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新絲路文旅有限公司
NEW SILKROAD CULTURALTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 472)

SUPPLEMENTAL INFORMATION ON SUBSCRIPTION OF LIMITED PARTNERSHIP INTEREST

Reference is made to the announcement of New Silkroad Culturaltainment Limited (the "**Company**") dated 11 August 2025 (the "**Announcement**") in relation to the Subscription. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide certain supplemental information in relation to the Fund and the Subscription.

FURTHER DETAILS OF THE FUND

Scope of investment targets

To the best knowledge, information and belief of the Directors, the Fund's investment objective is designed to achieve mid-term capital appreciation through a diversified portfolio of highly liquid financial instruments, including but not limited to listed bonds (e.g., those on the Stock Exchange or the ChongWa (Macao) Financial Asset Exchange), public equities (via IPOs, secondary market trading, and structured offerings), fixed-income products (e.g., bank deposits, bills, notes, and money market funds), and other lower-risk asset management products (e.g., repurchase agreements and short-duration credit instruments).

Investment strategy and risk management measures

To the best knowledge, information and belief of the Directors, the Fund focuses on high liquidity and diversification, with no single investment exceeding 50% of its commitments and with typical sizes between HK$5 million and HK$50 million. Investments are selected based on strong management teams, growth potential, prominent investor interest, and strategic synergy. Each opportunity undergoes a thorough analysis and requires majority approval from the Investment Committee. Post-investment, active monitoring, performance tracking, and disciplined exit planning are employed. Risk is managed via strict position sizing, liquidity requirements, and flexible exit strategies (e.g., redemptions or trade sales) to maximise value or mitigate losses.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Board undertook a comprehensive assessment and determined that the Subscription is fair and reasonable and in the interests of the Company and its Shareholders as a whole, based on the following detailed considerations:

(a) The Subscription is aligned with the Company's strategic goal of optimising its substantial idle cash reserves (approximately HK$378.1 million as of 30 June 2025) by generating risk-adjusted returns. In the current low-interest-rate environment, traditional low-yield instruments (e.g., bank deposits, money market funds) offer suboptimal returns, failing to combat inflation or enhance shareholder value. The commitment of HK$50 million represents a prudent portion of the Company's cash reserves (approximately 13%), ensuring sufficient liquidity is maintained for operational needs and future capital allocation decisions.

(b) The Board analysed multiple alternative uses of the idle cash, including (i) low-risk options (e.g., bank deposits, money market funds) rejected due to their derisory yields; (ii) medium-risk options (e.g., high-quality bonds, ETFs) rejected due to operational hurdles and a lack of internal expertise; and (iii) higher-risk options (e.g., direct equities, REITs, structured products) deemed unsuitable due to their volatility and misalignment with the Company's conservative investment style. The Fund was identified as the most suitable vehicle, offering diversified exposure to growth-oriented assets while effectively balancing risk and return.

(c) The Fund provides a structured avenue for capital appreciation through a disciplined strategy focused on public equities, including potential anchor investments in IPOs, which may be made directly or through intermediaries, alongside secondary market trading, and structured offerings. The General Partner is currently considering such anchor investments in two prospective listing applicants on the Stock Exchange. While the success, timing, and final allocation of these potential investments are uncertain, the Board believes the Hong Kong market's high liquidity and the significant price appreciation potential for new listings present a tangible and timely opportunity.

(d) The Board was satisfied with the results of a comprehensive due diligence exercise that validated the integrity, competence, and historical performance of the General Partner and the Investment Manager, whose teams include specialists with proven track records in identifying, executing, and realising value from market investments, some of which are licensed representatives under the SFO.

(e) The Company secured preferential oversight terms that provide a level of control and risk mitigation rarely available to limited partners, especially in high-demand funds. Its monitoring rights include representation on the six-member Investment Committee with voting power on all investment and divestment decisions; the receipt of regular financial reports, including audited annual and unaudited semi-annual reviews; and participation in major partnership decisions such as amendments to investment restrictions or changes to the General Partner. Informally, the General Partner also notifies the Company of potential investment targets for feedback prior to formal committee recommendation. Internally, a special investment committee conducts regular performance assessments against benchmarks and monitors compliance with investment restrictions, while the Company's appointed representative actively reviews and approves proposed transactions to ensure alignment with the Fund's strategies.

(f) The Subscription would allow the Company to leverage the Fund's institutional status, expertise, and network to access attractive investment opportunities (like anchor investments in IPOs) that would otherwise be unavailable to it as a non-institutional investor. The favourable terms secured are not typically offered by larger, oversubscribed funds, which have no commercial incentive to grant such concessions.

In view of the foregoing, the Board considers that the Subscription is a fair, reasonable, and strategic use of the Company's resources. It balances the pursuit of enhanced financial returns with robust risk mitigation, aligning with the Company's investment principles and serving the long-term interests of the Company and its Shareholders as a whole.

Save for the supplemental information in this announcement, all other information contained in the Announcement remains unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board
New Silkroad Culturaltainment Limited
Wang Gengyu
Chairman and Executive Director

Hong Kong, 16 September 2025

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Wang Gengyu, Mr. Zhang Jian, Mr. Hang Guanyu and Mr. Shen Yang, and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Mr. Chow On Kiu and Ms. Wen Yi.