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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)

**DISCLOSEABLE TRANSACTIONS
SUBSCRIPTION OF INTERESTS IN USD FUND AND RMB FUND**

THE SUBSCRIPTION

The Board is pleased to announce that, on 27 September 2024, (i) the USD Fund Subscriber (a deemed wholly-owned subsidiary of the Company) agreed to subscribe for Class A Shares of the USD Fund at a total subscription amount of US\$15 million; and (ii) the RMB Fund Subscriber (a deemed wholly-owned subsidiary of the Company) agreed to subscribe for interest in Phase C of the RMB Fund at a total subscription amount of RMB200 million.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect each of the USD Subscription and the RMB Subscription exceeds 5% but is less than 25% respectively, each of the USD Subscription and the RMB Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 27 September 2024, (i) the USD Fund Subscriber (a deemed wholly-owned subsidiary of the Company) agreed to subscribe for Class A Shares of the USD Fund at a total subscription amount of US\$15 million; and (ii) the RMB Fund Subscriber (a deemed wholly-owned subsidiary of the Company) agreed to subscribe for interest in Phase C of the RMB Fund at a total subscription amount of RMB200 million.

THE USD SUBSCRIPTION

The principal terms of the USD Subscription are set out as follows:

Date of the Subscription : 27 September 2024

Class of Participating Share : Class A Shares

Subscription amount (in US\$) : US\$15 million

The subscription amount was determined in accordance with the initial terms specified in the USD Fund Offering Memorandum and the Directors consider it fair and reasonable. The subscription amount is payable by the USD Fund Subscriber by cash from its internal resources.

USD Fund Manager : China Pinnacle Equity Management Limited

USD Fund Administrator and USD Fund Custodian : Bank of Communications Trustee Limited

Redemption : Class A Shares may be redeemed at the option of the holders on any USD Fund Redemption Day by giving a written notice (a “**Redemption Notice**”) to the USD Fund Administrator no later than the relevant redemption dealing deadline. Any Redemption Notice received after the relevant redemption dealing deadline will be held over until the USD Fund Redemption Day next following the relevant USD Fund Redemption Day and the Class A Shares will then be redeemed at the redemption price of such class applicable on that day.

The directors of the USD Fund or the USD Fund Manager have the power to levy a redemption charge ranging from 0.5% to 2% by reference to the time the relevant Class A Shares have been held by the holder but no redemption charge will be levied for redemption of Class A Shares held for three years or more.

The redemption of Class A Shares is not subject to any lock up period.

- Subscription and redemption price : In calculating the subscription price or redemption price of a Participating Share of a class, the net asset value of such class as at the USD Fund Valuation Point relating to relevant USD Fund Valuation Day will be divided by the number of Participating Shares of the relevant class then in issue, the resulting amount being rounded to the nearest cent (0.5 of a cent being rounded up).
- Investment objective and strategies : The investment objective of the USD Fund is to generate long-term capital appreciation.
- The USD Fund Manager will seek to achieve the investment objective by investing in securities listed on stock exchanges in the Greater China Region, and a wide range of investments and asset types such as debt instruments, bond securities, convertible bonds, notes, structured products, unlisted securities and collective investment funds.
- Custodian fee and administrative fee : The USD Fund Administrator and the USD Fund Custodian shall be entitled to receive fees calculated based on the net asset value of the USD Fund at rates determined by the USD Fund, the USD Fund Custodian and the USD Fund Administrator from time to time for providing administrative and custodian services to the USD Fund. Such fees shall accrue monthly and be payable monthly in arrears.
- Management fee : The USD Fund Manager is entitled to a management fee of 1.3% per annum of the net asset value of the relevant class of Participating Shares (before deduction of any accrued management fee and performance fee) as at each USD Fund Valuation Point, which is payable monthly in arrears.

Performance fee : The USD Fund Manager is entitled to receive a performance fee in an amount equal to 20% of the appreciation of the net asset value of each Participating Share of the relevant class (before deduction of any accrued performance fee) with respect to a particular performance period over the high water mark. The high water mark for each Participating Share of the relevant class is the greater of (i) the net asset value per Participating Share at the time of issue of that Participating Share, adjusted for appropriate dividends paid during the relevant period; and (ii) the net asset value per Participating Share (after deduction of any accrued performance fee) as at the last USD Fund Valuation Point in the last performance period in respect of which a performance fee is charged, adjusted for appropriate dividends paid during the relevant period.

THE RMB SUBSCRIPTION

The principal terms of the RMB Subscription are set out as follows:

Date of the Subscription : 27 September 2024

Subscription amount : RMB200 million
(in RMB)

The subscription amount was determined in accordance with the initial terms specified in the RMB Fund Agreement and the Directors consider it fair and reasonable. The subscription amount is payable by the RMB Fund Subscriber by cash from its internal resources.

RMB Fund Manager : 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))

RMB Fund Administrator : Huatai Securities Co., Ltd.* (華泰證券股份有限公司)
and RMB Fund
Custodian

Redemption : The interests in Phase C of the RMB Fund may be redeemed at the option of the holders on any RMB Fund Redemption Day no later than the relevant redemption dealing deadline.

The RMB Fund Manager has the power to levy a redemption charge ranging from 0.5% to 2% by reference to the time the interests in Phase C of the RMB Fund have been held by the holder but no redemption charge will be levied for redemption of interests in the fund share(s) held for more than three years.

- Subscription and redemption price : The subscription price or redemption price is calculated based on the net asset value per interests in Phase C of the RMB Fund on the relevant redemption date or subscription date.
- Investment objective and strategies : The investment objective of the RMB Fund is to achieve continuous and stable return by investing in a diverse range of assets, including but not limited to stocks (A shares, shares listed in the Stock Exchange via the Stock Connect Program of the Stock Exchange), bonds, different types of funds, futures and options and other financial products such as bank deposits and asset management products.
- Custodian fee and administrative fee : The RMB Fund Administrator and the RMB Fund Custodian shall be entitled to a daily accrued custodian and administrative fees (combined) calculated at the rate of 0.06% per annum of the net asset value of the RMB Fund of the preceding calendar day divided by the number of calendar days in the relevant year. Such fees shall be payable quarterly.
- Management fee : The RMB Fund Manager is entitled to a daily accrued management fee calculated at the rate of 1% per annum of the net asset value of the relevant class of the RMB Fund of the preceding calendar day divided by the number of calendar days in the relevant year and is payable quarterly.
- Performance fee : The RMB Fund Manager is entitled to receive a performance fee. The performance fee is calculated at a rate of 20% of all earnings if the annualized return rate exceeds 8%. If the return falls below 8% after accounting for the performance fees, the performance fee is adjusted to ensure that the return remain above this threshold.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

In light of the recent market conditions, the Board has considered to make appropriate adjustment to the investment structure of the Group by increasing investments in securities funds. The Board believes, after having made prudent deliberation, that the subscription of securities fund investments could optimize the allocation of investment assets and enhance investment returns taking into account liquidity. Having reviewed the relevant agreements of the USD Fund and the RMB Fund, the Board considers that the terms of the Subscriptions are on normal commercial terms, fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE SUBSCRIBERS

The Company is an investment company, whose subsidiaries are principally engaged in brand development, design and sales of sport-related apparel, footwear and accessories and investment activities in the PRC and abroad.

The USD Fund Subscriber is a Cayman Islands exempted limited partnership registered on 23 May 2018 for the purpose of managing subscriptions in a portfolio of funds. The USD Fund Subscriber is a deemed wholly-owned subsidiary of the Company and its financial results are consolidated with the Group's consolidated financial statements.

The RMB Fund Subscriber is a partnership registered in the PRC on 26 March 2012 for the purpose of managing subscriptions in a portfolio of funds. The RMB Fund Subscriber is a deemed wholly-owned subsidiary of the Company and its financial results are consolidated with the Group's consolidated financial statements.

INFORMATION ON THE PARTIES

USD Fund

The USD Fund is an exempted company incorporated with limited liability in the Cayman Islands. It is a regulated mutual fund and is registered with the Monetary Authority under the Mutual Funds Law of the Cayman Islands. The investment objective of the USD Fund is to generate long-term capital appreciation by investing in securities listed on stock exchanges in the Greater China Region, and a wide range of investments and asset types such as debt instruments, bond securities, convertible bonds, notes, structured products, unlisted securities and collective investment funds.

The USD Fund Manager is China Pinnacle Equity Management Limited, which is a company incorporated in Hong Kong with limited liability and a licenced corporation to carry on businesses in type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. The USD Fund Manager is principally engaged in fund management and the provision of investment advisory services to corporations, institutions and high net worth individual investors.

The USD Fund Administrator and the USD Fund Custodian is Bank of Communications Trustee Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Bank of Communications Co., Ltd.

RMB Fund

The RMB Fund is incorporated in the PRC and registered with the Asset Management Association of China. The RMB Fund seeks to achieve the investment objective by investing in shares of companies listed on the stock exchanges in the PRC, shares listed on the Stock Exchange and PRC companies listed in the United States.

The RMB Fund Manager is CPE Asset Management L.L.P.* (北京源峰私募基金管理合夥企業(有限合夥)), which is a partnership 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.

The RMB Fund Administrator and the RMB Fund Custodian is Huatai Securities Co., Ltd.* (華泰證券股份有限公司), a joint stock company incorporated in the PRC with limited liability and is listed on the Stock Exchange (H shares) (Stock Code: 6886) and Shanghai Stock Exchange (A shares) (Stock Code: 601688).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the USD Fund, the USD Fund Manager, the USD Fund Administrator, the USD Fund Custodian, the RMB Fund, the RMB Fund Manager, the RMB Fund Administrator and the RMB Fund Custodian and their respective ultimate beneficial owner(s) are Independent Third Parties.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect each of the USD Subscription and the RMB Subscription exceeds 5% but is less than 25% respectively, each of the USD Subscription and the RMB Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Class A Shares”	a Participating Share designated as Class A Share of the USD Fund

“Company”	China Dongxiang (Group) Co., Ltd. (中國動向(集團)有限公司), a limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Fund Managers”	the USD Fund Manager and the RMB Fund Manager
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Interest in Phase C of the RMB Fund”	fund shares with initial face value of RMB1 of the RMB Fund
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participating Share”	a participating, redeemable, non-voting share of par value US\$0.001 in the capital of the USD Fund
“PRC”	the People’s Republic of China
“RMB Fund”	Panfeng Value Private Securities Investment Fund Phase C* (磐豐價值私募證券投資基金C期)
“RMB Fund Administrator”	Huatai Securities Co., Ltd.* (華泰證券股份有限公司)
“RMB Fund Agreement”	the fund agreement in relation to the RMB Fund as amended, substituted or supplemented from time to time
“RMB Fund Custodian”	Huatai Securities Co., Ltd.* (華泰證券股份有限公司)
“RMB Fund Manager”	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))
“RMB Fund Redemption Day”	Friday of each calendar week (or the preceding business day if Friday is not a business day), and/or such other day or days in addition thereto or in substitution therefor as the RMB Fund Manager may from time to time prescribe

“RMB Fund Subscriber”	Shanghai Rongfu Investment Center (Limited Partnership) (上海鎔富投資管理中心(有限合夥)), a partnership registered in the PRC on 26 March 2012, and a special purpose entity deemed to be wholly-owned by the Company according to the relevant agreements in relation to the Fund
“RMB Subscription”	the subscription of the interests in Phase C of the RMB Fund at a total subscription amount of RMB200 million as set out in this announcement
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the USD Fund Subscriber and the RMB Fund Subscriber
“Subscriptions”	the USD Subscription and the RMB Subscription
“USD Fund”	CPE Greater China Enterprises Growth Fund, an exempted fund incorporated in the Cayman Islands
“USD Fund Administrator”	Bank of Communications Trustee Limited, a company incorporated in Hong Kong with limited liability
“USD Fund Custodian”	Bank of Communications Trustee Limited, a company incorporated in Hong Kong with limited liability
“USD Fund Manager”	China Pinnacle Equity Management Limited, a company incorporated in Hong Kong with limited liability and a licenced corporation to carry on businesses in type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO
“USD Fund Offering Memorandum”	the private placement memorandum in relation to the USD Fund as amended, substituted or supplemented from time to time
“USD Fund Redemption Day”	the first business day of each calendar month, and/or such other day or days in addition thereto or in substitution therefor as the directors of the USD Fund may from time to time prescribe

“USD Fund Subscriber”	CPE Assets Allocation Fund D, L.P., a Cayman Islands exempted limited partnership registered on 23 May 2018, and a special purpose entity deemed to be wholly-owned by the Company according to the relevant agreements in relation to the Fund
“USD Fund Valuation Day”	the last business day in each calendar week, and the last business day in each calendar month, or such other day or days as the directors of the USD Fund may from time to time prescribe
“USD Fund Valuation Point”	the close of business in the last relevant market to close on each USD Fund Valuation Day or such other time on such day as the directors of the USD Fund may from time to time prescribe
“USD Subscription”	the subscription of the Class A Shares of the USD Fund at a total subscription amount of US\$15 million as set out in this announcement
“%”	per cent.

* denotes as English translation of a Chinese name and is provided for identification purposes only.

In this announcement, unless the context otherwise requires, the terms “Independent Third Party(ies)” and “subsidiary(ies)” shall have the meaning given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

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

Hong Kong, 27 September 2024

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 Dr. Chen Guogang, Mr. Gao Yu and Mr. Liu Xiaosong.