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HUISEN GROUP

Huisen Shares Group Limited

匯森股份集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2127)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO

RESUMPTION GUIDANCE

AND

CONTINUED SUSPENSION OF TRADING

This announcement is made by Huisen Shares Group Limited (the “Company”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) and Rule 13.09 of the Listing Rules, which is supplemental to the Company’s announcement (the “Resumption Guidance Announcement”) dated 28 July 2025 in relation to the Resumption Guidance. The information disclosed below is supplemental to the Resumption Guidance Announcement and does not affect other information in the Resumption Guidance Announcement. Save as disclosed in this announcement, the contents of the Resumption Guidance Announcement remain unchanged.

(i) Defined terms used in the Resumption Guidance Announcement

Reference is made to (i) the announcement of the Company dated 9 June 2025 in relation to the trading halt in the shares of the Company on The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”); (ii) the Company’s announcements of 8 November 2024, 20 November 2024, 6 February 2025, 28 February 2025, 15 May 2025, 19 May 2025, 21 May 2025 (the “**Announcements**”). Capitalised terms used in the Resumption Guidance Announcement and this announcement shall have the same meanings as defined in the Announcements unless the context otherwise requires.

(ii) Background of the Resumption Guidance

The circumstances including the matters and relevant issues leading to the resumption conditions imposed to the Company is set out as follows:

1. Trading in the Company’s shares has been suspended since 9 June 2025 pending the release of an announcement in relation to certain claims and lawsuits against the Company which are inside information.
2. Mr. Zeng Ming (“**Mr. Zeng**”) is a former executive director and chairman of the Company resigned on 30 August 2024. He is also a former controlling shareholder of the Company upon the Company’s listing in 2020. Following Mr. Zeng’s disposal of the Company’s shares through Pure Cypress Limited, Mr. Zeng ceased to be a controlling shareholder on 4 October 2024. The Company currently has no substantial shareholder. Ms. Zeng Ming Lan (“**Ms. Zeng**”), Mr. Zeng’s sister, serves as an executive director responsible for the financial management and internal control of the Company.
3. Since October 2024, the Stock Exchange have received some complaints alleging non-disclosure of certain loan breaches and legal claims involving Mr. Zeng, Ms. Zeng and the Company and its subsidiaries. These allegations include instances where the Company, its subsidiaries and Ms. Zeng acted as guarantors for Mr. Zeng’s liabilities. In response to the Stock Exchange’s enquiries, the Company published announcements from November 2024 to May 2025 in relation to the legal proceedings involving unauthorized guarantee transactions and defaulted loans.
4. Nevertheless, after publishing the aforementioned announcements, in response to the Stock Exchange’s enquiry, the Company and its subsidiaries admitted that they

are involved in 22 lawsuits (filed by various parties between 2021 and 2025) related to their failure to repay loans and guarantees totaling RMB311.2 million (the “**Undisclosed Claims**”). These legal claims had not been previously disclosed and most of them with the PRC court ruling that the Company was obliged to repay the outstanding amounts. However, the Company was unable to clarify the full extent and impact of these claims on its business operations and financial position, as the total payment obligation and assets pledged over these loans remain uncertain.

5. Furthermore, on 28 February 2025, the Company published its second interim results announcement for the 12 months ended 31 December 2024 (the “Second Interim Results 2024”). In the Second Interim Results 2024, the Company restated the balances of trade receivables; prepayments, deposits and other receivables; trade payables; and other payables and accruals as at 30 June 2024. This is due to a total amount payable to a supplier of RMB202 million being wrongly recorded as receivables and prepayments. Subsequently, the Company informed the Stock Exchange that the reclassification is further understated by RMB138 million due to inadvertent oversight (collectively, the “**Reclassifications**”).
6. Apart from the restatement of financial statements, the Company has been unable to provide detailed explanations regarding significant losses recognised during the period, including inventory losses from overproduction and customer order cancellations and abandoned goods of RMB250 million and RMB362 million, respectively (of which RMB110 million was claimed to have been given to the Company’s staff for free for unknown reasons). It has also failed to explain the recognition of a loss of RMB65 million (instead of a gain) arising from the disposal of a subsidiary in net liabilities, which was transferred at nil consideration (collectively, the “**Other Losses**”).
7. According to the Resumption Guidance, the underlying facts and circumstances and the extent and impact in relation to the Unauthorised Transactions, the Undisclosed Claims, the Reclassifications and the Other Losses remain unclear. This raises serious concerns about the possible misuse or misappropriation of the Company’s assets and non-compliance with the Listing Rules and possible involvement of the Company’s former controlling shareholder and director. Other than the former director, it remains unclear whether any of the Company’s

directors and/or senior management had knowledge of and/or involvement in the above matters. This uncertainty also gives rise to the Stock Exchange's concerns about the integrity, competence and character of the Company's management and/or any persons with substantial influence over the Company's management and operations. Hence, the gravity of the concerns calls for an independent forensic investigation to be undertaken.

8. In addition, the above matters raise serious concern that there is internal control breakdown of the Company which warrants an independent internal control review.
9. Furthermore, as at 31 December 2024, the Company had cash balance of RMB5.6 million only. The aggregated amount of loan breaches and other claims filed against the Company as outlined in the letter from the Stock Exchange is material as compared to its cash level. The status and amount involved in the pledged assets associated with the Unauthorised Transactions and the Undisclosed Claims remain uncertain and the extent and impact on the Company's financial position and business operation is in question. As such, the Stock Exchange are unable to assess whether the Company still has sufficient operations and assets under Rule 13.24 to warrant its continued listing.

CONTINUED SUSPENSION OF TRADING

Trading in the Company's shares on the Stock Exchange has been suspended since 9 June 2025 and will remain suspended until further notice. Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules to keep its shareholders and potential investors informed of the latest progress in complying with the Resumption Guidance.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Huisen Shares Group Limited
Wu Runlu
Chairman

Hong Kong, 30 July 2025

As at the date of this announcement, the Board comprises Mr. Wu Runlu and Ms. Zeng Minglan as executive directors, Mr. Ngok Ho Wai and Mr. Liu Jiong and Mr. Feng Zhaowei as independent non-executive directors.