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 2025

The board of directors (the "**Board**") of CHYY DEVELOPMENT GROUP LIMITED (the "**Company**", together with its subsidiaries, the "**Group**") wishes to provide supplemental information regarding the Group's securities investment activities as at 31 December 2025, following the enquiry from The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to the Company's annual report for the year ended 31 December 2025 (the "**Annual Report 2025**"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Annual Report 2025.

INVESTMENT PORTFOLIO

As at 31 December 2025, the Group held financial assets of HK$54.757 million, representing approximately 6.72% of its total assets. All such investments were funded by the Group's own idle funds and were not subject to any leverage, financing or pledge arrangements. The composition of the Group's investment portfolio is set out below.

1. Investment in China Asset Management – Ever Source Overseas Oriented Asset Management Plan

As at 31 December 2025, the carrying amount of the China Asset Management – Ever Source Overseas Oriented Asset Management Plan (the "**Plan**") held by the Group was HK$54.44 million, representing approximately 6.68% of the Group's total assets. The Plan was subscribed for by a subsidiary of the Company in October 2014 with RMB50 million of its Group's own internally generated funds. The Group adopts a prudent and stable investment approach towards this holding, aiming to obtain steady returns under a controllable risk level, with long-term holding as the primary investment strategy.

Save for a temporary investment of RMB49,999,500 in the money market fund Hua Xia Cash Increase Securities Investment Fund from late October 2014 to early February 2015 for the purpose of enhancing fund utilisation efficiency, the Plan mainly invests in structured notes linked to the equity interests of Sinopec Sales Co., Ltd. ("**Sinopec Sales**") since February 2015, with an initial principal amount of RMB50,177,935.94, a current term of 13 years, and no fixed interest rate. Such notes were issued by a special purpose vehicle ("**SPV**") established in British Virgin Islands by ChinaAMC (HK), a wholly-owned subsidiary of China Asset Management Co., Ltd. The noteholders include the Plan and other asset management schemes. The SPV raises funds through the issuance of the notes and invests such funds to directly hold equity interests in Sinopec Sales, and as at 31 December 2025, the SPV held approximately 1.9520% of the equity interests in Sinopec Sales. As a shareholder, the SPV receives dividends in proportion to its shareholding and, after deducting relevant taxes and expenses, distributes the remaining dividend income to the noteholders (including the Plan and other asset management schemes) in accordance with their respective contribution ratios to the notes. The investment return of the Plan is primarily derived from these dividend distributions. The Plan adopts a relatively stable-growth strategy, investing primarily in structured notes linked to the equity interests of Sinopec Sales and participating indirectly in Sinopec Sales' equity returns through such notes.

Sinopec Sales is a key subsidiary of China Petroleum & Chemical Corporation ("**Sinopec**"), which is a listed company on both the Shanghai Stock Exchange (600028.SH) and the Hong Kong Stock Exchange (00386.HK) and is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council. Sinopec Sales is currently a private joint stock company. As at the end of 2025, Sinopec held approximately 70.43% of the equity interests in Sinopec Sales. Sinopec Sales is a nationwide distributor of refined oil products, and its principal business activity is the sale of refined oil. In 2025, Sinopec Sales recorded revenue of RMB1,501.994 billion and net profit of RMB9.605 billion. As at the end of 2025, Sinopec Sales had total assets of RMB533.496 billion and net assets of RMB256.701 billion.

At the time the subscription was made, the Group had approximately HKD300 million of available cash on hand, of which RMB50 million (representing about 18.8% of the Group's available cash balance at that time) was allocated to the Plan for subscribing the structured notes. This allocation was intended to improve the utilisation efficiency of temporarily idle funds by obtaining a stable return higher than cash-type wealth management products, while also broadening the Group's asset allocation through exposure to an investment product whose performance exhibits low correlation with traditional equity and debt market movements, thereby enhancing diversification and smoothing overall return volatility.

As at 31 December 2025, the Plan held structured notes with a carrying amount of RMB50,177,935.94 (representing approximately 6.82% of the Group's total assets), bank demand deposits and clearing reserve funds of RMB13,429.86 (representing approximately 0.0018% of the Group's total assets), and recorded management fees payable of RMB1,018,420.62 (representing approximately 0.14% of the Group's total assets), with a net asset value of the Plan was RMB49,172,945.18 (representing approximately 6.68% of the Group's total assets).

During the year ended 31 December 2025, the Plan received dividend payments of RMB541,013.98 on 23 January 2025 and RMB950,772.72 on 21 August 2025. In accordance with the Plan's distribution arrangements, the Group received income distributions of RMB540,000 on 2 April 2025 and RMB770,000 on 2 September 2025, respectively, amounting to an aggregate of RMB1.31 million for the year. As at 31 December 2025, the fair value of the Group's holding in the Plan was RMB49,172,945.18, which was determined based on the net asset value provided by the Plan manager.

The investment manager responsible for the management of the Plan is Mr. Tian Tao ("**Mr. Tian**"). Mr. Tian graduated from the Department of Computer Science of Tsinghua University with bachelor's and master's degrees. He holds the professional qualification for fund practitioners issued by the Asset Management Association of China. He joined China Asset Management Co., Ltd. in 2016 and previously served as a strategy researcher in the Investment Research Department, and subsequently as a researcher and an assistant investment manager in the Asset Allocation Department. He is currently an investment manager in the Pension Investment Department. As at May 2026, Mr. Tian managed 25 private asset management plans of the fund company, with an aggregate scale of approximately RMB6.812 billion.

Since its inception, the Plan has delivered stable performance and has continued to distribute income to the Group. From the date of subscription to 31 December 2025, the Plan recorded cumulative dividend distributions of approximately RMB15.37 million. Based on the initial subscription amount of RMB50 million, such dividend distributions generally represented an annualised return of approximately 2% to 3%. The Plan's dividend distribution pattern has been stable with predictable payment timing, and its net asset value has remained generally stable over past years. In a market environment of declining interest rates, the dividend yield of the Plan has been more attractive than bank time deposits and other low-risk assets of similar tenor. Taking into account the return characteristics, risk profile and cash flow matching of the Plan, the Group intends to continue holding this investment on a long-term basis. The holding is classified as a non-trading investment.

2. Equity Investment in Beijing Hisign Technology Co., Ltd.

As at 31 December 2025, the carrying amount of the Group's equity interest in Beijing Hisign Technology Co., Ltd. ("**Hisign**") was HK$278,700, representing approximately 0.03% of the Group's total assets.

Hisign focuses on artificial intelligence, video analytics and big data as its core technologies, providing integrated solutions for public security and smart policing, as well as intelligent services to financial and other commercial sectors. Hisign was listed on the National Equities Exchange and Quotations ("**NEEQ**") on 28 September 2007 as a Basic Tier enterprise and adopts the market-making trading mechanism.

A subsidiary of the Company subscribed for 466,204 shares of Hisign through a private placement in May 2015 at an issue price of RMB17.18 per share, for a total subscription amount of RMB8,009,384.72, representing approximately 0.245% of its equity interest. The investment accounted for approximately 0.39% of the Group's total assets at the time of subscription and was made based on the Group's early-stage strategic planning in the technology and informatization sectors. It is classified as a strategic financial investment. As at 31 December 2025, the closing price of Hisign was RMB0.54 per share (31 December 2024: RMB0.94 per share), and its fair value was determined with reference to the market closing price disclosed on the NEEQ.

Given the high valuation volatility in the technology sector in which Hisign operates and the limited liquidity of its shares on the NEEQ, and noting that its operating performance in 2025 improved compared with the previous year (with revenue increasing by approximately 22.67% and profit increasing by approximately 54.73%), the Group will continue to monitor its operational and market developments and maintain a long-term holding strategy for this investment.

3. Trading Investments

The Group conducts small-scale trading investments as part of its daily cash management and short-term liquidity allocation, primarily involving the trading of listed securities in the public market. As at 31 December 2025, the Group held other financial assets at fair value through profit or loss of HK$38,300, representing approximately 0.005% of the Group's total assets. These assets comprised 10,000 shares of China Railway Group Limited (stock code: 390.HK). The holding amount was insignificant, had no material impact on the Group's financial position, and was fully disposed of subsequent to the reporting period. During the year ended 31 December 2025, the Group also traded other listed securities in the public market and recorded an aggregate gain of approximately HK$1.8 million.

INVESTMENT POLICY AND OBJECTIVES

The Group's securities investment activities are primarily intended to enhance the utilisation efficiency of idle funds, generate reasonable returns and maintain a prudent capital management strategy. Such investment activities are auxiliary in nature, do not alter the Group's principal business focus, and remain segregated from the risks associated with its core operations.

The Group categorises its securities investment activities into long-term holding investments and short-term liquidity management investments based on the nature of the investments. Long-term holding investments aim at capital preservation, long-term returns and value appreciation, while short-term liquidity management investments are primarily for cash management and funding allocation purposes, with an emphasis on safety and liquidity.

The Group's investment principles include prudence and stability, risk diversification, exposure control and maintaining adequate liquidity. Permissible asset classes include public funds, customised segregated accounts managed by licensed asset managers, high-rated bonds, listed equity securities in mature markets and other low-risk cash-type instruments. Under the Group's investment policy, certain categories of investments are prohibited. The Group strictly prohibits investments in high-risk, high-leverage or non-compliant products, including but not limited to non-standardised off-market products, single high-risk private funds, crypto assets, high-leverage derivatives, high-risk junk bonds, restricted or lock-up assets and unregistered investment products. Investment allocations are determined with reference to market conditions, funding arrangements and the Group's risk appetite, with a view to ensuring the overall stability of the investment portfolio.

The Group considers that its current holdings of securities investments are aligned with the above investment principles. The Group's long-term holding in the China Asset Management – Ever Source Overseas Oriented Asset Management Plan is a relatively stable-growth yield product that aims at capital appreciation under a strictly controlled risk framework, enhancing the utilization efficiency of idle funds and increasing overall returns, without altering the Group's principal business focus. In addition, the Group's minority equity interest in Beijing Hisign Technology Co., Ltd. is a small-scale strategic investment in a technology enterprise. Given its limited size relative to the Group's total assets and the Group's long-term investment horizon, the Group is able to tolerate medium- to long-term valuation fluctuations without affecting liquidity, and the investment represents a measured allocation to a sector with potential long-term policy support.

In terms of management structure, long-term holding investments are centrally managed by the Group's PRC subsidiary, HYY Investment Management Co., Ltd.*（恒有源投資管理有限公司）(the "**Investment Company**"). Securities investments for cash management and short-term liquidity allocation are executed by the Group's short-term investment execution platform (the "**Execution Platform**"), a wholly-owned overseas subsidiary that maintains trading accounts with two licensed securities brokers in Hong Kong, ensuring that investments of different nature are managed by teams with the requisite professional expertise.

RISK MANAGEMENT AND CONTROL MEASURES

The Group has established a tiered, quantitative and continuously controlled risk management framework, with corresponding risk control requirements set for different types of investments to ensure the prudence and transparency of overall investment activities.

The Group implements stringent exposure control measures across its investment activities, including: the investment balance of any single product shall not exceed 10% of the Group's total assets; the investment in any single asset class shall not exceed 30% of the Group's total assets; and the aggregate exposure to equity assets shall not exceed 35% of total invested assets.

(i) "single asset class" refers to a distinct category of assets grouped based on asset attributes, return characteristics and risk profiles, with assets within the same category exhibiting high homogeneity; for example, investments solely in A-share or Hong Kong-listed equities would constitute a single equity asset class, whereas a portfolio comprising both equities and bonds would span multiple asset classes.

(ii) "aggregate exposure to equity assets" refers to the total risk exposure of all equity-related investments of the Group, irrespective of investment tenor, reflecting the overall scale of the Group's exposure to equity price fluctuations. The measurement scope includes the market value of directly held equities, equity funds and equity-tilted mixed funds, the equity component of convertible or exchangeable bonds, net exposure arising from equity index futures or equity options, and other indirect equity investments, and is determined on a full-risk basis inclusive of unrealised gains and losses.

(iii) "total invested assets" refers to the aggregate amount of all external financial and industrial investments of the Group, including long-term equity investments, marketable securities, funds, debt investments and wealth management products, but excluding self-owned operating fixed assets, inventories and operating receivables.

The above definitions are applied consistently throughout the Group's investment policy, exposure limit framework and internal risk monitoring processes, and serve as the foundational basis for determining concentration ratios and equity exposure thresholds.

a. Long-term Holding Investments

Long-term holding investments are centrally managed by the Investment Company and are subject to ongoing risk control and periodic reviews, with a focus on the operating performance of underlying assets, industry conditions, policy developments and long-term value.

The Group has established a comprehensive risk management framework covering concentration management, full-scope pre-investment due diligence, periodic valuation and impairment reviews, monthly stress testing and liquidity management through phased capital contributions and staged exit planning. Under the concentration management policy, investments in any single industry or single project that exceed 5% of the Group's audited total assets as at the end of the previous financial year must be approved by the Board.

The Investment Company conducts monthly monitoring of key operating and financial indicators of the investee companies, including revenue growth, profitability, operating cash flow, leverage ratios, capacity utilisation and gross margin, with reference to monthly or quarterly financial statements, audited annual reports, management analysis reports, bank records and tax filings. Monthly stress testing is performed on major individual projects, aggregate equity exposure and asset classes with high concentration to evaluate potential losses and liquidity gaps under extreme market conditions. Quarterly risk reviews and impairment assessments are jointly conducted by the Investment Company, the Finance Department and the Risk Management Department in accordance with applicable accounting standards to identify impairment triggers, estimate recoverable amounts and assess exposure risks.

Semi-annual valuation reviews and comprehensive portfolio assessments are carried out by the Investment Company and the Risk Management Department. Valuation reviews apply discounted cash flow analysis, comparable company valuation benchmarks and asset replacement value, supported by third-party valuation reports and market data, to identify any material deviations from fair value. Portfolio assessments cover operating performance, financial condition, industry environment, policy developments and long-term value, with reference to official publications, industry statistics, regulatory updates and professional research reports, including analysis of policy support or restrictions and their estimated financial impact.

For material matters, the risk assessment reports prepared by the Investment Company will be submitted to the Investment Decision Committee established by the Investment Company for review, to ensure that the relevant matters remain aligned with the Group's risk appetite. Such matters include additional capital injections or significant shareholder loans, mergers and acquisitions, spin-offs, major restructurings, changes in controlling shareholders, significant departures of core management, major litigation or regulatory actions, business transformation, substantial external guarantees, high-leverage financing arrangements and proposed disposals or liquidation of equity interests. The committee's review covers operational, financial, legal and compliance, governance and exit-related risks, including earnings stability, customer and supplier concentration, cash flow sustainability, contingent liabilities, impairment risks, shareholder disputes, control stability and potential discount losses upon disposal. Stress testing results, impairment indicators and valuation deviations are incorporated into the assessment to determine whether the risk profile remains within the Group's risk appetite.

The results of stress testing, impairment assessments and valuation reviews, are consolidated into periodic reports submitted by the Investment Company to management and the Board, and serve as an important basis for adjusting positions, controlling exposure, suspending additional investment, enhancing post-investment monitoring or initiating reduction or exit plans, ensuring that the risk level of long-term holding investments remains aligned with the Group's risk appetite.

The Group's risk appetite for long-term holding investments emphasises risk-return balance, with a preference for industries with lower cyclicality and supportive policy environments. The Group is prepared to tolerate moderate medium- to long-term valuation fluctuations and generally adopts a 5- to 15-year investment horizon, focusing on long-term value rather than short-term trading gains.

The counterparty risk of long-term holding investments is managed through the use of licensed asset managers and regulated financial institutions as counterparties, together with ongoing monitoring of the operating performance, financial condition, industry environment and policy developments of the underlying assets. Liquidity risk is managed through the Group's long-term investment horizon, phased capital contributions, staged exit planning and periodic reviews conducted by the Investment Company and the Investment Decision Committee, with a focus on cash flow stability, dividend-paying capability and long-term value.

b. Short-term Securities Investment

Trading activities for short-term securities investment are carried out by a Hong Kong-based trading team (the "**Trading Team**") comprising an Executive Director and two execution personnel (the "**Execution Personnel**"). The Execution Personnel are responsible for formulating trading proposals, conducting preliminary risk assessments and carrying out approved trades, while the Executive Director performs governance-level oversight to ensure that all trading activities comply with the investment framework and authority limits approved by the Board.

Daily risk control is implemented through pre-defined monitoring and stop-loss mechanisms. Under the Group's stop-loss rules, positions may be reduced when the unrealised loss on an individual stock exceeds 15%, and must be fully exited when the loss reaches 20%. Losses on individual stocks are monitored separately based on unrealised and realised positions. Unrealised loss is calculated as the difference between the average cost and the closing fair market price multiplied by the number of shares held. Realised loss is calculated as the difference between the total executed proceeds and the corresponding total cost of the position, inclusive of relevant transaction charges.

The Execution Platform performs daily reconciliation of cash balances, securities positions and trading records against broker data, and prepares weekly and monthly risk control reports covering portfolio performance, concentration levels, drawdown indicators, stop-loss alerts, market volatility assessment and forward-looking risk views. These reports form the basis for identifying high-risk or non-compliant positions. Based on these reports, the Execution Personnel conduct preliminary risk identification by marking individual stocks that exceed internal thresholds or exhibit high-risk characteristics, including unusual price movements, elevated concentration levels or other adverse indicators, and prepare de-risking or stop-loss recommendations accordingly. Material matters, such as proposed position adjustments, stop-loss actions or changes to trading limits, together with the underlying risk assessments, are escalated to the Executive Director for final review and approval. The Execution Personnel do not hold approval authority and are responsible solely for carrying out approved instructions.

The Execution Platform also activates immediate reporting procedures in the event of significant market volatility or abnormal circumstances, including: (i) substantial movements in major market indices, such as a single-day decline of approximately 5% or a cumulative three-day decline of approximately 8% or more; (ii) stock-specific anomalies such as single-day price swings exceeding 15%, unusually sharp increases or decreases in trading volume, sudden trading suspensions or the release of material negative announcements; (iii) liquidity disruptions such as a material widening of bid-ask spreads or difficulties in executing trades at reasonable market prices; and (iv) broader market-wide events, including significant changes in monetary policy, new regulatory measures affecting relevant sectors, or geopolitical developments that trigger heightened volatility.

Funds in the securities accounts are centrally managed by the Group's finance department. The Execution Personnel are not permitted to process fund transfers. All personnel involved in short-term securities investment are required to comply with the Group's internal control policies, including confidentiality obligations, avoidance of conflicts of interest, prohibition of personal or related-party dealings, and strict adherence to applicable securities laws and insider-dealing prohibitions.

The counterparty risk for short-term securities investment is managed through assessing the risks associated with the individual stocks held. Issuer risk, market volatility and liquidity conditions are monitored to evaluate whether such factors may affect the ability to settle, hold or dispose of positions in a timely and orderly manner. These risks are identified and controlled through ongoing monitoring of short-term stock holdings. Liquidity risk is managed through predefined stop-loss mechanisms, daily monitoring of market conditions, weekly and monthly risk control reporting, and immediate reporting procedures in the event of significant market volatility, stock-specific anomalies or liquidity disruptions such as material widening of bid-ask spreads or difficulties in executing trades at reasonable market prices.

APPROVAL AND OVERSIGHT MECHANISMS

The Group has established a comprehensive investment approval and oversight mechanism. The Board is responsible for approving the investment policy, risk management framework and annual investment budget, and serves as the highest decision-making body for investment matters. The Board does not make decisions in relation to individual investment execution, except for investment matters that exceed delegated authority limits or involve material changes to the Group's investment strategy.

The Board oversees the overall risk profile and compliance of investment activities to ensure alignment with the Group's risk appetite and strategic direction. The Board performs such oversight on a monthly basis through the review of management reports and financial information, which include updates on investment performance, risk conditions and compliance matters.

The internal audit department conducts periodic reviews of investment processes, approval procedures and compliance matters to ensure transparency and adherence to internal controls, and submits independent oversight reports to the Board or the audit committee. Such reviews are conducted on a semi-annual basis.

a. Long-term Holding Investments

The Group's long-term investment activities are conducted under a governance framework. The Board retains the ultimate decision-making and supervisory responsibilities for long-term holding investments, including determining the overall investment strategy, annual investment limits and authority thresholds for different levels of decision-making, approving major or significant investment matters that exceed the authority limits of the Investment Decision Committee, reviewing post-investment reports submitted by the Investment Company, monitoring portfolio performance and risk conditions, and adjusting investment strategy or risk appetite where necessary. The Board will also conduct accountability reviews in the event of significant investment losses, material risk management failures or other major adverse developments.

The Investment Company is responsible for the day-to-day execution and management of long-term investment activities. Its responsibilities include conducting pre-investment due diligence, preparing risk assessments and return analyses, performing ongoing monitoring of investee companies, and providing periodic reports to management. The Investment Company does not have independent approval authority and serves as the execution and analytical platform for long-term investments.

Pre-investment due diligence covers legal, financial, industry and business aspects, including assessments of corporate qualifications, shareholding structure, litigation and compliance records, historical financial performance, cash flow, contingent liabilities, tax compliance, industry outlook, competitive landscape, regulatory environment, supply chain conditions, core technologies, customer base, production capacity and management stability. Risk assessment covers operating, financial, policy, legal and exit risks, with quantitative analysis of probability and potential loss, together with corresponding mitigation measures. Return analysis includes the calculation of internal rate of return (IRR), payback period and comparison against the Group's benchmark return thresholds to determine investment feasibility.

Within the authority limits set by the Board, the Investment Decision Committee of the Investment Company is authorised to review and approve certain investment proposals and portfolio adjustments. In exercising its delegated authority, the committee considers the due diligence findings, risk assessments and return analyses prepared by the Investment Company, evaluates the alignment of the proposed investment with the Group's investment strategy and risk appetite, and determines whether the proposal should be approved within its authority or submitted to the Board for consideration. Investment proposals or adjustments that exceed the authority limits of the Investment Decision Committee, or that involve material changes to the Group's long-term investment strategy, must be submitted to the Board for approval.

The Investment Decision Committee comprises the Investment Director, Finance Director, Internal Control Officer and Legal Director of the Investment Company. The Investment Director has relevant experience in corporate financial analysis, business model assessment and investment project evaluation. The other members possess professional experience in financial management, internal control, risk identification and legal and regulatory compliance, which collectively support the committee's ability to review and approve material investment matters. Their respective experience is primarily related to financial analysis, risk management and compliance review rather than securities investment operations.

Significant adjustments to the long-term investment portfolio are subject to re-approval in accordance with the Group's internal control and risk management requirements. Material adjustments generally include substantial changes in industry exposure, new investments in previously uninvested sectors, disposals of core strategic assets or adjustments that would result in deviations from the Board-approved asset allocation parameters. Such adjustments must undergo a renewed assessment and approval process, including review by the relevant departments of the Investment Company and consideration by the Investment Decision Committee, before being submitted to the Board where required.

The Investment Company provides updates to management on the performance of long-term investments, portfolio risk conditions and relevant market developments through monthly operational and risk updates, quarterly reports on portfolio risks and project progress, and an annual investment review report. The Investment Decision Committee will promptly report to the Board or management upon the occurrence of material events such as significant impairment or losses, major litigation or regulatory actions, changes in controlling shareholders, proposed capital injections, acquisitions or disposals exceeding its authority, or material risk alerts raised by internal or external auditors.

b. Short-term Securities Investment

Oversight of the Group's short-term securities investment activities is undertaken through a structured governance framework comprising the Board, the Group's management team and the Executive Director. The Board retains ultimate oversight responsibility, including approving the investment policy, the investment framework and authority limits, and the risk management framework, and monitoring the overall risk profile and compliance of the investment operations.

The Group's management team, comprising the executive directors and vice-president-level officers of the Company and its principal subsidiary, receives weekly and monthly reporting from the Trading Team covering trading activities, position changes, profit and loss analysis and risk assessments, and provides management-level oversight to ensure that the short-term securities investment activities remain aligned with the Group's overall risk appetite, investment framework, internal control requirements and compliance expectations.

At the operational governance level, the Execution Platform operates under the supervision of the Executive Director, who is responsible for reviewing trading plans, execution records and risk information, exercising governance-level oversight over the Trading Team's activities, ensuring adherence to the investment framework and authority limits approved by the Board, and providing day-to-day oversight of execution activities.

The Trading Team comprises an Executive Director and the two Execution Personnel. The Executive Director has over 20 years of experience in securities and derivatives trading, with extensive exposure to portfolio management, risk control and trading strategy formulation. The Execution Personnel possess relevant professional backgrounds and practical experience in the securities markets. One member has approximately 10 years of frontline trading experience in Hong Kong's financial markets, including executing securities and futures transactions and handling institutional client accounts, and was previously licensed to conduct Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities. The other member has over 15 years of practical investment experience in listed securities and public funds and previously passed the examination for Type 9 (asset management) regulated activity, in addition to extensive experience in the commodities trading industry.

The Execution Personnel are responsible for formulating trading proposals, conducting preliminary risk assessments and carrying out approved trades as part of their execution duties. Trading proposals are formulated by the two Execution Personnel and must be unanimously agreed between them before being submitted for approval. Final approval authority rests solely with the Executive Director, and the Execution Personnel do not hold approval authority.

The Executive Director's governance-level oversight, together with the management-level supervision exercised by the Group's management team and the ultimate oversight of the Board, forms a multi-layered governance structure that ensures transparency, accountability and effective risk control across the Group's short-term securities investment activities.

GENERAL

The above supplemental information is provided to enhance transparency and accountability in accordance with Section 2.4 of the Stock Exchange's Guide on Preparation of Annual Report. Save as disclosed above, all other information in the Annual Report 2025 remains accurate and unchanged.

By order of the Board
CHYY DEVELOPMENT GROUP LIMITED
Xu Shengheng
Joint Chairman

Hong Kong, 15 July 2026

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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.