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Cocoon Holdings Limited
中國天弓控股有限公司

(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)
(Stock Code: 428)

SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE 2022 ANNUAL REPORT

Reference is made to the annual report for the year ended 31 December 2022 of Cocoon Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) published on 24 April 2023 (the “**2022 Annual Report**”). Unless the context otherwise requires, the capitalised terms used herein shall have the same meaning as those defined and used in the 2022 Annual Report.

1. Significant investments

In addition to the disclosures presented in notes 22 and 23 to the consolidated financial statements on pages 141 to 145 of the 2022 Annual Report, which specify that the Company recorded financial assets at FVTPL of approximately HK\$54.2 million and financial assets at FVTOCI of approximately HK\$24.9 million as at 31 December 2022, respectively, the Company would like to clarify further that the aforementioned figures represent approximately 40.5% and 18.6% of the Company’s total assets of approximately HK\$133.9 million as at 31 December 2022.

In addition, the Company would like to present below the percentages of the Group’s major equity investments relative to the total assets of the Company as at 31 December 2022.

EQUITY INVESTMENTS DESIGNATED AT FINANCIAL ASSETS AT FVTPL	% of total assets of the Company
Listed equity securities	
<i>Hong Kong</i>	
Tencent Holdings Limited	10.75%
Alibaba Group Holding Limited	0.37%
Semiconductor Manufacturing International Corporation	3.07%
<i>United States</i>	
Readen Holding Corporation	5.00%
Winchester Holding Group	0.40%
Unlisted equity security	
LNPR Group Inc	18.26%
Perfect Path	18.60%

This additional disclosure is provided under paragraph 32(4A) of Appendix 16 to the Listing Rules.

2. Loan notes

In addition to the disclosures presented in note 21 to the consolidated financial statements on pages 139 to 141 of the 2022 Annual Report, which detail that the Company held loan notes of HK\$49.5 million as at 31 December 2022 (representing approximately 36.9% of the Company's total assets), the Company wishes to reiterate and present the following details in a tabular format:

Issuer	Ultimate beneficial owner	Reasons for and the circumstances leading to the subscription of loan notes	% of total assets of the Company as at 31 December 2022
Yun Kang Data Technology (Shanghai) Company Limited*	CUI Jian* and WU Mingshan*, Independent Third Parties	To tap into the emerging sector of artificial intelligence and big data analytics in the PRC, especially in clinical diagnosis, while diversifying its investments and ensuring a stable 6% annual return	14.19%
D5 Investment B.V.	MA Yu King, an Independent Third Party	To delve into the storage service industry in the Netherlands, while diversifying its investments and ensuring a stable 3% annual return	22.79%

* *identification purpose only*

As a company listed under Chapter 21 of the Listing Rules, the Company's principal activity is investment holding. Concurrently, the Group is principally engaged in investments in listed securities and unlisted assets that offer potential growth and capital appreciation, and its primary source of income stems from interest gains.

Given that loan notes inherently serve as debt securities – also falling under unlisted assets – that promise growth and appreciation via interest payments classified as recurring revenue. The Board deems the subscription to loan notes as commercial transactions of a revenue nature in its ordinary and usual course of business and the Group subscribes such loan notes which are generally available for trading in the financial market. Given this context, the Board believes that the subscription to the loan notes in this case is on normal commercial terms that are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

In addition, the Company would like to clarify that, during the year ended 31 December 2022, it neither made any advance to related parties or third parties (both individuals and entities) nor held any balance of such advances or loan receivables as at 31 December 2022.

Finally, the Company wishes to emphasise that it has complied with the requirements of Rule 21.12 of the Listing Rules, as evidenced by the disclosures of its ten largest investments and all individual investments exceeding 5% of the Company's gross assets, along with descriptions of the investee companies. For further details, please refer to the section headed "Significant investments held and their performance" on pages 9 to 13 and notes 21 to 23 of the consolidated financial statements on pages 139 to 145 of the 2022 Annual Report.

3. Fundraising

In addition to the disclosures presented in note 29 to the consolidated financial statements on pages 148 to 149 of the 2022 Annual Report, which state that HK\$15.3 million was raised from the placing of new shares under a general mandate completed on 17 June 2021, and of which HK\$0.3 million remained unutilised as at 31 December 2021 (referred to as the "**Unutilised Proceeds**"), the Company wishes to offer the following addition information:

As disclosed in the Company's interim report for the six months ended 30 June 2022, in compliance with paragraph 41A of Appendix 16 to the Listing Rules, the Unutilised Proceeds were used as operating expenses. The Company wishes to clarify that this representation concerning the use of the Unutilised Proceeds as operating expenses remains applicable for the year ended 31 December 2022. This additional disclosure is provided under paragraph 11A of Appendix 16 to the Listing Rules.

The above supplemental information does not affect other information in the 2022 Annual Report. All other information in the 2022 Annual Report remains unchanged except for the information disclosed above.

By order of the Board
Cocoon Holdings Limited
Chau Wai Hing
Chairman

Hong Kong, 27 October 2023

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chau Wai Hing and Mr. Wu Ming Gai; and three independent non-executive Directors, namely Ms. Chan Man Yi, Ms. Leung Yin Ting and Mr. Wong Sze Lok.