Jiu Rong Holdings Limited
久融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2358)

VERY SUBSTANTIAL ACQUISITION AND VERY SUBSTANTIAL DISPOSAL IN RELATION TO TRADING OF SHARES OF THE TARGET COMPANY AND NON-COMPLIANCE WITH THE LISTING RULES

TRADING OF SHARES OF THE TARGET COMPANY

The Board wishes to announce that, during the Relevant Period, the Company entered into a series of transactions involving the Purchases and the Disposals, when considered on an aggregate basis, constituted a very substantial acquisition and a very substantial disposal under Chapter 14 of the Listing Rules. The Board has become aware that, the Company did not fully comply with the applicable requirements under the Listing Rules when the Transactions were conducted. This announcement is made for the purpose of disclosing the information in respect of the Transactions.

REASONS FOR THE NON-COMPLIANCE WITH THE LISTING RULES

As set out in the section headed “Listing Rules Implications” in this announcement, the Purchases and the Disposals, on an aggregated basis, constituted a very substantial acquisition and a very substantial disposal of the Company under Chapter 14 of the Listing Rules, respectively.

To the best of the current Board’s understanding, the then executive Directors and then company secretary should have followed the internal protocol for reporting and disclosing any transaction which constitutes a discloseable transaction under Chapter 14 of the Listing Rules. Nevertheless, the Transactions were authorised by the Former Executive Directors and implemented by the authorised staff without reporting to the Board during the Relevant Period. Consequently, the Company has failed to adhere to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules at the material times.

Although current management has undertaken a thorough review and investigate on the Transactions, the specific reason why the Former Executive Directors failed to disclose and/or aggregate the Transactions remains unclear to the current Board.

TRADING OF SHARES OF THE TARGET COMPANY

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PURCHASES OF SHARES OF THE TARGET COMPANY

The Board announces that during the Relevant Period, the Company purchased the Purchased Shares on the Shanghai Stock Exchange through open-market transactions at the following purchase price:

Purchase date	Number of shares purchased	Price range	Total consideration
		(RMB per share)	*(RMB million)*
9 June 2022 to 27 April 2023	20,557,355	6.31 to 10.59	172.4

To the best understanding of the Directors, each of the aforementioned purchases, when considered on a standalone basis, resulted in all applicable percentage ratios under Chapter 14 of the Listing Rules being less than 5%.

As the Purchases were made through the trading system of the Shanghai Stock Exchange, the Company was not aware of the identities of the sellers of the Purchases or their respective principal business activities. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the sellers in respect of the Purchases are Independent Third Parties. The Transactions were funded by the Company's internal resources.

DISPOSALS OF SHARES OF THE TARGET COMPANY

The Board announces that during the Relevant Period, the Company disposed in the open market on the Shanghai Stock Exchange the Sale Shares at the following disposal price:

Disposal date	Number of shares disposed	Price range	Total consideration
		(RMB per share)	*(RMB million)*
8 June 2022 to 28 April 2023	30,517,514	6.52 to 10.90	256.1

To the best understanding of the Directors, save for a disposal conducted on 27 April 2023 (where the Company disposed of 1,000,000 shares of the Target Company for a total consideration of approximately RMB8.0 million, resulting in one or more of the applicable percentage ratios exceeding 5% but remaining below 25%), each of the aforementioned disposals, when considered on a standalone basis, resulted in all applicable percentage ratios under Chapter 14 of the Listing Rules being less than 5%. The disposal conducted on 27 April 2023, on a standalone basis, constituted a discloseable transaction under Rule 14.06(2) of the Listing Rules.

As the Disposals were made through the trading system of the Shanghai Stock Exchange, the Company was not aware of the identities of the counterparty(ies) of the Disposals or their respective principal business activities. To the best of the knowledge, information and belief of Directors having made all reasonable enquiries, each of the counterparty(ies) of the Disposals and their respective ultimate beneficial owners are Independent Third Parties. Given that the Transactions were made on the open market via the trading system of the Shanghai Stock Exchange and have been fully settled, the Transactions are not capable of being unwound or reversed.

In respect of the Disposals during the Relevant Period, and taking into account the initial consideration of approximately RMB100 million for the subscription of the 9,960,159 shares of the Target Company (as disclosed in the Company's announcement dated 8 July 2021), the Company incurred a loss of approximately RMB21.3 million from shares subscribed in 2021. The loss was calculated as the difference between the subscription cost and the proceeds received (exclusive of transaction costs), comprising:

(i) The disposal of 5,538,800 shares of the Target Company between 8 June 2022 and 13 November 2022, generating proceeds of approximately RMB41.9 million;

(ii) The disposal of the remaining 4,421,359 shares of the Target Company subscribed on 8 July 2021, on 14 November 2022, under the first-in-first-out principle, generating proceeds of approximately RMB35.5 million; and

(iii) The dividend payout received from the Target Company for the financial year 2021, amounting to approximately RMB1.3 million.

Separately, the disposals of the Purchased Shares during the Relevant Period recorded a gain of approximately RMB6.1 million, which was recognised in the profit or loss. This gain was calculated as the difference between the cost of the Purchases of approximately RMB172.4 million and the proceeds received from the disposals of the remaining 20,557,355 shares of the Target Company of approximately RMB178.6 million (exclusive of transaction costs), indicating that certain trading activities undertaken thereafter were profitable and accretive to Shareholder value.

Accordingly, the Company recognised an overall net loss of approximately RMB15.1 million from the Disposals, which has been reflected in its consolidated financial statements for the years ended 31 December 2022 and 2023.

The Board believes that the Transactions, while not all properly disclosed at the material time, contributed to active portfolio management, mitigated losses on prior investments, and delivered gains in subsequent trades, all of which, were undertaken with a view to preserve and enhance the Company's potential investment returns and Shareholders' value.

As of the date of this announcement, the Company has not held any shares in the Target Company since 28 April 2023 (the date of the last disposal).

REASONS FOR THE NON-COMPLIANCE WITH THE LISTING RULES

As set out in the section entitled "Listing Rules Implications" of this announcement, the Purchases and the Disposals, when considered on an aggregated basis, constituted a very substantial acquisition and a very substantial disposal of the Company under Chapter 14 of the Listing Rules, respectively.

The Company wishes to provide further information that the Transactions took place during the Relevant Period. Notably, the majority of the Board at that time, including the Former Executive Directors and two of the three then independent non-executive Directors, had departed between May and June 2023. The Company had appointed two new executive Directors and two new independent non-executive Directors in May and August 2023, respectively, to fill the casual vacancies of the Board. Mr. Chen Zheng, the only remaining Director from the Relevant Period, has been actively assisting the new management to understand the situation of the Company and the events happened in the past.

To the best of the current Board's understanding, the then executive Directors and then company secretary should have followed the internal protocol for reporting and disclosing any transaction which constitutes a discloseable transaction under Chapter 14 of the Listing Rules. Nevertheless, the Transactions were authorised by the Former Executive Directors and implemented by the authorised staff without reporting to the Board during the Relevant Period. Consequently, the Company has failed to adhere to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules at the material times. Although current management has undertaken a thorough review and investigate on the Transactions, including an examination of relevant internal trading records, accounting documentation, and Board meeting minutes, as well as enquiries with Mr. Chen Zheng, who confirmed that he was not aware of the Transactions in through meetings or meeting materials at the relevant time, the specific reason why the Former Executive Directors failed to disclose and/or aggregate the Transactions remains unclear to the current Board.

The non-compliance was identified during the process of compiling information in response to enquiries from the Stock Exchange. Based on a review on the Company's trading records of listed securities, the Directors confirm that, save for such non-compliance, there is no other similar non-compliance under Chapter 14 of the Listing Rules for trading of securities by the Company.

Regarding the issue that the relevant non-compliance was not identified by the then independent non-executive Directors in the 2022 financial statements, the Company has reviewed the relevant Board and Audit Committee meeting minutes. The Company has also consulted and verified the circumstances with Mr. Chen Zheng, the only remaining Director from the Relevant Period. Following thorough communication, the Company understands that the omission arose primarily due to (i) the Transactions were reflected only under the aggregated line item "investments at fair value through profit or loss" in the financial statements, without disclosure of counterparties or specific investment details, and relevant information was neither disclosed nor discussed by management, executive Directors or the external auditor during the 2022 Board and Audit Committee meetings; (ii) the then independent non-executive Directors did not have direct access to underlying financial systems and relied on reports prepared by management and the external auditor; and (iii) accounting and audit matters were handled by qualified members of the Audit Committee under the established division of responsibilities at the time. Mr. Chen, who does not possess an accounting background, discharged his oversight duties based on the materials and professional advice provided, and such reliance was consistent with corporate governance norms. Following discovery of the irregularities, Mr. Chen has actively assisted the new management in reviewing historical issues and strengthening internal control measures, including enhancing disclosure procedures and monitoring of major investments. The Company considers that his inability to detect the Transactions was attributable to reasonable limitations in information and role allocation, and was not the result of negligence or misconduct.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

By the end of the Relevant Period, the Company had fully divested its holding in the Target Company. This enabled the Group to reallocate its capital resources in light of deteriorating market sentiment and the waning prospects of the share prices in the Target Company. For context, the average month-end closing price of the Target Company declined to approximately RMB7.4 per share between May 2023 and April 2025.

Each Transaction was executed on the open market at prevailing market prices. In view of the foregoing, and having considered all relevant factors set out above, the current Board is satisfied that the terms of each of the Transactions were fair, reasonable and in the best interests of the Company and the Shareholders as a whole.

Since 28 April 2023, being the date of the last Disposal, the Company has not engaged in any further trading of listed securities, save for the divestment of its remaining interests in Hangzhou East Software Park and SSG, which were duly disclosed in the announcements dated 28 February 2025 and 6 March 2025 respectively and approved by the Shareholders at the extraordinary general meeting convened on 13 June 2025 (see the circulars dated 26 May 2025). The disposal of shares in Hangzhou East Software Park was completed on 28 August 2025. Save for the transactions disclosed above, the Company has no intention to conduct any further trading of listed securities in the foreseeable future.

REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with Chapter 14 of the Listing Rules. To avoid the re-occurrence of similar incidents, the Company has taken and will take the following remedial and preventive measures:

(i) Upon the appointments of the new Board members in 2023, the executive Directors undertook a comprehensive review of the Company's internal control policies and procedures. The review identified several key issues: (i) certain purported transactions (as mentioned in the Company's announcements dated 26 March and 26 June 2024) were not properly reported to or authorised by the Board; and (ii) the dual role held by Mr. Siu as both an executive Director and the company secretary of the Company, which gave rise to concerns regarding the effectiveness of checks and balances.

In response to the findings, certain enhanced internal control procedures have been implemented and continuously refined and further strengthen the Company's internal control framework from December 2023 onwards. Key measures include: (i) clear delineation of authority boundaries for management and executive Directors, with detailed policies governing transaction reporting and approval procedures duly communicated to all business units; (ii) strengthened segregation of duties, with the appointment of a new Company Secretary in July 2023 who is independent of the executive Directors, thereby enhancing oversight and governance; and (iii) introduction of a robust documentation and recordkeeping system to ensure that key decisions, approvals, and execution processes are properly recorded and auditable.

According to the Company's established policy, each business unit within the Group has been instructed that any transaction, that exceeds RMB 2 million must be reported to the Executive Directors and the Company Secretary. The Company Secretary is responsible for reviewing the size and nature of the transaction to assess compliance with the Listing Rules. Where appropriate, the Company Secretary may seek advice from the Company's legal counsel and will provide guidance to the executive Directors on the implications under the Listing Rules. The executive Directors shall take into account the advice provided by the Company Secretary to ensure that the transaction is in full compliance with the applicable Listing Rules.

The detailed procedural steps are as follows:

The Finance Department of each business unit within the Group is responsible for preparing the relevant transaction information and performing the initial calculations of the applicable percentage ratios, both on a standalone and aggregated basis, in accordance with Chapter 14 of the Listing Rules.

These size test calculations, together with the underlying figures, are submitted to each of the executive Directors—namely Mr. Chen Yunxiang, Ms. Liu Bingjie, and Mr. Yan Zhendong—for their reference.

The Company Secretary, Ms. Wong Ka Yan, is provided with the relevant information and, based on the materials received, reviews the size test calculations and assesses the compliance implications under the Listing Rules. Should the Company Secretary have any doubts regarding the size tests computation, she may seek professional advice from the Company's legal counsel.

Upon consolidating the information, the Company Secretary provides guidance to the executive Directors regarding the implications under the Listing Rules. The Company Secretary also maintains ongoing monitoring of Listing Rules compliance, particularly in the event of any modifications to the terms of the transactions, and offers timely advice to the executive Directors.

The executive Directors will consider the recommendations provided by the Company Secretary in determining whether the transaction falls within the scope of a notifiable transaction under the Listing Rules.

Subject to the resolution of all compliance matters identified by the Company Secretary, the executive Directors may proceed to approve the transaction where the calculated applicable ratios do not meet or exceed the 5% threshold as prescribed under Chapter 14 of the Listing Rules. Additionally, where the calculated applicable ratios meet or exceed the 5% threshold, the executive Directors and the Company Secretary must escalate the relevant matter to the Board for timely consideration and approval.

(ii) Pursuant to the request of the independent non-executive Directors, the Board resolved to voluntarily engage an independent internal control advisor to undertake a comprehensive review of the Group's internal control framework. In June 2025, the Company engaged Alvarez & Marsal to conduct the review. Alvarez & Marsal is an independent global advisory firm which has extensive experience in reviewing and advising on internal controls and corporate governance of companies listed on the Stock Exchange. Alvarez & Marsal specializes in serving as an internal control reviewer of a number of companies listed on the Stock Exchange. It also possesses experience conducting similar internal control review cases in respect of non-compliance with the Listing Rules. Its team holds relevant professional qualifications, including Certified Public Accountant and Members of The Association of Certified Fraud Examiners. The review principally assessed the Group's policies and procedures concerning working capital management, together with the compliance with Chapter 14 and Chapter 14A of the Listing Rules. In addition, the advisor assessed policies related to (i) revenue and receipts; (ii) purchases and payments; (iii) inventory management; (iv) human resources and payroll; and (v) capital expenditure and treasury management. Based on the findings of the review, the recommendations might be provided, where appropriate, to further enhance the Company's internal control policies and procedures.

The Board considers this initiative a reaffirmation of its commitment to upholding an adequate and effective internal control environment. In accordance with the defined scope, Alvarez & Marsal conducted a review of the Company's policies and procedures. For areas governed by the Listing Rules or related guidance, a high-level comparison was performed to assess alignment with prescribed requirements for listed companies. In areas not covered by the Listing Rules or guidance, benchmarking was conducted against best practices implemented by other listed companies. The internal control review was completed in September 2025. Based on the findings presented to the Board by Alvarez & Marsal, no issues have been identified. The Company will disclose the results of the internal control review in its annual report.

(iii) The Company has engaged Haiwen & Partners LLP, together with other professional institutions, to provide training sessions to the Directors, senior management and the Company Secretary, including the relevant personnel responsible for authorising and instructing the transactions. These sessions focused on compliance requirements and the practical application of key areas, including key topics under the Listing Rules, including notifiable and connected transactions, corporate governance, and regular updates on changes and developments in the Group's business and the legislative and regulatory environments in which the Group operates. These training sessions, comprising no less than 15 hours, commenced in June 2025 and was completed in September 2025. In addition, the Company will make ongoing reference to publicly available training resources issued by recognised industry bodies and regulatory authorities, including The Hong Kong Institute of Governance and materials published on the official website of the Exchange, to ensure timely updates and refreshers on the Listing Rules. Training materials and training sessions will be provided to any newly appointed Directors, senior management personnel, Company Secretary or new relevant staff to ensure continuity in professional development. The Company believes that continuous professional training is essential to enhancing the compliance awareness, governance standards and decision-making capabilities of its Board and senior management. Updates on the relevant trainings will be provided in the Company's annual report.

In addition to the above, the Board members (including the independent non-executive Directors) may, where appropriate, obtain external professional advice to ensure compliance with regulatory requirements.

In view of the above, the Board considers that the remedial actions are adequate and effective to avoid the re-occurrence of similar incidents.

LISTING RULES IMPLICATIONS

As the Company carried out the Purchases within a 12-month period, all Purchases (in respect of the shares of the Target Company) were required to be aggregated and treated as if they were one transaction pursuant to the Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios exceeds 100%, the Purchases during the Relevant Period, on an aggregate basis, constituted a very substantial acquisition under Rule 14.06(5) of the Listing Rules and were therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Similarly, as the Company carried out the Disposals within a 12-month period, all Disposals (in respect of the shares of the Target Company) were required to be aggregated and treated as if they were one transaction pursuant to the Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios exceeds 75%, the Disposals during the Relevant Period, on an aggregate basis, constituted a very substantial disposal under Rule 14.06(4) of the Listing Rules and were therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company acknowledges the need to re-comply with the relevant rules but, after careful consideration, has resolved not to convene a shareholders' meeting to ratify the Transactions. This decision reflects that (i) the Transactions occurred over two years ago and valuations have since changed; (ii) they were executed in the open market with untraceable counterparties and cannot be unwound even if Shareholders voted against ratification, which would strip Shareholders of meaningful decision-making power and risk damaging relations; (iii) an adverse vote could also cast doubt on management's effectiveness and impede future investment; and (iv) the administrative and financial burden of calling an extraordinary general meeting would be disproportionate. In light of the foregoing, the Directors believe that issuing a circular and convening an extraordinary general meeting would neither rectify the Transactions nor serve the best interests of Shareholders as a whole, but would impose unnecessary burdens on the Company. Accordingly, the Company has resolved to remedy the past non-compliances by other means, as detailed in the "Remedial Actions" section above, and will disclose relevant information and updates in future announcement(s) and the annual report.

INFORMATION OF THE COMPANY AND THE GROUP

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in (i) digital video business; (ii) new energy vehicles business; (iii) cloud ecological big data business; (iv) properties development; (v) properties investment; and (vi) general trading.

INFORMATION ON THE TARGET COMPANY

The Target Company is an enterprise incorporated in the PRC with limited liability, whose issued shares are listed on the Shanghai Stock Exchange (Stock Code: 600095). The Target Company is principally engaged in securities dealings.

The following financial information is extracted from the financial results of the Target Company for the financial years ended 31 December 2022 and 2021:

	For the year ended 31 December 2022 (audited) *(RMB' million)*	**For the year ended 31 December 2021 (audited)** *(RMB' million)*
Revenue	3,516	4,571
(Loss)/Profit before tax	(323)	713
(Loss)/Profit after tax	(328)	488
Total assets	34,788	35,267
Total liabilities	22,905	22,677
Net assets	11,883	12,590

DEFINITIONS

In this announcement, unless the context otherwise requires, the following capitalised terms shall have the following meanings:

"Board"	the board of Directors
"Company"	Jiu Rong Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2358)
"Company Secretary"	The company secretary of the Company
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposals"	the disposals of the Sale Shares on the market by the Company during the Relevant Period
"Former Executive Director(s)"	The executive director(s) of the Company served during the Relevant Period, namely Mr. Siu Chi Ming (resigned on 30 June 2023), Mr. Yin Jianwen (resigned on 10 September 2022) and Mr. Zhao Jianhua (appointed on 10 September 2022 and resigned on 20 May 2023)
"Group"	the Company and its subsidiaries
"Hangzhou East Software Park"	Hangzhou East Software Park Co., Ltd.* (杭州東部軟件園股份有限公司), a company incorporated in the PRC with limited liability whose shares are listed on the NEEQ (stock code: 832968)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party(ies) independent of the Company and connected persons of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Siu"	Mr. Siu Chi Ming, served as executive Director and the company secretary of the Company until 29 June 2023
"NEEQ"	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
"PRC"	the People's Republic of China which, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan region
"Purchases"	the purchases of the Purchased Shares on the market by the Company during the Relevant Period
"Purchased Shares"	means the securities purchased by the Company in the Purchases. For details, please refer to sections headed "Purchases of Shares of the Target Company"
"Relevant Period"	means the period from 9 June 2022 to 27 April 2023 for the Purchases and from 8 June 2022 to 28 April 2023 for the Disposals respectively
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	means the securities disposed by the Company in the Disposals. For details, please refer to sections headed "Disposals of Shares of the Target Company"

"Shares"	ordinary shares of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"SSG"	Sundy Service Group Co. Ltd, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 9608)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	XIANGCAI Co., Ltd.* (湘財股份有限公司), a company incorporated in the PRC with limited liability and the issued shares of which are listed on the Shanghai Stock Exchange (stock code: 600095)
"Transactions"	A series of transactions, including the Purchases and the Disposals

For the purpose of this announcement, unless otherwise stated, the conversion of RMB into HK$ is based on the exchange rate of HK$1.00 to RMB0.88. The exchange rate has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates at all.

* *In this announcement, the English names of the PRC entities marked in asterisks are direct translations of their respective Chinese names and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

By order of the Board
Jiu Rong Holdings Limited
Chen Yunxiang
Executive Director

Hong Kong, 28 November 2025

As at the date of this announcement, the Executive Directors are Mr. Chen Yunxiang, Ms. Liu Bingjie and Mr. Yan Zhendong, the Independent Non-executive Directors are Mr. Chen Zheng, Mr. Wong Chi Kin and Mr. Hua Nengdong.