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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)

INSIDE INFORMATION — FIFTH SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO TEMPORARY SUSPENSION OF OPERATION OF THE COMPANY'S SUBSIDIARY AND KEY FINDINGS OF INTERNAL CONTROL REVIEW

This announcement is made by China Hongbao Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**GEM Listing Rules**") and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the announcements of the Company dated 3 September 2025, 24 October 2025, 6 November 2025, 10 December 2025 and 7 January 2026 (collectively, the "**Announcements**") in relation to, among other matters, (i) the temporary suspension of the Group's construction business following the suspension of operation of the Company's subsidiary, Ambitious Achievement New Materials Holding Limited ("**Ambitious Achievement**"); (ii) the engagement of independent internal control review consultant (the "**Internal Control Review Consultant**") and (iii) winding up petition against Ambitious Achievement. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Company has appointed Grant Thornton Advisory Services Limited as the Internal Control Review Consultant to conduct an independent internal control review (the "**Internal Control Review**") on the Company and Ambitious Achievement (collectively referred to as the "**Relevant Entities**"). The scope of the Internal Control Review covers processes in relation to (i) enterprise level control, including the control environment and risk assessment of the Company and the information and communication and monitoring within the Group; (ii) financial reporting preparation and information disclosure control, including examining the financial organisation structure and reporting relationship and disclosure; and (iii) cash and fund management, including assessing whether there are adequate internal controls to secure the cash and funds of the Relevant Entities for the period from 1 April 2025 to 30 September 2025. The Internal Control Review Consultant issued the internal control report (the "**Internal Control Report**") on 30 January 2026.

KEY FINDINGS OF THE INTERNAL CONTROL REVIEW

The Internal Control Review Consultant identified the following key internal control findings and recommended corresponding rectifications. The management of the Company (the "**Management**") has accepted all recommendations and commenced the following corresponding remedial actions:

#	Key findings	Recommended rectifications	Management's response/ rectification status
(i) Enterprise-level internal control			
1	**Existing whistleblowing procedures or monitoring measures for misconduct are not comprehensive enough** Upon review, it was found that the Company's existing reporting and investigation system and process for collecting employee reports, complaints, or other anonymous reports across the entire group are not comprehensive enough.	The Company shall establish more comprehensive group-wide employee complaint handling and whistleblowing process, which shall include, but is not limited to, the following: • A dedicated, unified department within the Group or engagement of an external organisation responsible for handling, following up on, and reporting complaints and whistleblowing, with sufficient independence, such as an internal audit department or outsourced internal audit function; • Concrete and feasible complaint and whistleblowing channels, such as a hotline or mailbox; • Detailed procedures for handling, following up on, and reporting incidents, and specific responsible persons for related work; • A tiered system for classifying complaints and whistleblowing matters and establishing timeframes for follow-up and review based on their severity; and • Registration of accepted matters and written records of the follow-up efforts and outcomes.	The Management accepted the recommendation and formally established a more comprehensive internal control policy for employee complaint handling and whistleblowing process.

#	Key findings	Recommended rectifications	Management's response/ rectification status
2	**Existing contingency procedures and systems for the departure of senior executives are not comprehensive enough** The Company's existing procedures and systems to address the impact of the departure of management and executives on the Group and to regulate its response procedures are not comprehensive enough.	The Company shall establish more comprehensive contingency procedures and systems for the departure of senior executives to cover the following key aspects: • Impact assessment of management and executive departures; • Competition and intellectual property protection; and • Post-departure contingency plans. All approval systems and procedures shall retain approval records, indicating the effective date and version control, to ensure that employees consistently and effectively perform their daily duties in accordance with the relevant systems. These systems shall also be regularly reviewed and updated, and records of reviews and updates shall be maintained to ensure that written systems and procedures are consistent with the Group's existing processes.	The Management accepted the recommendation and formally established a more comprehensive internal control policy for contingency procedures and systems for the departure of senior executives.

#	Key findings	Recommended rectifications	Management's response/ rectification status
3	**Existing compliance management system and processes are not comprehensive enough** The Company's existing compliance management systems and processes to regulate the Group's following processes are not comprehensive enough: • Compliance management procedures; • Dispute and litigation processes; • Monitoring measures for litigation, disputes or violations; and • Follow-up mechanisms for non-compliance matters.	The Company shall establish more comprehensive compliance management system and processes, and communicate them to all relevant personnel. This system shall include: • Compliance management procedures; • Dispute and litigation procedures; • Monitoring measures for litigation, disputes, or violations; and • Follow-up mechanisms for non-compliance. All approval systems and procedures shall retain approval records, indicating the effective date and version control, to ensure that employees consistently and effectively perform their daily duties in accordance with the relevant systems. These systems shall also be regularly reviewed and updated, and records of reviews, updates, and audits shall be maintained to ensure that written systems and procedures are consistent with the Group's existing processes.	The Management accepted the recommendation and formally established a more comprehensive internal control policy for compliance management system and processes.

#	Key findings	Recommended rectifications	Management's response/ rectification status
4	**Existing internal control system for supervising anti-money laundering is not comprehensive enough** The Company's existing internal control system for supervising anti-money laundering in accordance with relevant anti-money laundering regulations is not comprehensive enough.	The Company shall establish more comprehensive anti-money laundering internal control system and communicate it to all relevant personnel. This system shall cover key compliance governance, mechanism building, system setup, and execution of critical processes in accordance with relevant anti-money laundering regulations, such as: • Definition of anti-money laundering; • Governance structure; • Money laundering risk monitoring procedures, including: — Customer due diligence (e.g., customer identification); — Suspicious transaction reporting process; — Transaction monitoring; and • Employee training and risk awareness building. All approval systems and procedures shall retain approval records, indicating the effective date and version control, to ensure that employees consistently and effectively perform their daily duties in accordance with the relevant systems. These systems shall also be regularly reviewed and updated, and records of reviews, updates, and audits shall be maintained to ensure that written systems and procedures are consistent with the Group's existing processes.	The Management accepted the recommendation and formally established a more comprehensive internal control policy for anti-money laundering.

(ii) Financial reporting preparation and information disclosure control

Nil

#	Key findings	Recommended rectifications	Management's response/ rectification status
(iii) Cash and fund management			
5	**Existing policies and procedures for cash and fund management are not comprehensive enough** The Group's existing management system for cash and fund management is not comprehensive enough. Core aspects such as liquidity management, investment management, loan management and bank account and cash management lack clear and comprehensive written specifications and operational guidelines, and related management behaviors are carried out only by verbal agreements or customary practices.	The Group shall establish more comprehensive cash and fund management systems and processes, and communicate them to all relevant personnel. These systems shall include: • Liquidity management; • Investment management; • Loan management; and • Cash and bank account management. All approval systems and procedures shall retain approval records, noting the effective date and version control, to ensure that employees consistently and effectively perform their daily duties in accordance with the relevant systems. These systems shall also be regularly reviewed and updated, and records of reviews, updates, and audits shall be maintained to ensure that the written systems and procedures are consistent with the Group's existing processes.	The Management accepted the recommendation and formally established a more comprehensive internal control policy for cash and fund management systems and processes.

#	Key findings	Recommended rectifications	Management's response/ rectification status
6	**Uneven authority structure for payment approval** Interviews revealed that the Company's current payment approval process involves the chief financial officer of the Company (the "**CFO**") solely reviewing and signing off on payments of HKD300,000 or less, without requiring review by other management levels. Payments exceeding HKD300,000 require joint approval from the Company's responsible person and the CFO. This authority structure has been implemented in the Company's daily fund management and has become the current standard operating procedure for fund payment approvals.	The Company shall, based on its own operating scale and capital management needs, re-examine and optimise the approval process for payments under HKD300,000, introducing a tiered review or cross-audit mechanism. Without affecting the efficiency of daily capital utilization, a second review shall be conducted by senior management personnel in the finance department for payments under HKD300,000 approved by the CFO, creating a system of checks and balances between approval and review. Simultaneously, the approval process can be further subdivided according to the type of business transaction. For high-frequency, routine small-amount payments, a simplified approval process can be retained. For non-routine, large-amount threshold payments (e.g., HKD200,000–300,000), a joint signature step by the business department head shall be added to ensure that the payment is consistent with the actual business transaction. Furthermore, the Company needs to improve the record-keeping management of capital approvals, clearly defining the responsibilities of each approval and review stage, and regularly conducting self-inspections and reviews of the execution of the capital approval process to promptly identify and rectify any loopholes, ensuring the standardization and security of its capital management.	The Management accepted the recommendation and is in the process of establishing an enhanced payment approval framework, including adjustments to the transaction amount thresholds which require dual authorised signature approval.

OPINIONS OF THE AUDIT COMMITTEE AND THE BOARD

The Board and the audit committee of the Board (the "**Audit Committee**") have reviewed the content and the findings of the Internal Control Review in the Internal Control Report. The Company has been advised that the Management has acknowledged and agreed with the findings by the Internal Control Review Consultant.

The Company has adopted all recommendations suggested by the Internal Control Review Consultant, and has adopted relevant policies and procedures of the Company. After considering the Internal Control Report and the remedial measures taken by the Company, the Board and the Audit Committee are of the view that: (a) all internal control deficiencies identified in the Internal Control Report have been adequately addressed through appropriate recommended rectifications; (b) the remedial measures taken by the Company are sufficient and adequate; and (c) the Company has established sufficient and reliable governance, internal control, and financial reporting systems to perform its obligations under the GEM Listing Rules.

The Board and the Audit Committee will continue to monitor the effectiveness of the Company's internal control system and procedures to perform its obligations under the GEM Listing Rules, and ensure the internal control policies and procedures are reasonable and adequate, and integrate them into the Company's operations.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 30 January 2026

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, Professor Cheung Ka Yue 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 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.