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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 TRANSACTION  
SUBSCRIPTION OF INTERESTS IN A RMB FUND**

**THE RMB FUND SUBSCRIPTION**

The Board is pleased to announce that, on 14 July 2025, the RMB Fund Subscriber (a deemed wholly-owned subsidiary of the Company) agreed to subscribe for Class B Units of the RMB Fund at a total subscription amount of RMB300 million.

**LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the RMB Fund Subscription, when aggregated with the portions of the Previous Subscriptions which were conducted within 12 months preceding the RMB Fund Subscription and still held by the Group, exceeds 5% but is less than 25%, the RMB Fund 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 14 July 2025, the RMB Fund Subscriber (a deemed wholly-owned subsidiary of the Company) agreed to subscribe for Class B Units of the RMB Fund at a total subscription amount of RMB300 million.

## THE RMB FUND SUBSCRIPTION

The principal terms of the RMB Fund Subscription in CPE Yuli Private Securities Investment Fund No. 2\* (源峰裕利2號私募證券投資基金) are set out as follows:

Date of the Subscription : 14 July 2025

Participating Shares : Class B Units

Subscription amount : RMB300 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 : Guotai Haitong Securities Co., Ltd.\* (國泰海通證券股份有限公司)  
and RMB Fund  
Custodian

Redemption : The interests in Class B Units may be redeemed by written notice to the RMB Fund Manager no later than the relevant deadline day prior to a RMB Fund Open Day.

No redemption charge will be levied for redemption of fund unit(s) held for more than 180 days. The redemption of Class B Units is subject to a lock up period of 180 days.

Subscription and redemption price : The subscription price or the redemption price is calculated based on the net asset value of the Class B Units as at the relevant RMB Fund Open Day on which the subscription or redemption takes place.

- Investment objective and strategies : The investment objective of the RMB Fund is to increase returns on fixed-income products in a low-interest-rate environment by capturing opportunities from rotation of fixed-income assets and achieve higher returns for investors. The investment strategy of the RMB Fund is to enhance returns by investing in bonds, complemented by trading in convertible bonds.
- Custodian fee and service 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 0.02% 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, which is calculated as 20% of the amount exceeding an annualized return rate of 6%.

## **REASONS FOR AND BENEFITS OF THE RMB FUND SUBSCRIPTION**

The Company's decision to subscribe to the RMB Fund is grounded in its prudent investment strategy and commitment to maximizing shareholder value while ensuring capital security and effective risk control. In line with the Group's established investment policy, the RMB Fund Subscription represents a strategic allocation to assets of higher liquidity and lower risks. The RMB Fund Subscription provides enhanced capital management efficiency, which is particularly appropriate given the current macroeconomic and low-interest-rate environment and aligns with the Group's focus on capital preservation and steady income generation. Having reviewed the relevant agreements of the RMB Fund, the Board considers that the terms of the RMB Fund Subscription 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 SUBSCRIBER**

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 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**

### **RMB Fund**

CPE Yuli Private Securities Investment Fund No. 2\* (源峰裕利2號私募證券投資基金) is incorporated in the PRC and filed with the Asset Management Association of China. The RMB Fund aims to increase returns on fixed-income products in a low-interest-rate environment by capturing opportunities from rotation of fixed-income assets and achieve higher returns for investors. The RMB Fund enhances returns by investing in bonds, complemented by trading in convertible bonds.

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 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 RMB Fund Administrator and the RMB Fund Custodian is Guotai Haitong Securities Co., Ltd.\* (國泰海通證券股份有限公司), a joint-stock company incorporated in the PRC with limited liability and is listed on the Stock Exchange (H shares) (Stock Code: 2611) and Shanghai Stock Exchange (A shares) (Stock Code: 601211).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, 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 or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the RMB Fund Subscription, when aggregated with the portions of the Previous Subscriptions which were conducted within 12 months preceding the RMB Fund Subscription and still held by the Group, exceeds 5% but is less than 25% respectively, the RMB Fund 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 B Units”	class B fund units with initial face value of RMB1 of the RMB 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
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Subscriptions”	the subscription by the RMB Fund Subscriber of interests in Phase C of the Panfeng Value Private Securities Investment Fund* (磐豐價值私募證券投資基金C期), a fund managed by the RMB Fund Manager, on 27 September 2024 and 14 February 2025 at the total subscription amount of RMB200 million and RMB100 million respectively
“RMB Fund”	CPE Yuli Private Securities Investment Fund No. 2* (源峰裕利2號私募證券投資基金)
“RMB Fund Administrator”	Guotai Haitong Securities Co., Ltd.* (國泰海通證券股份有限公司)
“RMB Fund Agreement”	the fund agreement in relation to the RMB Fund as amended, substituted or supplemented from time to time
“RMB Fund Custodian”	Guotai Haitong Securities Co., Ltd.* (國泰海通證券股份有限公司)

“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 Open Day”	the fifteenth calendar day of each month following the establishment of the RMB Fund (or the next trading day if the fifteenth calendar day falls on a non-trading day)
“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 Fund Subscription”	the subscription of the Class B Units at a total subscription amount of RMB300 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
“%”	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, 14 July 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.*