at a rate of 16.5% for the years ended 31 December 2024 and 2023. No provision for Hong Kong profits tax has been provided for the years ended 31 December 2024 and 2023 since the estimated assessable profit is wholly absorbed by tax losses brought forward.

The reconciliation between the income tax expense and the profit before tax is as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before tax	<u>5,005</u>	<u>2,193</u>
Tax at the statutory tax rate of 16.5% (2023: 16.5%)	826	362
Share of result of an associate	118	–
Income not subject to tax	(501)	(120)
Expense not subject to tax	16	14
Utilisation of tax losses previously not recognised	<u>(459)</u>	<u>(256)</u>
Income tax expense	<u><u>–</u></u>	<u><u>–</u></u>

As at 31 December 2024, the Company had unused tax losses of approximately HK\$68,947,000 (2023: HK\$71,726,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit stream. The tax losses may be carried forward indefinitely. There were no other significant temporary differences arising during the year or at the end of the reporting period.

6. PROFIT FOR THE YEAR

The Company's profit for the year is arrived at after charging:

	2024 HK\$'000	2023 HK\$'000
Auditor's remuneration – audit services	320	300
Investment management fee	364	480
Employee benefits expenses (including directors' remuneration):		
Salaries, allowances and benefits in kind	2,777	2,053
Pension scheme contributions	106	63
Share-based payments	–	89
Total employee benefits expenses	2,883	2,205
Depreciation of property, plant and equipment	97	86
Depreciation of right-of-use assets	881	888
Net exchange losses	661	321

7. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$5,005,000 (2023: HK\$2,193,000) and the weighted average number of ordinary shares of 12,801,578,629 (2023: 12,801,578,629) in issue during the year.

Diluted earnings per share

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares for the years ended 31 December 2024 and 2023. Since the Company has no other dilutive potential ordinary share for both years, no dilutive earnings per share has been presented.

8. DIVIDENDS

The directors of the Company did not recommend the declaration of any dividend for the years ended 31 December 2024 and 2023.

9. INVESTMENT IN AN ASSOCIATE

	2024 HK\$'000	2023 HK\$'000
Investment in an associate under equity method	<u>11,887</u>	<u>–</u>

Details of the Company's associate at the end of the reporting period are as follows:

Name of entity	Place of incorporation	Principal place of business	2024		Principal activity
			Proportion of ownership interest held by the Company	Proportion of voting rights held by the Company	
Oasis Avenue Limited ("Oasis")	Hong Kong	Hong Kong	42.00%	29.27% (note)	Hotel services

Note:

The Company has approximately 29.27% voting rights in Oasis. By considering that the Company has no sufficiently dominant voting rights to direct the relevant activities of Oasis unilaterally, the directors of the Company conclude that the Company only has significant influence over Oasis and therefore it is classified as an associate of the Company.

Summarised financial information of Oasis

	2024 HK\$'000
Current assets	<u>9,370</u>
Non-current assets	<u>231,580</u>
Current liabilities	<u>(2,489)</u>
Non-current liabilities	<u>(210,158)</u>

	2024 HK\$'000
Revenue	4,912
Loss and total comprehensive expense for the year	(1,697)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the financial statements:

	2024 HK\$'000
Net assets of Oasis	28,303
Proportion of the Company's ownership interest in Oasis	42.00%
The Company's share of net assets of Oasis	11,887
Carrying amount of the Company's interest in Oasis	11,887

10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The balance represented the Company's unlisted equity securities classified by the Company as at fair value through other comprehensive income.

	2024 HK\$'000	2023 HK\$'000
Unlisted equity securities	200,259	210,221

Particulars of the Company's equity investments at fair value through other comprehensive income as at 31 December 2024 disclosed pursuant to the Chapter 21 of the Listing Rules are as follows:

						2024					2023
Name of investee company	Place of incorporation	Issued and fully paid shares held by the Company	Number of shares issued in investee company	Proportion of investee's capital owned	Principal activities	Accumulated fair value adjustment since		Dividend income received during the year	Net assets attributable to the Company	Carrying Amount	
						Cost	acquisition	Fair value			
						HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
United Crown Future Company Limited ("United Overseas")	The British Virgin Islands (the "BVI")	1,621 class B ordinary shares*	1,200 class A ordinary shares and 1,877 class B ordinary shares	52.68% (2023: 52.68%)	Investment holding (note i)	78,700	(39,381)	39,319	- (2023: nil)	109,227	40,955
Aesthetic Vision Limited ("Aesthetic")	Hong Kong	8,500 class B ordinary shares*	1,000 class A ordinary shares and 9,000 class B ordinary shares	85.00% (2023: 85.00%)	Investment holding (note ii)	78,349	(30,076)	48,273	- (2023: nil)	122,971	53,933
Topsun Creation Limited ("Topsun")	Hong Kong	2,710 class B ordinary shares*	690 class A ordinary shares and 3,310 class B ordinary shares	67.75% (2023: 67.75%)	Investment holding (note iii)	77,925	(42,783)	35,142	- (2023: nil)	54,249	36,149
Grand Far Sky Limited ("Grand Far Sky")	Hong Kong	5,400 class B ordinary shares*	2,500 class A ordinary shares and 7,000 class B ordinary shares	56.84% (2023: 56.84%)	Investment holding (note iv)	64,390	(20,656)	43,734	- (2023: nil)	81,113	44,249
FengTian Capital Limited ("FengTian")	Hong Kong	3,470 non-voting shares	8,800 ordinary shares	39.43% (2023: 39.43%)	Investment holding (note v)	38,661	(4,870)	33,791	- (2023: nil)	43,002	34,935
						338,025	(137,766)	200,259		410,562	210,221

* The Class B shares rank pari passu with the Class A shares in all aspects except for their non-voting rights. Class B shares have no voting rights.

These companies are not treated as associates or subsidiaries because the Company is not in a position to control or exercise any significant influence over the financial and operating policies of these companies or to participate in their operations. The investments are intended to be held for the medium to long-term. Classification of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss. Therefore, the unlisted equity investments of the Company are measured at fair value through other comprehensive income for financial reporting purposes. The fair value of the unlisted equity investments of the Company is determined by independent professional valuer. The valuations are based on market approach and cost approach.

Background information of the investee companies

Notes:

(i) United Overseas

United Overseas is incorporated in the British Virgin Islands and principally engaged in investment holding. The principal asset of United Overseas is the direct 100% equity interest in a company incorporated in the PRC, which is principally engaged in development and sales of building decoration materials and essential home decoration products. The principal activities and assets in United Overseas' group have not been changed during the years ended 31 December 2024 and 2023.

(ii) Aesthetic

Aesthetic is incorporated in Hong Kong and is principally engaged in investment holding. The principal asset of Aesthetic is the direct 100% equity interest in a company established in the PRC, which is principally engaged in development and sales of LED lighting products. The principal activities and assets in Aesthetic's group have not been changed during the years ended 31 December 2024 and 2023.

(iii) Topsun

Topsun is incorporated in Hong Kong and is principally engaged in investment holding. The principal asset of Topsun is the direct 100% equity interest in a company established in the PRC, which is principally engaged in development and sales of solar cell products. The principal activities and assets in Topsun's group have not been changed during the years ended 31 December 2024 and 2023.

(iv) Grand Far Sky

Grand Far Sky is incorporated in Hong Kong and is principally engaged in investment holding. The principal asset of Grand Far Sky is the direct 100% equity interest in a company established in the PRC, which is principally engaged in the asset management. The principal activities and assets in Grand Far Sky's group have not been changed during the years ended 31 December 2024 and 2023.

(v) FengTian

FengTian is incorporated in Hong Kong and is principally engaged in investment holding. The principal asset of FengTian is the direct 88% equity interest in a company established in the PRC, which is principally engaged in development and sales of health communication products. The principal activities and assets in FengTian's group have not been changed during the years ended 31 December 2024 and 2023.

11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	HK\$'000	HK\$'000
Investments at fair value through profit or loss		
Equity securities listed in Hong Kong	<u>86,251</u>	<u>137,382</u>

The fair values of the equity securities listed in Hong Kong are based on quoted market bid prices.

Particulars of the Company's principal equity securities listed in Hong Kong as at 31 December 2024 and 2023 disclosed pursuant to the Chapter 21 of the Listing Rules are as follows:

					Accumulated unrealised holding losses as at 31 December 2023 and 1 January 2024	Unrealised holding gains during the year	Dividend income received during the year	Net assets attributable to the investments
Note	Number of shares held	Proportion of investee's capital owned	Cost HK\$'000	Market value HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

At 31 December 2024

Alibaba Group Holding Limited	1	689,000	less than 0.01%	79,166	56,774	(27,078)	4,686	1,736	41,667
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					Accumulated unrealised holding (losses) gains as at 31 December 2022 and 1 January 2023	Unrealised holding (losses) gains during the year	Dividend income received during the year	Net assets attributable to the investments
Notes	Number of shares held	Proportion of investee's capital owned	Cost HK\$'000	Market value HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

At 31 December 2023

Alibaba Group Holding Limited	1	689,000	less than 0.01%	79,166	52,088	(19,740)	(7,338)	-	41,786
China Mobile Limited	2	1,220,000	less than 0.01%	60,159	79,056	2,976	15,921	5,095	85,593

Notes:

1. Alibaba Group Holding Limited (stock code: 9988) was incorporated in the Cayman Islands and its shares are listed on the Stock Exchange. It's principal activities are the provision of technology infrastructure and marketing reach to help merchants, brands, retailers and other businesses to leverage the power of new technology to engage with their users and customers and operate in a more efficient way. At 31 December 2024, the unaudited consolidated net assets was approximately USD148,414 million (equivalent to HK\$1,152,316 million).
2. China Mobile Limited (stock code: 0941) was incorporated in the Hong Kong and its shares are listed on the Stock Exchange. The principal activities are the provision of telecommunications and information related services in the PRC and in Hong Kong.

12. CASH AND BANK BALANCES

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits during the years ended 31 December 2024 and 2023 are made for various periods from 1 day to 3 months depending on the immediate cash requirements of the Company and earn interest at respective short term time deposits rates. The carrying amount of the cash and bank balances approximate to their fair value.

13. SHARE CAPITAL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Authorised:		
100,000,000,000 ordinary shares of HK\$0.01 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
12,801,578,629 ordinary shares of HK\$0.01 each	<u><u>128,016</u></u>	<u><u>128,016</u></u>

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital for the years ended 31 December 2024 and 2023.

The externally imposed capital requirements is that for the Company to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float of at least 25% throughout the years ended 31 December 2024 and 2023.

14. NET ASSET VALUE PER SHARE

As at 31 December 2024 and 2023, the net asset value per share of the Company was HK\$0.042 and HK\$0.043 respectively. The calculation of net asset value per share is based on the net asset value of the Company as at 31 December 2024 of approximately HK\$542,711,000 (2023: HK\$547,668,000) and 12,801,578,629 (2023: 12,801,578,629) ordinary shares in issue at the end of each reporting period.

BUSINESS REVIEW

As an investment company, the Company's shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 August 2002 pursuant to Chapter 21 of the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules"). By investing in listed and unlisted companies which have high quality, the Company strive for medium to long term gains from capital appreciation in the course of securitisation of corporate assets invested, and apply the same as key operation strategy and income source.

Leveraging on many years' experience and well-connected network in the People's Republic of China ("PRC"), the Company invested in energy storage products, lighting products, energy-saving materials, health communications, life services and asset management respectively through its investment. With energy conservation as our development goal, our investments have achieved breakthroughs in realising the six industries of "New Energy", "New Light", "New Materials", "New Health", "New Services" and "New Capital" in real projects.

For "New Energy", the Company invests in Topsun Creation Limited ("Topsun"), which adopts solar cell technology as its own core to develop the strategy of "Production — Research — Preliminary Research" for the research and manufacturing of solar cell application products.

For "New Light", the Company invests in Aesthetic Vision Limited ("Aesthetic"). Aesthetic's major product is LED lighting. It possesses of LED ergonomics technology and the LED lighting products developed are energy-saving, environmentally friendly, long-lived and small in size.

For "New Materials", the Company invests in United Crown Future Company Limited ("United Overseas"). United Overseas' business started from building decoration materials, as focusing on four core product concepts of green, health, environmental protection and convenience, and gradually expanded to all kinds of essential home decoration products.

For "New Health", the Company invests in FengTian Capital Limited ("FengTian"). FengTian is principally engaged in development and sales of health communication products.

For "New Services", the Company invests in Elife Holdings Limited ("Elife") and Oasis Avenue Limited ("Oasis"). Elife mainly engaged in brand services, while Oasis mainly engaged in hotel services.

For “New Capital”, the Company invests in Grand Far Sky Limited (“Grand Far Sky”). Grand Far Sky was principally engaged in asset management. Grand Far Sky possessed a full-storey office property at the central area of Shanghai, PRC.

During the year, the Company identified several potential investment opportunities and made the strategic decision to invest in businesses with innovative models that align with the Company’s objective of delivering medium to long-term capital appreciation.

On 25 September 2024, the Company has completed the subscription of 226,000,000 new Shares of Elife Holdings Limited (“Elife”), an independent third party, for a cash consideration of HK\$27,798,000, representing approximately 16.66% of the issued share capital of Elife upon completion. Elife is principally engaged in the business of brand services. The subscription represents an opportunity for the Company to enter the field of life services.

On 30 October 2024, the Company has entered into a shareholder agreement with independent third parties, Guangdong (International) Hotel Management Holdings Limited and Oasis Story Limited, for a cash consideration of HK\$12,600,000, representing 29.27% voting shares of Oasis Avenue Limited (“Oasis”) upon completion.

In 2024, the Company continued to comply with the listing rules when conducting investment activities under the established investment objectives and investment strategies, and has been controlling risks and seized opportunities carefully.

Investing in unlisted companies

The Company held investments in altogether six unlisted companies namely Topsun Creation Limited, Aesthetic Vision Limited, United Crown Future Company Limited, FengTian Capital Limited, Grand Far Sky Limited and Oasis Avenue Limited with carrying amount of these investments approximately of HK\$35,142,000, HK\$48,273,000, HK\$39,319,000, HK\$33,791,000, HK\$43,734,000 and HK\$11,887,000 respectively.

During the year, the Company has invested in Oasis, which primarily engaged in hotel services.

Investing in listed companies

The Company continued to invest in listed companies in Hong Kong.

During the year, the Company has invested in Elife which is principally engaged in the business of brand services.

Value Investment Opportunities in Innovative Models

In recent years, the Company has focused on and invested in free economic business models, such as investing in photovoltaic buildings, which does not charge rent from users, but collects power generation revenue from power companies; investing in debt notes and charge customers no interest, but receive index-linked growth returns and so on. The Company focuses on investing in such innovative projects and has become a unique highlight in the market.

All the subsidiary companies of Topsun, Aesthetic, United Overseas, FengTian and Grand Far Sky have actively responded to the new PRC's national policy of "Common Prosperity" and participated in the "Common Prosperity Plan" initiated by China Technology Education Trust Association which is a Charitable Society registered in Hong Kong. For more details, please refer to its website at www.19988.com. It promises to provide enterprises with one-stop solution relating to clothing, food, housing and transportation belong to 16 major categories of daily necessities products, in order to help our business customers to increase sales and end-users' consumption. Therefore, it has created a new paradigm of free economic business model.

Elife and Oasis will also participate in the above plan, demonstrating the Company's focus on investing in innovative projects and that it will continue to explore suitable and appropriate business opportunities.

INVESTMENT PORTFOLIOS

As at 31 December 2024, the Company held certain unlisted equity securities which is disclosed below:

- (i) Topsun Creation Limited ("Topsun") was incorporated in Hong Kong and principally engaged in investment holding. Topsun directly held 100% interest in a company incorporated in the PRC, which the principal activity was in relation to solar cell products as its major products. The Company holds 2,710 "B" non-voting shares in Topsun, representing 67.75% interest in the issued share capital of Topsun. No dividend was received during the year.
- (ii) Aesthetic Vision Limited ("Aesthetic") was incorporated in Hong Kong and principally engaged in investment holding. The principal assets of Aesthetic include its wholly-owned subsidiary incorporated in the PRC. Aesthetic possesses LED ergonomics technology and the LED lighting products developed by it have remarkable characteristics such as energy saving, environmental protection, long life and small size. The Company holds 8,500 "B" non-voting shares in Aesthetic, representing 85% interest in the issued share capital of Aesthetic. No dividend was received during the year.

- (iii) United Crown Future Company Limited (“United Overseas”) was incorporated in British Virgin Islands and principally engaged in investment holding. United Overseas started its business from building decoration materials, as focusing on four core product concepts of green, health, environmental protection and convenience, it has gradually expanded to all kinds of essential home decoration products. The Company holds 1,621 “B” non-voting shares in United Overseas, representing 52.68% interest in the issued share capital of United Overseas. No dividend was received during the year.
- (iv) FengTian Capital Limited (“FengTian”) was incorporated in Hong Kong and principally engaged in investment holding. The principal assets of FengTian include its 88% of equity shares of its subsidiary incorporated in the PRC with 100% equity interests. FengTian principally engaged in development and sales of health communication products. The Company held 3,470 non-voting shares, representing 39.43% equity interest in the issued share capital of FengTian. No dividend was received during the year.
- (v) Grand Far Sky Limited (“Grand Far Sky”) was incorporated in Hong Kong and principally engaged in investment holding. Grand Far Sky holds a 100% interest in a subsidiary incorporated in the PRC, of which the principal activity is asset management. The Company holds 5,400 “B” non-voting shares in Grand Far Sky, which represented 56.84% interest in the issued share capital of Grand Far Sky. No dividend was received during the year. Grand Far Sky possessed a full-storey office property at the central area of Shanghai, PRC.
- (vi) Oasis Avenue Limited (“Oasis”) was incorporated in Hong Kong and principally engaged in hotel services. The Company holds 7,200,000 ordinary A shares and 5,400,000 “B” non-voting shares in Oasis, which represented 42% interest in the issued share capital of Oasis. No dividend was received during the year.

LIQUIDITY AND FINANCIAL POSITION

As at 31 December 2024, the Company had cash and bank balances of approximately HK\$213,589,000. Most of the cash and bank balances were mainly denominated in Hong Kong dollars.

For the year under review, the Company financed its operations with its own available funding and did not have any banking facilities. In this regard, the Company had a net cash position and its gearing ratio is zero (ratio of net debt to shareholders’ funds) as at 31 December 2024. Taking into consideration the existing financial resources to the Company, it is anticipated that the Company should have adequate financial resources to meet its ongoing operating and development requirements.

FOREIGN CURRENCY FLUCTUATION

During the year, the Company conducted its business transactions principally in US dollars and Hong Kong dollars. The Directors considered that the Company had no significant exposure to foreign exchange fluctuations and believed it was not necessary to hedge against any exchange risk. Nevertheless, management will continue to monitor the foreign exchange exposure position and will take any future prudent measure it deems appropriate.

RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, the Company had the following material transactions with related parties during the year:

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Investment management fee paid to Evergrande Securities (Hong Kong) Limited ("ESHK")	(a)	364	480
Rental paid to New Era Group (China) Limited ("NEG")	(b)	960	960

Notes:

(a) The Company entered into an investment management agreement with ESHK since 2020. ESHK is regarded as a related party of the Company as the directors are of the view that ESHK is providing key management personnel services to the Company through its investment management services. The investment management agreement is terminated on 3 October 2024.

(b) NEG is a company over which Mr. Xiang Xin, a director of the Company has control.

Compensation of key management personnel

	2024 HK\$'000	2023 HK\$'000
Short term employee benefits	600	720
Pension scheme contributions	–	–
Share-based payments	–	89
	600	809

CHARGE ON COMPANY ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2024, the Company has not pledged its assets and the Company did not have significant contingent liabilities.

PROSPECTS

Amid persistent challenges stemming from weak consumer and business confidence in an uncertain economic environment, coupled with the ongoing downturn in China's real estate market and a tightening financial landscape, the Company anticipates that market conditions will remain challenging.

However, the Company believes that challenges are temporary and serve as a catalyst for transforming traditional models into innovative ones, fostering new productivity and long-term growth.

Looking ahead, the Company will remain focused on exploring investment opportunities, particularly those centered on innovative business models, to navigate the challenging global environment. Committed to fulfilling its social responsibilities, the Company will continue to leverage the power of investment for positive impact and strive to maximise value for both the Company and its shareholders.

The Company remains confident in its development prospects in the long run.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2024.

CAPITAL STRUCTURE

For movement of capital structure of the Company, please refer to note 13 to the results announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company had not purchased, sold or redeemed any of its listed securities.

CORPORATE GOVERNANCE REPORT

The Board is committed to establish and maintain high standards of corporate governance so as to enhance corporate transparency and protect the interests of the Company's shareholders. The Company devotes to best practice on corporate governance, and to the extent practicable, comply with the relevant requirements under the Hong Kong Companies Ordinance, the Hong Kong Securities and Futures Ordinance, the Listing Rules and the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules, except for the deviations as stated below:

- The roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual.

During the year, Mr. Xiang Xin is the Chairman of the Board and the Chief Executive Officer of the Company. This deviates from code provision C.2.1 of the Code which requires that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual.

After evaluation of the current situation of the Company and taking into account of the experience and past performance of Mr. Xiang, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Mr. Xiang to hold both positions as the Chairman and the Chief Executive Officer of the Company as it helps to maintain the continuity of the policies and the stability of the operations of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, the Directors of the Company have complied with the required standard set out in the Model Code and its code of conduct regarding director's securities transactions throughout the Year.

The Company also has established written guidelines on no less exacting terms than the Model Code for securities transactions by employees who are likely to be in possession of any unpublished inside information of the Company.

EMPLOYEE INFORMATION

As at 31 December 2024, the Company had 16 (2023: 18) staffs, including full time and part-time employees. The total remuneration paid to staff (including Directors' remuneration) was approximately of HK\$2,883,000 (2023: HK\$2,205,000). The total amount comprised salaries, wages and allowance, medical and insurance coverage, pension scheme contributions, and discretionary bonus. The Company ensured that its employees were remunerated according to the prevailing manpower market condition, and individual performance with its remuneration policies reviewed on a regular basis.

AUDITOR

The figures in respect of the Company's statement of financial position, statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company's auditors, McMillian Woods (Hong Kong) CPA Limited, to the amounts set out in the Company's audited financial statements for the year ended 31 December 2024. The work performed by McMillian Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or no assurance has been expressed by McMillian Woods (Hong Kong) CPA Limited on the preliminary announcement.

The Audit Committee reviews the annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's annual reports.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company will be published on the Stock Exchange's and the Company's websites in due course.

By order of the Board
China Innovation Investment Limited
Xiang Xin
Chairman and Chief Executive Officer

Hong Kong, 21 March 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Xiang Xin (Chairman) and Mr. Chan Cheong Yee, the independent non-executive Directors are Ms. An Jing, Ms. Zhou Zan and Ms. Qin Han, Ms. Kung Ching is an alternate Director to Mr. Xiang Xin.