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## QUARTERLY UPDATE ON RECENT DEVELOPMENT OF THE COMPANY

This announcement is made by the Momentum Financial Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements (the “**Announcements**”) of the Company dated 20 December 2019, 3 January 2020, 9 June 2020, 17 June 2020, 28 October 2020, 25 March 2021, 25 July 2021, 4 November 2021, 19 November 2021, 8 February 2022, 30 March 2022, 6 April 2022, 3 May 2022, 8 June 2022 and 3 August 2022, in relation to, among other things, (i) the decision of the Stock Exchange to suspend the trading of the Company’s shares under Rule 6.01(3) as the Company failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 (effective from 1 October 2019) to warrant the continued listing of its shares, (ii) the suspension of trading, and (iii) the Resumption Guidance respectively. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

### UPDATE ON RESUMPTION PROGRESS

As disclosed in the Announcements, the Stock Exchange setting out the following guidance (the “**Resumption Guidance**”) for the resumption of trading in the shares of the Company:

- (i) Demonstrate compliance with Rule 13.24;
- (ii) Publish all outstanding financial results and address any audit modifications; and
- (iii) Demonstrate its compliance with Rules 3.10(1), 3.21, 3.25 and 3.27A.

The Stock Exchange may modify or supplement the Resumption Guidance if the Company’s situation changes.

Under Rule 6.01(A) of the Listing Rules, the Stock Exchange may cancel the Company's listing if trading in the Company's shares has been suspended for 18 continuous months. In the case of the Company, the 18-month period expires on 3 May 2023. If the Company fails to remedy the issue(s) causing its trading suspension, fully comply with the Listing Rules to the satisfaction of the Stock Exchange and resume trading in its shares by 3 May 2023, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10, the Stock Exchange also has the right to impose a shorter specific remedial period, when appropriate.

### **Partial Fulfilment of Resumption Guidance**

As disclosed on the announcement published on 3 August 2022, the Resumption Guidance (ii) and (iii) above had been fulfilled.

The Company will publish further announcement(s) to keep its shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

The Company is taking appropriate steps to resolve the issues causing its trading suspension and to fully comply with the Listing Rules to the Stock Exchange's satisfaction.

### **BUSINESS UPDATE**

#### **Cross-border business of the Group**

Since 2017, the Group has carefully managed and implemented its business plan and strategy to continue to develop the cross-border business under the refined S2B2C model as the financial performance of the Group improve despite the unprecedented impact of COVID-19.

In the second half of 2022, the Group continues to expand its cross-border business by further enhancing its business model as follows:

- (i) secured a number of distribution agreements with various overseas suppliers;
- (ii) secured a number of corporation agreements with online shopping platforms in the PRC;
- (iii) established an online shop on Taofenxiao, an online platform operated by Taobao, which allows the Group to directly advertise and offer its products to merchants on Taobao under the S2B2C model; and
- (iv) established a number of online shops through reputable online shopping platforms, including Pinduoduo, which allows the Group to expand into the B2C model and offer its products to consumers directly. The Group is in the process of setting up more online shops through online shopping platforms in the PRC by the end of 2022.

Accordingly, the Group now operates under both S2B2C model and B2C models with its own online shops through the online shopping platforms and is directly advertising and offering its overseas products to end customers in the PRC. As such, the Group is now a comprehensive cross-border e-commerce operator supplying cosmetics, personal care and nutritional products. Accordingly, the Group is well positioned to continue to expand its cross-border business for its customers in the PRC, including both e-commerce distributors and end customers, where the cross-border business will continue to generate revenue and net profit for the Group.

The Group will continue to review its existing businesses from time to time and strive to improve the business operation and financial position of the Group. It has been the business strategy of the Group to proactively seek potential business and investment opportunities with the aim of broadening its source of income and maximising return to the Shareholders.

### **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading of the Company's shares will be suspended with effect from 9:00 a.m. on Thursday, 4 November 2021 pending further notice.

By Order of the Board  
**Momentum Financial Holdings Limited**  
**Liu Xin Chen**  
*Executive Director*

Hong Kong, 3 November 2022

*As at the date of this announcement, the Board comprises two executive directors of the Company, namely, Mr. Liu Xin Chen and Mr. Zhang Rujie; and three independent non-executive directors of the Company, namely, Mr. Man Wai Lun, Mr. Zhou Zhencun and Mr. Chen Yongping.*