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## CHINA NEW ECONOMY FUND LIMITED

### 中國新經濟投資有限公司

*(an exempted company incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 80)**

## ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

### RESULTS

The board of Directors (the “**Board**” or the “**Directors**”) of China New Economy Fund Limited (the “**Company**”) is pleased to announce the results of the Company for the year ended 31 December 2024 (the “**Year**”), together with the comparative figures for the year ended 31 December 2023, as follows:

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>HK\$</b>	2023 <b>HK\$</b>
<b>REVENUE</b>	4	<b>759,920</b>	126,339
Net loss on financial assets at fair value through profit or loss	5	<b>(17,515,762)</b>	(35,365,185)
Other operating expenses		<b>(12,065,736)</b>	(17,015,757)
<b>OPERATING LOSS</b>		<b>(28,821,578)</b>	(52,254,603)
Finance costs	6(a)	<b>(156,953)</b>	(182,240)
<b>LOSS BEFORE TAX</b>	6(b)	<b>(28,978,531)</b>	(52,436,843)
Income tax expense	8	—	—
<b>LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>		<b>(28,978,531)</b>	(52,436,843)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	9		
– Basic		<b>(0.02)</b>	(0.04)
– Diluted		<b>(0.02)</b>	(0.04)

## STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 HK\$	2023 HK\$
<b>NON-CURRENT ASSETS</b>			
Right-of-use assets		181,847	1,419,547
Deposits		–	200,000
Total non-current assets		<u>181,847</u>	<u>1,619,547</u>
<b>CURRENT ASSETS</b>			
Prepayments, deposits and other receivables		893,418	1,623,057
Amount due from brokers		8,074,074	8,350,713
Financial assets at fair value through profit or loss	10	42,960,053	66,340,464
Cash and cash equivalents		13,007,593	17,309,428
Total current assets		<u>64,935,138</u>	<u>93,623,662</u>
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		3,459,664	2,847,326
Amount due to a related party		600,000	1,100,000
Lease liabilities		197,899	1,260,032
Total current liabilities		<u>4,257,563</u>	<u>5,207,358</u>
<b>NET CURRENT ASSETS</b>		<u>60,677,575</u>	<u>88,416,304</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>60,859,422</u>	<u>90,035,851</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		–	197,898
Total non-current liabilities		<u>–</u>	<u>197,898</u>
<b>Net assets</b>		<u><u>60,859,422</u></u>	<u><u>89,837,953</u></u>
<b>EQUITY</b>			
Issued capital	11	52,788,011	52,788,011
Reserves		8,071,411	37,049,942
<b>Total equity</b>		<u><u>60,859,422</u></u>	<u><u>89,837,953</u></u>
<b>NET ASSET VALUE PER SHARE</b>		<u><u>0.05</u></u>	<u><u>0.07</u></u>

## NOTES

### 1. CORPORATION INFORMATION

The Company was incorporated in the Cayman Islands on 1 February 2010 under the Companies Law of the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The Company was established for the purpose of acting as a closed-ended investment company.

The Company's registered office is at P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is at Room 1802B, 18/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong.

The principal investment objective of the Company is to achieve long-term capital appreciation through investing globally in both private and public enterprises that have demonstrated the ability to manufacture a product or deliver a service that is supported by the economies of Mainland China, Hong Kong, Macau and Taiwan.

During the year, the Company's investment activities are managed by Evergrande Securities (Hong Kong) Limited (the "**Investment Manager**"). The Investment Manager ceased to serve as the Company's investment manager with effect from 4 October 2024. Moreover, during the period from the resignation of the Investment Manager effective on 4 October 2024 to the date of appointment of the new investment manager, the Board had full responsibility for the investment activities of the Company. The Board considers that there is no material impact on the Company's operation due to the resignation of the Investment Manager.

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") as issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair values. The financial statements are presented in Hong Kong dollar ("**HK\$**") except when otherwise indicated.

### 2.2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("**IFRSs**")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the Company's annual period beginning on 1 January 2024 for the preparation of the financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current year has 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.

### 2.3 NEW AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instrument <sup>3</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards <sup>1</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the financial statements in the foreseeable future.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on the categories of investments. During the years ended 31 December 2024 and 2023, the Company has two reportable and operating segments as follows:

Listed securities – Investments in equity securities listed on relevant stock exchange.

Unlisted securities – Investments in open-ended fund, limited partnership fund, private equity securities.

The geographical analysis of Company's turnover and segment results by geographical areas for the years ended 31 December 2024 and 2023 is not presented as significant transactions of the Company are mainly based in Hong Kong.

Further details of the Company's investments are included in Note 5 and Note 10.

The following is an analysis of the Company's results by operating segments:

	<b>Listed securities HK\$</b>	<b>Unlisted securities HK\$</b>	<b>Total HK\$</b>
For the year ended 31 December 2024			
Segment revenue	–	<b>704,411</b>	<b>704,411</b>
Segment results	<b>(1,605,360)</b>	<b>(12,731,998)</b>	<b>(14,337,358)</b>
Bank interest income			<b>55,509</b>
Unallocated expenses			<b>(14,696,682)</b>
Loss before tax			<b>(28,978,531)</b>
	<b>Listed securities HK\$</b>	<b>Unlisted securities HK\$</b>	<b>Total HK\$</b>
For the year ended 31 December 2023			
Segment revenue	–	100,000	100,000
Segment results	<b>(3,193,837)</b>	<b>(31,934,209)</b>	<b>(35,128,046)</b>
Bank interest income			26,339
Unallocated expenses			<b>(17,335,136)</b>
Loss before tax			<b>(52,436,843)</b>

For the years ended 31 December 2024 and 2023, the operating segments derived revenue from dividend income, interest income and income from profit guarantee earned from the investments held by the segments. Segment results represented the net gains or losses on changes in fair values of listed equity securities, private equity securities, open-ended fund and, limited partnership fund classified as financial assets at fair value through profit or loss and the corresponding interest income, dividend income as well as income from profit guarantee earned by each segment without the allocation of administrative expenses, finance costs, interest income from bank deposits and the Investment Manager's fees.

As management considers the Company's nature of business to be investment trading and there are no major customers, accordingly no information regarding revenue derived from major customers is presented.

	<b>Listed securities HK\$</b>	<b>Unlisted securities HK\$</b>	<b>Total HK\$</b>
As at 31 December 2024			
Segment assets:			
Financial assets at fair value through profit or loss	<b>3,190</b>	<b>42,956,863</b>	<b>42,960,053</b>
Unallocated assets			<b>22,156,932</b>
Total assets			<b>65,116,985</b>
Liabilities:			
Unallocated liabilities			<b>4,257,563</b>
Total liabilities			<b>4,257,563</b>

	<b>Listed securities HK\$</b>	<b>Unlisted securities HK\$</b>	<b>Total HK\$</b>
As at 31 December 2023			
Segment assets:			
Financial assets at fair value through profit or loss	<b>3,768,200</b>	<b>62,572,264</b>	<b>66,340,464</b>
Unallocated assets			<b>28,902,745</b>
Total assets			<b>95,243,209</b>
Liabilities:			
Unallocated liabilities			<b>5,405,256</b>
Total liabilities			<b>5,405,256</b>

For the purpose of monitoring segment performance and allocating resources between segments, all financial assets at fair value through profit or loss are allocated to reportable segments. All other assets of the Company, including right-of-use assets, deposits, prepayments and other receivables, amounts due from brokers and cash and cash equivalents, and all liabilities are not allocated to the operating segments.

#### 4. REVENUE

An analysis of revenue is as follows:

	2024 HK\$	2023 HK\$
Bank interest income	55,509	26,339
Income from profit guarantee ( <i>Note</i> )	704,411	100,000
	<u>759,920</u>	<u>126,339</u>

*Note:* Income from profit guarantee relates to amounts received and receivable in respect of private equity investments in Hong Kong under the profit guarantee terms set out in the relevant agreements.

#### 5. NET LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The listed shares and unlisted investments are all classified as financial assets at fair value through profit or loss.

Realised loss on disposals of financial assets at fair value through profit or loss amounted to HK\$3,541,193 (2023: realised loss of HK\$59,123,751), representing the difference between the financial assets' initial carrying amount upon initial recognition (usually their costs) and disposal consideration amount. Unrealised loss amounted to HK\$13,974,569 (2023: unrealised gain of HK\$23,758,566), comprising change in fair value of financial assets at fair value through profit or loss for the Year and from reversal of the prior years' unrealised gains and losses for financial instruments which were realised in the reporting period.

#### 6. LOSS BEFORE TAX

The Company's loss before tax is arrived at after charging:

	2024 HK\$	2023 HK\$
(a) Finance costs		
Interest on other borrowings	30,273	1,944
Interest on promissory note	55,000	–
Interest on lease liabilities	71,680	180,296
	<u>156,953</u>	<u>182,240</u>
(b) Other operating expenses		
Staff cost (excluding directors' remuneration)	2,738,910	4,132,184
Investment management fee	454,839	600,000
Auditor's remuneration		
– audit services	450,000	570,000
– other services	50,000	–
Minimum operating lease payments in respect of properties	25,010	80,916
Consultancy fees	40,000	100,000
Legal and professional fees	1,445,008	2,813,134
Commission and other charges	17,318	97,467
Depreciation of right-of-use assets	1,237,700	1,462,791

## 7. FEES

### Administration fee

Amicorp Fund Services Asia Limited (the “**Administrator**”) is entitled to receive an administration fee which is calculated based on the net asset value of the Company at valuation day equal to the rate of 0.11% per annum.

The administration fee is subject to a monthly minimum fee of USD4,100 plus 7.5% disbursement charge (2023: USD4,000 plus 7% disbursement charge for the period from 1 January 2023 to 31 January 2023 and USD4,100 plus 7.5% disbursement charge from 1 February 2023) and is payable monthly in arrears.

The administration fee for the Year is HK\$412,677 (2023: HK\$413,182). As at 31 December 2024, an administration fee of HK\$205,862 (2023: HK\$137,851) was payable to the Administrator.

### Custodian fee

Bank of Communications Trustee Limited (the “**Custodian**”) is entitled to a custodian fee which is calculated based on the net asset value of the Company at valuation day equal to the rate of 0.04% per annum. The custodian fee is subject to a monthly minimum fee of HK\$12,500 and is payable monthly in arrears.

The custodian fee for the Year is HK\$150,000 (2023: HK\$150,000). As at 31 December 2024, a custodian fee of HK\$175,000 (2023: HK\$50,000) was payable to the Custodian.

### Management fee

The Investment Manager ceased to serve as the Company’s investment manager with effect from 4 October 2024. The Investment Manager was entitled to a monthly management fee of HK\$50,000 (2023: HK\$50,000) and payable monthly in advance.

The investment management fee for the Year is HK\$454,839 (2023: HK\$600,000). As at 31 December 2024, nil of the management fee (2023: HK\$200,000) was payable to the Investment Manager.

## 8. INCOME TAX EXPENSE

The major components of income tax charge for the years ended 31 December 2024 and 2023 are:

	<b>2024</b>	2023
	<b>HK\$</b>	HK\$
Current tax:		
Hong Kong Profits tax	–	–
Deferred tax	–	–
	<hr/>	<hr/>
Tax charge for the year	–	–
	<hr/> <hr/>	<hr/> <hr/>



## 9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic per share amount is based on the Company's loss of HK\$28,978,531 (2023: loss of HK\$52,436,843) for the Year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the Year of 1,319,700,274 (2023: 1,319,700,274 ordinary shares).

No diluted earnings per share for both 2024 and 2023 were presented as there were no potential ordinary shares in issue for both 2024 and 2023.

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>HK\$</i>	2023 <i>HK\$</i>
Listed equity securities – Hong Kong	3,190	3,768,200
Investments in private equity – British Virgin Islands	6,627,000	9,724,000
Investments in private equity – Hong Kong	18,073,000	25,705,000
Investments in Fund – Hong Kong	18,256,863	27,143,264
	<u>42,960,053</u>	<u>66,340,464</u>

## 11. ISSUED CAPITAL

	Number of shares	Nominal amount <i>HK\$</i>
Authorised		
Ordinary shares of nominal amount HK\$0.04 each at 31 December 2024 and 2023	25,000,000,000	1,000,000,000
Issued and fully paid		
Ordinary shares of nominal amount HK\$0.04 each at 31 December 2024 and 2023	<u>1,319,700,274</u>	<u>52,788,011</u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Issued capital <i>HK\$</i>	Share premium account <i>HK\$</i>	Total <i>HK\$</i>
At 1 January 2023, 31 December 2023 and 31 December 2024	<u>1,319,700,274</u>	<u>52,788,011</u>	<u>256,798,043</u>	<u>309,586,054</u>

## 12. EVENTS AFTER REPORTING PERIOD

There is no significant event after the reporting period.

## FINANCIAL HIGHLIGHTS

During the Year, the Company maintained a medium to long-term investment strategy in both public and private equities. The Company held one investment in a Hong Kong-listed company, three investments in private equity securities, one limited partnership fund and one open-ended fund as of 31 December 2024. One of our major investments is in the financial printing sector focusing on the Hong Kong IPO market. The Company reported net loss attributable to shareholders of HK\$28,978,531 during the Year, which consisted of the net change in fair value loss of HK\$17,515,762 taken on the investment positions in the portfolio.

The investment performance of the Company during the Year was affected by significant economic challenges in the Chinese economy, as well as increasing political risks in the Hong Kong and China stock markets. As at 31 December 2024, the Company reported an audited net asset value of approximately HK\$0.05 per share. The net loss is mainly attributable to net realised loss of HK\$3,541,193 and net unrealised loss of HK\$13,974,569 on financial assets at fair value through profit or loss mainly as a result of recent volatility in the Hong Kong stock market. The Company will continue to monitor its investments cautiously in view of the recent uncertain market conditions.

## BUSINESS REVIEW AND PROSPECT

Throughout the Year, the investment market faced numerous significant challenges. The ongoing concerns in the Chinese property market significantly impacted the pace of China's economic recovery. However, recent policy measures showed signs of stabilization, with home sales picking up towards the end of the 2024. Moreover, the prolonged period of high interest rates in the United States (the "U.S.") also presented further economic challenges. The United States Federal Reserve Board (the "U.S. Federal Reserve") announced another 25 basis points cut to the federal funds rate in December 2024, bringing borrowing costs to the 4.25%–4.5% range. The market is particularly awaiting further potential interest rate cuts. Additionally, the U.S. presidential election at the end of 2024, which resulted in Donald Trump being re-elected and assuming the presidency, significantly impacted U.S.-China relations, directly influencing the performance of the Hong Kong stock market and the broader investment market.

In 2024, China faced significant economic challenges, including issues in the real estate sector and fluctuating global trade conditions. According to the National Bureau of Statistics of China, the country's gross domestic product ("GDP") for 2024 reached RMB134,908.4 billion, representing a 5.0% increase compared to the corresponding period in the previous year. Breaking down the quarterly GDP growth rates for 2024, the first quarter saw an increase of 5.3%. This was followed by 4.7% in the second quarter, 4.6% in the third quarter, and 5.4% in the fourth quarter, on a year-over-year basis, reflecting the ongoing economic adjustments and challenges.

Throughout the year 2024, the Hang Seng Index experienced a notable increase of 17.7%. More impressively, the Hang Seng China Enterprises Index surged by 26.4%, outperforming the broader Hang Seng Index. This robust performance highlights the strength and resilience of the Chinese enterprises sector. As of December 2024, the U.S. Federal Reserve maintained its interest rate within the 5.25% to 5.50% range following an increase in July. Throughout the year, the growth rate of inflation, which had previously reached a 40-year high, showed signs of deceleration. Market participants had anticipated potential rate cuts, with the first reduction occurring in September 2024. By the end of the year, the U.S. Federal Reserve implemented further rate adjustments, positioning the federal funds rate between 4.25% and 4.50%. These measures were closely monitored by investors, influencing market expectations and economic projections.

The Company's strategic focus is to invest in listed securities over short to medium term, with an ongoing commitment to identifying investment opportunities in high-potential listed companies. Concurrently, the Company is dedicated to long-term investments in private equity securities and other unlisted assets. The Company had made investments in one listed company, two funds, and three private equity securities. This diversified investment approach reflects the Company's belief that incorporating funds and private equity within the portfolio can mitigate risks while potentially yielding greater returns over the long term. The Company remains vigilant in seeking additional investment opportunities, including unlisted investments, to enhance value for our investors and shareholders.

Moving forward, the Company will continue to execute its investment strategy, with a primary focus on Greater China and other significant global markets. Leveraging the expertise of our highly skilled investment and risk management team, we are confident in our ability to identify and seize valuable investment opportunities. Our objective is to maximize returns for our esteemed shareholders, ensuring sustainable and long-term growth.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INVESTMENT REVIEW**

The Company held six investments as of 31 December 2024, comprising one investment in a Hong Kong-listed company, three investments in private equity securities, one limited partnership fund and one open-ended fund.

Pursuant to the requirements stipulated in Rule 21.12 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company discloses its ten largest investments and all individual investments with value exceeding 5% of the Company’s gross assets with brief description of the investee companies as follows:

### At 31 December 2024

#### Listed Equity Security – Hong Kong

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee’s capital owned	Cost	Market value	Unrealised gain/(loss) recognised (Note 1)	Net asset attributable to the Company (Note 2)	Dividend received/receivable during the Year	% of gross assets of the Company
				HK\$’000	HK\$’000	HK\$’000		HK\$’000	
(a) Strong Petrochemical Holdings Limited	The Cayman Islands	22,000 ordinary shares of HK\$0.025 each	0.00%	4	3	(1)	HK\$0.01 million	–	0.00

#### Private Equity Security – British Virgin Islands

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee’s capital owned	Cost	Market value	Unrealised gain/(loss) recognised (Note 1)	Net asset attributable to the Company (Note 2)	Dividend received/receivable during the Year	% of gross assets of the Company
				HK\$’000	HK\$’000	HK\$’000		HK\$’000	
(b) Gransing Financial Group Limited	British Virgin Islands	64 shares of USD1 each	18.08%	46,377	6,627	(39,750)	HK\$14.51 million	–	10.18

### ***Private Equity Securities – Hong Kong***

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised	Net asset attributable to the Company	Dividend received/receivable during the Year	% of gross assets of the Company
				HK\$'000	HK\$'000	(Note 1) HK\$'000	(Note 2)	HK\$'000	
(c) iPro Financial Press Limited	Hong Kong	17,493 shares	19.97%	34,999	15,350	(19,649)	HK\$15.45 million	–	23.57
(d) Gransing Finance Limited	Hong Kong	2,779,570 shares	19.90%	16,876	2,723	(14,153)	HK\$4.52 million	–	4.18

### ***Funds – Hong Kong***

Name of investee	Place of incorporation	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised	Net asset attributable to the Company	Dividend received/receivable during the Year	% of gross assets of the Company
			HK\$'000	HK\$'000	(Note 1) HK\$'000	(Note 2)	HK\$'000	
(e) Goldstone 1 LPF	Hong Kong	43.63%	19,785	9,580	(10,205)	HK\$9.58 million	–	14.71
(f) SWK Dynamic OFC	Hong Kong	10.59%	9,947	8,677	(1,270)	HK\$8.68 million	–	13.33

## At 31 December 2023

### Listed Equity Securities – Hong Kong

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised (Note 4)	Net asset/(liability) attributable to the Company (Note 3)	Dividend received/receivable during the year	% of gross assets of the Company
Tasty Concepts Holding Limited	The Cayman Islands	6,600,000 ordinary shares of HK\$0.1 each	3.43%	1,320	1,848	528	HK\$(0.66) million	–	1.94
Hanvey Group Holdings Limited	The Cayman Islands	2,310,000 ordinary shares of HK\$0.1 each	1.40%	627	739	112	HK\$0.52 million	–	0.78
Lerado Financial Group Company Limited	Bermuda	3,100,000 ordinary shares of HK\$0.01 each	1.35%	779	657	(122)	HK\$8.98 million	–	0.69
China New Consumption Group Limited	The Cayman Islands	2,700,000 ordinary shares of HK\$0.01 each	0.67%	505	524	19	HK\$0.70 million	–	0.55

### Private Equity Security – British Virgin Islands

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised (Note 4)	Net asset/(liability) attributable to the Company (Note 3)	Dividend received/receivable during the year	% of gross assets of the Company
Gransing Financial Group Limited	British Virgin Islands	64 shares Of USD1 each	18.08%	46,377	9,724	(36,653)	HK\$20.90 million	–	10.21

### Private Equity Securities – Hong Kong

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised	Net asset attributable to the Company	Dividend received/receivable during the year	% of gross assets of the Company
				HK\$'000	HK\$'000	(Note 4) HK\$'000	(Note 3) HK\$'000	HK\$'000	
iPro Financial Press Limited	Hong Kong	17,493 shares	19.97%	34,999	17,602	(17,397)	HK\$25.60 million	-	18.48
Gransing Finance Limited	Hong Kong	2,779,570 shares	19.90%	16,876	8,103	(8773)	HK\$12.90 million	-	8.51

### Funds – Hong Kong

Name of investee	Place of incorporation	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) recognised	Net asset attributable to the Company	Dividend received/receivable during the year	% of gross assets of the Company
			HK\$'000	HK\$'000	(Note 4) HK\$'000	(Note 3) HK\$'000	HK\$'000	
Goldstone 1 LPF	Hong Kong	59.32%	23,748	16,858	(6,890)	HK\$16.86 million	-	17.70
SWK Dynamic OFC	Hong Kong	12.21%	12,163	10,285	(1,878)	HK\$10.28 million	-	10.80

#### Notes:

- (1) The unrealised gain/(loss) recognised represented the changes in fair value of the respective investments during the Year.
- (2) The calculation of net assets/(liability) attributable to the Company is based on the latest published interim/annual reports of the respective investments at the end of each reporting period.
- (3) The calculation of net assets/(liability) attributable to the Company is based on the latest financial information/statements of the respective investments at the end of each reporting period.
- (4) The unrealised gain/(loss) recognised represented the changes in fair value of the respective investments during the year ended 31 December 2023.

A brief description of the business and financial information of the investments is as follows:

- (a) Strong Petrochemical Holdings Limited (“**Strong Petrochemical**”) is a Hong Kong-based investment holding company principally engaged in the trading of oil products. The unaudited loss attributable to shareholders of Strong Petrochemical for the six months ended 30 June 2024 was approximately HK\$8,750,000 and the unaudited net assets attributable to shareholders of Strong Petrochemical as at 30 June 2024 was approximately HK\$1,284,433,000. The trading of shares of Strong Petrochemical has been suspended since 31 December 2024. Strong Petrochemical resumed the crude oil trading business and made headway to enter the oil and gas development and production sector. Strong Petrochemical will proactively seek for business opportunities. The fair value of the investment in Strong Petrochemical is based on quoted market bid prices.
- (b) Gransing Financial Group Limited (“**Gransing Financial**”) is principally engaged in provision of quality brokerage, corporate finance, asset management, money lending and financial adviser services to institutional and individual investors in Hong Kong and Mainland China through its subsidiaries. With the enhancement of artificial intelligence (“**A.I.**”) technology, Gransing Financial launched several new services including the online account opening services for new customers in Hong Kong and China. Moreover, by the help of advanced intelligent technology, Gransing Financial’s A.I. analyst would serve their clients with stock monitoring, investment strategies and stock scoring services. All the above would improve Gransing Financial’s operational efficiency and earn more new potential clients. The fair value of the investment in Gransing Financial is based on valuation by independent valuer.
- (c) iPro Financial Press Limited (“**iPro**”) is principally engaged in financial printing services, production of announcements such as IPO prospectus and financial reports, and provision of venues for financial related forums. The fair value of the investment in iPro is based on valuation by independent valuer.
- (d) Gransing Finance Limited (“**Gransing Finance**”) is engaged in the provision of money lending. Gransing Finance is held by Gransing Financial which is the largest shareholder of Gransing Finance. The fair value of the investment in Gransing Finance is based on valuation by independent valuer.
- (e) Goldstone 1 LPF (“**Goldstone 1**”), is a limited partnership fund. Goldstone 1 seeks to achieve maximum capital appreciation over the life of the limited partnership fund through equity investments, specifically, investments in IPOs on securities to be listed on the Stock Exchange and in private placements by companies listed on the Stock Exchange. The fair value of the investment in Goldstone 1 is based on net asset value.
- (f) SWK Dynamic OFC (“**SWK**”) is private open-ended fund company with variable capital. The strategy of SWK is long-biased focusing on Hong Kong and China equity market. The fair value of the investment in SWK is based on net asset value.



The top investments with realised gain and loss for the Year are summarised as below:

#### **The top realised gain for the Year**

<b>Name of investment</b>	<b>Realised gain</b> <i>HK\$'000</i>
China New Consumption Group Limited	105

#### **Top three realised loss for the Year**

<b>Name of investment</b>	<b>Realised loss</b> <i>HK\$'000</i>
Tasty Concepts Holding Limited	554
Hanvey Group Holdings Limited	373
Goldstone 1 LPF	296

### **LIQUIDITY, FINANCIAL RESOURCES AND GEARING**

The Company has maintained a sufficient cash position which will allow it to capture opportunities with promising returns in both listed and private equities.

As at 31 December 2024, the gearing ratio, defined as total borrowings divided by shareholders' equities, was nil (31 December 2023: Nil). As at 31 December 2024, the Company has no margin payables to brokers (31 December 2023: Nil).

### **FINAL DIVIDEND**

The Directors do not recommend the payment of any final dividend for the Year (2023: Nil).

### **CHARGES ON COMPANY'S ASSET AND CONTINGENT LIABILITIES**

As at 31 December 2024, the Company had no pledged Hong Kong listed securities to secure the margin payables to the brokers (31 December 2023: Nil).

There were no significant contingent liabilities as at 31 December 2024 (31 December 2023: Nil).

### **CAPITAL STRUCTURE**

On the listing date on 6 January 2011, the Company completed a share placement and a total of 303,000,000 ordinary shares of HK\$0.1 each were placed at a price of HK\$1.03 per share for a total cash consideration, excluding the related issue expenses, for approximately HK\$312.1 million. Subsequent to the listing, the Company had acquired additional capital

by completion of rights issue and placing of new shares under general mandate. As at 31 December 2024, the share capital of the Company comprises of 1,319,700,274 ordinary shares of HK\$0.04 each.

## **EQUITY FUND RAISING**

There was no equity fund raising activity by the Company for the Year, nor was there any unutilized proceeds brought forward from any issue of equity securities made in previous financial years.

## **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

The Company did not purchase, redeem or sell any of the Company's listed securities (including the sale of treasury shares) during the Year. As at 31 December 2024, there were no treasury shares (as defined under the Listing Rules) held by the Company.

## **CAPITAL EXPENDITURE AND COMMITMENT**

As at 31 December 2024, the Company made no capital expenditure or any other commitments (31 December 2023: Nil).

## **MATERIAL ACQUISITION AND DISPOSAL**

During the Year, the Company did not acquire or dispose of any subsidiaries, associates or joint ventures (2023: Nil).

## **USE OF PROCEEDS**

The Company had six investments as of 31 December 2024, comprising of equity securities listed in Hong Kong, private equities, limited partnership fund and open-ended fund. The largest investment held by the Company was in the financial printing sector focusing on the Hong Kong IPO market.

The rest of the net proceeds gained will be applied by the Board and the Investment Manager in making investments according to the investment objective, policies and restrictions of the Company and the requirements of the articles of association of the Company, the Listing Rules and the investment management agreement. Any proceeds not deployed are placed in bank deposits or invested in money market instruments or money market funds.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2024, the Company had five full-time employees (31 December 2023: eight full-time employees). All of the Company's employees were based in Hong Kong.

The Company establishes its remuneration policy by making reference to the prevailing market conditions and a performance-based reward system. The policy is periodically reviewed. Apart from mandatory provident fund, salaries increment, discretionary bonuses and share options may be awarded to employees according to the assessment of individual performance.

The total remuneration cost incurred by the Company for the Year was approximately HK\$2,738,910 (31 December 2023: HK\$4,132,184).

## **FOREIGN CURRENCY FLUCTUATION**

The Board believes that foreign exchange risks are minimal as the Company mainly uses the Hong Kong dollar to carry out its business transactions.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has applied most of the principles set out in the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules. The Board is of the view that throughout the year ended 31 December 2024, the Company was in compliance with the code provisions as set out in the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2024.

## **AUDIT COMMITTEE**

The Company has an audit committee (the “**Audit Committee**”) established in compliance with Rule 3.21 of the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Sze Tak Chi (being the chairman with professional qualifications in accountancy), Mr. Sui Fuxiang and Mr. Tong Yun Lung.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, audit plan and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, risk management system, internal control or other matters of the Company. The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code.

The Audit Committee held two meetings during the year ended 31 December 2024 to review interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of risk management and internal control systems, scope of work and appointment of external auditors, and arrangements for employees to raise concerns about possible improprieties. The Audit Committee has reviewed the accounting principles and policies adopted by the Company and the annual results and audited financial statement for the Year.

## **REVIEW OF PRELIMINARY ANNOUNCEMENT**

The figures in respect of the preliminary announcement of the Company's results for the year ended 31 December 2024 have been agreed by the Company's auditors, Elite Partners CPA Limited, to the amounts set out in the Company's financial statements for the Year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standard on Auditing, Hong Kong Standard on Review Engagements or Hong Kong Standard on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

By Order of the Board  
**China New Economy Fund Limited**  
**Chan Cheong Yee**  
*Executive Director*

Hong Kong, 27 March 2025

*As at the date of this announcement, the Board comprises Mr. CHAN Cheong Yee as executive Director; Mr. CHEN Shengjie (Chairman), Mr. CHOI Koon Ming and Ms. XIAO Ruimei as non-executive Directors; Mr. SZE Tak Chi, Mr. SUI Fuxiang and Mr. TONG Yun Lung as independent non-executive Directors.*