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中國恒有源發展集團有限公司
CHYY DEVELOPMENT GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8128)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT 2023

Reference is made to the annual report of CHYY Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2023 (the “**Annual Report 2023**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Annual Report 2023.

In addition to the information provided in the Annual Report 2023, the board of directors (the “**Board**”) of the Company would like to provide supplemental information regarding i) Significant Investment, as disclosed in note 18 to the Consolidated Financial Statements (“**Significant Investment**”); and ii) Share Award Scheme, as disclosed in the Report of the Directors and the note 33 to the Consolidated Financial Statements (“**Share Award Scheme**”).

(i) Significant Investment

The Company has held 142,990,000 shares, which represents approximately 4.99965% equity interests, in Beijing Life Insurance Co., Ltd., through its wholly owned subsidiary, Ever Source Investment, at a consideration of RMB142,990,000 since 2017. Beijing Life Insurance Co., Ltd. is mainly engaged in ordinary insurance including life insurance and annuity insurance; health insurance; accidental injury insurance; dividend insurance; universal insurance; the reinsurance business of the above mentioned businesses; fund application businesses as permitted by national laws and regulations and other businesses as approved by China Banking and Insurance Regulatory Commission. Details have been disclosed in the announcement of the Company dated 13 November 2020.

As at 31 December 2023, the fair value of Beijing Life Insurance Co., Ltd. was approximately HK\$261,530,000, representing 21.7% of the Group’s total assets.

During the year ended 31 December 2023, there was no realised and unrealised gain or loss recognised arisen from the fair value changes of Beijing Life Insurance Co., Limited that held by the Group and no dividends received from Beijing Life Insurance Co., Ltd.

Based on the actual operating conditions, the Company pays attention to industry trends, set investment goals reasonably, and adjust investment strategies in a timely manner based on the progress of goal achievement.

Further updates on the disposal of approximately 4.99965% equity interest in Beijing Life Insurance Co., Ltd was disclosed in the announcement of the Company dated 25 June 2024. As at the date of this announcement, a) the transaction has not yet been completed; and b) Ever Source Investment's bank account with Beijing Rural Commercial Bank has been unfrozen.

(ii) Share Award Scheme

The Share Award Scheme adopted on 15 January 2020 (“**2020 Share Award Scheme**”) is funded solely by existing shares to be purchased by the trustee.

The total number of Shares available for grant under the 2020 Share Award Scheme was 98,000,000 Shares, representing approximately 2.16% of the issued shares (excluding treasury shares) of the Company as at the date of the Annual Report 2023.

The maximum number of Shares which may be awarded to a Selected Participant shall not exceed 1 per cent (1%) of the total number of issued Shares of the Company as at the Adoption Date.

Subject to the effectiveness of the 2020 Share Award Scheme and all applicable laws, the Board may determine the vesting criteria, conditions and periods for vesting of Award from time to time.

Subject to any early termination as may be determined by the Board pursuant to the terms of the 2020 Share Award Scheme, the 2020 Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on its Adoption Date of 15 January 2020. As of the date of the Annual Report 2023, the remaining life of the 2020 Share Award Scheme shall be approximately six (6) years.

Set out below are the details of the Award Shares granted under the 2020 Share Award Scheme during the year ended 31 December 2023:

Grantees	Position as of the Date of Grant	Date of Grant	Changes in Number of Award Shares during the Year					Not yet vested as at 31 December 2023	Closing price of the Shares immediately before the date of grant	Weighted average closing price of the Shares immediately before the dates of grant
			Not yet vested as at 1 January 2023	Granted	Vested	Lapsed	Cancelled			
Directors										
Mr. Xu Shengheng	Executive Director	12 October 2023	-	4,500,000	4,500,000	-	-	-	HK\$0.026	N/A
Ms. Chan Wai Kay, Katherine	Executive Director	12 October 2023	-	4,500,000	4,500,000	-	-	-	HK\$0.026	N/A
Mr. Dai Qi	Executive Director	12 October 2023	-	4,500,000	-	-	4,500,000	-	HK\$0.026	N/A
Mr. Liao Yuan	Non-executive Director	12 October 2023	-	3,000,000	-	-	3,000,000	-	HK\$0.026	N/A
Mr. Zhang Yiyang	Non-executive Director	12 October 2023	-	3,000,000	3,000,000	-	-	-	HK\$0.026	N/A
Ms. Liu Ening	Non-executive Director	12 October 2023	-	3,000,000	3,000,000	-	-	-	HK\$0.026	N/A
Mr. Wu Desheng	Independent Non-executive Director	12 October 2023	-	3,000,000	3,000,000	-	-	-	HK\$0.026	N/A
Mr. Wu Qiang	Independent Non-executive Director	12 October 2023	-	3,000,000	3,000,000	-	-	-	HK\$0.026	N/A
Mr. Jia Wenzeng	Independent Non-executive Director	12 October 2023	-	3,000,000	3,000,000	-	-	-	HK\$0.026	N/A
Mr. Guan Chenghua	Independent Non-executive Director	12 October 2023	-	3,000,000	3,000,000	-	-	-	HK\$0.026	N/A
Other grantees in aggregate	Employee	12 October 2023	-	10,000,000	10,000,000	-	-	-	HK\$0.026	N/A
Total			-	44,500,000	37,000,000	-	7,500,000	-		
The five highest paid individuals in aggregate			-	9,000,000	9,000,000	-	-	-		

Note :

- (1) There was no vesting period for the Award Shares granted to each of the Grantees, subject to the acceptance by the Grantees;
- (2) No consideration was required to be given by each of the Grantees for the Award Shares; and
- (3) There was no performance target attached to the Award Shares granted to each of the Grantees.

The above supplementary information does not affect other information contained in the Annual Report 2023. Save as disclosed above, all other information in the Annual Report 2023 remains unchanged.

By order of the Board
CHYY Development Group Limited
Xu Shengheng
Joint Chairman & Executive Director

Hong Kong, 13 September 2024

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xu Shengheng, Mr. Dai Qi and Mr. Zhang Wei as executive Directors, Mr. Liao Yuan, Ms. Liu Ening and Mr. Zhang Yiying as non-executive Directors, Mr. Zhang Honghai, Mr. Wu Qiang and Mr. Guan Chenghua as independent non-executive Directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website with the domain name of www.hkexnews.hk on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the website of the Company at www.chyy.com.hk.