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CHINA HONGBAO HOLDINGS LIMITED

中國紅包控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8316)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by China Hongbao Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of keeping the shareholders of the Company and potential investors informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that Hainan Hongbao Linkage Technology Co. Ltd.* (海南紅包聯動科技有限公 司) (“**Hainan Hongbao**”), an indirect wholly-owned subsidiary of the Company, intends to develop a one-stop e-commerce platform (the “**Platform**”) to offer wide range of services to suit the day-to-day needs of the general public (the “**New Business**”). The development of the Platform is as an initiative of the Group to tap into a new market in furtherance of its existing supply chain business.

Hainan Hongbao intends to develop the Platform as a one-stop e-commerce platform with diversified service offerings provided by merchants from different industries, including but not limited to transportation, domestic services, recreation and entertainment, culture and media, property leasing, beauty and wellness, network industry, consultancy and agency, renovation works, education and training, electronics and furniture maintenance and repair. On one hand, the Platform will enable merchants to establish online presence and have real-time engagement with end-users. On the other hand, the Platform will serve as a comprehensive marketplace for end-users to reach out to mass-market of merchants and enjoy on-demand delivery of livelihood services across industries.

Hainan Hongbao will be responsible for developing, upgrading, and maintaining the software and technology in relation to the Platform and overseeing the daily operations of the Platform. Where necessary and appropriate, it may work with franchisees and offer them the right to operate the Platform and to market and connect it to service providers from different industries and to end-users of the Platform at a franchise fee. To expand the service offerings of the Platform and increase operational efficiency, Hainan Hongbao and the franchisees may collaborate with agents from different industries and geographical areas, who are principally responsible for the recruitment and management of merchants. Upon successful matching of service offerings between merchants and end-users, the merchants

shall pay an agreed order acceptance fee. Hainan Hongbao, the franchisees (if applicable) and the agents will each be entitled to a certain percentage of such order acceptance fee as revenue.

REASONS FOR AND BENEFITS OF THE GROUP'S DEVELOPMENT OF THE NEW BUSINESS

Hainan Hongbao was established in Hainan Province, the People's Republic of China (the "PRC"), on 6 July 2022, and Hainan Hongbao is intended to be developed as an integrated supply chain management company that focuses on the livelihood aspects related to the improvement of the quality of life of the general public.

Going beyond traditional model of supply chain management, the Group aims to effectively integrate and empower different subjects in the industry chain and strives to realise multi-channel supplier input, such as franchisees, agents, merchants, etc., involving various services covering the day-to-day needs of the general public. Hainan Hongbao has accumulated expertise and network of channels since the commencement of its supply chain management services in 2022 and has been looking to broaden the services provided.

Meanwhile, the e-commerce market in the PRC has been growing rapidly in recent years. Having considered the growth potential of the e-commerce market in the PRC, the Board believes that the Group's new business presence in the e-commerce market will enable the Group to capture the opportunities from the continuing expanding e-commerce market in the PRC, diversify its existing business portfolio and broaden its revenue stream.

Accordingly, the Board is of the view that developing the New Business is in the interests of the Company and its shareholders as a whole.

GENERAL

The Board wishes to emphasise that the New Business may or may not proceed and that the Group has not entered into any legally binding agreement in relation to the New Business as at the date of this announcement. If the Group enters into definitive agreements in relation to the New Business, the Group will make further announcement(s) as and when appropriate in accordance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

The shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Hongbao Holdings Limited
Cheng Jun
Chairman and Executive Director

Hong Kong, 1 June 2023

As at the date of this announcement, the Board comprises Mr. Cheng Jun and Mr. Yu Hua as executive Directors; and Mr. Chow Chun To, Dr. Kung Wai Chiu Marco and Ms. Wong Chi Yan 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 website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.quantongkonggu.com.

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