Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

China Dongxiang (Group) Co., Ltd.
中國動向(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3818)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION SUBSCRIPTION OF INTERESTS IN A RMB FUND

Reference is made to the announcement of the Company dated 14 July 2025 (the "**Announcement**") in relation to the discloseable transaction with respect to the Group's subscription of interests in the RMB Fund. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

In addition to the information provided in the Announcement, the Company would like to provide additional information as follows:

FURTHER INFORMATION OF THE RMB FUND AND RMB FUND MANAGER

Adhering to the investment strategy and focus on capital preservation and steady income generation as disclosed in the Announcement, the Company targeted to identify a fund that offers diversification benefits and stable income generation complementary to the Group's existing investment portfolio. Such fund investment must also align with the Group's overall risk-return objectives and liquidity requirements.

The RMB Fund mainly invests in fixed income assets such as government bonds, central bank notes, policy financial bonds, local government bonds, bond reverse repos, and bonds traded on exchanges or the interbank market, across a broad range of industries. Overall, the RMB Fund maintains a diversified portfolio across various fixed income asset classes and industries, with a focus on risk management and stable returns. The RMB Fund's underlying assets are characterized by a relatively low default risk and high liquidity.

The RMB Fund strictly adheres to investment restrictions stipulated by the China Securities Regulatory Commission (CSRC), the Asset Management Association of China (AMAC), and the investment agreement, with risk control measures and investment restrictions in terms of, among others, product type, single asset concentration, and leverage ratio. The RMB Fund also complies with regulatory diversification requirements.

The RMB Fund does not offer a guaranteed expected return. However, the RMB Fund has a track record of steady growth and aims to deliver stable returns higher than the bank deposit interest rate through a diversified portfolio and an integrated risk management framework. The Fund's investment approach to control volatility and support consistent income generation, together with its performance track record, aligns with the Company's strategy of pursuing steady returns, capital security, and robust risk control.

The RMB Fund also satisfies the liquidity requirement of the Company as redemption can be made on a monthly basis following the expiry of the initial lock-up period of 180 days.

This structure aligns with the Company's investment strategy and allows the Company to actively manage its investments in the RMB Fund.

Established in 2018, the RMB Fund Manager is a licensed private securities investment fund manager registered with the Asset Management Association of China (中國證券投資基金業協會) and holds relevant investment advisory qualifications. The RMB Fund Manager oversees close to RMB10 billion in domestic assets, covering both active equity and fixed income strategies. Its investment team consists of nearly 30 professionals, most with over ten years of industry experience and holding recognised professional qualifications. The Board believes that the RMB Fund Manager's experience, expertise, and scale of assets under management provide a strong foundation for effective fund management. The Investment Decision Committee of the Group had carefully evaluated the RMB Fund Manager and considered it to be well qualified to manage the RMB Fund.

Investing in the RMB Fund is well-aligned with the Company's investment strategy for steady income generation, as the Fund's focus on high-quality fixed income assets and prudent risk management supports stable and predictable returns. By diversifying across various government and policy bonds with low default risk, the Fund provides a reliable stream of income, which complements the Company's objective of achieving consistent financial performance while minimizing exposure to market volatility.

The Group attaches great importance to risk control of investment projects and has established the "Investment Business Management System", a comprehensive risk assessment and management system. In addition to the comprehensive pre-investment due diligence, risk control, and decision-making process, each investment is also subject to robust post-investment management and exit strategies, including regular financial monitoring, public opinion tracking, efficient communication with investees, post-investment analysis, and internal audit reviews. Details of the Company's investment policy and objectives, approval and supervision mechanism, and risk management and internal control are disclosed in the annual report 2024/25 of the Company.

In light of the above, the Company consider that its investment in the RMB Fund is fully consistent with its overarching investment strategy, which emphasizes steady returns, capital security, and robust risk control. Furthermore, the Company considers that its assets are well safeguarded, given the RMB Fund's investment strategy, liquidity, risk management measures and the professional oversight of an experienced fund manager, combined with the robust supervision mechanism, risk management, and internal control systems implemented by the Company. These factors collectively reinforce the Company's confidence in the security of its investment in the RMB Fund.

CLARIFICATION TO THE ANNOUNCEMENT

The Company would like to clarify that the current disclosure set out in the section headed "INFORMATION OF THE PARTIES" should be read as follows (with amendments underlined):

"The RMB Fund Manager is Beijing Yuanfeng Private Equity Fund Management Partnership (Limited Partnership)* (北京源峰私募基金管理合夥企業(有限合夥)), which is a private equity fund manager incorporated in the PRC and registered with the Asset Management Association of China. The RMB Fund Manager is principally engaged in management of private securities investment fund, with Mr. Nie Lei (聶磊) and Mr. Tian Yu (田宇) being the actual controllers of the RMB Fund Manager."

The above additional information does not affect the information contained in the Announcement, and save as disclosed in this announcement, the content of the Announcement remains unchanged.

By Order of the Board
China Dongxiang (Group) Co., Ltd.
Chen Yihong
Chairman

Hong Kong, 7 November 2025

As at the date of this announcement, the executive directors of the Company are Mr. Chen Yihong, Ms. Chen Chen and Mr. Lyu Guanghong, and the independent non-executive directors of the Company are Mr. Gao Yu, Mr. Liu Xiaosong and Ms. Tang Songlian.