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華億金控集團有限公司
SINOFORTUNE FINANCIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 08123)

**(1) DISCLOSURE PURSUANT TO RULES 17.15, 17.16 AND 17.17
OF THE GEM LISTING RULES;
AND
(2) DISCLOSEABLE TRANSACTION AND
MAJOR TRANSACTION:
FINANCIAL ASSISTANCE**

**THE FUXINZHONG PURCHASE CONTRACTS AND THE FUXINZHONG
DEPOSIT**

During the period from 21 July 2020 to 27 December 2021, Sheng Yu Hong Jia (a subsidiary of the Company) and Fuxinzhong entered into the Fuxinzhong Purchase Contracts for the purchase of vehicles from overseas. As stipulated in the contracts, Sheng Yu Hong Jia was required to make deposit payments for the procurement of vehicles, which were non-interest bearing and unsecured. However, due to a series of external factors including the COVID-19 pandemic, the Sino-US trade war and the change in PRC government policy from the previous emission standard to the more stringent second stage of the China 6 Emission Standard, no vehicles had been delivered since the signing of the contracts. The China 6 Emission Standard, which was mandated for nationwide implementation from 1 July 2023, prohibited the production, import or sale of vehicles that do not meet the new requirements and increased the time and compliance requirements for introducing imported vehicle models into the PRC market. Subsequently, in order to ensure that the target vehicles would comply with the China 6 Emission Standard and remain relatively new models, the vehicle specifications under the contracts were adjusted. Fuxinzhong progressively refunded the differences arising from such adjustments, thereby reducing the deposit amount to approximately RMB66.2 million.

Despite the adjustments to the vehicle specifications, Fuxinzhong remained unable to deliver the vehicles. Given the prolonged inability to deliver the vehicles, Sheng Yu Hong Jia and Fuxinzhong entered into the Fuxinzhong Settlement Agreement on 30 December 2024, pursuant to which the deposit would be fully refunded in three instalments. However, Fuxinzhong only partially settled the second instalment. Subsequently, Sheng Yu Hong Jia and Fuxinzhong entered into the Fuxinzhong Supplemental Agreement on 31 December 2025, pursuant to which the remaining balance from the first two instalments would be combined with the third instalment and paid on or before 31 December 2026.

Due to the prolonged inability to deliver the vehicles and the failure to settle the second instalment in full, an impairment of approximately HK\$12.1 million was made on such deposit payments. Although the Fuxinzhong Settlement Agreement and the Fuxinzhong Supplemental Agreement were entered into for the refund of the deposits, the outstanding balance had not been fully recovered and there was no collateral or other recoverable source. Having regard to Fuxinzhong's failure to meet the original payment terms and the uncertainty over full recovery, the relevant balance was assessed by an independent valuer on the expected credit loss and the impairment was recognised accordingly. As at 31 December 2025, the gross amount and net amount of balance of advance to Fuxinzhong was approximately HK\$38.0 million and HK\$25.6 million (after taking account the exchange realignment of approximately HK\$0.3 million) respectively.

THE SHENGCHANG PURCHASE CONTRACTS AND THE SHENGCHANG DEPOSIT

During the period from 25 April 2025 to 29 April 2025, Sheng Yu Hong Jia and Shengchang entered into the Shengchang Purchase Contracts for the purchase of vehicles from overseas. As stipulated in the contracts, Sheng Yu Hong Jia was required to make deposit payments for the procurement of vehicles, which were non-interest bearing and unsecured. However, Shengchang was unable to deliver the vehicles due to the impact of geopolitical tensions, including those arising from the situation involving the United States and Iran, which resulted in unstable vehicle supply from overseas suppliers and significant delays in delivery cycles and shipping schedules. After negotiations, Sheng Yu Hong Jia and Shengchang entered into the Shengchang Settlement Agreement on 31 December 2025.

Although the Shengchang Settlement Agreement was entered into for the settlement of the deposits, there was no collateral or other recoverable source. Having regard to Shengchang's failure to meet the original contract terms and the uncertainty over recovery, the relevant balance was assessed by an independent valuer on the expected credit loss and an impairment of approximately HK\$70,000 was made on such deposit payments. As at 31 December 2025, the gross amount and net amount of balance of advance to Shengchang was approximately HK\$22.2 million and HK\$22.1 million respectively.

THE CHANGYANG PURCHASE CONTRACTS AND THE CHANGYANG DEPOSIT

During the period from 3 December 2021 to 13 December 2023, Sheng Yu Hong Jia and Changyang entered into the Changyang Purchase Contracts for the purchase of vehicles from overseas. As stipulated in the contracts, Sheng Yu Hong Jia was required to make deposit payments for the procurement of vehicles, which were non-interest bearing and unsecured. Due to the prolonged transaction period resulting from external factors including the COVID-19 pandemic, the Sino-US trade war, the implementation of the China 6 Emission Standard and the intense price war among automakers in the PRC, many of the intended end-customers became unwilling or unable to take delivery of the vehicles. As a result, the Group could not collect the outstanding purchase prices from those customers, and consequently was unable to settle the remaining balances due to Changyang. After considerable delay, the vehicles eventually arrived at the bonded zone, but by that time their models had lost market competitiveness, making it difficult for the Group to identify suitable buyers in a timely manner.

After conducting a critical review of the terms of the relevant agreements, the management of the Group was of the view that the recoverability of the deposits paid could not be assured with reasonable certainty. Nevertheless, Changyang subsequently refunded a partial deposit of approximately HK\$7.9 million in April 2025. Such partial refund was made upon Changyang successfully matching the corresponding vehicles with an interested buyer. With the Group's consent, Changyang completed the vehicle handover and immediately remitted the corresponding deposit back to the Group upon receiving customer payments. Given the prompt nature of this arrangement, no formal settlement agreement was executed. For the remaining vehicles, as no new buyers have been matched, the relevant deposits remained unrefunded. Accordingly, the management performed impairment assessment and an impairment of approximately HK\$19.3 million was made on such deposit payments. As at 31 December 2025, the gross amount and net amount of balance of advance to Changyang was approximately HK\$30.7 million and HK\$11.4 million respectively.

The Group has been actively pursuing resolution of the outstanding balance, including continuing to actively seek potential customers, maintaining dialogue with Changyang to explore alternative solutions and initiating legal recovery actions against the relevant customers. Specifically, throughout 2024 and 2025, the Group issued multiple demand letters and solicitor's letters to the relevant customers, requiring them to fulfill their obligations and settle the outstanding consideration. However, these customers remained unresponsive. Pursuant to the terms set out in the legal letters, the Group is entitled to unilaterally process the disposal of the underlying vehicles. Accordingly, the Group began evaluating feasible arrangements for the self-disposal of these vehicles starting in late 2025. As at the date of this announcement, no material progress has been made since the recovery of approximately HK\$7.9 million in April 2025.

THE LIANZHI PURCHASE CONTRACTS AND THE LIANZHI DEPOSIT

During the period from 2 December 2021 to 24 January 2024, Sheng Yu Hong Jia and Lianzhi entered into the Lianzhi Purchase Contracts for the purchase of vehicles from overseas. As stipulated in the contracts, Sheng Yu Hong Jia was required to make deposit payments for the procurement of vehicles, which were non-interest bearing and unsecured. Due to the prolonged transaction period resulting from external factors including the COVID-19 pandemic, the Sino-US trade war, the implementation of the China 6 Emission Standard and the intense price war among automakers in the PRC, many of the intended end-customers became unwilling or unable to take delivery of the vehicles. As a result, the Group could not collect the outstanding purchase prices from those customers, and consequently was unable to settle the remaining balances due to Lianzhi. After considerable delay, the vehicles eventually arrived at the bonded zone, but by that time their models had lost market competitiveness, making it difficult for the Group to identify suitable buyers in a timely manner.

After conducting a critical review of the terms of the relevant agreements, the management of the Group was of the view that the recoverability of the deposits paid could not be assured with reasonable certainty. Accordingly, the management performed impairment assessment and an impairment of approximately HK\$27.4 million was made on such deposit payments. As at 31 December 2025, the gross amount and net amount of balance of advance to Lianzhi was approximately HK\$40.5 million and HK\$13.1 million respectively.

The Group has been actively pursuing resolution of the outstanding balance, including continuing to actively seek potential customers, maintaining dialogue with Lianzhi to explore alternative solutions and initiating legal recovery actions against the relevant customers. Specifically, throughout 2024 and 2025, the Group issued multiple demand letters and solicitor's letters to the relevant customers, requiring them to fulfill their obligations and settle the outstanding consideration. However, these customers remained unresponsive. Pursuant to the terms set out in the legal letters, the Group is entitled to unilaterally process the disposal of the underlying vehicles. Accordingly, the Group began evaluating feasible arrangements for the self-disposal of these vehicles starting in late 2025. As at the date of this announcement, no material progress has been made.

THE JIAHONG PURCHASE CONTRACT AND THE JIAHONG DEPOSIT

On 1 April 2025, Sheng Yu Hong Jia and Jiahong entered into the Jiahong Purchase Contract for the purchase of vehicles from overseas. As stipulated in the contract, Sheng Yu Hong Jia was required to make deposit payments for the procurement of vehicles, which were non-interest bearing and unsecured. As at 31 December 2025, the gross amount of balance of advance to Jiahong was approximately HK\$10.5 million.

As at the date of this announcement, all underlying vehicles have arrived at the bonded zone. However, customs clearance and final delivery have been temporarily delayed due to recent tightening of tax policies affecting the automotive sector, which has imposed stricter requirements on the issuance quota for relevant tax invoices. Jiahong is actively coordinating with the relevant authorities to resolve the invoicing constraints, and the Group has been continuously monitoring the progress to facilitate the prompt issuance of invoices and completion of delivery.

THE FUXINZHONG SETTLEMENT AGREEMENT

Due to the prolonged delay in delivery of the vehicles, Sheng Yu Hong Jia and Fuxinzhong entered into the Fuxinzhong Settlement Agreement on 30 December 2024, pursuant to which Fuxinzhong agreed to fully refund the deposit of approximately RMB66.2 million in three instalments, which was non-interest bearing.

THE FUXINZHONG SUPPLEMENTAL AGREEMENT

As Fuxinzhong refunded less than the scheduled amount for the second instalment under the Fuxinzhong Settlement Agreement, Sheng Yu Hong Jia and Fuxinzhong entered into the Fuxinzhong Supplemental Agreement on 31 December 2025. Pursuant to the Fuxinzhong Supplemental Agreement, the remaining balance of approximately RMB3.1 million from the first two instalments would be combined with the third instalment and paid on or before 31 December 2026, which was non-interest bearing. Accordingly, the total amount payable under the third instalment would be approximately RMB36.2 million.

THE SHENGCHANG SETTLEMENT AGREEMENT

As Shengchang was unable to deliver the vehicles due to the impact of geopolitical tensions, including those arising from the situation involving the United States and Iran, which resulted in unstable vehicle supply from overseas suppliers and significant delays in delivery cycles and shipping schedules, Sheng Yu Hong Jia and Shengchang entered into the Shengchang Settlement Agreement on 31 December 2025, pursuant to which Shengchang shall (i) refund 50% of the deposit (i.e. RMB10 million) to Sheng Yu Hong Jia by 23 March 2026, which was non-interest bearing; and (ii) retain the remaining RMB10 million as deposit payments, with the vehicle specifications changed to new energy vehicles domestically manufactured in the PRC.

ADVANCE TO AN ENTITY

The Deposits paid to suppliers constituted advances to the suppliers under the Rules 17.15 to 17.17 of the GEM Listing Rules, which had been overseen by the Company.

FINANCIAL ASSISTANCE

The entering into the Fuxinzhong Settlement Agreement, the Fuxinzhong Supplemental Agreement and the Shengchang Settlement Agreement constituted financial assistance provided by the Group to the relevant suppliers under Chapter 19 of the GEM Listing Rules and had been overseen by the Company.

NON-COMPLIANCE OF THE GEM LISTING RULES

The Fuxinzhong Deposit first exceeded 8% on 3 August 2020 under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, which was subject to disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules at the material time. Furthermore, as the assets ratio for the amount of deposit payment made on each of 25 December 2020, 6 January 2021 and 30 March 2021 increased by 3% or more since 3 August 2020, 25 December 2020 and 6 January 2021 respectively, being the dates on which the disclosure obligations under Rule 17.15 of the GEM Listing Rules had been triggered, the Fuxinzhong Deposit was also subject to disclosure obligations under Rules 17.16 and 17.17 of the GEM Listing Rules at the material time. In addition, as the circumstances giving rise to the disclosure obligation under Rule 17.15 of the GEM Listing Rules continued to exist at the relevant interim period ends and annual financial year ends, the Company was also required under Rule 17.22 of the GEM Listing Rules to include the information specified under Rule 17.17 of the GEM Listing Rules in its interim and annual reports for the relevant periods.

The Shengchang Deposit first exceeded 8% on 27 April 2025 under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, which was subject to disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules at the material time. Furthermore, as the assets ratio for the amount of deposit payment made on 29 April 2025 increased by 3% or more since 27 April 2025, being the date on which the disclosure obligations under Rule 17.15 of the GEM Listing Rules had been triggered, the Shengchang Deposit was also subject to disclosure obligations under Rules 17.16 and 17.17 of the GEM Listing Rules at the material time. In addition, as the circumstances giving rise to the disclosure obligation under Rule 17.15 of the GEM Listing Rules continued to exist as at 30 June 2025 and 31 December 2025, the Company was also required under Rule 17.22 of the GEM Listing Rules to include the information specified under Rule 17.17 of the GEM Listing Rules in its interim report for the six months ended 30 June 2025 and its annual report for the year ended 31 December 2025.

The Changyang Deposit first exceeded 8% on 18 July 2023 under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, which was subject to disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules at the material time. Furthermore, as the assets ratio for the amount of deposit payment made on 17 November 2023 increased by 3% or more since 18 July 2023, being the date on which the disclosure obligations under Rule 17.15 of the GEM Listing Rules had been triggered, the Changyang Deposit was also subject to disclosure obligations under Rules 17.16 and 17.17 of the GEM Listing Rules at the material time. In addition, as the circumstances giving rise to the disclosure obligation under Rule 17.15 of the GEM Listing Rules continued to exist at the relevant interim period ends and annual financial year ends, the Company was also required under Rule 17.22 of the GEM Listing Rules to include the information specified under Rule 17.17 of the GEM Listing Rules in its interim and annual reports for the relevant periods.

The Lianzhi Deposit first exceeded 8% on 14 November 2023 under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, which was subject to disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules at the material time. Furthermore, as the assets ratio for the amount of deposit payment made on 1 December 2023 increased by 3% or more since 14 November 2023, being the date on which the disclosure obligations under Rule 17.15 of the GEM Listing Rules had been triggered, the Lianzhi Deposit was also subject to disclosure obligations under Rules 17.16 and 17.17 of the GEM Listing Rules at the material time. In addition, as the circumstances giving rise to the disclosure obligation under Rule 17.15 of the GEM Listing Rules continued to exist at the relevant interim period ends and annual financial year ends, the Company was also required under Rule 17.22 of the GEM Listing Rules to include the information specified under Rule 17.17 of the GEM Listing Rules in its interim and annual reports for the relevant periods.

The Jiahong Deposit first exceeded 8% on 1 April 2025 under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, which was subject to disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules at the material time. In addition, as the circumstances giving rise to the disclosure obligation under Rule 17.15 of the GEM Listing Rules continued to exist as at 30 June 2025 and 31 December 2025, the Company was also required under Rule 17.22 of the GEM Listing Rules to include the information specified under Rule 17.17 of the GEM Listing Rules in its interim report for the six months ended 30 June 2025 and its annual report for the year ended 31 December 2025.

The Deposits were all non-interest bearing and unsecured, with no collateral provided in respect of any of them.

Since one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Fuxinzhong Settlement Agreement exceeds 25%, the transactions contemplated thereunder constituted major transactions for the Company under Chapter 19 of the GEM Listing Rules and are subject to the reporting, announcement, circular and Shareholders' approval requirements under Rules 19.34, 19.38 and 19.40 of the GEM Listing Rules.

Since one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Fuxinzhong Supplemental Agreement exceeds 25%, the transactions contemplated thereunder constituted major transactions for the Company under Chapter 19 of the GEM Listing Rules and are subject to the reporting, announcement, circular and Shareholders' approval requirements under Rules 19.34, 19.38 and 19.40 of the GEM Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Fuxinzhong Settlement Agreement or the Fuxinzhong Supplemental Agreement. As such, no Shareholders would be required to abstain from voting in favour of the resolutions approving the Fuxinzhong Settlement Agreement and the Fuxinzhong Supplemental Agreement. As at the date of this announcement, Mr. Wang Jiawei controls an aggregate of 250,888,932 Shares, representing approximately 72.8% of the total number of issued shares of the Company. As a remedial measure, the Company will seek written Shareholders' approval for the transactions contemplated under the Fuxinzhong Settlement Agreement and the Fuxinzhong Supplemental Agreement in accordance with Rule 19.44 of the GEM Listing Rules.

Since one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Shengchang Settlement Agreement exceeds 5% but all of them are under 25%, the transactions contemplated thereunder constituted discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules and are subject to notification and announcement requirements under Rule 19.34 of the GEM Listing Rules.

Due to an oversight and inadvertent misunderstanding of the GEM Listing Rules by the General Manager, being the head of the sales team, who was involved in the payment of the Deposits and the entering into of the Settlement Agreements, the Company failed to comply with the disclosure obligations under Rules 17.15 to 17.17 and 17.22 of the GEM Listing Rules and the relevant requirements under Chapter 19 of the GEM Listing Rules.

The Company's initial assessment was based on the commercial intent at the time of payment. As a parallel-imported vehicle trader, paying deposits to secure inventory is a standard "revenue nature" activity. As such, the General Manager at first considered the payment of the Deposits as ordinary procurement falling into its ordinary course of business rather than advance to an entity, hence overlooked the requirements under the GEM Listing Rules.

In addition, the General Manager considered the entering into of the Settlement Agreements were settlement arrangements rather than the provision of financial assistance under Rule 19.04 of the GEM Listing Rules, and were entered into in the ordinary course of the Group's business to resolve the prolonged delivery delays. Accordingly, the Company did not comply with the reporting, announcement, circular and Shareholders' approval requirements (where applicable) under Chapter 19 of the GEM Listing Rules.

THE FUXINZHONG PURCHASE CONTRACTS AND THE FUXINZHONG DEPOSIT

The Fuxinzhong Purchase Contracts

During the period from 21 July 2020 to 27 December 2021, Sheng Yu Hong Jia (a subsidiary of the Company) and Fuxinzhong entered into the Fuxinzhong Purchase Contracts for the purchase of vehicles from overseas.

The principal terms of the Fuxinzhong Purchase Contracts were as follows:

Parties

- (1) Sheng Yu Hong Jia; and
- (2) Fuxinzhong

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Fuxinzhong and its ultimate beneficial owner(s) are Independent Third Parties.

The Fuxinzhong Deposit

Pursuant to the Fuxinzhong Purchase Contracts, Sheng Yu Hong Jia agreed to purchase, and Fuxinzhong agreed to sell, an aggregate of more than 400 vehicles from overseas. As stipulated in the contracts, Sheng Yu Hong Jia was required to make deposit payments for the procurement of vehicles, which were non-interest bearing and unsecured. However, due to a series of external factors including the COVID-19 pandemic, the Sino-US trade war and the change in PRC government policy from the previous emission standard to the more stringent second stage of the China 6 Emission Standard, no vehicles had been delivered since the signing of the contracts. The China 6 Emission Standard, which was mandated for nationwide implementation from 1 July 2023, prohibited the production, import or sale of vehicles that do not meet the new requirements and increased the time and compliance requirements for introducing imported vehicle models into the PRC market. Subsequently, in order to ensure that the target vehicles would comply with the China 6 Emission Standard and remain relatively new models, the vehicle specifications under the contracts were adjusted. Fuxinzhong progressively refunded the differences arising from such adjustments, thereby reducing the deposit amount to approximately RMB66.2 million.

Despite the adjustments to the vehicle specifications, Fuxinzhong remained unable to deliver the vehicles. Given the prolonged inability to deliver the vehicles, Sheng Yu Hong Jia and Fuxinzhong entered into the Fuxinzhong Settlement Agreement on 30 December 2024, pursuant to which the deposit would be fully refunded in three instalments. However, Fuxinzhong only partially settled the second instalment. Subsequently, Sheng Yu Hong Jia and Fuxinzhong entered into the Fuxinzhong Supplemental Agreement on 31 December 2025, pursuant to which the remaining balance from the first two instalments would be combined with the third instalment and paid on or before 31 December 2026. Further details of the Fuxinzhong Settlement Agreement and the Fuxinzhong Supplemental Agreement are set out in the sections headed “The Fuxinzhong Settlement Agreement” and “The Fuxinzhong Supplemental Agreement” below.

Due to the prolonged inability to deliver the vehicles and the failure to settle the second instalment in full, an impairment of approximately HK\$12.1 million was made on such deposit payments. Although the Fuxinzhong Settlement Agreement and the Fuxinzhong Supplemental Agreement were entered into for the refund of the deposits, the outstanding balance had not been fully recovered and there was no collateral or other recoverable source. Having regard to Fuxinzhong’s failure to meet the original payment terms and the uncertainty over full recovery, the relevant balance was assessed by an independent valuer on the expected credit loss and the impairment was recognised accordingly. As at 31 December 2025, the gross amount and net amount of balance of advance to Fuxinzhong was approximately HK\$38.0 million and HK\$25.6 million (after taking account the exchange realignment of approximately HK\$0.3 million) respectively.

THE SHENGCHANG PURCHASE CONTRACTS AND THE SHENGCHANG DEPOSIT

The Shengchang Purchase Contracts

During the period from 25 April 2025 to 29 April 2025, Sheng Yu Hong Jia and Shengchang entered into the Shengchang Purchase Contracts for the purchase of vehicles from overseas.

The principal terms of the Shengchang Purchase Contracts were as follows:

Parties

(1) Sheng Yu Hong Jia; and

(2) Shengchang

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Shengchang and its ultimate beneficial owner(s) are Independent Third Parties.

The Shengchang Deposit

Pursuant to the Shengchang Purchase Contracts, Sheng Yu Hong Jia agreed to purchase, and Shengchang agreed to sell, an aggregate of more than 100 vehicles from overseas. As stipulated in the contracts, Sheng Yu Hong Jia was required to make deposit payments for the procurement of vehicles, which were non-interest bearing and unsecured. However, Shengchang was unable to deliver the vehicles due to the impact of geopolitical tensions, including those arising from the situation involving the United States and Iran, which resulted in unstable vehicle supply from overseas suppliers and significant delays in delivery cycles and shipping schedules. After negotiations, Sheng Yu Hong Jia and Shengchang entered into the Shengchang Settlement Agreement on 31 December 2025. Further details of the Shengchang Settlement Agreement are set out in the section headed “The Shengchang Settlement Agreement” below.

Although the Shengchang Settlement Agreement was entered into for the settlement of the deposits, there was no collateral or other recoverable source. Having regard to Shengchang’s failure to meet the original contract terms and the uncertainty over recovery, the relevant balance was assessed by an independent valuer on the expected credit loss and an impairment of approximately HK\$70,000 was made on such deposit payments. As at 31 December 2025, the gross amount and net amount of balance of advance to Shengchang was approximately HK\$22.2 million and HK\$22.1 million respectively.

THE CHANGYANG PURCHASE CONTRACTS AND THE CHANGYANG DEPOSIT

The Changyang Purchase Contracts

During the period from 3 December 2021 to 13 December 2023, Sheng Yu Hong Jia and Changyang entered into the Changyang Purchase Contracts for the purchase of vehicles from overseas.

The principal terms of the Changyang Purchase Contracts were as follows:

Parties

(1) Sheng Yu Hong Jia; and

(2) Changyang

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Changyang and its ultimate beneficial owner(s) are Independent Third Parties.

The Changyang Deposit

Pursuant to the Changyang Purchase Contracts, Sheng Yu Hong Jia agreed to purchase, and Changyang agreed to sell, an aggregate of 60 vehicles from overseas. As stipulated in the contracts, Sheng Yu Hong Jia was required to make deposit payments for the procurement of vehicles, which were non-interest bearing and unsecured. Due to the prolonged transaction period resulting from external factors including the COVID-19 pandemic, the Sino-US trade war, the implementation of the China 6 Emission Standard and the intense price war among automakers in the PRC, many of the intended end-customers became unwilling or unable to take delivery of the vehicles. As a result, the Group could not collect the outstanding purchase prices from those customers, and consequently was unable to settle the remaining balances due to Changyang. After considerable delay, the vehicles eventually arrived at the bonded zone, but by that time their models had lost market competitiveness, making it difficult for the Group to identify suitable buyers in a timely manner.

After conducting a critical review of the terms of the relevant agreements, the management of the Group was of the view that the recoverability of the deposits paid could not be assured with reasonable certainty. Nevertheless, Changyang subsequently refunded a partial deposit of approximately HK\$7.9 million in April 2025. Such partial refund was made upon Changyang successfully matching the corresponding vehicles with an interested buyer. With the Group's consent, Changyang completed the vehicle handover and immediately remitted the corresponding deposit back to the Group upon receiving customer payments. Given the prompt nature of this arrangement, no formal settlement agreement was executed. For the remaining vehicles, as no new buyers have been matched, the relevant deposits remained unrefunded. Accordingly, the management performed impairment assessment and an impairment of approximately HK\$19.3 million was made on such deposit payments. As at 31 December 2025, the gross amount and net amount of balance of advance to Changyang was approximately HK\$30.7 million and HK\$11.4 million respectively.

The Group has been actively pursuing resolution of the outstanding balance, including continuing to actively seek potential customers, maintaining dialogue with Changyang to explore alternative solutions and initiating legal recovery actions against the relevant customers. Specifically, throughout 2024 and 2025, the Group issued multiple demand letters and solicitor's letters to the relevant customers, requiring them to fulfill their obligations and settle the outstanding consideration. However, these customers remained unresponsive. Pursuant to the terms set out in the legal letters, the Group is entitled to unilaterally process the disposal of the underlying vehicles. Accordingly, the Group began evaluating feasible arrangements for the self-disposal of these vehicles starting in late 2025. As at the date of this announcement, no material progress has been made since the recovery of approximately HK\$7.9 million in April 2025.

THE LIANZHI PURCHASE CONTRACTS AND THE LIANZHI DEPOSIT

The Lianzhi Purchase Contracts

During the period from 2 December 2021 to 24 January 2024, Sheng Yu Hong Jia and Lianzhi entered into the Lianzhi Purchase Contracts for the purchase of vehicles from overseas.

The principal terms of the Lianzhi Purchase Contracts were as follows:

Parties

- (1) Sheng Yu Hong Jia; and
- (2) Lianzhi

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Lianzhi and its ultimate beneficial owner(s) are Independent Third Parties.

The Lianzhi Deposit

Pursuant to the Lianzhi Purchase Contracts, Sheng Yu Hong Jia agreed to purchase, and Lianzhi agreed to sell, an aggregate of more than 100 vehicles from overseas. As stipulated in the contracts, Sheng Yu Hong Jia was required to make deposit payments for the procurement of vehicles, which were non-interest bearing and unsecured. Due to the prolonged transaction period resulting from external factors including the COVID-19 pandemic, the Sino-US trade war, the implementation of the China 6 Emission Standard and the intense price war among automakers in the PRC, many of the intended end-customers became unwilling or unable to take delivery of the vehicles. As a result, the Group could not collect the outstanding purchase prices from those customers, and consequently was unable to settle the remaining balances due to Lianzhi. After considerable delay, the vehicles eventually arrived at the bonded zone, but by that time their models had lost market competitiveness, making it difficult for the Group to identify suitable buyers in a timely manner.

After conducting a critical review of the terms of the relevant agreements, the management of the Group was of the view that the recoverability of the deposits paid could not be assured with reasonable certainty. Accordingly, the management performed impairment assessment and an impairment of approximately HK\$27.4 million was made on such deposit payments. As at 31 December 2025, the gross amount and net amount of balance of advance to Lianzhi was approximately HK\$40.5 million and HK\$13.1 million respectively.

The Group has been actively pursuing resolution of the outstanding balance, including continuing to actively seek potential customers, maintaining dialogue with Lianzhi to explore alternative solutions and initiating legal recovery actions against the relevant customers. Specifically, throughout 2024 and 2025, the Group issued multiple demand letters and solicitor's letters to the relevant customers, requiring them to fulfill their obligations and settle the outstanding consideration. However, these customers remained unresponsive. Pursuant to the terms set out in the legal letters, the Group is entitled to unilaterally process the disposal of the underlying vehicles. Accordingly, the Group began evaluating feasible arrangements for the self-disposal of these vehicles starting in late 2025. As at the date of this announcement, no material progress has been made.

THE JIAHONG PURCHASE CONTRACT AND THE JIAHONG DEPOSIT

The Jiahong Purchase Contract

On 1 April 2025, Sheng Yu Hong Jia and Jiahong entered into the Jiahong Purchase Contract for the purchase of vehicles from overseas.

The principal terms of the Jiahong Purchase Contract were as follows:

Parties

- (1) Sheng Yu Hong Jia; and
- (2) Jiahong

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Jiahong and its ultimate beneficial owner(s) are Independent Third Parties.

The Jiahong Deposit

Pursuant to the Jiahong Purchase Contract, Sheng Yu Hong Jia agreed to purchase, and Jiahong agreed to sell, an aggregate of 13 vehicles from overseas. As stipulated in the contract, Sheng Yu Hong Jia was required to make deposit payments for the procurement of vehicles, which were non-interest bearing and unsecured. As at 31 December 2025, the gross amount of balance of advance to Jiahong was approximately HK\$10.5 million.

As at the date of this announcement, all underlying vehicles have arrived at the bonded zone. However, customs clearance and final delivery have been temporarily delayed due to recent tightening of tax policies affecting the automotive sector, which has imposed stricter requirements on the issuance quota for relevant tax invoices. Jiahong is actively coordinating with the relevant authorities to resolve the invoicing constraints, and the Group has been continuously monitoring the progress to facilitate the prompt issuance of invoices and completion of delivery.

THE FUXINZHONG SETTLEMENT AGREEMENT

The principal terms of the Fuxinzhong Settlement Agreement were as follows:

- Date : 30 December 2024
- Parties : (1) Sheng Yu Hong Jia; and
(2) Fuxinzhong
- Subject matter : Due to the prolonged delay in delivery of the vehicles, Fuxinzhong agreed to fully refund the deposit of approximately RMB66.2 million in three instalments, which was non-interest bearing. The repayment schedule was as follows:
- (1) approximately RMB19.9 million on or before 30 June 2025
 - (2) approximately RMB13.2 million on or before 31 December 2025
 - (3) approximately RMB33.1 million on or before 31 December 2026

THE FUXINZHONG SUPPLEMENTAL AGREEMENT

The principal terms of the Fuxinzhong Supplemental Agreement were as follows:

- Date : 31 December 2025
- Parties : (1) Sheng Yu Hong Jia; and
(2) Fuxinzhong
- Subject matter : As Fuxinzhong refunded less than the scheduled amount for the second instalment under the Fuxinzhong Settlement Agreement, Sheng Yu Hong Jia and Fuxinzhong entered into the Fuxinzhong Supplemental Agreement. Pursuant to the Fuxinzhong Supplemental Agreement, the remaining balance of approximately RMB3.1 million from the first two instalments would be combined with the third instalment and paid on or before 31 December 2026, which was non-interest bearing. Accordingly, the total amount payable under the third instalment would be approximately RMB36.2 million.

THE SHENGCHANG SETTLEMENT AGREEMENT

The principal terms of the Shengchang Settlement Agreement were as follows:

Date	:	31 December 2025
Parties	:	(1) Sheng Yu Hong Jia; and (2) Shengchang
Subject matter	:	As Shengchang was unable to deliver the vehicles due to the impact of geopolitical tensions, including those arising from the situation involving the United States and Iran, which resulted in unstable vehicle supply from overseas suppliers and significant delays in delivery cycles and shipping schedules, the parties agreed that Shengchang shall (i) refund 50% of the deposit (i.e. RMB10 million) to Sheng Yu Hong Jia by 23 March 2026, which was non-interest bearing; and (ii) retain the remaining RMB10 million as deposit payments, with the vehicle specifications changed to new energy vehicles domestically manufactured in the PRC.

In March 2026, Shengchang refunded RMB10 million in cash to Sheng Yu Hong Jia in full.

INFORMATION OF THE COMPANY AND SHENG YU HONG JIA

The Group is principally engaged in trading of motor vehicles, provision of agency services and accessories sourcing in the PRC and provision of artificial intelligence and digital marketing services in the PRC.

Sheng Yu Hong Jia is a limited liability company established in the PRC and is a 99.67% subsidiary of the Company. It is principally engaged in the trading of motor vehicles, the provision of agency services, and the sourcing of accessories in the PRC.

INFORMATION OF THE COUNTERPARTIES

Fuxinzhong

Fuxinzhong is a company established in the PRC and is ultimately owned by Xu Aidan and Li Siqiao as to 80% and 20%. The principal business activities of Fuxinzhong include, but are not limited to, the wholesale of vehicles.

Shengchang

Shengchang is a company established in the PRC and is ultimately owned by Yan Sunsong and Zhou Ruiyue as to 90% and 10%. The principal business activities of Shengchang include, but are not limited to, the wholesale of vehicles.

Changyang

Changyang is a company established in the PRC and is ultimately owned by Zhou Ziyun and Ma Long as to 65% and 35%. The principal business activities of Changyang include, but are not limited to, the sale of vehicles.

Lianzhi

Lianzhi is a company established in the PRC and is wholly owned by Jiangsu Feiliks International Logistics Inc* (江蘇飛力達國際物流股份有限公司), a company listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300240). The principal business activities of Lianzhi include, but are not limited to, the sale of vehicles.

Jiahong

Jiahong is a company established in the PRC and is ultimately wholly owned by Guo Jia. The principal business activities of Jiahong include, but are not limited to, the sale of vehicles.

REASONS FOR ENTERING INTO THE PURCHASE CONTRACTS AND PAYMENT OF THE DEPOSITS

The Group entered into the Purchase Contracts with vehicle suppliers as part of its principal business activities, namely the sale of parallel imported passenger vehicles in the PRC. The Group has been engaging in this business segment since August 2017. For the financial year ended 31 December 2025, the trading of passenger vehicles where the Group acts as principal accounted for over 99% of the Group's revenue.

Following a careful evaluation of the passenger vehicle markets by the sales team and approval from the senior management of the Group, the Group would enter into purchase contracts with vehicle suppliers. The Group is typically required to make advance payments to the suppliers as deposits for the procurement of overseas vehicles, which represent part of the total vehicle procurement price.

Based on its industry experience, the Board was of the view that making such deposits to suppliers for vehicle sourcing is a common business practice in the parallel-imported vehicle trading industry, and that the deposits paid being non-interest bearing is in line with industry norms.

REASONS FOR ENTERING INTO THE FUXINZHONG SETTLEMENT AGREEMENT, THE FUXINZHONG SUPPLEMENTAL AGREEMENT AND THE SHENGCHANG SETTLEMENT AGREEMENT

The Fuxinzhong Settlement Agreement and the Fuxinzhong Supplemental Agreement

During the period from 21 July 2020 to 27 December 2021, Sheng Yu Hong Jia entered into a total of 11 individual purchase contracts with Fuxinzhong and paid deposits accordingly. However, due to a series of external factors including the COVID-19 pandemic, the Sino-US trade war and the change in PRC government policy from the previous emission standard to the more stringent second stage of the China 6 Emission Standard, Fuxinzhong continued to be unable to deliver any vehicles to the Group. Given the prolonged inability to deliver vehicles, Sheng Yu Hong Jia negotiated with Fuxinzhong for a refund of the deposit. After negotiation, Fuxinzhong agreed to fully refund the deposits and entered into the Fuxinzhong Settlement Agreement on 30 December 2024, pursuant to which the deposit would be refunded in three instalments.

However, Fuxinzhong only partially settled the second instalment. Subsequently, Sheng Yu Hong Jia and Fuxinzhong entered into the Fuxinzhong Supplemental Agreement on 31 December 2025, pursuant to which the remaining balance from the first two instalments would be combined with the third instalment and paid on or before 31 December 2026.

The Shengchang Settlement Agreement

During the period from 25 April 2025 to 29 April 2025, Sheng Yu Hong Jia entered into a total of 3 individual purchase contracts with Shengchang and paid deposits accordingly. However, due to the impact of geopolitical tensions, including those arising from the situation involving the United States and Iran, which resulted in unstable vehicle supply from overseas suppliers and significant delays in delivery cycles and shipping schedules, Shengchang continued to be unable to deliver any vehicles to the Group. Given the prolonged inability to deliver vehicles, Sheng Yu Hong Jia negotiated with Shengchang for the settlement of deposits. After negotiation, Sheng Yu Hong Jia and Shengchang entered into the Shengchang Settlement Agreement on 31 December 2025, pursuant to which RMB10 million would be refunded to Sheng Yu Hong Jia by 23 March 2026, while the remaining RMB10 million would continue to be treated as deposit payments, with the vehicle specifications changed to new energy vehicles domestically manufactured in the PRC.

ADVANCE TO AN ENTITY

The Deposits paid to suppliers constituted advances to the suppliers under the Rules 17.15 to 17.17 of the GEM Listing Rules, which had been overseen by the Company as further detailed in the section headed “Non-Compliance of the GEM Listing Rules” below.

FINANCIAL ASSISTANCE

The entering into the Fuxinzhong Settlement Agreement, the Fuxinzhong Supplemental Agreement and the Shengchang Settlement Agreement constituted financial assistance provided by the Group to the relevant suppliers under Chapter 19 of the GEM Listing Rules and had been overseen by the Company as further detailed in the section headed “Non-compliance of the GEM Listing Rules” below.

NON-COMPLIANCE OF THE GEM LISTING RULES

The Fuxinzhong Deposit

Below is a summary of the relevant advances to Fuxinzhong which were subject to disclosure obligations under Rules 17.15 to 17.17 of the GEM Listing Rules at the material time:

Deposit payment date	Balance of the Fuxinzhong Deposit after payment of deposit (RMB)	Assets ratio of the cumulative deposit balance as defined under Rule	Triggered Rule 17.15 of the GEM Listing Rules	Triggered Rule 17.16 of the GEM Listing Rules
		19.07(1) of the GEM Listing Rules (after payment of deposit) (Note)		
3 August 2020	26,610,047	9.4%	Yes	N/A
25 December 2020	32,256,304	12.7%	N/A	Yes
6 January 2021	60,956,304	24.1%	N/A	Yes
30 March 2021	63,456,304	29.0%	N/A	Yes

Note: The assets ratios are calculated based on the financial information published in the annual reports and interim reports of the Company for the relevant periods.

The Fuxinzhong Deposit first exceeded 8% on 3 August 2020 under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, which was subject to disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules at the material time. Furthermore, as the assets ratio for the amount of deposit payment made on each of 25 December 2020, 6 January 2021 and 30 March 2021 increased by 3% or more since 3 August 2020, 25 December 2020 and 6 January 2021 respectively, being the dates on which the disclosure obligations under Rule 17.15 of the GEM Listing Rules had been triggered, the Fuxinzhong Deposit was also subject to disclosure obligations under Rules 17.16 and 17.17 of the GEM Listing Rules at the material time. In addition, as the circumstances giving rise to the disclosure obligation under Rule 17.15 of the GEM Listing Rules continued to exist at the relevant interim period ends and annual financial year ends, the Company was also required under Rule 17.22 of the GEM Listing Rules to include the information specified under Rule 17.17 of the GEM Listing Rules in its interim and annual reports for the relevant periods.

The Shengchang Deposit

Below is a summary of the relevant advances to Shengchang which were subject to disclosure obligations under Rules 17.15 to 17.17 of the GEM Listing Rules at the material time:

Deposit payment date	Balance of the Shengchang Deposit after payment of deposit (RMB)	Assets ratio of the cumulative deposit balance as defined under Rule 19.07(1) of the GEM Listing Rules (after payment of deposit) (Note)	Triggered Rule 17.15 of the GEM Listing Rules	Triggered Rule 17.16 of the GEM Listing Rules
27 April 2025	15,000,000	14.1%	Yes	N/A
29 April 2025	20,000,000	18.9%	N/A	Yes

Note: The assets ratios are calculated based on the financial information published in the annual reports and interim reports of the Company for the relevant periods.

The Shengchang Deposit first exceeded 8% on 27 April 2025 under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, which was subject to disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules at the material time. Furthermore, as the assets ratio for the amount of deposit payment made on 29 April 2025 increased by 3% or more since 27 April 2025, being the date on which the disclosure obligations under Rule 17.15 of the GEM Listing Rules had been triggered, the Shengchang Deposit was also subject to disclosure obligations under Rules 17.16 and 17.17 of the GEM Listing Rules at the material time. In addition, as the circumstances giving rise to the disclosure obligation under Rule 17.15 of the GEM Listing Rules continued to exist as at 30 June 2025 and 31 December 2025, the Company was also required under Rule 17.22 of the GEM Listing Rules to include the information specified under Rule 17.17 of the GEM Listing Rules in its interim report for the six months ended 30 June 2025 and its annual report for the year ended 31 December 2025.

The Changyang Deposit

Below is a summary of the advances to Changyang which were subject to disclosure obligations under Rules 17.15 to 17.17 of the GEM Listing Rules at the material time:

Deposit payment date	Balance of the Changyang Deposit after payment of deposit (RMB)	Assets ratio of the cumulative deposit balance as defined under Rule 19.07(1) of the GEM Listing Rules (after payment of deposit) (Note)	Triggered Rule 17.15 of the GEM Listing Rules	Triggered Rule 17.16 of the GEM Listing Rules
18 July 2023	21,596,736	10.3%	Yes	N/A
17 November 2023	27,043,087	13.3%	N/A	Yes

Note: The assets ratios are calculated based on the financial information published in the annual reports and interim reports of the Company for the relevant periods.

The Changyang Deposit first exceeded 8% on 18 July 2023 under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, which was subject to disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules at the material time. Furthermore, as the assets ratio for the amount of deposit payment made on 17 November 2023 increased by 3% or more since 18 July 2023, being the date on which the disclosure obligations under Rule 17.15 of the GEM Listing Rules had been triggered, the Changyang Deposit was also subject to disclosure obligations under Rules 17.16 and 17.17 of the GEM Listing Rules at the material time. In addition, as the circumstances giving rise to the disclosure obligation under Rule 17.15 of the GEM Listing Rules continued to exist at the relevant interim period ends and annual financial year ends, the Company was also required under Rule 17.22 of the GEM Listing Rules to include the information specified under Rule 17.17 of the GEM Listing Rules in its interim and annual reports for the relevant periods.

The Lianzhi Deposit

Below is a summary of the relevant advances to Lianzhi which were subject to disclosure obligations under Rules 17.15 to 17.17 of the GEM Listing Rules at the material time:

Deposit payment date	Assets ratio of the cumulative deposit balance as defined under Rule 19.07(1) of the	Balance of the Lianzhi Deposit after payment of deposit (RMB)	GEM Listing Rules (after payment of deposit) (Note)	Triggered Rule 17.15 of the GEM Listing Rules	Triggered Rule 17.16 of the GEM Listing Rules
14 November 2023		20,087,085	9.9%	Yes	N/A
1 December 2023		31,653,124	15.6%	N/A	Yes

Note: The assets ratios are calculated based on the financial information published in the annual reports and interim reports of the Company for the relevant periods.

The Lianzhi Deposit first exceeded 8% on 14 November 2023 under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, which was subject to disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules at the material time. Furthermore, as the assets ratio for the amount of deposit payment made on 1 December 2023 increased by 3% or more since 14 November 2023, being the date on which the disclosure obligations under Rule 17.15 of the GEM Listing Rules had been triggered, the Lianzhi Deposit was also subject to disclosure obligations under Rules 17.16 and 17.17 of the GEM Listing Rules at the material time. In addition, as the circumstances giving rise to the disclosure obligation under Rule 17.15 of the GEM Listing Rules continued to exist at the relevant interim period ends and annual financial year ends, the Company was also required under Rule 17.22 of the GEM Listing Rules to include the information specified under Rule 17.17 of the GEM Listing Rules in its interim and annual reports for the relevant periods.

The Jiahong Deposit

Below is a summary of the advances to Jiahong which were subject to disclosure obligations under Rules 17.15 to 17.17 of the GEM Listing Rules at the material time:

Deposit payment date	Assets ratio of the cumulative deposit balance as defined under Rule 19.07(1) of the GEM Listing Rules (after payment of deposit)		Triggered Rule 17.15 of the GEM Listing Rules	Triggered Rule 17.16 of the GEM Listing Rules
	Balance of the Jiahong Deposit after payment of deposit (RMB)	19.07(1) of the GEM Listing Rules (after payment of deposit) (Note)		
1 April 2025	9,480,853	8.9%	Yes	N/A

Note: The assets ratios are calculated based on the financial information published in the annual reports and interim reports of the Company for the relevant periods.

The Jiahong Deposit first exceeded 8% on 1 April 2025 under the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules, which was subject to disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules at the material time. In addition, as the circumstances giving rise to the disclosure obligation under Rule 17.15 of the GEM Listing Rules continued to exist as at 30 June 2025 and 31 December 2025, the Company was also required under Rule 17.22 of the GEM Listing Rules to include the information specified under Rule 17.17 of the GEM Listing Rules in its interim report for the six months ended 30 June 2025 and its annual report for the year ended 31 December 2025.

The Deposits were all non-interest bearing and unsecured, with no collateral provided in respect of any of them.

The Fuxinzhong Settlement Agreement

Since one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Fuxinzhong Settlement Agreement exceeds 25%, the transactions contemplated thereunder constituted major transactions for the Company under Chapter 19 of the GEM Listing Rules and are subject to the reporting, announcement, circular and Shareholders' approval requirements under Rules 19.34, 19.38 and 19.40 of the GEM Listing Rules.

The Fuxinzhong Supplemental Agreement

Since one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Fuxinzhong Supplemental Agreement exceeds 25%, the transactions contemplated thereunder constituted major transactions for the Company under Chapter 19 of the GEM Listing Rules and are subject to the reporting, announcement, circular and Shareholders' approval requirements under Rules 19.34, 19.38 and 19.40 of the GEM Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Fuxinzhong Settlement Agreement or the Fuxinzhong Supplemental Agreement. As such, no Shareholders would be required to abstain from voting in favour of the resolutions approving the Fuxinzhong Settlement Agreement and the Fuxinzhong Supplemental Agreement. As at the date of this announcement, Mr. Wang Jiawei controls an aggregate of 250,888,932 Shares, representing approximately 72.8% of the total number of issued shares of the Company. As a remedial measure, the Company will seek written Shareholders' approval for the transactions contemplated under the Fuxinzhong Settlement Agreement and the Fuxinzhong Supplemental Agreement in accordance with Rule 19.44 of the GEM Listing Rules.

The Shengchang Settlement Agreement

Since one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Shengchang Settlement Agreement exceeds 5% but all of them are under 25%, the transactions contemplated thereunder constituted discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules and are subject to notification and announcement requirements under Rule 19.34 of the GEM Listing Rules.

Due to an oversight and inadvertent misunderstanding of the GEM Listing Rules by the then general manager of the vehicle trading business of the Group at the subsidiary level (the “**General Manager**”), being the head of the sales team, who was involved in the payment of the Deposits and the entering into of the Settlement Agreements, the Company failed to comply with the disclosure obligations under Rules 17.15 to 17.17 and 17.22 of the GEM Listing Rules and the relevant requirements under Chapter 19 of the GEM Listing Rules.

The Company’s initial assessment was based on the commercial intent at the time of payment. As a parallel-imported vehicle trader, paying deposits to secure inventory is a standard “revenue nature” activity. As such, the General Manager at first considered the payment of the Deposits as ordinary procurement falling into its ordinary course of business rather than advance to an entity, hence overlooked the requirements under the GEM Listing Rules.

In addition, the General Manager considered the entering into of the Settlement Agreements were settlement arrangements rather than the provision of financial assistance under Rule 19.04 of the GEM Listing Rules, and were entered into in the ordinary course of the Group’s business to resolve the prolonged delivery delays. Accordingly, the Company did not comply with the reporting, announcement, circular and Shareholders’ approval requirements (where applicable) under Chapter 19 of the GEM Listing Rules.

REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with the GEM Listing Rules and the Company would like to stress that such delay in compliance with the GEM Listing Rules was inadvertent and unintentional. The Company had no intention to withhold any information relating to the Deposits.

Existing internal procedures

In respect of the vehicle trading business, the sales team regularly gathers market intelligence and submits procurement recommendations to the senior management of the Group for approval. Upon approval, purchase contracts are entered into with vehicle suppliers and the Group is typically required to make advance payments as deposits.

Before making any such deposit, the Company conducts a credit risk assessment through its internal supplier evaluation process, which involves (i) obtaining the supplier’s business license and other qualification documents; (ii) performing desktop searches and background checks on the supplier’s operating status, litigation records and risk profile; and (iii) preparing a supplier assessment form together with the supporting documents for submission to the relevant management for review and approval. The deposit is only paid after the necessary management approval has been obtained.

At the material time, the payment of deposits to vehicle suppliers was regarded as part of the ordinary procurement process in the Group's vehicle trading business, rather than as "advances to an entity" or "financial assistance" under the GEM Listing Rules. Accordingly, such payments were processed under the Group's general procurement and supplier evaluation procedures described above, and there was no separate or specific internal handling procedure designated for "advances to an entity" at the time. Similarly, the subsequent entering into of settlement agreements was aimed at resolving prolonged delivery delays and regarded as a commercial decision made in the ordinary course of business, and was not identified as requiring any separate or specific approval process. Consequently, no additional approval mechanism was triggered for these transactions under the Group's then-existing internal control framework.

Remedial measures

To prevent the recurrence of similar incidents and to further strengthen the Group's internal control and compliance framework on the basis of the existing procedures, the Board has adopted, or will adopt, the following remedial measures:

Remedial Action No.	Remedial Action	Implementation Timeline
1.	the Company published this announcement to inform the public of the transactions disclosed herein	N/A
2.	the Company will arrange training to be provided by PAL Advisory Limited, an independent advisory firm specialising in internal control, corporate governance and risk advisory services whose team members hold professional credentials including but not limited to CPA, ACA and CESGA, for its employees, including the Directors, the senior management, the General Manager, the business operation and finance departments and all other relevant staff, to strengthen their familiarity with the GEM Listing Rules and enhance their awareness of compliance with the relevant internal control procedures relating to notifiable transactions, advance to entity and financial assistance	Not later than 31 October 2026

Remedial		Implementation
Action No.	Remedial Action	Timeline
3.	the Company will provide detailed guidelines relating to notifiable transactions, advance to entity and financial assistance under the GEM Listing Rules for all the Directors, senior management, the General Manager and relevant staff, in order to strengthen and reinforce their existing knowledge and their ability to identify potential issues at an early stage. Such guidelines will, among other things, specifically set out that deposits paid under purchase contracts should be regarded as advances to an entity, and that settlement agreements may constitute the provision of financial assistance, as the case may be	Not later than 30 September 2026
4.	the Company will enhance the existing reporting and approval process by requiring staff to evaluate proposed transactions against the requirements of the GEM Listing Rules. Upon identifying any proposed transactions that may constitute notifiable transactions, advance to entity and/or financial assistance, staff shall not process such transaction solely under the Group's general approval procedures, but instead report the matter to the General Manager and the financial controller at the subsidiary level (the “ Financial Controller ”), who has been newly appointed to strengthen oversight in this regard. The General Manager and the Financial Controller shall further assess the proposed transactions and, where appropriate, comply with the relevant reporting obligations and submit it to the Board for approval	Not later than 30 September 2026
5.	the Company will seek advice of external professional advisers from time to time with respect to the continual compliance with the GEM Listing Rules prior to entering into any notifiable transactions, advance to entity or financial assistance	N/A

Remedial		Implementation
Action No.	Remedial Action	Timeline
6.	the Company will also implement the above measures at the subsidiary level to ensure prompt reporting of any proposed transaction(s) or event(s) where the transactions may constitute notifiable transactions, advance to entity or financial assistance	Not later than 30 September 2026
7.	the Company will seek written Shareholders' approval for the transactions contemplated under the Fuxinzhong Settlement Agreement and the Fuxinzhong Supplemental Agreement in accordance with Rule 19.44 of the GEM Listing Rules	Not later than 30 September 2026
8.	the Company will remind and instruct the staff of the finance department, including the financial manager at the Group level, to review, prior to the publication of each interim and annual report, whether there exist any outstanding balances or circumstances that fall within the disclosure obligation under Rule 17.15 of the GEM Listing Rules and, if so, to ensure that the information specified under Rule 17.17 of the GEM Listing Rules is duly included in the relevant interim or annual report in compliance with Rule 17.22 of the GEM Listing Rules	N/A

Having considered that the non-compliance with the GEM Listing Rules was unintentional and was due to misunderstanding and misinterpretation of the GEM Listing Rules on the part of the General Manager, the aforementioned remedial actions would strengthen the knowledge and understanding of the management and the relevant personnel on notifiable transaction and financial assistance requirements under Chapter 19 of the GEM Listing Rules and on advance to entity disclosure requirements under Chapter 17 of the GEM Listing Rules. The Company's internal control would also be strengthened to assist the management and the relevant personnel in identifying notifiable transactions, advance to entity and/or financial assistance. In view of the foregoing, the implementation of the above remedial actions can ensure that the Company will comply with the relevant GEM Listing Rules on a continuous basis.

DEFINITIONS

Terms used in this announcement have the following meanings unless the context other requires:

“Board”	the board of Directors
“Changyang”	Ningbo Changyang International Trade Co., Ltd.* (寧波昌洋國際貿易有限公司), a company established in the PRC with limited liability
“Changyang Deposit”	the deposits paid by Sheng Yu Hong Jia to Changyang during the period from 3 December 2021 to 13 December 2023
“Changyang Purchase Contracts”	27 individual purchase contracts entered into between Sheng Yu Hong Jia and Changyang during the period from 3 December 2021 to 13 December 2023 for the purchase of vehicles from overseas
“China 6 Emission Standard”	the emission standard stipulated in “Limits and Measurement Methods for Emissions from Light-Duty Vehicles” (China 6) implemented by the PRC government
“Company”	Sinofortune Financial Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8123)
“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules
“Deposits”	the Fuxinzhong Deposit, the Shengchang Deposit, the Changyang Deposit, the Lianzhi Deposit and the Jiahong Deposit
“Director(s)”	the director(s) of the Company for the time being
“Fuxinzhong”	Shenzhen Fuxinzhong International Trade Company Limited* (深圳福鑫眾國際貿易有限公司), a company established in the PRC with limited liability
“Fuxinzhong Deposit”	the deposits paid by Sheng Yu Hong Jia to Fuxinzhong during the period from 21 July 2020 to 27 December 2021

“Fuxinzhong Purchase Contracts”	11 individual purchase contracts entered into between Sheng Yu Hong Jia and Fuxinzhong during the period from 21 July 2020 to 27 December 2021 for the purchase of vehicles from overseas
“Fuxinzhong Settlement Agreement”	the agreement entered into between Sheng Yu Hong Jia and Fuxinzhong on 30 December 2024 for the refund of deposit of approximately RMB66.2 million
“Fuxinzhong Supplemental Agreement”	the agreement entered into between Sheng Yu Hong Jia and Fuxinzhong on 31 December 2025 for the adjustment of the repayment schedule to combine the remaining balance of approximately RMB3.1 million from the first two instalments with the third instalment, payable on or before 31 December 2026
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM issued by the Stock Exchange, as amended or supplemented from time to time
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party who is a third party independent of the Company and its connected person(s)
“Jiahong”	Shandong Jiahong Automobile Trading Co., Ltd.* (山東佳宏汽車貿易有限公司), a company established in the PRC with limited liability
“Jiahong Deposit”	the deposits paid by Sheng Yu Hong Jia to Jiahong on 1 April 2025
“Jiahong Purchase Contract”	the purchase contract entered into between Sheng Yu Hong Jia and Jiahong on 1 April 2025 for the purchase of vehicles from overseas
“Lianzhi”	Chongqing Lianzhi Supply Chain Management Co., Ltd.* (重慶聯智供應鏈管理有限公司), a company established in the PRC with limited liability

“Lianzhi Deposit”	the deposits paid by Sheng Yu Hong Jia to Lianzhi during the period from 2 December 2021 to 26 January 2024
“Lianzhi Purchase Contracts”	72 individual purchase contracts entered into between Sheng Yu Hong Jia and Lianzhi during the period from 2 December 2021 to 24 January 2024 for the purchase of vehicles from overseas
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchase Contracts”	the Fuxinzhong Purchase Contracts, the Shengchang Purchase Contracts, the Changyang Purchase Contracts, the Lianzhi Purchase Contracts and the Jiahong Purchase Contract
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Agreement”	the Fuxinzhong Settlement Agreement, the Fuxinzhong Supplemental Agreement and the Shengchang Settlement Agreement
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sheng Yu Hong Jia”	Chongqing Sheng Yu Hong Jia International Trading Company Limited* (重慶盛渝泓嘉國際貿易有限公司), a 99.67% owned subsidiary of the Company established in the PRC with limited liability
“Shengchang”	Ningbo Shengchang Supply Chain Management Co., Ltd.* (寧波盛昌供應鏈管理有限公司), a company established in the PRC with limited liability
“Shengchang Deposit”	the deposits paid by Sheng Yu Hong Jia to Shengchang during the period from 25 April 2025 to 29 April 2025

“Shengchang Purchase Contracts”	3 individual purchase contracts entered into between Sheng Yu Hong Jia and Shengchang during the period from 25 April 2025 to 29 April 2025 for the purchase of vehicles from overseas
“Shengchang Settlement Agreement”	the agreement entered into between Sheng Yu Hong Jia and Shengchang on 31 December 2025, pursuant to which Shengchang agreed to refund 50% of the deposit (i.e. RMB10 million) to Sheng Yu Hong Jia by 23 March 2026, with the remaining RMB10 million to be retained as deposit payments with adjustments to the vehicle specifications as agreed therein
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Sinofortune Financial Holdings Limited
Wang Jiawei
Chairman

Hong Kong, 3 September 2026

As of the date of this announcement, the executive directors are Mr. Wang Jiawei and Ms. Lai Yuk Mui, the independent non-executive directors are Professor Zhang Benzhen, Mr. Li Jianxing, Professor Chen Shu Wen and Mr. Lee Kwun Kwan.

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 GEM of the Stock Exchange 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 “Latest Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the Company’s website at <http://www.sinofortune.hk>.

* For identification purposes only